

For Fiscal Year
Ending Sept. 30,
2006

Appropriated from:	
Federal revenues:	
Federal revenues	\$ 2,863,400
Special revenue funds:	
Certification fees	56,500
Private foundations	184,800
State general fund/general purpose	\$ 925,600

School improvement services (kids succeeding).

Sec. 110. SCHOOL IMPROVEMENT SERVICES (KIDS SUCCEEDING)

Full-time equated classified positions	74.0
School improvement operations—74.0 FTE positions	\$ 16,361,300
GROSS APPROPRIATION	\$ 16,361,300

Appropriated from:	
Federal revenues:	
Federal revenues	14,335,700
Special revenue funds:	
Certification fees	518,900
Private foundations	1,082,100
State general fund/general purpose	\$ 424,600

School finance and school law services (kids succeeding).

Sec. 111. SCHOOL FINANCE AND SCHOOL LAW SERVICES (KIDS SUCCEEDING)

Full-time equated classified positions	20.0
School finance and school law operations—20.0 FTE positions	\$ 2,592,700
GROSS APPROPRIATION	\$ 2,592,700

Appropriated from:	
Federal revenues:	
Federal revenues	1,323,200
Special revenue funds:	
Certification fees	490,300
State general fund/general purpose	\$ 779,200

Education assessment and accountability (kids succeeding).

Sec. 112. EDUCATION ASSESSMENT AND ACCOUNTABILITY (KIDS SUCCEEDING)

Full-time equated classified positions	27.0
Educational assessment operations—27.0 FTE positions	\$ 35,196,600
GROSS APPROPRIATION	\$ 35,196,600

Appropriated from:	
Federal revenues:	
Federal revenues	18,837,300
Special revenue funds:	
Michigan merit award trust funds	16,359,300
State general fund/general purpose	\$ 0

Grants administration and school support services (kids succeeding).

Sec. 113. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES (KIDS SUCCEEDING)

Full-time equated classified positions	59.5
--	------

	For Fiscal Year Ending Sept. 30, 2006
Grants administration and school support services operations—	
59.5 FTE positions.....	\$ 7,939,900
GROSS APPROPRIATION.....	\$ 7,939,900
Appropriated from:	
Federal revenues:	
Federal revenues	7,449,300
Special revenue funds:	
Commodity distribution fees	68,100
Local school district service fees	10,400
State general fund/general purpose	\$ 412,100

Grants and distributions (kids succeeding).

Sec. 114. GRANTS AND DISTRIBUTIONS (KIDS SUCCEEDING)

Middle school math project.....	\$ 100,000
School breakfast programs	9,625,000
GROSS APPROPRIATION.....	\$ 9,725,000
Appropriated from:	
Special revenue funds:	
Certification fees.....	100,000
State general fund/general purpose	\$ 9,625,000

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 2005-2006 is \$39,963,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is estimated at \$9,625,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

GRANTS AND DISTRIBUTIONS
STATE PROGRAMS

School breakfast.....	\$ 9,625,000
TOTAL	\$ 9,625,000

Appropriations subject to MCL 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this article:

- (a) "Department" means the Michigan department of education.

(b) “District” means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a local act school district or public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

(c) “FTE” means full-time equated.

(d) “ISD” means intermediate school district.

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.

Use of Internet; transmission of reports.

Sec. 205. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

State board of education agenda and documents.

Sec. 206. The department shall provide the state budget director and the senate and house fiscal agencies with copies of the state board of education agenda and all supporting documents at the time the agenda and supporting documents are provided to state board of education members.

Safe school program.

Sec. 207. (1) Upon receipt of the federal drug-free grant, the department shall allocate \$225,000.00 of the grant to the safe school program within the department. The safe school program shall work with local school boards, parents of enrolled students, law enforcement agencies, community leaders, and the office of drug control policy for the prevention of school violence. The safe school program shall develop and implement, and serve as coordinator of, a statewide clearinghouse for information, program development, model programs and policies, and technical assistance on school violence prevention.

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

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

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

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

Disciplinary actions for sexual misconduct; personnel file.

Sec. 208. The department shall require all public school districts to maintain complete records within the personnel file of a teacher or school employee of any disciplinary actions taken by the local school board against the teacher or employee for sexual misconduct. The records shall not be destroyed or removed from the teacher’s or employee’s personnel file except as required by a court order.

Information technology; payment of user fees.

Sec. 209. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology-related services and projects. Such user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

Information technology; designation of amounts as work project.

Sec. 210. Amounts appropriated in part 1 for information technology may be designated as work projects and carried forward to support technology projects under the direction of the department of information technology. Funds designated in this manner are not available for expenditure until approved as work projects under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

Schools failing to make adequate yearly progress; action on appeals before publication of list.

Sec. 211. Before publishing a list of schools or districts determined to have failed to make adequate yearly progress as required by the federal no child left behind act of 2001, Public Law 107-110, 115 Stat. 1425, the department shall allow a school or district to appeal that determination. The department shall consider and act upon the appeal within 30 days after it is submitted and shall not publish the list until after all appeals have been considered and decided.

Purchase of foreign goods or services.

Sec. 212. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Hiring freeze; exceptions.

Sec. 213. (1) A hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and prohibited from filling any vacant state classified civil service positions. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department.

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

Out-of-state travel.

Sec. 214. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Communication of employee with legislative member.

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

Businesses in deprived and depressed communities.

Sec. 216. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Auditor general; costs; billing.

Sec. 217. The department shall pay within 60 days of submission the full amount of any bills submitted by the auditor general for all costs incurred by the auditor general while conducting audits of federally funded programs. The department shall expend federal funds allowable under federal law to satisfy any charges billed by the auditor general.

STATE BOARD/OFFICE OF THE SUPERINTENDENT**Per diem payments; expense report.**

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

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

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

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

(3) The administrative secretary of the state board of education shall report to the public, the senate and house fiscal agencies, and the state budget director the previous quarter's expenses by fund source for members of the state board of education.

Out-of-state travel.

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than \$35,000.00 shall be expended for in-state travel. No funds from the amount appropriated in part 1 shall be expended for out-of-state travel unless the out-of-state travel is directly related to the duties of the state board of education.

Best practices; study.

Sec. 303. From the amount appropriated in part 1 to state board/superintendent operations, not more than \$350,000.00 shall be expended for a study by the state board of education to advise the legislature and the governor of local, state, and national best practices in education. The study is to review best practices at all levels of the public education process that encourage effective and efficient organization of schools and support improvement in academic achievement. The study should focus on the delivery of public school programs through school organization and services. In undertaking the study, the state board of education is encouraged to work with a third party meeting the qualifications identified in section 1001.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**Michigan schools for the deaf and blind; employee status.**

Sec. 401. The employees at the Michigan schools for the deaf and blind who work on a school year basis shall be considered annual employees for purposes of service credits, retirement, and insurance benefits.

Michigan schools for the deaf and blind; costs of instructional program.

Sec. 402. For each student enrolled at the Michigan schools for the deaf and blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program. The amount shall exclude room and board related costs and the cost of weekend transportation between the school and the student's home.

Rent rates and leasing arrangements.

Sec. 403. (1) The department may assess rent to any state agency for the use of any facility at the Michigan school for the blind's former site in Lansing. The rental rates and

all leasing arrangements shall be subject to the approval of the department of management and budget.

(2) In addition to those funds appropriated in part 1, the department may receive and expend additional funds from lease agreements at the Michigan school for the blind's former site in Lansing that have been negotiated with the approval of the department of management and budget. These funds are appropriated to the department for operation, maintenance, and renovation expenses associated with the leased space designated in the tenant's lease agreement.

(3) Security guards or other patrols at the Michigan school for the blind's former site shall not be funded through part 1 funds appropriated for the Michigan schools for the deaf and blind.

(4) If the department leases real property to a person or organization that is not a department of state government, the department shall not expend funds in excess of the lease revenue received to replace, renovate, or repair that real property. This section shall not apply to emergency repairs or costs associated with technological renovations.

(5) The department shall not lease real property for less than fair market value.

(6) From the unexpended balances of appropriations for the former school for the blind site in Lansing, up to \$100,000.00 of any unexpended and unencumbered funds remaining on September 30, 2006 may be carried forward as a work project and expended for special maintenance and repairs of facilities at the former Michigan school for the blind site in Lansing. The work project shall be performed by state employees or by contract when necessary at an estimated cost of \$100,000.00. The estimated completion date of the work project is September 30, 2007.

Rent or lease of property to private or publicly funded organizations; additional funds; carrying forward unexpended and unencumbered funds; work project.

Sec. 404. (1) The department may assess rent or lease excess property located on the campus of the Michigan schools for the deaf and blind in Flint to private or publicly funded organizations.

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

(3) From the unexpended balances of appropriations for the schools for the deaf and blind operations, up to \$250,000.00 of any unexpended and unencumbered funds remaining on September 30, 2006 may be carried forward as a work project and expended for special maintenance and repairs of facilities at the campus of the Michigan schools for the deaf and blind in Flint. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$250,000.00. The estimated completion date of the work is September 30, 2007.

Federal Medicaid services provided in Michigan schools; reimbursement.

Sec. 407. The department may assist the department of community health, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of community health for reimbursement.

Michigan schools for the deaf and blind; promotion of residential program; distribution of information; choice.

Sec. 408. (1) The Michigan schools for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan schools for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

(2) Upon knowledge of or recognition by an intermediate school district that a child in the district is deaf or hard of hearing or blind or visually impaired, the intermediate school district shall provide to the parents of the child the literature distributed by the Michigan schools for the deaf and blind to intermediate school districts under subsection (1).

(3) Parents should continue to have a choice regarding the educational placement of their deaf or hard of hearing children.

Mid-Michigan leadership academy for capital improvements; receipt and expenditure of funds.

Sec. 409. In addition to those funds appropriated in part 1, the department may receive and expend funds from the mid-Michigan leadership academy for capital improvements. The department shall report to the house and senate fiscal agencies and the state budget office on an annual basis any expenditures made under this section. These additional funds are appropriated specifically for capital improvements authorized by the department of management and budget and shall be negotiated as part of the lease agreement.

General services for the Michigan school for the blind's former site; report.

Sec. 410. The department shall report annually to the house and senate appropriations subcommittees on education detailed information on the expenditures made from the amount authorized in part 1 for general services for the Michigan school for the blind's former site.

PROFESSIONAL PREPARATION SERVICES**Professional personnel register and certificate revocation/felony conviction files.**

Sec. 501. From the funds appropriated in part 1 for professional preparation services, the department shall maintain the professional personnel register and certificate revocation/felony conviction files.

Student internship or student teaching credits earned through substitute teaching.

Sec. 502. The department shall authorize teacher preparation institutions to provide an alternative program by which up to 1/2 of the required student internship or student teaching credits may be earned through substitute teaching. The department shall require that teacher preparation institutions collaborate with school districts to ensure that the quality of instruction provided to student teachers is comparable to that required in a traditional student teaching program.

Allocation to Central Michigan University.

Sec. 503. Of the funds appropriated in part 1 for professional preparation operations, not more than \$75,000.00 shall be allocated to Central Michigan University for the alternative route to certification program.

OFFICE OF SCHOOL IMPROVEMENT

Charter school office.

Sec. 601. From the amount appropriated in part 1 for the office of school improvement, there is allocated \$350,000.00 and 3.5 FTE positions to operate a charter school office to administer charter school legislation and associated regulations, and to coordinate the activities of the department relating to charter schools.

GRANTS AND DISTRIBUTIONS

Disbursement of funds to general fund grantee; standards of timing and amount; waiver.

Sec. 701. The department shall disburse the funds to a general fund grantee in accordance with the same standards of timing and amount that apply to disbursements made by the department to a federal fund grantee. The disbursement shall be restricted to the minimum amount needed for immediate disbursement by the grantee. The department may waive this section if extenuating circumstances warrant and are substantiated in the grantee's application or other appropriate documentation. A waiver granted pursuant to this section shall not be effective until 15 days after written notice of the proposed waiver is given to the state budget director and the chairpersons of the senate and house appropriations subcommittees having jurisdiction over the department budget.

School breakfast programs.

Sec. 702. The funds appropriated in part 1 for school breakfast programs shall be made available to all eligible applicant public school districts as follows:

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

(b) Payment is made for each breakfast served meeting standards prescribed in subdivision (a).

(c) The payment for a public school district is at a per meal rate equal to the lesser of the district's actual cost, or 100% of the cost of a breakfast served by an efficiently operated breakfast program as determined by the department, less federal reimbursement, participant payments, and other state reimbursement. Determination of efficient cost by the department shall be determined by using a statistical sampling of statewide and regional cost as reported in a manner approved by the department for the preceding school year.

(d) The payment determined under subdivision (c) is prorated if the appropriation in part 1 is not sufficient to fund all payments determined under this section.

Middle school math; professional development.

Sec. 703. From the amount appropriated in part 1 for middle school math project, \$50,000.00 shall be awarded to the Michigan virtual high school and \$50,000.00 shall be awarded to Wayne State University for the purpose of providing professional development for middle school math teachers or for the development or enhancement of middle school math curriculum.

INFORMATION TECHNOLOGY

Comprehensive educational information system.

Sec. 801. The department shall work in collaboration with the center for educational performance and information to support the comprehensive educational information system and all data collection efforts of the department.

EDUCATIONAL ASSESSMENT

Nonpublic schools and home-schooled students; providing tests upon request.

Sec. 901. (1) From the funds appropriated in part 1 for the educational assessment operations, the department shall provide tests to nonpublic schools and home-schooled students upon request. The department shall notify nonpublic schools that they are eligible to receive the tests.

(2) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual student scores and the percentage of students choosing each possible response.

SCHOOL IMPROVEMENT SERVICES

Sec. 1001. (1) From the amount appropriated in part 1 to school improvement services, \$350,000.00 shall be expended for benchmarking training services and district-level written reports. However, not more than \$100,000.00 shall be expended for district-level written reports.

(2) The department shall provide benchmarking training services through a third party to assist schools that have not made adequate yearly progress under the no child left behind act of 2001, Public Law 107-110, 115 Stat. 1425, identify and replicate effective curriculum practices in reading, writing, and math. A third party providing these services shall meet all of the following qualifications:

(a) Organizational independence from state and local governments, public agencies, tax supported institutions, and school employees or school employee organizations.

(b) Have a track record of providing public sector performance measurement services that are characterized by analytical transparency, objectivity, and rigor.

(c) Previous experience providing in-service training on the subject of data-driven benchmarking studies of effective practices in curriculum, instruction, and assessment, as may be found in schools whose performance on 1 or more MEAP tests is consistently above that of most other schools that enroll a similar percentage of economically disadvantaged students for 2 to 3 consecutive years and significantly exceeds statistical expectation.

(d) Previous experience providing high-quality in-service training and related print materials that have been favorably evaluated by K-12 educators in a documented manner.

(e) Previous working relationship with 1 or more Michigan-based K-12 professional educational associations.

(3) The department shall provide district-level written reports through a third party, including reports on Michigan's public schools and public school academies. The report shall analyze a range of performance indicators in demographic and environmental context. A third party providing these services shall meet the following qualifications:

(a) Organizational independence from state and local governments, public agencies, tax supported institutions, and school employees or school employee organizations.

(b) Have a track record of providing public sector performance measurement services that are characterized by analytical transparency, objectivity, and rigor.

(c) Previous experience publishing narrative reports on Michigan's K-12 educational data that include an analysis of student achievement, educational revenues and expenditures, the return on educational investments, taxes, debt, the learning environment, and demographics.

(d) Demonstrated ability to create comparison groups for the purpose of benchmarking the performance of individual schools and school districts.

(e) Have a track record of using the Internet to do both of the following:

(i) Publish publicly accessible performance measurement reports that describe the comparative circumstances and trends of K-12 educational entities, using narrative text, as well as charts, tables, and graphs.

(ii) Provide interactive tools to search a publicly accessible database consisting of academic, financial, demographic, and contextual data at the school level, district level, and state level, as applicable.

ARTICLE 6

DEPARTMENT OF ENVIRONMENTAL QUALITY

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; department of environmental quality.

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for the department of environmental quality for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF ENVIRONMENTAL QUALITY

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,567.2	
GROSS APPROPRIATION		\$ 455,267,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		18,031,100
ADJUSTED GROSS APPROPRIATION		\$ 437,235,900
Federal revenues:		
Total federal revenues		144,062,700
Special revenue funds:		
Total local revenues		0

	For Fiscal Year Ending Sept. 30, 2006
Total private revenues.....	\$ 450,000
Total other state restricted revenues.....	260,913,600
State general fund/general purpose.....	\$ 31,809,600
FUND SOURCE SUMMARY:	
Full-time equated unclassified positions.....6.0	
Full-time equated classified positions.....1,567.2	
GROSS APPROPRIATION.....	\$ 455,267,000
Interdepartmental grant revenues:	
IDG-MDCH, local public health operations.....	10,472,500
IDG-MDSP.....	690,100
IDG, Michigan transportation fund.....	959,400
IDT, interdivisional charges.....	2,053,400
IDT, laboratory services.....	3,855,700
Total interdepartmental grants and intradepartmental transfers....	18,031,100
ADJUSTED GROSS APPROPRIATION.....	\$ 437,235,900
Federal revenues:	
DHHS, federal.....	4,500
DHS, federal.....	1,473,100
DOC-NOAA, federal.....	3,506,200
DOD, federal.....	508,200
DOI, federal.....	575,000
EPA, brownfield cleanup revolving loan fund.....	1,000,000
EPA, multiple.....	136,995,700
Total federal revenues.....	144,062,700
Special revenue funds:	
Private funds.....	450,000
Total private revenues.....	450,000
Aboveground storage tank fees.....	794,400
Air emissions fees.....	13,119,900
Aquifer protection revolving fund.....	400,000
Campground fund.....	242,100
Clean Michigan initiative - administration.....	3,169,600
Clean Michigan initiative - clean water fund.....	3,187,100
Clean Michigan initiative - pollution prevention activities.....	100,000
Cleanup and redevelopment fund.....	15,774,600
Community pollution prevention fund.....	250,000
Environmental education fund.....	203,700
Environmental pollution prevention fund.....	1,839,700
Environmental protection fund.....	615,100
Environmental response fund.....	11,259,100
Fees and collections.....	565,900
Financial instruments.....	5,000,000
Great Lakes protection fund.....	2,547,100
Groundwater discharge permit fees.....	1,956,600
Hazardous materials transportation permit fund.....	218,800
Laboratory data quality recognition fund.....	15,400
Land and water permit fees.....	3,961,100
Landfill maintenance trust fund.....	52,100

	For Fiscal Year Ending Sept. 30, 2006
Manufactured housing commission fees.....	\$ 633,300
Medical waste emergency response fund.....	250,400
Metallic mining surveillance fee revenue.....	69,400
Mineral well regulatory fee revenue.....	231,200
Nonferrous metallic mineral surveillance	200,000
NPDES fees	3,437,700
Oil and gas regulatory fund.....	9,660,300
Orphan well fund	2,029,600
Public swimming pool fund.....	541,700
Public utility assessments.....	806,600
Public water supply fees	4,619,200
Publication revenue.....	112,700
Refined petroleum fund.....	114,327,800
Retired engineers technical assistance fund.....	1,500,000
Revolving loan revenue bonds	11,400,000
Saginaw bay and river restoration revenue	165,300
Sand extraction fee revenue.....	194,000
Scrap tire regulatory fund	5,957,500
Septage waste contingency fund.....	35,600
Septage waste license fees.....	2,070,400
Settlement funds.....	3,256,800
Sewage sludge land application fee.....	838,700
Soil erosion and sedimentation control training fund	108,300
Solid waste program fees.....	4,356,000
Stormwater permit fees	2,867,600
Strategic water quality initiatives fund	10,010,700
Underground storage tank fees	4,493,200
Waste reduction fee revenue.....	4,671,900
Wastewater operator training fees	177,400
Water analysis fees	3,404,800
Water pollution control revolving fund	3,050,200
Water quality protection fund.....	25,000
Water use reporting fees	138,000
Total other state restricted revenues.....	260,913,600
State general fund/general purpose	\$ 31,809,600

Executive operations and department support (resource conservation).

Sec. 102. EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT (RESOURCE CONSERVATION)

Full-time equated unclassified positions	6.0
Full-time equated classified positions	79.0
Unclassified salaries—6.0 FTE positions	\$ 482,600
Administrative hearings.....	399,100
Automated data processing	2,053,400
Central operations—63.0 FTE positions	6,582,500
Environmental support projects.....	5,000,000
Executive direction—9.0 FTE positions	2,141,100
Human resource optimization user charges.....	59,100

	For Fiscal Year Ending Sept. 30, 2006
Office of the Great Lakes—7.0 FTE positions	\$ 945,900
Building occupancy charges	7,850,900
Rent - privately owned property	2,066,900
GROSS APPROPRIATION	\$ 27,581,500
Appropriated from:	
Interdepartmental grant revenues:	
IDT, interdivisional charges	2,053,400
IDT, laboratory services	488,700
Federal revenues:	
DOI, federal	150,900
EPA, multiple	262,500
Special revenue funds:	
Aboveground storage tank fees	88,200
Air emissions fees	848,000
Campground fund	17,700
Clean Michigan initiative - administration	179,700
Cleanup and redevelopment fund	1,368,400
Environmental education fund	203,700
Environmental pollution prevention fund	62,600
Environmental protection fund	50,400
Environmental response fund	1,239,000
Fees and collections	50,100
Financial instruments	5,000,000
Great Lakes protection fund	547,100
Groundwater discharge permit fees	119,700
Hazardous materials transportation permit fund	15,000
Land and water permit fees	111,200
Medical waste emergency response fund	20,000
NPDES fees	319,600
Oil and gas regulatory fund	1,623,000
Public swimming pool fund	31,000
Public utility assessments	32,200
Public water supply fees	542,100
Refined petroleum fund	4,447,400
Retired engineers technical assistance fund	25,700
Scrap tire regulatory fund	122,800
Settlement funds	863,600
Sewage sludge land application fee	38,700
Solid waste program fees	139,300
Stormwater permit fees	220,700
Underground storage tank fees	275,800
Waste reduction fee revenue	259,700
Wastewater operator training fees	12,900
Water analysis fees	123,600
Water use reporting fees	8,300
State general fund/general purpose	\$ 5,618,800

For Fiscal Year
Ending Sept. 30,
2006

Air quality (resource conservation).

Sec. 103. AIR QUALITY (RESOURCE CONSERVATION)

Full-time equated classified positions.....	242.0	
Air quality programs—242.0 FTE positions.....		\$ 23,221,800
GROSS APPROPRIATION.....		\$ 23,221,800
Appropriated from:		
Federal revenues:		
EPA, multiple.....		5,558,500
Special revenue funds:		
Air emissions fees.....		11,060,300
Environmental response fund.....		98,900
Fees and collections.....		380,000
Oil and gas regulatory fund.....		100,000
Refined petroleum fund.....		2,652,000
State general fund/general purpose.....		\$ 3,372,100

Environmental science and services (resource conservation).

**Sec. 104. ENVIRONMENTAL SCIENCE AND SERVICES
(RESOURCE CONSERVATION)**

Full-time equated classified positions.....	184.0	
Environmental services—27.5 FTE positions.....		\$ 3,116,200
Laboratory services—68.0 FTE positions.....		6,554,900
Municipal assistance—35.5 FTE positions.....		5,116,600
Pollution prevention and technical assistance—53.0 FTE positions.....		4,931,300
Pollution prevention outreach.....		300,000
Retired engineers technical assistance program.....		1,474,300
Revitalization revolving loan program.....		1,000,000
GROSS APPROPRIATION.....		\$ 22,493,300
Appropriated from:		
Interdepartmental grant revenues:		
IDT, laboratory services.....		3,367,000
Federal revenues:		
DOC-NOAA, federal.....		333,200
EPA, brownfield cleanup revolving loan fund.....		1,000,000
EPA, multiple.....		3,260,000
Special revenue funds:		
Private funds.....		300,000
Air emissions fees.....		712,700
Clean Michigan initiative - administration.....		164,000
Environmental protection fund.....		64,700
Environmental response fund.....		625,300
Laboratory data quality recognition fund.....		15,400
Public water supply fees.....		237,300
Retired engineers technical assistance fund.....		1,474,300
Settlement funds.....		220,100
Stormwater permit fees.....		91,200
Strategic water quality initiatives fund.....		210,700
Waste reduction fee revenue.....		4,127,400

For Fiscal Year
Ending Sept. 30,
2006

Wastewater operator training fees	\$	164,500
Water analysis fees		3,121,900
Water pollution control revolving fund		2,282,100
State general fund/general purpose	\$	721,500

Office of geological survey (resource conservation).

Sec. 105. OFFICE OF GEOLOGICAL SURVEY (RESOURCE CONSERVATION)

Full-time equated classified positions	68.0	
Coal and sand dune management—3.0 FTE positions	\$	612,300
Metallic mine reclamation—1.0 FTE position		69,400
Mineral wells management—3.0 FTE positions		231,200
Nonferrous metallic mining—2.0 FTE positions		200,000
Orphan well—2.0 FTE positions.....		2,029,600
Services to oil and gas—57.0 FTE positions		7,035,300
GROSS APPROPRIATION.....	\$	10,177,800

Appropriated from:

Federal revenues:

DOI, federal	418,300
--------------------	---------

Special revenue funds:

Metallic mining surveillance fee revenue	69,400
Mineral well regulatory fee revenue.....	231,200
Nonferrous metallic mineral surveillance	200,000
Oil and gas regulatory fund	6,922,600
Orphan well fund	2,029,600
Publication revenue.....	112,700
Sand extraction fee revenue	194,000
State general fund/general purpose	\$ 0

Land and water management (resource conservation).

Sec. 106. LAND AND WATER MANAGEMENT (RESOURCE CONSERVATION)

Full-time equated classified positions	129.0	
Program direction—8.0 FTE positions	\$	868,500
Field permitting and project assistance—72.0 FTE positions		6,887,800
Great Lakes shorelands—28.0 FTE positions		2,455,100
Water management—21.0 FTE positions		2,538,800
GROSS APPROPRIATION.....	\$	12,750,200

Appropriated from:

Interdepartmental grant revenues:

IDG, Michigan transportation fund	908,100
---	---------

Federal revenues:

DHS, federal	935,500
DOC-NOAA, federal	1,389,700
EPA, multiple.....	967,100

Special revenue funds:

Land and water permit fees	3,286,000
State general fund/general purpose	\$ 5,263,800

For Fiscal Year
Ending Sept. 30,
2006

Remediation and redevelopment (resource conservation).

Sec. 107. REMEDIATION AND REDEVELOPMENT

(RESOURCE CONSERVATION)

Full-time equated classified positions	297.5	
Contaminated site investigation, cleanup, and revitalization— 230.5 FTE positions.....		\$ 21,702,200
Federal cleanup project management—67.0 FTE positions.....		7,886,700
Emergency cleanup actions		4,000,000
Refined petroleum product cleanup program.....		57,000,000
Refined petroleum initial program.....		45,000,000
State cleanup 451		2,500,000
Superfund cleanup		4,000,000
Little Black Creek.....		35,000
White Lake, Muskegon County nutrient study		36,000
GROSS APPROPRIATION.....		\$ 142,159,900
Appropriated from:		
Federal revenues:		
DHHS, federal.....		4,500
DOD, federal.....		498,300
EPA, multiple.....		9,168,100
Special revenue funds:		
Private funds		150,000
Clean Michigan initiative - administration.....		2,251,600
Cleanup and redevelopment fund		13,307,300
Environmental protection fund		500,000
Environmental response fund		8,497,500
Landfill maintenance trust fund		52,100
Refined petroleum fund.....		106,319,000
Settlement funds.....		1,411,500
State general fund/general purpose		\$ 0

Waste and hazardous materials (resource conservation, health).

Sec. 108. WASTE AND HAZARDOUS MATERIALS

(RESOURCE CONSERVATION, HEALTH)

Full-time equated classified positions	183.5	
Aboveground storage tank program—8.0 FTE positions.....		\$ 706,200
Hazardous waste management program—61.0 FTE positions.....		6,027,500
Low-level radioactive waste authority—2.0 FTE positions		770,200
Medical waste program		230,400
Radiological protection program—16.5 FTE positions.....		1,337,800
Scrap tire regulatory program—11.0 FTE positions.....		985,200
Solid waste management program—50.0 FTE positions		4,224,200
Underground storage tank program—35.0 FTE positions.....		4,292,200
GROSS APPROPRIATION.....		\$ 18,573,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDSP		690,100

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

For Fiscal Year
Ending Sept. 30,
2006

Federal revenues:	
EPA, multiple.....	\$ 3,857,100
Special revenue funds:	
Aboveground storage tank fees	706,200
Environmental pollution prevention fund	1,777,100
Hazardous materials transportation permit fund	203,800
Medical waste emergency response fund	230,400
Public utility assessments	770,200
Scrap tire regulatory fund	985,200
Solid waste program fees	4,155,200
Underground storage tank fees	4,039,200
Waste reduction fee revenue.....	69,000
State general fund/general purpose	\$ 1,090,200

Water (resource conservation, health).

Sec. 109. WATER (RESOURCE CONSERVATION, HEALTH)

Full-time equated classified positions	362.2
Aquifer protection program.....	\$ 350,000
Aquifer protection and dispute resolution - IDG to Michigan department of agriculture	50,000
Drinking water and environmental health—114.2 FTE positions.....	16,052,700
Fish contaminant monitoring	316,100
Groundwater discharge—22.0 FTE positions	1,967,600
NPDES nonstormwater program—121.4 FTE positions.....	10,186,000
Sewage sludge land application program—6.5 FTE positions	800,000
Surface water—98.1 FTE positions	15,281,200
GROSS APPROPRIATION.....	\$ 45,003,600

Appropriated from:

Federal revenues:	
EPA, multiple.....	18,456,300
Special revenue funds:	
Aquifer protection revolving fund	400,000
Campground fund	224,400
Clean Michigan initiative - administration.....	574,300
Clean Michigan initiative - clean water fund.....	3,187,100
Environmental response fund	158,000
Fees and collections	135,800
Groundwater discharge permit fees.....	1,836,900
Land and water permit fees	454,500
Manufactured housing commission fees.....	633,300
NPDES fees	3,118,100
Public swimming pool fund	510,700
Public water supply fees	2,167,900
Refined petroleum fund.....	825,700
Saginaw bay and river restoration revenue	165,300
Septage waste contingency fund.....	35,600

	For Fiscal Year Ending Sept. 30, 2006
Septage waste license fees.....	\$ 545,400
Sewage sludge land application fee.....	800,000
Soil erosion and sedimentation control training fund.....	108,300
Stormwater permit fees.....	2,555,700
Water pollution control revolving fund.....	631,400
Water use reporting fees.....	129,700
State general fund/general purpose.....	\$ 7,349,200

Criminal investigations (resource conservation).

Sec. 110. CRIMINAL INVESTIGATIONS (RESOURCE CONSERVATION)

Full-time equated classified positions.....	22.0
Environmental investigations—22.0 FTE positions.....	\$ 2,417,800
GROSS APPROPRIATION.....	\$ 2,417,800
Appropriated from:	
Federal revenues:	
DHS, federal.....	520,300
EPA, multiple.....	143,800
Special revenue funds:	
Environmental response fund.....	123,600
Oil and gas regulatory fund.....	339,200
Scrap tire regulatory fund.....	266,100
State general fund/general purpose.....	\$ 1,024,800

Grants (resource conservation, health).

Sec. 111. GRANTS (RESOURCE CONSERVATION, HEALTH)

Coastal management grants.....	\$ 2,000,000
Federal - Great Lakes remedial action plan grants.....	700,000
Federal - nonpoint source water pollution grants.....	6,500,000
Grants to counties - air pollution.....	83,700
Radon grants.....	90,000
Water pollution control and drinking water revolving fund.....	113,053,500
Drinking water revolving fund implementation.....	1,330,000
Great Lakes research and protection grants.....	2,000,000
Household hazardous waste collection program.....	100,000
Local health department operations.....	10,472,500
Noncommunity water grants.....	1,400,000
Pollution prevention local grants.....	250,000
Real-time water quality monitoring.....	250,000
Septage waste compliance grants.....	1,525,000
Scrap tire grants.....	4,500,000
Volunteer river, stream, and creek cleanup.....	25,000
GROSS APPROPRIATION.....	\$ 144,279,700
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDCH, local public health operations.....	10,472,500

For Fiscal Year
Ending Sept. 30,
2006

Federal revenues:	
DOC-NOAA, federal	\$ 1,700,000
EPA, multiple.....	93,920,000
Special revenue funds:	
Clean Michigan initiative - pollution prevention activities	100,000
Community pollution prevention fund	250,000
Great Lakes water protection fund	2,000,000
Public water supply fees	1,400,000
Refined petroleum fund.....	83,700
Revolving loan revenue bonds	11,400,000
Scrap tire regulatory fund	4,500,000
Septage waste license fees.....	1,525,000
Settlement funds.....	250,000
Strategic water quality initiatives fund	9,800,000
Water quality protection fund.....	25,000
State general fund/general purpose	\$ 6,853,500

Information technology (resource conservation).

Sec. 112. INFORMATION TECHNOLOGY (RESOURCE CONSERVATION)

Information technology services and projects.....	\$ 6,607,700
GROSS APPROPRIATION	\$ 6,607,700

Appropriated from:

Interdepartmental grant revenues:

IDG, Michigan transportation fund	51,300
---	--------

Federal revenues:

DHS, federal.....	17,300
DOC-NOAA, federal	83,300
DOD, federal.....	9,900
DOI, federal	5,800
EPA, multiple.....	1,402,300

Special revenue funds:

Air emissions fees.....	498,900
Cleanup and redevelopment fund	1,098,900
Environmental response fund	516,800
Land and water permit fees	109,400
Oil and gas regulatory fund	675,500
Public utility assessments	4,200
Public water supply fees	271,900
Scrap tire regulatory fund	83,400
Settlement funds.....	511,600
Solid waste program fees.....	61,500
Underground storage tank fees	178,200
Waste reduction fee revenue.....	215,800
Water analysis fees	159,300
Water pollution control revolving fund	136,700
State general fund/general purpose	\$ 515,700

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 2005-2006 is \$292,723,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$6,288,700.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY
WASTE AND HAZARDOUS MATERIALS

Radiological protection program.....	\$	25,000
--------------------------------------	----	--------

GRANTS

Drinking water grants.....	\$	1,330,000
Grants to counties - air pollution.....		83,700
Household hazardous waste collection program.....		100,000
Noncommunity water grants.....		1,400,000
Real-time water quality monitoring.....		250,000
Scrap tire grants.....		1,575,000
Septage waste compliance program.....		1,525,000
TOTAL.....	\$	<u>6,288,700</u>

Appropriations subject to MCL 18.1101 to 18.1594.

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

Definitions.

Sec. 203. As used in this article:

- (a) "CESARS" means chemical evaluation search and retrieval system.
- (b) "Department" means the department of environmental quality.
- (c) "DHS" means the United States department of homeland security.
- (d) "DHHS" means the United States department of health and human services.
- (e) "DOC" means the United States department of commerce.
- (f) "DOC-NOAA" means the DOC national oceanic and atmospheric administration.
- (g) "DOD" means the United States department of defense.
- (h) "DOI" means the United States department of interior.
- (i) "EPA" means the United States environmental protection agency.
- (j) "FTE" means full-time equated.
- (k) "IDG" means interdepartmental grant.
- (l) "IDT" means intradepartmental transfer.
- (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) 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.

Use of Internet; transmission of reports.

Sec. 206. The department shall use the Internet to fulfill the reporting requirements of this article. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Receipt and retention of reports.

Sec. 207. The departments and state agencies receiving appropriations under this article 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. 208. By February 15, 2006, 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, 2005 and September 30, 2006.

Grant and loan programs; reports.

Sec. 209. (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, 2006:

- (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, 2006.

Water diversion request; notice to legislature; public meeting and comment.

Sec. 210. 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.

Allocations for certain programs, actions, and projects under MCL 324.19508; report.

Sec. 211. (1) The department shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, 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.

Appropriation and expenditure of certain unexpended and unencumbered amounts.

Sec. 212. (1) The department of environmental quality is authorized to expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program and the leaking underground storage tank cleanup program.

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

(3) Unexpended and unencumbered amounts remaining from appropriations from the cleanup and redevelopment fund and unclaimed bottle deposits fund contained in 2003 PA 171, 2003 PA 173, 2003 PA 237, and 2004 PA 350 are appropriated for expenditure for any site listed in this article and any site listed in the public acts referenced in this section.

(4) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2000 PA 52, 2001 PA 120, 2003 PA 173, 2003 PA 237, 2004 PA 309, 2004 PA 350, and 2005 PA 11 are appropriated for expenditure for any site listed in this article and any site listed in the public acts referenced in this section.

(5) Unexpended and unencumbered amounts remaining from appropriations from the environmental protection fund contained in 2001 PA 43, 2002 PA 520, 2003 PA 171, and 2004 PA 350 are appropriated for expenditure for any site listed in this article and any site listed in the public acts referenced in this section.

Michigan youth conservation council.

Sec. 213. 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.

Information technology; payment for user fees.

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

Information technology; amounts designated as work projects; carrying forward.

Sec. 215. 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.

Out-of-state travel.

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2006 shall be limited to situations in which 1 or more of the following conditions apply:

(a) The travel is required by legal mandate or court order or for law enforcement purposes.

(b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.

(c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.

(d) The travel is necessary to comply with federal requirements.

(e) The travel is necessary to secure specialized training for staff that is not available within this state.

(f) The travel is financed entirely by federal or nonstate funds.

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

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

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

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Purchase of foreign goods or services.

Sec. 217. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

Michigan's Great Lakes areas of concern; removal from federal list.

Sec. 218. The department shall collaborate with the statewide public advisory council, local advisory councils, the United States environmental protection agency, and other

appropriate federal agencies, the department of natural resources, and other appropriate parties to develop a long-term strategy to restore and formally remove Michigan's Great Lakes areas of concern from the federal listing. Among other information, the strategy should include a list of cleanup, source control, monitoring, and assessment activities eligible for funding under the federal Great Lakes legacy act; their estimated cost; options for meeting any nonfederal funding match requirements for these activities, including recommendations for changes to existing appropriations and program expenditures to qualify as matching funds for federal grant programs; a description of the optimum staffing level for the areas of concern program and available funding options; and a description of the department's role in seeking the formal removal of areas of concern, or specific beneficial use impairments, from the federal list, including minimum cleanup goals for identified impairments based on applicable state and federal regulatory standards and the monitoring programs available for assessing progress in achieving those goals. In addition, the department shall strive to apply for an equitable share of federal funding and technical assistance available to support the area of concern program and strive to provide the funds needed to meet nonfederal funding requirements.

Communication of employee with legislative member.

Sec. 219. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Civil and criminal fine revenue; annual report.

Sec. 220. The department shall annually report to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies an accounting of all civil and criminal fine revenue collected during the year.

AIR QUALITY

Air quality program; report on expenditures and revenue.

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

Great Lakes water quality bond; report.

Sec. 501. By July 1, 2006, 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 provided for in part 197 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19701 to 324.19708, including, but not limited to, the amount of bonds issued and the date they were issued, the number of applications received

for loans from the state water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans requested, a listing of the applicants receiving loans and the total amount of loans provided to those applicants, a listing of applicants whose loan applications were not approved and the reasons why those applications were not approved, the amount of the loans granted that were leveraged from bond proceeds, and the remaining bond proceeds and bond authorization.

Interdepartmental transfers, laboratory services; carrying forward revenues.

Sec. 502. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

GEOLOGICAL AND LAND MANAGEMENT

Stream habitat improvement projects; waiver of permit fees for nonprofit organizations.

Sec. 601. The department may waive permit fees for nonprofit organizations conducting approved stream habitat improvement projects.

REMEDIATION AND REDEVELOPMENT

Emergency cleanup actions; work project; carrying forward unencumbered and unallotted funds.

Sec. 701. The unexpended funds appropriated in part 1 for emergency cleanup actions 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, 2010.

Refined petroleum product cleanup program.

Sec. 702. (1) Of the funds appropriated in part 1 for the refined petroleum product cleanup program, \$42,000,000.00 is prohibited from expenditure until this program is established by law following issuance of recommendations for a permanent cleanup program from the refined petroleum cleanup advisory council.

(2) The appropriation in part 1 for the refined petroleum product cleanup program shall be used to fund corrective actions on the following sites:

Site Name	County
Phil's Sunoco Corner Store	Alcona Alger

Laughing Whitefish Trading Post	Alger
Midway General	Alger
Fennville Feed Supply	Allegan
Bellaire Bay Mart	Antrim
Butch's Tackle & Marine	Antrim
Lake Auto Clinic	Antrim
Pickup Capital of the North (former)	Antrim
Res. Wells Torch Lake Twp.	Antrim
Richard Godden	Antrim
Central Oil/Wild Bill's	Arenac
Roe Chevrolet	Arenac
Freeport Auto Service	Barry
State and Apple	Barry
Village of Woodland	Barry
Al's Mobil	Bay
Bill Kunding	Bay
Maple's Grocery	Bay
Mel's Service	Bay
B & M Party Store	Benzie
Village of Honor Res. Wells	Benzie
Andy's Bakertown Grocery	Berrien
Berrien County Sheriff's Substation	Berrien
Cozy Corner General Store	Berrien
Frank's Pro Station	Berrien
Fredrick's Auto Clinic	Berrien
Gary's Union 76	Berrien
Main & Fair SW Corner	Berrien
Main & Oden NE Corner	Berrien
Nyes Shell Service	Berrien
Randy's Amoco	Berrien
Sandalic Grocery & Gas (former)	Berrien
Sterling Express Ltd	Berrien
K & H Tire and Alignment	Branch
Baker Oil-Dickman Road	Calhoun
Baker Oil-E. Michigan	Calhoun
Clark #767 (Marshall)	Calhoun
Clark #768 (Albion)	Calhoun
Clark Service Station #500	Calhoun
H. B. Sherman	Calhoun
Korner Krossroads Party Store	Calhoun
Dave's Repair	Cass
Herb's Auto Care	Cass
Service Mart 2, Union	Cass
Unocal 76, Edwardsburg (Energy Oil)	Cass
Cook Corporation	Cheboygan
Mr. Mug's Donut Shop	Chippewa
Park Shell Service	Chippewa
Ackels Car Care	Clinton
State Road Service	Clinton
Escanaba Schools Bus Garage #2	Delta
Stenberg Bros., Inc.	Delta

Bob's Marathon	Eaton
South End Mobil	Eaton
Farmers Petroleum Coop. Petoskey	Emmet
Central Distributing	Genesee
City of Flint Fire Department - 1818 N Saginaw Street	Genesee
City of Flint Fire Department - 702 W 12th Street	Genesee
Fisherman's Landing	Genesee
J & J Services	Genesee
Spartan Express	Genesee
Sunshine Foods #119	Genesee
Vienna Road Alleyway	Genesee
A and H Racing	Gladwin
Ackett's Country Corners	Gladwin
Bondale Dickens	Gladwin
Gazey & Aleck Station	Gladwin
Sportsmans Landing	Gladwin
4 Corners Finch Scamehorn UN 76 (former Finch's Amoco)	Grand Traverse
Evans Wallpaper & Paint	Grand Traverse
KD's Country Store	Gratiot
Pat's Service	Gratiot
Wilson's Grocery	Gratiot
Former Union 76	Hillsdale
Dunk's Garage	Huron
Engelhardt Petroleum, Inc.	Huron
Mouch's Auto Sales	Huron
Action Auto #23	Ingham
Former Clark #531	Ingham
Gene Carr	Ionia
Bublitz Oil	Iosco
Bublitz Oil - East Tawas Marathon	Iosco
Bublitz Oil - Tawas City	Iosco
Darrel's Maxi Muffler	Iosco
DNR - RED - Whittemore (Tax Reverted)	Iosco
Graham Oil Co. Bulk Plant	Iosco
Firstbank - Winn Branch	Isabella
Clark #501	Jackson
Dawn Donuts	Jackson
Joseph James Halm	Jackson
Alamo General Store	Kalamazoo
Beach Products	Kalamazoo
Bud's Auto Repair	Kalamazoo
Fulton Sunoco	Kalamazoo
Liberty Gas	Kalamazoo
McLeieer Oil Co. - 1718 E. Mich.	Kalamazoo
Starvation Lake General Store	Kalkaska
Fennema Trenching Inc.	Kent
Huck's Corners	Kent
Kountry Korners	Kent
Rockford Market	Kent
Uncle Lee's Trading Post	Kent
C & J Service (H. Jerry Powelka)	Lenawee

Clark Adrian	Lenawee
Lakeland Montessori School	Livingston
Leon Bonner Property	Livingston
Millie's Market	Livingston
The Pit	Livingston
Bob's Standard Service	Luce
C & V Grocery	Luce
Action Auto (former)	Macomb
D & D Jefferson Inc	Macomb
Ernst Gas & Oil	Macomb
Former Doyle's Auto Parts	Macomb
Montgomery Ward	Macomb
Sokana Mobil	Macomb
Warren Fire Station 1	Macomb
Warren Fire Station 2	Macomb
Warren Fire Station 3	Macomb
Warren Fire Station 5	Macomb
Warren Fire Station 6	Macomb
Greenwood Self Serve	Marquette
Harvey Mini 1	Marquette
Harvey Oil Co.	Marquette
Holiday Station - Negaunee	Marquette
Total Image Salon	Marquette
Joe's Tire/Ridderman Oil	Mecosta
RLJ Realty Co.	Midland
Dutch Hutch	Missaukee
Amble Oil Co.	Montcalm
Coral General Store	Montcalm
Edmore Mobil	Montcalm
Former Sports Center, Inc.	Montmorency
Joey's Service	Montmorency
Lowell Street (Homant Oil)	Montmorency
Mary D's	Montmorency
Wyson's General Store	Montmorency
Broton's Service	Muskegon
Laketon Auto Clinic	Muskegon
Meat Block	Muskegon
Reliable Truck & Crane	Muskegon
Grant Mini Mart	Newaygo
Up North Gift Co.	Newaygo
Wesco #14/Triangle Market	Newaygo
415 E. Hudson	Oakland
Clark #903	Oakland
Dandy Oil Inc	Oakland
DOC Optical	Oakland
Don & Stan's/Joe's Towing	Oakland
Emma Milner Property	Oakland
Farmer's Petroleum Cooperation	Oakland
Former Wayne - Oakland Oil Company	Oakland
Winebasket Mkt./Jenny Ent.	Oakland
East Hart Party Store	Oceana

William Crawford Property	Oceana
Franklin Forge	Ogemaw
Rose City Feed & Tack	Ogemaw
Ontonagon Mobil Mart	Ontonagon
Andy's Standard Service	Osceola
LeRoy Garage	Osceola
Ralph's Marathon	Osceola
Don's Marathon	Oscoda
Family Book Shelve	Oscoda
Jamestown Garage	Ottawa
Radio Tavern & Grocery	Presque Isle
Charlie's Place	Roscommon
Albee Marathon	Saginaw
Chapin General Store	Saginaw
Janes Street, 2984	Saginaw
Janes Street, 3035	Saginaw
Kucher's Service	Saginaw
Stanley Hill	Saginaw
Amoco Group	Sanilac
Former Gas Station - 104 W. Grand River	Shiawassee
Save-U Station (former)	Shiawassee
Anady Property	St. Clair
Former Gulf Station	St. Clair
Payless SuperAmerica	St. Joseph
Former Clark #1586	Tuscola
Former Gagetown Gas & Oil Total	Tuscola
Mr. C's Service	Tuscola
Salmo Property	Tuscola
Broekhutzen Produce	Van Buren
Lakeside Kwik Stop	Van Buren
Pullman Industries	Van Buren
Arbor Wash	Washtenaw
Fmr. Clark	Washtenaw
Jimmie's Filling Station	Washtenaw
Lloyd Cochran	Washtenaw
Marathon (Gillespie)	Washtenaw
S & S Auto	Washtenaw
Total #2542 (former)	Washtenaw
7 Mile & I-75 Petro Mart	Wayne
8 Mile & Gratiot	Wayne
Cal's Car Care, Inc.	Wayne
City of Detroit - DOT - 14044 Schaefer	Wayne
City of Detroit - DOT - 5600 Wabash St.	Wayne
City of Detroit - DOT - 5800 Russell St.	Wayne
Hail Investments Inc.	Wayne
Independent Transmission	Wayne
JJ Curran Crane	Wayne
Levan Party Store	Wayne
Master Petroleum	Wayne
Mercury Manufacturing	Wayne
Micks Auto	Wayne

Reclamation Co.	Wayne
Shoemaker 11031	Wayne
St. Claire Service, Inc.	Wayne
Titan Finishes	Wayne
Titan Heating	Wayne
US Equipment	Wayne
Wise Automotive	Wayne

Refined petroleum initial program.

Sec. 703. The appropriation in part 1 for refined petroleum initial program shall be spent according to the recommendations of the refined petroleum cleanup advisory council issued on July 7, 2005 for owner/operator reimbursement for cleanup activities, up to \$50,000.00 per site.

Area-wide or site-specific cleanup criteria.

Sec. 704. From funds appropriated in part 1 for activities related to cleanup sites under part 201 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20142, the department shall incorporate into remedial action plans area-wide or site-specific cleanup criteria derived from peer-reviewed risk assessment based on bioavailability studies, site-specific human exposure data, and any other scientifically based risk assessment studies that are available and relevant.

WASTE AND HAZARDOUS MATERIALS

Wholesale or retail sale of petroleum products; order to suspend or red tag.

Sec. 801. The department shall notify the members of the senate and house of representatives of the appropriate district at least 48 hours in advance of a departmental order which suspends or red tags any wholesale or retail sale of petroleum products. If imminent public health and safety concerns require action on a department order in less than 48 hours, the department shall notify the appropriate members of the senate and house of representatives of the department order within 48 hours after the action is completed.

Report to city of Romulus, city of Taylor, and Wayne County; contents.

Sec. 802. The department shall annually provide a report to the city of Romulus, city of Taylor, and Wayne County containing all of the following:

- (a) Information concerning the release or discharge of any hazardous waste or hazardous waste constituent that may endanger public drinking water supplies or the environment.
- (b) Information concerning the fire, explosion, or other release or discharge of any hazardous waste or hazardous waste constituent that could threaten human health or the environment or a spill that has reached surface water or groundwater.
- (c) A summary of groundwater quality data, data graphs, data tables, statistical analyses to date, and identification of any statistically significant increases.
- (d) With respect to the information described in subdivisions (a) to (c), a description of any noncompliance and its cause; the periods of noncompliance, including exact dates and times; whether the noncompliance has been corrected and, if not, the anticipated time it is

expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance and when those activities occurred or will occur.

WATER

National pollutant discharge elimination system fund; use; report.

Sec. 901. By February 1, 2006, 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.

Safe drinking water assistance activities; allocation for technical assistance.

Sec. 902. Of the funds appropriated in part 1 for safe drinking water assistance activities under part 54 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5401 to 324.5418, the department shall allocate the full 2% available for technical assistance under 42 USC 300j-12.

Quantity of groundwater use; rules, policies, guidelines, or procedures; prohibited.

Sec. 903. Except as provided under part 317 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.31701 to 324.31713, or 2003 PA 148, the department shall not draft, develop, or implement administrative rules, policies, guidelines, or procedures that regulate, permit, monitor, or otherwise control the quantity of groundwater use.

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.

GRANTS

Septage waste compliance program; expenditure.

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 324.11720, then the department may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

Scrap tire grants.

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.

Real-time water quality monitoring grant; Macomb County and St. Clair County.

Sec. 1103. The appropriation in part 1 for a real-time water quality monitoring grant is a grant to Macomb County and St. Clair County to support a real-time water quality monitoring program in the St. Clair watershed. By September 30, 2006, grant recipients shall report to the department on the plan, implementation, and status of the project. The department shall forward the report to the state budget director, the senate and house appropriations subcommittees on environmental quality, the senate and house standing committees on natural resources and environmental issues, and the senate and house fiscal agencies.

ARTICLE 8

HIGHER EDUCATION

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; higher education.

Sec. 101. Subject to the conditions set forth in this article, the amounts listed in this part are appropriated for higher education for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

HIGHER EDUCATION

APPROPRIATION SUMMARY:

Full-time equated classified positions.....	1.0	
GROSS APPROPRIATION.....	\$	1,733,943,900

	For Fiscal Year Ending Sept. 30, 2006
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION.....	\$ 1,733,943,900
Federal revenues:	
Total federal revenues.....	3,500,000
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues.....	153,500,000
State general fund/general purpose	\$ 1,576,943,900

Central Michigan University (prepared for jobs).

Sec. 102. CENTRAL MICHIGAN UNIVERSITY

(PREPARED FOR JOBS)

Operations.....	\$ 80,061,900
GROSS APPROPRIATION.....	\$ 80,061,900
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	538,440
State general fund/general purpose	\$ 79,523,460

Eastern Michigan University (prepared for jobs).

Sec. 103. EASTERN MICHIGAN UNIVERSITY

(PREPARED FOR JOBS)

Operations.....	\$ 76,140,600
GROSS APPROPRIATION.....	\$ 76,140,600
Appropriated from:	
State general fund/general purpose	\$ 76,140,600

Ferris State University (prepared for jobs).

Sec. 104. FERRIS STATE UNIVERSITY (PREPARED

FOR JOBS)

Operations.....	\$ 48,634,700
GROSS APPROPRIATION.....	\$ 48,634,700
Appropriated from:	
State general fund/general purpose	\$ 48,634,700

Grand Valley State University (prepared for jobs).

Sec. 105. GRAND VALLEY STATE UNIVERSITY

(PREPARED FOR JOBS)

Operations.....	\$ 61,129,900
GROSS APPROPRIATION.....	\$ 61,129,900
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	5,000,000
State general fund/general purpose	\$ 56,129,900

For Fiscal Year
Ending Sept. 30,
2006

Lake Superior State University (prepared for jobs).

Sec. 106. LAKE SUPERIOR STATE UNIVERSITY

(PREPARED FOR JOBS)

Operations.....	\$	12,506,300
GROSS APPROPRIATION.....	\$	<u>12,506,300</u>
Appropriated from:		
State general fund/general purpose	\$	12,506,300

Michigan State University (prepared for jobs, thriving economy).

Sec. 107. MICHIGAN STATE UNIVERSITY (PREPARED

FOR JOBS, THRIVING ECONOMY)

Operations.....	\$	283,730,300
Agricultural experiment station		33,163,800
Cooperative extension service		<u>28,604,300</u>
GROSS APPROPRIATION.....	\$	<u>345,498,400</u>
Appropriated from:		
State general fund/general purpose	\$	345,498,400

Michigan Technological University (prepared for jobs).

Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY

(PREPARED FOR JOBS)

Operations.....	\$	48,018,800
GROSS APPROPRIATION.....	\$	<u>48,018,800</u>
Appropriated from:		
State general fund/general purpose	\$	48,018,800

Northern Michigan University (prepared for jobs).

Sec. 109. NORTHERN MICHIGAN UNIVERSITY

(PREPARED FOR JOBS)

Operations.....	\$	45,051,600
GROSS APPROPRIATION.....	\$	<u>45,051,600</u>
Appropriated from:		
State general fund/general purpose	\$	45,051,600

Oakland University (prepared for jobs).

Sec. 110. OAKLAND UNIVERSITY (PREPARED FOR

JOBS)

Operations.....	\$	50,685,700
GROSS APPROPRIATION.....	\$	<u>50,685,700</u>
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		1,941,768
State general fund/general purpose	\$	<u>48,743,932</u>

Saginaw Valley State University (prepared for jobs).

Sec. 111. SAGINAW VALLEY STATE UNIVERSITY

(PREPARED FOR JOBS)

Operations.....	\$	27,499,800
GROSS APPROPRIATION.....	\$	<u>27,499,800</u>

For Fiscal Year
Ending Sept. 30,
2006

Appropriated from:

Special revenue funds:

Michigan merit award trust fund.....	\$	2,019,792
State general fund/general purpose	\$	25,480,008

University of Michigan - Ann Arbor (prepared for jobs).

Sec. 112. UNIVERSITY OF MICHIGAN - ANN ARBOR

(PREPARED FOR JOBS)

Operations.....	\$	316,368,500
GROSS APPROPRIATION.....	\$	316,368,500

Appropriated from:

State general fund/general purpose	\$	316,368,500
--	----	-------------

University of Michigan - Dearborn (prepared for jobs).

Sec. 113. UNIVERSITY OF MICHIGAN - DEARBORN

(PREPARED FOR JOBS)

Operations.....	\$	24,739,200
GROSS APPROPRIATION.....	\$	24,739,200

Appropriated from:

State general fund/general purpose	\$	24,739,200
--	----	------------

University of Michigan - Flint (prepared for jobs).

Sec. 114. UNIVERSITY OF MICHIGAN - FLINT

(PREPARED FOR JOBS)

Operations.....	\$	20,903,100
GROSS APPROPRIATION.....	\$	20,903,100

Appropriated from:

State general fund/general purpose	\$	20,903,100
--	----	------------

Wayne State University (prepared for jobs).

Sec. 115. WAYNE STATE UNIVERSITY (PREPARED

FOR JOBS)

Operations.....	\$	214,666,300
GROSS APPROPRIATION.....	\$	214,666,300

Appropriated from:

State general fund/general purpose	\$	214,666,300
--	----	-------------

Western Michigan University (prepared for jobs).

Sec. 116. WESTERN MICHIGAN UNIVERSITY

(PREPARED FOR JOBS)

Operations.....	\$	109,695,200
GROSS APPROPRIATION.....	\$	109,695,200

Appropriated from:

State general fund/general purpose	\$	109,695,200
--	----	-------------

State and regional programs (prepared for jobs).

Sec. 117. STATE AND REGIONAL PROGRAMS

(PREPARED FOR JOBS)

Full-time equated position		1.0
Higher education database modernization and conversion—		
1.0 FTE position	\$	200,000

	For Fiscal Year Ending Sept. 30, 2006
Midwestern higher education compact	\$ 90,000
GROSS APPROPRIATION	\$ 290,000
Appropriated from:	
State general fund/general purpose	\$ 290,000

**Martin Luther King, Jr. - Cesar Chavez - Rosa Parks Program
(prepared for jobs).**

**Sec. 118. MARTIN LUTHER KING, JR. - CESAR
CHAVEZ - ROSA PARKS PROGRAM (PREPARED FOR JOBS)**

Select student supportive services.....	\$ 1,956,100
Michigan college/university partnership program.....	586,800
Morris Hood, Jr. educator development program	148,600
GROSS APPROPRIATION.....	\$ 2,691,500
Appropriated from:	
State general fund/general purpose	\$ 2,691,500

Grants and financial aid (prepared for jobs).

**Sec. 119. GRANTS AND FINANCIAL AID (PREPARED
FOR JOBS)**

State competitive scholarships.....	\$ 34,630,500
Tuition grants.....	58,768,100
Michigan work-study program.....	7,326,300
Part-time independent student program.....	2,653,300
Michigan education opportunity grants.....	2,084,200
Robert C. Byrd honors scholarship program	1,500,000
Nursing scholarship and grant programs.....	4,000,000
Michigan merit award program	126,400,000
Tuition incentive program.....	12,000,000
GROSS APPROPRIATION.....	\$ 249,362,400
Appropriated from:	
Federal revenues:	
Higher education act of 1965, title IV, 20 USC	2,000,000
Higher education act of 1965, title IV, part A	1,500,000
Special revenue funds:	
Michigan merit award trust fund.....	137,000,000
Michigan higher education assistance authority operating fund	3,000,000
Tuition grant carryforward.....	4,000,000
State general fund/general purpose	\$ 101,862,400

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 2005-2006 is \$1,730,443,900.00

and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$3,759,100.00. The itemized statement below identifies the estimated appropriations from which spending to local units of government will occur:

Part-time independent student program.....	\$	1,255,700
Michigan education opportunity grant.....		932,900
Michigan work-study.....		1,570,500
TOTAL	\$	3,759,100

Appropriations subject to MCL 18.1101 to 18.1594.

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

Use of Internet; transmission of reports.

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this article. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

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 and of comparable quality American goods and services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value.

Payments; installments; submission of higher education institutional data inventory data; description of procedures.

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2005. Except for Wayne State University, each institution shall accrue its July and August 2006 payments to its institutional fiscal year ending June 30, 2006. The monthly payments to each state university for operations for July and August 2006 shall be paid pursuant to section 418(6). The remaining 9 monthly payments to each state university for operations shall be made in equal installments. The appropriations in part 1 for the agriculture experiment station and cooperative extension service shall be paid in 11 equal monthly installments.

(2) All universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For universities with fiscal years ending June 30, 2005, these data shall be submitted to the state budget director by October 15, 2005. Universities with a fiscal year ending September 30, 2005 shall submit preliminary HEIDI data by November 15, 2005 and final data by December 15, 2005. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

(3) A detailed description of procedures utilized to arrive at the amounts appropriated in part 1 shall be submitted to each institution by the senate and house fiscal agencies.

Federal or private funds; use.

Sec. 213. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Tuition and fee changes; notification and documentation.

Sec. 214. If section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, is not repealed and if a state institution of higher education that receives funds under this article notifies the department of treasury regarding its tuition and fee rates in order to qualify as an eligible institution for the Michigan tuition tax credit under section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, the institution shall also submit the notification and applicable documentation of tuition and fee changes to the house and senate fiscal agencies.

Program and financial information.

Sec. 215. A state institution of higher education that receives funds under this article shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.

GRANTS AND FINANCIAL AID**Competitive scholarship program.**

Sec. 301. (1) Payments of the amounts included in part 1 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) The Michigan higher education assistance authority shall implement a proportional competitive scholarship maximum award level for recipients enrolled less than full-time in a given semester or term.

(3) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1444, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(4) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards.

(5) Students who receive aid under 1964 PA 208, MCL 390.971 to 390.981, shall be awarded scholarships on the basis of merit and financial need. Veterans administration benefits shall not be considered in determining eligibility under 1964 PA 208, MCL 390.971 to 390.981.

State tuition grant program.

Sec. 302. (1) The amounts appropriated in part 1 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents who apply before July 15, 2005 and who are qualified. The application deadline will be July 1, 2006 for fiscal year 2006-2007 tuition grant awards and June 15, 2007 for fiscal year 2007-2008 tuition grant awards. Tuition grant awards shall not be made to students newly enrolled in a juris doctor law degree program after the 1995-1996 academic year.

(3) The Michigan higher education assistance authority shall determine an actual maximum tuition grant award per student, which shall be no less than \$2,000.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in part 1 for the state tuition grant program. If the authority determines that insufficient funds are available to establish a maximum award amount of \$2,000.00, the authority shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director, regarding the estimated amount of additional funds necessary to establish a \$2,000.00 maximum award amount. By December 15, 2005, and again by February 1, 2006, the authority shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in part 1 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than February 15, 2006. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in February.

(4) Any unexpended and unencumbered funds remaining on September 30, 2006 from the amounts appropriated in part 1 for the tuition grant program shall not lapse on September 30, 2006, but shall continue to be available for expenditure for tuition grants provided in the 2006-2007 fiscal year. The use of these unexpended fiscal year 2005-2006 funds shall terminate at the end of the 2006-2007 fiscal year.

(5) The Michigan higher education assistance authority shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for fiscal year 2005-2006.

(7) All Ferris State University students enrolled at Kendall College of Art and Design prior to January 1, 2001 who were qualified for the state tuition grant shall continue to receive the dollar amount of the state tuition grant for which they were eligible until they graduate or are no longer enrolled in the Kendall College of Art and Design at Ferris State University.

Michigan work-study program.

Sec. 303. (1) Included in the appropriation in part 1 is funding for the Michigan work-study program established under 1986 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to 390.1332. An effort should be made by each institution participating in the Michigan work-study program to assure that not less than 10% of those undergraduate, graduate, and professional students eligible to participate in the program are placed with for-profit employers no later than December 31 of each year for which funding is provided under this article.

(2) The Michigan higher education assistance authority shall allocate funds to institutions eligible for work-study money based upon each institution's specific Pell grant index

and each institution's utilization rate of work-study funds for the 3 most recent years for which statistics are available.

(3) The Michigan higher education assistance authority shall set aside not more than 5% of the total work-study appropriation to process requests from participating institutions for allocation adjustments. Allocation adjustments shall be based on criteria set by the authority prior to making the allocations under subsection (2).

Auditor general report.

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the Michigan higher education assistance authority, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2006.

Student financial aid programs; quarterly payments.

Sec. 308. The sums appropriated in part 1 for the student financial aid programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows:

(a) For the state competitive scholarship, nursing scholarship, tuition incentive, and tuition grant programs, 40% shall be paid at the beginning of the state's first fiscal quarter, 40% at the beginning of the state's second fiscal quarter, 10% at the beginning of the state's third fiscal quarter, and 10% at the beginning of the state's fourth fiscal quarter.

(b) For the work-study program, payments shall be made in 11 monthly installments from October 1 to August 31 of any year.

(c) For the part-time independent student program and the Michigan education opportunity grant program, 50% shall be paid at the beginning of the state's first fiscal quarter, 25% at the beginning of the state's second fiscal quarter, and 25% at the beginning of the state's third fiscal quarter.

(d) For the Robert C. Byrd honors scholarship program, 50% shall be paid at the beginning of the state's first fiscal quarter and 50% at the beginning of the state's second fiscal quarter.

Needs analysis criteria.

Sec. 309. The Michigan higher education assistance authority shall determine the needs analysis criteria for students to qualify for the competitive scholarship program and tuition grant program. To be consistent with federal requirements, student wages may be taken into consideration when determining the amount of the award.

Tuition incentive program/high school completion program.

Sec. 310. (1) The funds appropriated in part 1 for the tuition incentive program/high school completion program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program/high school completion program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) “Phase II” means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) “Department” means the department of treasury.

(3) A person shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive benefits:

(a) To be eligible for phase I, a person shall meet all of the following criteria:

(i) Apply for certification to the department before graduating from high school or completing the general education development (GED) certificate.

(ii) Be less than 20 years of age at the time of high school graduation or GED completion.

(iii) Be a United States citizen and a resident of Michigan according to institutional criteria.

(iv) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or GED certificate completion.

(b) To be eligible for phase II, a person shall meet either of the following criteria in addition to the criteria in subdivision (a):

(i) Complete at least 56 transferable semester or 84 transferable term credits.

(ii) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, a person must be financially eligible as determined by the department. A person is financially eligible for the tuition incentive program if that person was Medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade.

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower level division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(8) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

(9) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

(10) The department shall ensure that the tuition incentive program is well publicized and that potentially eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

Grant data; availability.

Sec. 311. To enable the legislature and the state budget director to evaluate the appropriation needs of higher education, each independent college and university shall make available to the legislature or state budget director, upon request, data regarding grants for the preceding, current, and ensuing fiscal years.

Nursing scholarship and grant programs.

Sec. 312. From the funds appropriated in part 1 for nursing scholarship and grant programs, the Michigan higher education assistance authority shall administer any nursing scholarship or nursing school grant programs authorized under the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

STATE UNIVERSITIES

University of Michigan biological station at Douglas Lake.

Sec. 402. The University of Michigan biological station at Douglas Lake in Cheboygan County is regarded as a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.

Higher education institutional data inventory advisory committee.

Sec. 405. (1) There is created the higher education institutional data inventory advisory committee. The committee shall be appointed by the state budget director and shall consist of the following members:

- (a) One representative from the house fiscal agency.
- (b) One representative from the senate fiscal agency.
- (c) One representative from the state budget director's office.

(d) Three representatives of the presidents council of state universities. The presidents council shall appoint 1 representative each from a masters, a doctoral, and a research university.

(2) The committee shall be responsible for maintaining and enhancing the state higher education database for which funding is included in part 1.

State university operations; monthly payment amounts; funding model; calculations.

Sec. 418. (1) The amounts appropriated for state university operations in part 1 include monthly payment amounts for July and August 2006 calculated using a funding model for determining state university appropriation amounts, as described in this section.

(2) The total funds initially allocated under the funding model were equal to \$1,414,319,000.00. From this amount, the following percentages were allocated to the following components:

- (a) 37.5% to an enrollment-based component.
- (b) 37.5% to a degree-based component.
- (c) 25.0% to a research-based component.

(3) Under the enrollment-based component, each state university received a funding amount per resident, or nonresident undergraduate, fiscal year equated student and a funding amount per nonresident graduate fiscal year equated student, based on fiscal year 2003-2004 data reported to the higher education institutional data inventory (HEIDI). The amount per nonresident graduate student was set at 75.0% of the amount per resident, or nonresident undergraduate, student. Those amounts were calculated so that total enrollment-based funding to all state universities was equal to the funds allocated to this component.

(4) Under the degree-based component, each state university received a funding amount per degree awarded, based on fiscal year 2003-2004 data reported to the integrated postsecondary education data system and subsequently included in HEIDI. The base funding amount was multiplied, in sequence, by weights that vary by the academic level and program category of the degree. The base funding amount for a bachelor's degree in a general field was calculated so that total degree-based funding was equal to the funds allocated to this component. The weights were as follows:

- (a) Academic level:
 - (i) 0.25 for an associate's degree.
 - (ii) 1.00 for a bachelor's degree.
 - (iii) 0.25 for a master's or doctoral degree.
 - (iv) 0.50 for a professional degree.
- (b) Program category:
 - (i) 1.00 for a degree in a general area.
 - (ii) 2.00 for a degree in a natural science-related area.
 - (iii) 4.00 for a degree in an engineering- or technology-related area.
 - (iv) 4.00 for a degree in a health-related area.

(5) Under the research-based component, each university received funds based on a percentage of science- and engineering-related obligations awarded to that state university by the federal government based on the average of fiscal year 2000-2001 and fiscal year 2001-2002 data reported by the national science foundation based on a survey of federal

agencies. The amount of funds any university could receive under this component was capped at 40.0% of the total funds allocated to the component. The percentage of federal funds awarded was calculated so that total research-based funding was equal to the funds allocated to this component.

(6) The initial annual funding amount for each state university was calculated by adding the amounts calculated under each of the 3 funding model components under subsection (2). To determine the final annual funding amount for each state university under the funding model, negative differences from the amounts proposed for each state university under the fiscal year 2005-2006 executive recommendation were limited to 5.0% and positive differences from the amounts proposed for each state university under the fiscal year 2005-2006 executive recommendation were limited to 10.0%. Funds were then added to the annual funding model amounts for any universities with negative differences from the amount proposed under the fiscal year 2005-2006 executive recommendation in an amount sufficient to exactly offset those differences. The monthly payment amount to be paid to each state university in both July and August 2006 under section 212 shall be equal to the annual funding model amount for that state university, after differences from the executive recommendation have been limited and funds have been added for universities with negative differences from the executive recommendation, divided by 11.

(7) If the funding model described in this section is used to determine state university appropriation amounts in future fiscal years, it is the intent of the legislature that any future increases in reported federal science- and engineering-related obligations for a university receiving a capped amount of funding in fiscal year 2005-2006 shall be eligible for increased funding under the funding model.

Textbooks.

Sec. 426. It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

Agricultural experiment station; project GREEN.

Sec. 433. (1) Included in part 1 is \$2,953,400.00 for the agricultural experiment station and \$2,619,000.00 for the cooperative extension service for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

(2) The department of agriculture and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop project GREEN and its program priorities.

(3) Not later than September 30, 2006, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding fiscal year regarding project GREEN projects. The report shall include, but is not limited to, the dollar amount of each project and a review of each project's performance and accomplishments.

Increase in resident undergraduate tuition and fees; increase in expenditures for student financial aid.

Sec. 436. It is the intent of the legislature that if any Michigan public university increases its resident undergraduate tuition and required fees from academic year 2004-2005 to academic year 2005-2006, then that university shall increase its fiscal year 2005-2006 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. Each public university shall report its proposed fiscal year 2005-2006 general fund expenditures for student financial aid compared to its projected fiscal year 2004-2005 general fund expenditures for student financial aid, and its projected academic year 2005-2006 resident undergraduate tuition and required fee changes from academic year 2004-2005, to the state budget director and the house and senate appropriations subcommittees on higher education by November 15, 2005.

MPSERS stabilization subaccount; use as payroll contribution rate subsidy.

Sec. 437. It is the intent of the legislature that funds in a Michigan public school employee retirement system (MPSERS) stabilization subaccount be used for fiscal year 2005-2006 to provide at least a \$3,960,000.00 subsidy of the payroll contribution rate for the 7 state universities that have employees in the MPSERS system.

Amount of tuition and fees; submission as part of HEIDI data.

Sec. 440. All universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2005-2006 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2005. A university shall report any revisions for any semester of the reported academic year 2005-2006 tuition and fee charges to HEIDI within 15 days of being adopted.

Per-student floor funding; amount.

Sec. 450. The amount allocated under part 1 for per-student floor funding is equal to \$3,650.00 per 2003-2004 fiscal-year-equated student at each university, except for Grand Valley State University due to limited state resources. The number of 2003-2004 fiscal-year-equated students at a university is determined by reference to the higher education institutional data inventory (HEIDI).

Payment to Bay Mills community college; costs of waiving tuition for North American Indians.

Sec. 461. From the amount appropriated in part 1 to Lake Superior State University for operations, \$100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

State university operations; additional funds.

Sec. 462. The funds appropriated in part 1 for state university operations are in addition to any funds appropriated for state university operations for state fiscal year 2004-2005 under section 701(3) of 2005 PA 11, which shall be recognized by the state universities as revenue in their institutional 2005-2006 fiscal years.

MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program.**

Sec. 501. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program, that is intended to increase the pool of minority candidates pursuing faculty teaching careers in postsecondary education. Each university shall apply the percentage change applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each university in a manner prescribed by the Michigan department of labor and economic growth. The Michigan department of labor and economic growth shall use a good faith effort standard to evaluate whether a fellowship is in default.

Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program.

Sec. 502. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce schoolchildren underrepresented in postsecondary education to the potential of a college education.

(2) Individual program plans of each university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each university shall apply the percentage change applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

(3) The program shall be administered by each university in a manner prescribed by the Michigan department of labor and economic growth.

Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program.

Sec. 503. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically and economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state.

(2) An award made under this program to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of labor and economic growth.

Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically and economically disadvantaged students who transfer from community colleges into baccalaureate programs.

(2) The grants shall be made under this program to Michigan public and independent colleges and universities. An award to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of labor and economic growth.

Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program.

Sec. 505. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of underrepresented minority instructors in the classroom and provide role models for underrepresented minority students.

(2) The program shall be administered by the Michigan department of labor and economic growth.

Morris Hood, Jr. educator development program.

Sec. 506. (1) Included in the appropriation in part 1 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of minority students, especially males, who enroll in and complete K-12 teacher education programs at the baccalaureate level.

(2) The program shall be administered by each state-approved teacher education institution in a manner prescribed by the Michigan department of labor and economic growth.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program.

Expenditure of funds under sections 503, 504, or 506; notice to department.

Sec. 507. Each state institution of higher education receiving funds under section 503, 504, or 506 shall notify the Michigan department of labor and economic growth by April 15, 2006 as to whether it will expend by the end of its fiscal year the funds received under section 503, 504, or 506. Notwithstanding the award limitations in sections 503 and 504, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 503, 504, or 506.

STUDENT PERFORMANCE REPORTING

Academic status of students; use of information.

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

Community college transfer students' academic status.

Sec. 602. From the amount appropriated in part 1 for state universities, the state universities shall inform Michigan community colleges regarding the academic status of community college transfer students in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan community college association.

GENERAL REPORTS AND AUDITS

HEIDI enrollment data; review by auditor general; reports; "distance learning instruction" defined.

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all public universities and may perform audits of selected public universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2006.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through instructional activity by faculty or staff in classrooms located outside Michigan, with the exception of instructional activity related to study-abroad programs or field programs.

(b) Student credit hours generated through distance learning instruction for students not paying the institution's resident tuition rate.

(c) Student credit hours generated through credit by examination.

(d) Student credit hours generated through inmate prison programs regardless of teaching location.

(e) Student credit hours generated in new degree programs after January 1, 1975, that have not been specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs that do all of the following:

(i) Represent new options, fields, or concentrations within existing programs.

(ii) Are consistent with the current institutional role and mission.

(iii) Are accommodated within the continuing funding base of the institution.

(iv) Do not require a new degree level beyond that which the institution is currently authorized to grant within that discipline or field.

(v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.