

(11) As used in this section, “participant” means the sum of the number of full-time equated individuals enrolled in and attending a department-approved adult education program under this section, using quarterly participant count days on the schedule described in section 6(7)(b).

(12) A person who is not eligible to be a participant funded under this section may receive adult education services upon the payment of tuition. In addition, a person who is not eligible to be served in a program under this section due to the program limitations specified in subsection (6), (7), (8), or (9) may continue to receive adult education services in that program upon the payment of tuition. The tuition level shall be determined by the local or intermediate district conducting the program.

(13) An individual who is an inmate in a state correctional facility shall not be counted as a participant under this section.

(14) A district shall not commingle money received under this section or from another source for adult education purposes with any other funds of the district. A district receiving adult education funds shall establish a separate ledger account for those funds. This subsection does not prohibit a district from using general funds of the district to support an adult education or community education program.

(15) A district or intermediate district receiving funds under this section may establish a sliding scale of tuition rates based upon a participant’s family income. A district or intermediate district may charge a participant tuition to receive adult education services under this section from that sliding scale of tuition rates on a uniform basis. The amount of tuition charged per participant shall not exceed the actual operating cost per participant minus any funds received under this section per participant. A district or intermediate district may not charge a participant tuition under this section if the participant’s income is at or below 200% of the federal poverty guidelines published by the United States department of health and human services.

### **388.1747 Allocations to public school employees’ retirement system.**

Sec. 147. (1) The allocation for 2005-2006 for the public school employees’ retirement system pursuant to the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, shall be made using the entry age normal cost actuarial method and risk assumptions adopted by the public school employees retirement board and the department of management and budget. The annual level percentage of payroll contribution rate is estimated at 16.34% for the 2005-2006 state fiscal year. The portion of the contribution rate assigned to districts and intermediate districts for each fiscal year is all of the total percentage points. This contribution rate reflects an amortization period of 31 years for 2005-2006. The public school employees’ retirement system board shall notify each district and intermediate district by February 28 of each fiscal year of the estimated contribution rate for the next fiscal year.

(2) It is the intent of the legislature that the amortization period described in section 41(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, be reduced to 30 years by the end of the 2005-2006 state fiscal year by reducing the amortization period by not more than 1 year each fiscal year.

### **388.1758b Report by district receiving federal impact aid.**

Sec. 158b. Each district that receives federal impact aid annually shall report to the center, in the form and manner prescribed by the center, the amount of that aid the district received.

**388.1764c Purchase of foreign goods or services.**

Sec. 164c. A district or intermediate district shall not use funds appropriated under this act to purchase foreign goods or services, or both, if American goods or services, or both, are available and are competitively priced and of comparable quality. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

**388.1767 Plan for compliance with MCL 333.9209 and 380.1177; report of immunization status; districts subject to subsection (4); failure to comply with section; pupil relocated in state due to natural disaster.**

Sec. 167. (1) The department in cooperation with the department of community health shall develop plans to assist districts and intermediate districts and local county health departments to comply with section 1177 of the revised school code, MCL 380.1177, and section 9209 of the public health code, 1978 PA 368, MCL 333.9209, for each school year.

(2) Each district or intermediate district shall report to the local health department in which it is located by November 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time or, beginning in 2002-2003, who enrolled in grade 6 in the district or intermediate district for the first time, between January 1 and September 30 of the immediately preceding fiscal year. Not later than December 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils and, beginning in 2002-2003, of pupils who enrolled in grade 6 for the first time who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 90% of the district's or intermediate district's entering pupils, as recorded in the November 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 90% of its pupils who enrolled in the district or intermediate district for the first time.

(3) Each district or intermediate district shall again report to the local health department in which it is located by February 1 of each fiscal year, in a manner prescribed by the department of community health, the immunization status of each pupil in grades K through 12 who enrolled in the district or intermediate district for the first time or, beginning in 2002-2003, who enrolled in grade 6 in the district or intermediate district for the first time, between January 1 of the immediately preceding fiscal year and December 31 of the current fiscal year. Not later than March 31 of each fiscal year, the department of community health shall notify the department by district or intermediate district of the percentage of entering pupils and, beginning in 2002-2003, of pupils who enrolled in grade 6 for the first time who do not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177. If a district or intermediate district does not have a completed, waived, or provisional immunization record in accordance with section 1177 of the revised school code, MCL 380.1177, for at least 95% of the district's or intermediate district's entering pupils, as recorded in the February 1 reports required under this subsection, the district or intermediate district is subject to subsection (4) until the district or intermediate district has such an immunization record for at least 95% of its pupils who enrolled in the district or intermediate district for the first time. If the department of community health is not able to report to

the department by March 31 because a district or intermediate district fails to submit a report as required in this subsection, or submits an incomplete, inaccurate, or late report, the district or intermediate district is subject to subsection (4) until the report is submitted in a complete and accurate form.

(4) If a district or intermediate district does not comply with this section, the department shall withhold 5% of the total funds due to the district or intermediate district under this act after the date the department of community health reports a district's or intermediate district's noncompliance with this section to the department until the district or intermediate district complies with this section. If the district or intermediate district does not comply with this section by the end of the fiscal year, the district or intermediate district forfeits the total amount withheld.

(5) For 2005-2006 only, if a pupil has been evacuated from another state and relocated in this state due to a natural disaster and is being educated in a district, if the pupil's immunization record has not yet been received or confirmed, and if the district is making a good faith effort to obtain immunization information concerning the pupil, the district may exclude the pupil from the calculation of the specified percentages in subsections (2) and (3).

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

Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00.

#### **Repeal of MCL 388.1611b, 388.1632f, and 388.1707b; effective date of repeal.**

Enacting section 2. Sections 11b, 32f, and 107b of the state school aid act of 1979, 1979 PA 94, MCL 388.1611b, 388.1632f, and 388.1707b, are repealed effective October 1, 2005.

#### **Effective dates.**

Enacting section 3. (1) Except as otherwise specified in subsection (2), this amendatory act takes effect October 1, 2005.

(2) Sections 6, 15, and 101 of the state school aid act of 1979, 1979 PA 94, MCL 388.1606, 388.1615, and 388.1701, as amended by this amendatory act, and sections 11k and 31f as added by this amendatory act, take effect upon enactment of this amendatory act.

This act is ordered to take immediate effect.

Approved September 30, 2005.

Filed with Secretary of State September 30, 2005.

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**[No. 156]**

**(SB 276)**

AN ACT to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe

powers and duties of certain state departments and certain state and local agencies and officers.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

**Appropriations; department of labor and economic growth and the Michigan strategic fund.**

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth and the Michigan strategic fund, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2006, from the funds identified in this part. The following is a summary of the appropriations in this part:

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	58.5	
Full-time equated classified positions .....	4,351.5	
GROSS APPROPRIATION .....		\$ 1,273,315,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers ....		10,822,400
ADJUSTED GROSS APPROPRIATION .....		\$ 1,262,492,900
Federal revenues:		
Total federal revenues .....		842,527,600
Special revenue funds:		
Total local revenues .....		15,738,200
Total private revenues .....		3,990,600
Total other state restricted revenues .....		329,882,200
State general fund/general purpose .....		\$ 70,354,300

**Departmental administration.**

**Sec. 102. DEPARTMENTAL ADMINISTRATION**

Full-time equated unclassified positions .....	58.5	
Full-time equated classified positions .....	212.0	
Unclassified salaries .....		\$ 5,349,400
Executive director programs—53.0 FTE positions .....		5,961,500
Regulatory efficiency improvements/backlog reduction initiative ....		665,600
Property management .....		10,945,100
Rent .....		17,338,600
Worker’s compensation .....		1,608,000
Special project advances .....		940,000
HR optimization charges .....		147,600
Administrative services—159.0 FTE positions .....		15,535,000
GROSS APPROPRIATION .....		\$ 58,490,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health .....		300,000
Federal revenues:		
CNS .....		295,700
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....		4,897,500

	For Fiscal Year Ending Sept. 30, 2006
DOL-ETA, unemployment insurance .....	\$ 16,739,900
DOL-ETA, workforce investment act .....	809,400
DOL, federal funds .....	2,503,700
DOL, multiple grants for safety and health .....	654,000
Federal revenues .....	785,700
HHS, temporary assistance for needy families.....	347,000
HHS, titles XVIII and XIX .....	36,700
Special revenue funds:	
Private - special project advances .....	940,000
Local revenues .....	134,100
Bank fees .....	485,100
Boiler fees .....	239,400
Construction code fund.....	1,444,700
Consumer finance fees.....	168,800
Contingent fund penalty and interest account.....	890,000
Corporation fees.....	5,106,100
Credit union fees.....	327,600
Elevator fees .....	264,000
Fees and collections/asbestos .....	65,900
Fire service fees .....	232,500
Insurance licensing and regulation fees .....	2,209,400
Insurance regulatory fees .....	996,000
Licensing and regulation fees.....	900,900
Liquor purchase revolving fund.....	5,767,800
Manufactured housing commission fees.....	288,200
Michigan state housing development authority fees and charges....	3,575,400
Motor carrier fees.....	185,200
Public utility assessments .....	2,157,200
Private occupational school license fees .....	14,000
Rehabilitation services fees .....	90,300
Safety education and training fund .....	502,300
Second injury fund .....	253,500
Securities fees .....	2,381,500
Self-insurers security fund.....	83,300
Silicosis and dust disease fund .....	101,300
Tax tribunal fees.....	1,100
State general fund/general purpose .....	\$ 1,315,600

### **Office of financial and insurance services.**

#### **Sec. 103. OFFICE OF FINANCIAL AND INSURANCE**

#### **SERVICES**

Full-time equated classified positions.....	273.0
Administration—9.0 FTE positions .....	\$ 2,686,700
Policy conduct and consumer assistance—119.0 FTE positions .....	14,364,400
Financial evaluation—145.0 FTE positions .....	20,940,400
GROSS APPROPRIATION.....	\$ 37,991,500
Appropriated from:	
Federal revenues:	
Federal regulatory project revenue.....	50,400

For Fiscal Year  
Ending Sept. 30,  
2006

Special revenue funds:	
Bank fees.....	\$ 7,355,400
Consumer finance fees.....	4,034,700
Credit union fees.....	4,666,500
Insurance continuing education fees.....	829,600
Insurance licensing and regulation fees.....	4,488,000
Insurance regulatory fees.....	14,627,400
Multiple employer welfare arrangement.....	67,500
Securities fees.....	1,872,000
State general fund/general purpose.....	\$ 0

**Michigan broadband development authority.**

**Sec. 104. MICHIGAN BROADBAND DEVELOPMENT**

**AUTHORITY**

Full-time equated classified positions.....	13.0
Director of legal and regulatory affairs—1.0 FTE position.....	\$ 149,400
Director of finance—1.0 FTE position.....	142,300
Project director—1.0 FTE position.....	142,300
Director of accounting and purchasing—1.0 FTE position.....	123,500
Director of marketing and customer development— 1.0 FTE position.....	123,500
Director of community and government affairs—1.0 FTE position..	97,700
Executive assistant 13—1.0 FTE position.....	75,300
Executive assistant 11—1.0 FTE position.....	65,500
Accountant—1.0 FTE position.....	75,300
Department specialist 14—1.0 FTE position.....	97,700
Financial specialist 14—1.0 FTE position.....	97,700
Financial specialist 12—1.0 FTE position.....	81,300
Intern position—1.0 FTE position.....	39,500
Administration.....	277,200
GROSS APPROPRIATION.....	\$ 1,588,200

Appropriated from:

Special revenue funds:	
Michigan broadband authority fees and charges.....	1,588,200
State general fund/general purpose.....	\$ 0

**Public service commission**

**Sec. 105. PUBLIC SERVICE COMMISSION**

Full-time equated classified positions.....	158.0
Administration, planning and regulation—147.0 FTE positions.....	\$ 18,795,000
Energy office—9.0 FTE positions.....	5,267,100
Children’s protection registry administration—2.0 FTE positions...	250,000
GROSS APPROPRIATION.....	\$ 24,312,100

Appropriated from:

Federal revenues:	
DOE-OEERE, multiple grants.....	4,828,100
DOT-RSPA, gas pipeline safety.....	984,900

For Fiscal Year  
Ending Sept. 30,  
2006

Special revenue funds:		
Private - oil overcharge.....	\$	30,000
Children's protection registry fund.....		250,000
Motor carrier fees.....		2,060,700
Public utility assessments.....		16,158,400
State general fund/general purpose.....	\$	0

### **Liquor control commission.**

#### **Sec. 106. LIQUOR CONTROL COMMISSION**

Full-time equated classified positions.....	152.0	
Management support services—28.0 FTE positions.....	\$	3,092,300
Liquor licensing and enforcement—124.0 FTE positions.....		11,278,000
GROSS APPROPRIATION.....	\$	14,370,300

Appropriated from:

Special revenue funds:		
Liquor license revenue.....		5,699,300
Liquor purchase revolving fund.....		8,671,000
State general fund/general purpose.....	\$	0

### **Michigan state housing development authority.**

#### **Sec. 107. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

Full-time equated classified positions.....	232.0	
Payments on behalf of tenants.....	\$	130,000,000
Housing and rental assistance program—232.0 FTE positions.....		32,887,700
GROSS APPROPRIATION.....	\$	162,887,700

Appropriated from:

Federal revenues:		
HUD, lower income housing assistance program.....		130,000,000
Special revenue funds:		
Michigan state housing development authority fees and charges.....		32,887,700
State general fund/general purpose.....	\$	0

### **Tax tribunal.**

#### **Sec. 108. TAX TRIBUNAL**

Full-time equated classified positions.....	11.0	
Operations—11.0 FTE positions.....	\$	1,298,100
GROSS APPROPRIATION.....	\$	1,298,100

Appropriated from:

Special revenue funds:		
Corporation fees.....		290,600
Securities fees.....		356,000
Tax tribunal fees.....		651,500
State general fund/general purpose.....	\$	0

### **Occupational regulation.**

#### **Sec. 109. OCCUPATIONAL REGULATION**

Full-time equated classified positions.....	419.0	
Code enforcement and fire safety—177.0 FTE positions.....	\$	18,387,000

	For Fiscal Year Ending Sept. 30, 2006
Boiler inspection program—25.0 FTE positions .....	\$ 2,592,200
Elevator inspection program—30.0 FTE positions .....	2,751,700
Commercial services—154.0 FTE positions.....	16,282,000
Local manufactured housing communities inspections .....	250,000
Manufactured housing and land resources program— 22.0 FTE positions.....	2,853,200
Property development group—11.0 FTE positions .....	1,474,200
GROSS APPROPRIATION .....	\$ <u>44,590,300</u>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health, inspection contract.....	111,100
IDG from department of state police, homeland security.....	800,000
Federal revenues:	
FEMA .....	150,000
DOT .....	85,000
HHS, titles XVIII and XIX .....	872,300
Special revenue funds:	
Boiler fee revenue .....	2,758,600
Construction code fund.....	14,546,500
Corporation fees.....	5,430,000
Elevator fees .....	2,891,200
Fire service fees .....	2,167,300
Homeowner construction lien recovery fund.....	1,532,800
Licensing and regulation fees.....	9,084,300
Manufactured housing commission fees.....	2,452,200
Michigan boxing fund.....	206,200
Property development fees.....	265,700
Re monumentation fees .....	666,600
Real estate appraiser continuing education fund .....	45,000
Real estate education fund.....	217,500
Security business fund.....	308,000
State general fund/general purpose .....	\$ 0

**Employment relations.**

**Sec. 110. EMPLOYMENT RELATIONS**

Full-time equated classified positions .....	21.0
Employment and labor relations—21.0 FTE positions.....	\$ <u>3,006,400</u>
GROSS APPROPRIATION .....	\$ <u>3,006,400</u>
Appropriated from:	
Federal revenues:	
EEOC, federal funds.....	10,000
Special revenue funds:	
Securities fees .....	2,944,200
State general fund/general purpose .....	\$ 52,200

**Michigan occupational safety and health administration.**

**Sec. 111. MICHIGAN OCCUPATIONAL SAFETY AND**

**HEALTH ADMINISTRATION**

Full-time equated classified positions .....	229.0
Occupational safety and health—229.0 FTE positions .....	\$ <u>25,189,300</u>
GROSS APPROPRIATION .....	\$ <u>25,189,300</u>



For Fiscal Year  
Ending Sept. 30,  
2006

Appropriated from:	
Federal revenues:	
DOL, multiple grants for safety and health .....	\$ 12,084,200
Special revenue funds:	
Corporation fees.....	2,087,200
Fees and collections/asbestos .....	795,600
Licensing and regulation fees.....	1,126,900
Safety education and training fund .....	7,371,000
Securities fees .....	1,724,400
State general fund/general purpose .....	\$ 0

### **Bureau of worker's and unemployment compensation.**

#### **Sec. 112. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION**

Full-time equated classified positions .....	1,216.0	
Administration—96.6 FTE positions .....		\$ 9,220,600
Board of magistrates and appellate commission—		
19.4 FTE positions.....		2,786,200
Wage and hour division—31.0 FTE positions .....		2,548,500
Insurance funds administration—28.0 FTE positions.....		4,363,700
Supplemental benefit fund .....		1,300,000
Unemployment programs—971.7 FTE positions.....		81,443,100
Advocacy assistance program .....		1,500,000
Special audit and collections program—34.0 FTE positions.....		2,639,500
Training program for agency staff—2.1 FTE positions .....		1,788,600
Expanded fraud control program—33.2 FTE positions .....		2,954,900
GROSS APPROPRIATION .....		\$ 110,545,100

Appropriated from:	
Federal revenues:	
DOL-ETA, employment and training administration.....	613,400
DOL-ETA, unemployment insurance .....	83,850,000
Federal Reed act funds .....	4,362,700
Special revenue funds:	
Corporation fees.....	3,842,300
Contingent fund, penalty and interest account.....	6,739,100
Licensing and regulation fees.....	753,100
Second injury fund .....	2,349,100
Securities fees .....	3,842,600
Self-insurers security fund.....	1,111,200
Silicosis and dust disease fund .....	903,400
Worker's compensation administrative revolving fund.....	2,178,200
State general fund/general purpose .....	\$ 0

### **State office of administrative hearings and rules.**

#### **Sec. 113. STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES**

Full-time equated classified positions .....	163.0	
Administrative hearings and rules—163.0 FTE positions .....		\$ 19,855,200
GROSS APPROPRIATION .....		\$ 19,855,200

For Fiscal Year  
Ending Sept. 30,  
2006

Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of community health.....	\$ 1,547,300
IDG from department of corrections .....	3,461,000
IDG from department of education .....	966,300
IDG from department of environmental quality.....	479,300
IDG from department of human services .....	3,038,300
IDG from department of management and budget.....	40,500
Federal revenues:	
DOL-ETA, unemployment insurance .....	5,761,400
DOL, multiple grants for safety and health .....	183,300
Special revenue funds:	
Construction code fund.....	270,400
Corporation fees.....	328,400
Insurance regulatory fees .....	310,400
Licensing and regulation fees.....	1,015,300
Liquor license fees.....	100,000
Liquor purchase revolving fund.....	3,500
Manufactured housing commission fees.....	126,200
Public utility assessments .....	1,155,500
Safety education and training fund .....	177,000
Securities fees .....	808,700
Tax tribunal fees.....	73,600
State general fund/general purpose .....	\$ 8,800

**Information technology.**

**Sec. 114. INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$ 42,486,200
GROSS APPROPRIATION.....	\$ 42,486,200
Appropriated from:	
Federal revenues:	
DOL-ETA, unemployment insurance .....	20,754,300
DOL, multiple grants for safety and health .....	518,400
Federal revenues .....	5,772,700
HHS, temporary assistance for needy families.....	176,300
Special revenue funds:	
Bank fees.....	477,300
Boiler fee revenue .....	264,300
Construction code fund.....	1,435,900
Consumer finance fees.....	94,200
Corporation fees.....	1,715,500
Credit union fees.....	269,300
Elevator fees .....	254,400
Fees and collections/asbestos .....	11,000
Insurance regulatory fees .....	497,200
Licensing and regulation fees.....	1,109,900
Liquor purchase revolving fund.....	4,340,600
Manufactured housing commission fees.....	72,400

		For Fiscal Year Ending Sept. 30, 2006
Michigan state housing development authority fees and charges.....	\$	1,940,300
Motor carrier fees.....		95,900
Public utility assessments.....		773,100
Safety education and training fund.....		285,600
Second injury fund.....		106,500
Securities fees.....		1,433,500
Self-insurers security fund.....		38,300
Silicosis and dust disease fund.....		49,300
State general fund/general purpose.....	\$	0

### **Workforce development.**

#### **Sec. 115. WORKFORCE DEVELOPMENT**

Full-time equated classified positions.....		872.5
Employment services—246.0 FTE positions.....	\$	44,999,700
Labor market information—52.0 FTE positions.....		6,020,800
Michigan rehabilitation services—513.5 FTE positions.....		68,109,100
Office of workforce development—61.0 FTE positions.....		29,895,500
GROSS APPROPRIATION.....	\$	<u>149,025,100</u>

#### Appropriated from:

##### Federal revenues:

DAG, employment and training.....		178,700
DED-OPSE, multiple grants.....		1,145,400
DED-OSERS, centers for independent living.....		58,200
DED-OSERS, rehabilitation long-term training.....		566,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....		50,176,300
DED-OSERS, state grants for technical related assistance.....		56,000
DED, Perkins act.....		281,300
DOL-ETA, workforce investment act.....		6,448,400
DOL, federal funds.....		62,671,800
DOL, ODEP.....		225,000
HHS-SSA, supplemental security income.....		4,491,800
HHS, temporary assistance for needy families.....		3,320,200

##### Special revenue funds:

Private - gifts, bequests, and donations.....		816,000
Local revenue.....		4,132,400
Local vocational rehabilitation match.....		3,054,000
Contingent fund, penalty and interest account.....		1,736,300
Rehabilitation services fees.....		1,269,400
Second injury fund.....		51,500
Student fees.....		308,000
Training materials fees.....		256,400
State general fund/general purpose.....	\$	7,781,100

### **Career education programs.**

#### **Sec. 116. CAREER EDUCATION PROGRAMS**

Full-time equated classified positions.....		55.0
Career and technical education—25.0 FTE positions.....	\$	3,396,700

	For Fiscal Year Ending Sept. 30, 2006
Postsecondary education—14.0 FTE positions .....	\$ 2,554,100
Adult education—16.0 FTE positions .....	2,377,300
GROSS APPROPRIATION .....	\$ 8,328,100
Appropriated from:	
Federal revenues:	
Federal revenues .....	6,358,400
Special revenue funds:	
Private occupational school license fees .....	409,700
Defaulted loan collection fees .....	100,000
State general fund/general purpose .....	\$ 1,460,000

**Department grants.**

**Sec. 117. DEPARTMENT GRANTS**

Adult basic education .....	\$ 20,000,000
Carl D. Perkins grants .....	47,500,000
Focus: HOPE .....	5,860,200
Gear-up program grants .....	3,000,000
Job training programs subgrantees .....	119,602,700
Michigan community service commission subgrantees .....	5,900,000
Personal assistance services .....	459,500
Precollege programs in engineering and the sciences .....	680,100
Vocational rehabilitation client services/facilities .....	54,989,500
Vocational rehabilitation independent living .....	3,079,700
Welfare-to-work programs .....	113,798,600
Fire protection grants .....	7,210,500
Low-income energy efficiency assistance .....	60,000,000
Liquor law enforcement grants .....	6,000,000
Remonumentation grants .....	14,000,000
GROSS APPROPRIATION .....	\$ 462,080,800
Appropriated from:	
Federal revenues:	
CNS .....	5,500,000
DAG, employment and training .....	13,000,000
DED-OESE, gear-up .....	3,000,000
DED-OSERS, centers for independent living .....	450,200
DED-OSERS, client assistance for individuals with disabilities .....	440,000
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants .....	35,797,900
DED-OSERS, rehabilitation services facilities .....	2,272,500
DED-OSERS, supported employment .....	1,541,300
DED-OSERS, state grants for technical related assistance .....	2,240,800
DED-OVAE, adult education .....	20,000,000
DED-OVAE, basic grants to states .....	47,500,000
DOL-ETA, workforce investment act .....	119,602,700
HHS, temporary assistance for needy families .....	82,299,000
HHS-SSA, supplemental security income .....	2,480,600
Federal section 903(d), SSA funds .....	6,300,000

For Fiscal Year  
Ending Sept. 30,  
2006

Special revenue funds:		
Private - gifts, bequests, and donations .....	\$	800,000
Local vocational rehabilitation match .....		6,630,500
Local vocational rehabilitation facilities match .....		1,278,300
Contingent fund, penalty and interest account .....		1,000,000
Low-income energy efficiency fund .....		60,000,000
Fire protection fund .....		3,500,000
Liquor purchase revolving fund .....		3,710,500
Liquor license revenue .....		6,000,000
Remonumentation fees .....		14,000,000
State general fund/general purpose .....	\$	22,736,500

### **Boards, authorities, and commissions.**

#### **Sec. 118. BOARDS, AUTHORITIES AND COMMISSIONS**

Full-time equated classified positions .....		135.0
MES board of review program—18.0 FTE positions .....	\$	2,047,200
Rights-of-way oversight authority—5.0 FTE positions .....		515,900
Land bank fast track authority—3.0 FTE positions .....		661,700
Michigan community service commission—6.0 FTE positions .....		3,196,200
Commission on Spanish-speaking affairs—2.0 FTE positions .....		232,300
Commission on disability concerns—7.0 FTE positions .....		1,010,900
Commission for the blind—94.0 FTE positions .....		18,717,800
Utility consumer representation .....		550,000
Youth low vision program .....		241,800
GROSS APPROPRIATION .....	\$	27,173,800

#### Appropriated from:

##### Federal revenues:

Federal revenues .....		14,296,800
CNS .....		1,631,400
DOL-ETA, unemployment insurance .....		2,047,200

##### Special revenue funds:

Private - gifts, bequests, and donations .....		580,300
Private revenues .....		124,300
Local revenues .....		508,900
Land bank fast track funds .....		661,700
METRO authority fund .....		515,900
State restricted revenues .....		548,100
Utility consumer representation fund .....		550,000
State general fund/general purpose .....	\$	5,709,200

### **Michigan strategic fund.**

#### **Sec. 119. MICHIGAN STRATEGIC FUND**

Full-time equated classified positions .....		190.0
Administration—31.0 FTE positions .....	\$	2,346,700
Job creation services—159.0 FTE positions .....		17,234,100
Michigan promotion program .....		5,717,500
Economic development job training grants .....		9,798,000
Community development block grants .....		45,000,000
GROSS APPROPRIATION .....	\$	80,096,300

	For Fiscal Year Ending Sept. 30, 2006
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees.....	\$ 78,600
Federal revenues:	
DOL-ETA, employment service .....	724,000
HUD-CPD, community development block grant.....	47,297,800
Special revenue funds:	
Private - special project advances.....	700,000
Industry support fees .....	5,000
State general fund/general purpose .....	\$ 31,290,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

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

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2005-2006 is \$400,236,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$56,012,400.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Fire protection grants .....	\$ 7,210,500
Liquor law enforcement .....	6,000,000
Local manufactured housing inspections.....	201,700
Remonumentation grants.....	14,000,000
Fire fighters training council.....	1,602,600
Economic development job training grants.....	9,798,000
Welfare to work .....	17,199,600
Total department of labor and economic growth.....	\$ 56,012,400

**Appropriations subject to MCL 18.1101 to 18.1594.**

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

**Definitions.**

Sec. 203. As used in this appropriation act:

- (a) “CEO” means chief executive officer of the Michigan economic development corporation.
- (b) “CNS” means the corporation for national services.
- (c) “DAG” means the United States department of agriculture.
- (d) “DED” means the United States department of education.

- (e) “DED-OESE” means the DED office of elementary and secondary education.
- (f) “DED-OPSE” means the DED office of postsecondary education.
- (g) “DED-OSERS” means the DED office of special education rehabilitation services.
- (h) “DED-OVAE” means the DED office of vocational and adult education.
- (i) “Department” means the department of labor and economic growth, including the Michigan strategic fund.
- (j) “Director” means the director of the department of labor and economic growth.
- (k) “DOE” means the United States department of energy.
- (l) “DOE-OEERE” means the DOE office of energy efficiency and renewable energy.
- (m) “DOL” means the United States department of labor.
- (n) “DOL-ETA” means the DOL employment and training administration.
- (o) “DOL-ODEP” means the DOL office of disability employment policy.
- (p) “DOT” means the United States department of transportation.
- (q) “DOT-RSPA” means the DOT research and special programs administration.
- (r) “EEOC” means equal employment opportunity commission.
- (s) “Fiscal agencies” means Michigan house fiscal agency and Michigan senate fiscal agency.
- (t) “FTE” means full-time equated.
- (u) “Fund” means the Michigan strategic fund.
- (v) “GED” means general education degree.
- (w) “HHS” means the United States department of health and human services.
- (x) “HHS-SSA” means HHS social security administration.
- (y) “HUD” means the United States department of housing and urban development.
- (z) “HUD-CPD” means HUD community planning and development.
- (aa) “IDG” means interdepartmental grant.
- (bb) “MDCH” means the Michigan department of community health.
- (cc) “MDEQ” means the Michigan department of environmental quality.
- (dd) “MEDC” means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (ee) “MES” means Michigan employment security.
- (ff) “Subcommittees” means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

### **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 or state classified civil service positions funded fully by federal funds.

(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 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 month and the reasons to justify the exception.

**Privatization; project plan.**

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

**Use of Internet; transmission of reports.**

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

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

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

**Affirmative action programs.**

Sec. 211. The department shall establish and maintain affirmative action programs based on the guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.



**Receipt and retention of reports.**

Sec. 212. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

**Information technology; payment of user fees.**

Sec. 213. From the funds appropriated in part 1 for information technology, the 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 department and the department of information technology.

**Information technology; amounts designated as work projects.**

Sec. 214. 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.

**Revenue sources; identification and detail.**

Sec. 216. It is the intent of the legislature that all revenue sources for funds appropriated in part 1 shall not be aggregated into general categories and shall be specifically identified and detailed as much as possible.

**Out-of-state travel.**

Sec. 217. (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 or staff.**

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.

## **REGULATORY**

### **Fire protection grants.**

Sec. 301. The appropriation in part 1 for fire protection grants from the liquor purchase revolving fund and the fire protection fund shall be appropriated to cities, villages, and townships with state-owned facilities for fire services, instead of taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

### **Conservatorship; funds collected.**

Sec. 302. The funds collected by the office of financial and insurance services in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

### **Corporations being liquidated; funds collected.**

Sec. 303. The funds collected by the department from corporations being liquidated pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

### **Customized listings of nonconfidential information; use of revenue.**

Sec. 304. The department may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of programs as appropriated in part 1. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the appropriate restricted revenue account or fund or, in absence of such an account or fund, to the general fund. The department shall submit an annual report on or before December 1

of each year to the state budget office and the subcommittees that states the amount of revenue received from the sale of information.

**Michigan state housing development authority; status report on housing production goals.**

Sec. 306. The Michigan state housing development authority shall annually present a report to the state budget office and the subcommittees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

**Licenses, permits, and other elevator regulation fees; funds collected.**

Sec. 308. The funds collected by the department for licenses, permits, and other elevator regulation fees set forth in R 408.8151 of the Michigan administrative code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year shall carry forward to the subsequent fiscal year. The department shall submit a report on an annual basis to the state budget office and the subcommittees on the amount of funds available under this section.

**Occupational safety and health; fees and collections; revenue.**

Sec. 309. If the revenue collected by the department for occupational safety and health from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

**Fire safety programs; inspection and plan review fees.**

Sec. 310. Money appropriated under this act for fire safety programs shall not be expended unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees will be charged according to the following schedule:

<u>Operation and maintenance inspection fee</u>		
<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<u>Project cost range</u>	<u>Fee</u>	
\$101,000.00 or less	minimum fee of \$155.00	
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00	
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00	
\$10,000,001.00 or more	\$1.10 per \$1,000.00	
	or a maximum fee of \$60,000.00.	

**Licensing and regulation fees collected by office of commercial services; revenue.**

Sec. 313. If the revenue collected by the department from licensing and regulation fees collected by the office of commercial services exceeds the amount appropriated in part 1, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

**Funds for unemployment insurance agency and employment service agency; expenditures.**

Sec. 314. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the state budget office and the subcommittees of the purpose and amount of each grant award.

**Documents; sale.**

Sec. 315. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the documents pursuant to this section. This section applies only for the following documents:

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

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

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

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

(e) Labor law books.

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

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

**Number of individuals killed or injured on job in certain industries; annual report.**

Sec. 317. The department, MIOSHA, shall provide an annual report by February 1 of each year to the state budget office, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

**Utility consumer representation; public service announcements.**

Sec. 322. From the funds appropriated in part 1 for utility consumer representation, the department shall produce and facilitate the airing of public service announcements that inform utility customers of the availability and purpose of these funds. The utility consumer participation board shall report to the subcommittees, fiscal agencies, and state budget office by September 30 on its efforts in this area, including the amount of expenditures made for this purpose.

**Michigan commission for the blind; use of funds as tuition payments.**

Sec. 326. The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2004.

**Administrative law hearings; location.**

Sec. 332. It is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by the department against regulated businesses or against individuals in regulated occupations in locations that are within 150 miles of the regulated business or of the office of the individual in a regulated occupation. In addition, it is the intent of the legislature that the department make every effort to hold administrative law hearings on actions initiated by an individual outside the department in locations within 150 miles of the home of the individual bringing the action if that individual wishes to testify at the hearing.

**Low-income/energy efficiency assistance program.**

Sec. 335. The public service commission shall report by June 1 of each year to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

**Expenditure report.**

Sec. 336. The department shall provide the subcommittees, fiscal agencies, and state budget director with a report on or before December 1 outlining actual expenditures for the last completed fiscal year for each division within the office of financial and insurance services.

**Credit scoring in establishing insurance premiums.**

Sec. 337. The department shall not expend funds from the appropriations in part 1 for the office of financial and insurance services for the purpose of implementing prohibitions on the use of credit scoring in establishing insurance premiums by insurance companies until the legislature has, by statute, authorized such a prohibition.

**Financial filings of health maintenance organizations; copies.**

Sec. 340. The office of financial and insurance services shall provide copies of the quarterly and annual financial filings of health maintenance organizations to the fiscal agencies on a timely basis.

**Senior assisted living.**

Sec. 349. The department and the Michigan state housing development authority shall work collaboratively with other state departments and agencies to maximize the use of available Michigan state housing development authority fund equity to provide senior assisted living that offers a continuum of care from independent apartments to assisted living to nursing care and Alzheimer programs.

**Participants in health benefit plan; right to external review; "covered person" defined.**

Sec. 350. (1) The department shall allocate funds to promote awareness of the right of a policyholder, subscriber, member, enrollee, or other individual participating in a health benefit plan, after the covered person has exhausted the health carrier's internal grievance process provided for by law, to request an external review for an adverse determination.

(2) As used in this section, “covered person” means that term as defined in section 3 of the patient’s right to independent review act, 2000 PA 251, MCL 550.1903.

### **Real estate continuing education courses.**

Sec. 351. (1) The department shall issue a report to the subcommittees by the end of each calendar year, but not later than December 31 of each year, showing the date each real estate continuing education course was submitted for approval and the date of final disposition, approval, or denial.

(2) The department shall post on its website the approved real estate continuing education courses, as well as the dates, times, instructors, locations, course title, and credit hours of the courses.

(3) The department shall have available to the public on-line the prelicensure and continuing education course approvals.

(4) It is the intent of the legislature that sponsors of continuing education be able to report an applicant’s or licensee’s completion of courses to the department via electronic methods.

### **Worker’s compensation appellate commissioners and board of magistrates; funding.**

Sec. 352. From the funds appropriated in part 1 for unclassified salaries, the department shall provide funding for 5 worker’s compensation appellate commissioners and 26 worker’s compensation board of magistrates. Expenditures shall be made so that the 2 bodies shall decide worker’s compensation cases in a timely manner.

### **Ergonomics standards.**

Sec. 355. Of the funds appropriated in part 1, no funds shall be used to support the development of, or activities that promote the development of, guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

### **Michigan commission for the blind; identification of matching funds.**

Sec. 356. It is the intent of the legislature that the Michigan commission for the blind work collaboratively with service organizations to identify qualified match dollars to maximize use of available federal funds.

### **Real estate education fund; delivery of on-line courses; grants.**

Sec. 358. The real estate education fund created in section 37 of the state license fee act, 1979 PA 152, MCL 338.2237, and administered by the department shall allow prelicensure and postlicensure education to be delivered through on-line courses by a community college, university, or private school, after licensure and approval by the department. Expenditures from this fund may also be made to support department grants for educational providers to establish on-line courses that would be made available to students throughout the year.

### **Real estate license continuing education credits; tracking system.**

Sec. 360. The department shall create a tracking system for real estate license continuing education credits that would allow the licensee to ascertain the number of approved course credits that the licensee has completed.

**Land bank fast track authority; expenditure of revenues; purpose.**

Sec. 361. In addition to the amounts appropriated in part 1 for the administration of the land bank fast track authority, the authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority.

**Boxing regulation.**

Sec. 362. Of the funds appropriated in part 1 for the department, \$200,000.00 may be used for administration and enforcement of boxing regulation in Michigan.

**Broadband development authority; report on administrative costs.**

Sec. 364. The department shall provide a report to the chairs of the appropriation subcommittees on labor and economic growth by January 1 on the total administrative costs allocated for the broadband development authority. These costs should include all staffing and other related costs associated with contracts. The report shall also include any payments to date for reimbursement to the Michigan state housing development authority. If no payments have been made, then the report shall include a detailed plan outlining the reimbursement schedule.

**Industrial-related comprehensive training and technical assistance program; allocation to nonprofit organizations.**

Sec. 365. From the funds appropriated in part 1 for occupational safety, not less than \$40,000.00 shall be allocated to nonprofit organizations representing the aggregate industry in Michigan in a grant for an industrial-related comprehensive training and technical assistance program. Such funds shall be subject to the conditions established by the Michigan occupational safety and health administration.

**Workers' compensation administration; funding with general fund money.**

Sec. 366. It is the intent of the legislature to fund the workers' compensation administration with general fund money.

**Performance of licensed residential builders; website.**

Sec. 367. The department shall develop a searchable website where consumers can research the performance of licensed residential builders, including the number of valid complaints filed against the builder that required disciplinary action taken by the department. The website shall allow searches by licensee name, company name, and license number.

**Funds collected under administrative procedures act and legislative council act.**

Sec. 368. Funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

**Fire marshal and fire fighters training council programs; funding.**

Sec. 369. It is the intent of the legislature to fund the fire marshal and fire fighters training council programs contained in section 109, code enforcement and fire safety line item with state general fund/general purpose money.

**Fire fighters training council; amount allocated.**

Sec. 370. Of the funds appropriated in the code enforcement and fire safety line item, no less than \$1,602,600.00 shall be allocated to support the fire fighters training council for fiscal year 2005-2006.

**Fire fighters training council; allocation from department of state police, homeland security funds.**

Sec. 371. Of the \$800,000.00 included in the interdepartmental grant from the department of state police, homeland security funds, 40% shall be allocated to the fire fighters training council.

**WORKFORCE AND CAREER DEVELOPMENT****Michigan career and technical institute; receipt of equipment and contributions.**

Sec. 401. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

**Michigan rehabilitation service; use of matching funds.**

Sec. 402. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718, 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to 795n, and 796 to 796l.

**Vocational rehabilitation facilities establishment grants; local match requirements; limitation.**

Sec. 403. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3% for the fiscal year ending September 30.

**Centers for independent living; support; report; information required; submission.**

Sec. 404. (1) Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/ general purpose revenue not used to match federal funds shall be used for the support of centers for independent living which are in compliance with federal standards for such centers, for the development of new centers in areas presently unserved or underserved, for technical assistance to centers, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for the blind. Funds must be used in a manner



consistent with the priorities established in the state plan for independent living. The department is directed to work with the Michigan association of centers for independent living and the local workforce development boards to identify other competitive sources of funding.

(2) As a condition of receipt of funds appropriated in part 1, the statewide independent living council and the Michigan association of centers for independent living shall jointly produce a report providing the following information:

(a) Results in terms of enhanced statewide access to independent living services to individuals who do not have access to such services through other existing public agencies, including measures by which these results can be monitored over time. These measures shall include:

(i) Total number of persons assisted by the centers and a comparison to the number assisted in the previous year.

(ii) Number of persons moved out of nursing homes into independent living situations and a comparison to the number assisted in the previous year.

(iii) Number of persons for whom accommodations were provided to enable independent living or access to employment and a comparison to the number assisted in the previous year.

(iv) The total number of disabled individuals served by personal care attendants and the number of personal care attendants provided through the use of any funds appropriated in part 1 administered by a center for independent living and a comparison to the number served in the previous year.

(b) Information from each center for independent living receiving funding through appropriations in part 1 detailing their total budget for their most recently completed fiscal year as well as the amount within that budget funded through the vocational rehabilitation independent living grant program referenced in part 1, the total amount funded through other state agencies, the amount funded through federal sources, and the amount funded through local and private sources.

(c) Savings to state taxpayers in other specific areas that can be shown to be the direct result of activities funded from the vocational rehabilitation independent living grant program during the most recently completed state fiscal year.

(3) The report required in subsection (2) shall be submitted to the subcommittees, the fiscal agencies, and the state budget director on or before January 30.

### **Work first program.**

Sec. 405. (1) The appropriation in part 1 to the department for the work first program shall be expended for grants which provide employment and training services to department of human services applicants and recipients and may be expended for grants that provide employment and training services to former family independence program recipients, as well as to recipients of noncash public assistance, specifically child day care, Medicaid, or food stamp benefits. The work first program, however, shall not be construed to be an entitlement to services.

(2) An applicant shall be limited to a Michigan works! agency, a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization that provides school-to-work transition programs or that provides employment and training services or vocational rehabilitation programs or state licensed accredited vocational or technical education programs, proprietary school licensed by the state board of education, local workforce development board, or a consortium consisting of

any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, licensed proprietary schools, or public or private nonprofit colleges or universities described in this subsection.

(3) When the work first job search requirements have been completed, if the participant has not found employment, the work first site shall identify the barriers which may have prevented the participant from obtaining employment and assist the client in removing those barriers. The work first site shall also identify appropriate education and job training programs which would be available to the participant. The department shall encourage the Michigan works! agencies to consider transportation challenges for work first participants placed in employment. When an individual is re-referred to work first because of an inability to retain employment, the Michigan works! agencies shall confer with the Michigan rehabilitation services, the department of human services, or other professionals if considered appropriate by the Michigan works! agency to screen for and identify issues that are preventing the participant from succeeding in the labor market. Each Michigan works! agency shall determine locally the number of times an individual may be re-referred back to the program before consulting with other service agencies. If no prohibitive barriers to work are found, the individual shall comply with the work first program, or be subject to appropriate penalties.

(4) Work first program participants shall include applicants and recipients of the department of human services program established under section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and such individuals referred to a job club program by a county department of human services board or a county friend of the court as long as the participation in the job club is part of an application submitted under this section.

(5) Participants in the work first program shall not be enrolled and counted in membership in a school district or intermediate school district.

(6) The department will work with the department of human services to coordinate support services to work first participants relating to special/emergency needs.

(7) Work first program participants must receive or be provided an explanation of the program including their benefits and responsibilities before the job interview phase of the program. This explanation shall include clear guidelines with regard to an individual's eligibility for postemployment training support and for applying hours in training toward work requirements.

(8) The department shall make every effort to place a minimum of 50% of clients who participate in the work first program in positions that provide wages of \$8.00 per hour or more.

(9) The department shall submit to the fiscal agencies and the state budget director by March 15 a report on the work first program, including the number of participants served under this section, the number of persons who located employment through work first, the average wage of participants who found employment, the number of persons who retained jobs for 90 days, the number of participants placed in employment training and education programs, the number of clients referred to work first who failed to report, a compilation of barriers to employment by incidence and type experienced by participants, and the number of participants referred back to the department of human services.

(10) The department shall provide to the state budget director and the fiscal agencies by May 15 and November 15 of each year a report on the work first grants. The report due by May 15 shall provide the information described in this subsection for each grant or contract awarded during the preceding 2 quarters of the state fiscal year. The report due

by November 15 shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain both of the following:

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

(b) The number of participants in each service delivery area and the number of clients placed in employment in each service delivery area.

(11) The department shall make available to work first participants guidelines on eligibility for postemployment training and how training/education hours are applied toward work participation requirements. These guidelines will be presented during joint orientation conducted by the department of human services and the department contracted staff in accordance with department policy issuances and department of human services program bulletins. These guidelines presented by the department and the department of human services shall balance the ability of participants to obtain training and subsequent long-term high-wage employment with the need to connect participants with the workplace. Any and all training/education, with the exception of high school completion and GED preparation, must be occupationally relevant and in demand in the labor market as determined by the workforce development board. Participants must make satisfactory progress to continue in a training/education component.

(12) The work participation requirement is up to 40 hours per week. However, work first participants may meet the work participation requirement by combining a minimum of 10 hours per week of work with training/education. Training/education may last up to 12 months and the calculated hours may include actual classroom seat time up to 10 hours per week plus up to 1 hour of study time for each hour of classroom seat time. Work first participants may enroll in additional hours of classroom seat time beyond 10 hours. However, these hours and the related study time will not count toward the work participation requirement. The training may be no longer than a 1-year program or the final year of a 2- or 4-year undergraduate program designed to lead to immediate labor force attachment.

(13) Work first participants may meet the work participation requirement through enrollment in a short-term vocational program requiring 30 hours of classroom seat time per week for a period not to exceed 6 months, or by enrollment in full-time internships, practicums, or clinicals required by an academic or training institution for licensure, professional certification, or degree completion, without an additional work requirement. In cases where a short-term vocational program lasts less than 6 months, the participant shall be eligible to enroll in 1 additional short-term vocational program for a combined period not to exceed a total of 6 months.

(14) Work first participants who lack a high school diploma or GED and who enroll in high school completion or classes to obtain a GED may count up to 10 hours of classroom seat time, combined with a minimum number of hours of work per week, to meet their work participation requirement. There shall be no time limit on high school completion. GED preparation shall be limited to 6 months.

(15) The department shall convene a work group to review and recommend available options for providing increased flexibility regarding the education requirements as outlined in this act.

### **Study of former participants.**

Sec. 406. (1) Using all relevant state data sources, the department shall conduct a 3-year longitudinal study of all former work first participants, whose department of human services program cases closed due to earnings during fiscal year 1999 and in succeeding fiscal years. The data will include the following:

(a) The number and percentage employed.

- (b) The average hourly wage of those employed.
  - (c) The current hourly wage of those employed.
  - (d) The range of wages earned by those employed.
  - (e) The number of individuals that earned each wage amount.
  - (f) The number and percentage receiving health care benefits from their employer.
  - (g) The number and percentage receiving tuition reimbursement from their employer.
  - (h) The number and percentage receiving training benefits from their employer.
  - (i) The type of jobs obtained by former participants in general categories.
  - (j) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.
  - (k) The number and percentage continuing to receive any type of public assistance.
  - (l) If the former recipient has children, whether the children are enrolled in and attending school.
  - (m) The extent to which the former participant feels that they and their family are better off now than when they were on cash assistance with regard to household income, housing, food and nutritional needs, child health care, and access to health insurance coverage.
- (2) The department shall notify the subcommittees, fiscal agencies, and state budget director electronically by March 15 of the location of the Internet site where the report containing the identified data is located.
- (3) The department shall cooperate with the department of human services in formulating and acquiring the identified data.
- (4) The department may retain a third party to conduct the studies to obtain the data identified under this section.

### **Local workforce development boards.**

Sec. 407. State and federal funds allocated to local workforce development boards for disbursement shall not be expended unless the local workforce development boards maintain a partnership with governmental agencies, public school districts, and public colleges located within the local service delivery area. Each board shall appoint an education advisory group made up of high-level administrators within local educational institutions, workforce development board members, other employers, labor, academic educators, and parents of public school pupils.

### **Detroit precollege engineering program and Grand Rapids area precollege engineering program; grants.**

Sec. 409. (1) Of the funds appropriated in part 1 for precollege programs in engineering and the sciences, \$340,050.00 shall be provided in the form of a grant to the Detroit precollege engineering program, incorporated and \$340,050.00 shall be provided in the form of a grant to the Grand Rapids area precollege engineering program.

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

**Michigan works! service center; availability of disabled veterans outreach program specialist or local veterans employment representative.**

Sec. 410. (1) The department shall have at least 1 disabled veterans outreach program specialist or local veterans employment representative present, at each Michigan works! service center on a full- or part-time basis during hours of operation.

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

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

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

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

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

**Federal pass-through funds to local institutions and governments.**

Sec. 414. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended.

**Proprietary schools oversight unit; funding of administrative costs.**

Sec. 415. Of the amounts appropriated in part 1 for postsecondary education, private occupational school license fees shall fund related administrative costs of the proprietary schools oversight unit within the department.

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

Sec. 417. The department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

**King-Chavez-Parks initiative; employment outcomes for program participants; report; data.**

Sec. 418. From the funds appropriated in part 1 for postsecondary education, the department shall compile data from each university that receives funding for the future faculty program within the King-Chavez-Parks initiative on employment outcomes for program participants. The report shall be distributed to the house and senate appropriations committees, the fiscal agencies, and the state budget office by February 1 of each

year. The report shall include data from each participating university covering the most recently completed fiscal year. The data shall include all of the following:

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

### **King-Chavez-Parks initiative; marketing; administration.**

Sec. 421. The King-Chavez-Parks initiative shall be marketed by the department to Michigan parents and high school and college students, to promote the benefits and the availability of the college day, select student support services, college/university partnership, visiting professors, Morris Hood, Jr. educator development, and future faculty programs. The department shall provide electronic notification of the location of the report on the Internet to the subcommittees on December 30, 2004, identifying all efforts taken to market these programs, including, but not limited to, the amount of funding allocated for this purpose, the fund source and any expenditures or encumbrances relating to this marketing effort. It is the intent of the legislature that the department administer the King-Chavez-Parks initiative in the same manner as when it was previously contained in the department of education and consistent with all boilerplate language pertaining to the above listed programs as included in the appropriations act for higher education institutions.

### **State employees losing jobs through reorganization, modification, or elimination.**

Sec. 425. The department shall work cooperatively with the department of civil service to identify state employees who will lose their jobs as a result of an agency or program being reorganized, modified, or eliminated and shall develop training programs and provide training to these individuals that will provide them an opportunity and skills necessary to secure new employment within state government or the private sector. It shall be a priority of the department to provide training and employment opportunities to these individuals through their employment service locations.

### **Michigan works! service centers; funds.**

Sec. 426. From the funds appropriated in part 1 to job training programs subgrantees, the department shall allocate sufficient funds to the Michigan works! service centers to allow these centers to remain fully operational.

### **Purchase of low-vision devices or equipment.**

Sec. 427. The youth low-vision program is considered the payer of last resort. Other available public or private insurance coverage, including Medicaid or MICHild, and special education funds, shall be exhausted prior to using any funds appropriated in part 1 to purchase low-vision devices or equipment for an individual.

### **Focus: HOPE; report.**

Sec. 429. (1) As a condition for receipt of the funds appropriated in part 1, Focus: HOPE shall submit a report on the use of the grant's funds appropriated in part 1 to the

chairs of the subcommittees, the fiscal agencies, and the state budget office that includes, but is not limited to, the following:

- (a) Detailed expenditures for administration including salaries and wages of employees.
  - (b) Amount allocated for education and training programs including number of students served by each program.
  - (c) Amount allocated for job search assistance and career planning including the number of students served by each program.
  - (d) Detailed expenditures for any contracts entered into with the use of these funds.
  - (e) Detailed expenditures for any program enhancements including number of new hires and capital expenditures.
- (2) The report shall be submitted on or before January 31.

## **MICHIGAN STRATEGIC FUND**

### **Economic development job training.**

Sec. 501. (1) The appropriation in part 1 to the fund for economic development job training shall be expended in 2 categories: the business response program for employee training grants that maintain or attract permanent jobs for Michigan residents and the manufacturing competitiveness program for grants to fund collaborative efforts that increase the competitiveness of multiple companies within a grant. The business response program is allocated up to \$6,532,000.00, and the manufacturing competitiveness program is allocated up to \$3,266,000.00 not to exceed the part 1 appropriation for this program in its entirety. The fund has the authority to reallocate these amounts during the fiscal year dependent on business demand and economic conditions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(11) For training delivered to incumbent workers under the business response program, the business receiving the benefit of the training shall provide a minimum of 20% of the program costs in matching funds as necessitated by the program. For training delivered under the manufacturing competitiveness program, the business receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

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

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

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

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

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



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

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

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

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

### **Michigan growth capital fund.**

Sec. 502. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

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

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

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

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

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

### **Travel Michigan; fee.**

Sec. 503. Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

### **“Michigan Great Lakes. Great Times.” slogan and image; revenue.**

Sec. 504. Travel Michigan may receive and expend private revenue related to the use of the “Michigan Great Lakes. Great Times.” copyrighted slogan and image. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

**Grant awards; submission of list.**

Sec. 506. The fund shall submit on or before May 1 and November 1 to the subcommittees, state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

- (a) The name of the recipient.
- (b) The amount awarded to the recipient.
- (c) The purpose of the grant.

**Michigan economic development corporation grants and investment programs; reports.**

Sec. 507. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

- (a) Travel Michigan.
- (b) Michigan business development.
- (c) Global business development.
- (d) Small, minority, and disabled business services.
- (e) Community development block grants.
- (f) Strategic fund administration.
- (g) Renaissance zones.
- (h) Emerging business sectors and roundtables.
- (i) Business and clean air ombudsman.
- (j) Economic development job training grants.
- (k) Community assistance team.
- (l) Technology tri-corridor.
- (m) Any other programs of the fund.

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

**Contract with private organization.**

Sec. 508. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

**Purchase of land or land options.**

Sec. 509. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

- (a) The land is located in an economically distressed area.

(b) The land is obtained through a purchase or exercise of an option at the invitation of the local unit of government and local economic development agency.

(2) Consideration may be given to purchases where the proposed use of the land is consistent with a regional land use plan, will result in the redevelopment of an economically distressed area, can be supported by existing infrastructure, and will not cause shifts in population away from the area's population centers.

(3) As used in this section, "economically distressed area" means an area in a city, village, or township that has been designated as blighted; a city, village, or township that shows negative population change from 1970 and a poverty rate and unemployment rate greater than the statewide average; or an area certified as a neighborhood enterprise zone.

**Personal effects or apparel; spending for premiums or advertising material prohibited; exception.**

Sec. 511. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, T-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

**Unexpended or unencumbered balances; disposal in accordance with MCL 18.1101 to 18.1594.**

Sec. 512. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(2) Any encumbered funds shall be used for the same purposes for which funding was originally appropriated in this act.

**Compliance with certain acts.**

Sec. 513. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

- (a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
- (c) Annual audits of all financial records by the auditor general or his or her designee.
- (d) All reports required by law to be submitted to the legislature.

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

**Staff involved in private fund-raising activities; decisions regarding grant award or tax abatement.**

Sec. 514. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

**Certain funds originally distributed as part of core communities fund; receipt; report.**

Sec. 515. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination

thereof or interest thereon, originally distributed as part of the core communities fund, shall be received, held, and applied by the fund for the purposes described in this act.

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

### **Michigan core communities fund.**

Sec. 518. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund may be used to create an urban revitalization infrastructure program in the fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

(2) Awards may be provided to qualified local governmental units as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as defined in the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

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

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

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

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

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

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

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

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

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

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

**Members subject to advice and consent of senate.**

Sec. 519. It is the intent of the legislature that the members of the executive committee of the corporation board of the MEDC be subject to the advice and consent of the senate.

**Securitization of tobacco settlement proceeds; adjustment of budget bills.**

Sec. 526. It is the intent of the legislature that if a bill providing for securitization of the tobacco settlement proceeds is enacted, the budget bills will be adjusted accordingly.

**Best practices of economic development programs in other states; study; report.**

Sec. 527. The Michigan economic development corporation shall conduct a study of the best practices of the economic development programs in the other 49 states and provide a report of its findings to the subcommittees, the fiscal agencies, and the state budget office by January 31, 2006.

**Job creation; audit.**

Sec. 528. The Michigan economic development corporation shall work with the office of the auditor general to implement procedures to annually audit the number of jobs claimed to be created by firms receiving Michigan economic growth authority grants, and all other claims of job creation for which MEDC has provided tax credits or other economic incentives.

**Employment of certain individuals; report.**

Sec. 529. The Michigan economic development corporation shall report on the number of individuals it employs with an annual salary of \$80,000.00 or more to the subcommittees, the fiscal agencies, and the state budget office by October 31, 2006. The report shall include the name, the job title, and a description of the duties and responsibilities of all such employees.

**Reductions in job creation services; report.**

Sec. 530. The Michigan economic development corporation shall report to the appropriations subcommittees, fiscal agencies, and the state budget office by November 30, 2005 on its plans to implement reductions in the job creation services and administration lines and the impact of these reductions on its operations and staffing level.

This act is ordered to take immediate effect.

Approved September 29, 2005.

Filed with Secretary of State September 30, 2005.

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**[No. 157]**

**(SB 274)**

AN ACT to make appropriations for the department of history, arts, and libraries for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to provide for the disposition of fees and other income received by the state agencies; to create funds; to provide for the disbursement of certain grants; to

provide for reports; to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

**Appropriations; department of history, arts, and libraries.**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the department of history, arts, and libraries 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 HISTORY, ARTS, AND LIBRARIES**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	6.0		
Full-time equated classified positions .....	232.0		
GROSS APPROPRIATION .....		\$	53,850,900
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers ....			649,700
ADJUSTED GROSS APPROPRIATION .....		\$	53,201,200
Federal revenues:			
Total federal revenues .....			8,218,300
Special revenue funds:			
Total private revenues .....			577,400
Total other state restricted revenues .....			2,583,600
State general fund/general purpose .....		\$	41,821,900

**Appropriations; department of history, arts, and libraries.**

**Sec. 102. DEPARTMENT OPERATIONS**

Full-time equated unclassified positions .....	6.0		
Full-time equated classified positions .....	30.0		
Unclassified salaries .....		\$	222,300
Management services—29.0 FTE positions .....			2,001,700
Building occupancy charges and rent .....			2,746,100
Worker’s compensation .....			16,000
Film office—1.0 FTE positions .....			174,700
Human resources optimization user charges .....			29,500
GROSS APPROPRIATION .....		\$	5,190,300
Appropriated from:			
Special revenue funds:			
State general fund/general purpose .....		\$	5,190,300

**Information technology.**

**Sec. 103. INFORMATION TECHNOLOGY**

Information technology services and projects .....		\$	790,700
GROSS APPROPRIATION .....		\$	790,700
Appropriated from:			
Interdepartmental grant revenues:			
IDG-MDOT, comprehensive transportation fund .....			200
IDG-MDOT, state aeronautics fund .....			100
IDG-MDOT, state trunkline fund .....			3,500

For Fiscal Year  
Ending Sept. 30,  
2006

Special revenue funds:		
Game and fish protection fund .....	\$	100
Mackinac Island state park fund.....		45,100
Special revenue, internal service and pension trust .....		3,100
State lottery fund .....		900
State general fund/general purpose .....	\$	737,700

### **Council for arts and cultural affairs.**

#### **Sec. 104. COUNCIL FOR ARTS AND CULTURAL AFFAIRS**

Full-time equated classified positions .....	9.0	
Administration—9.0 FTE positions .....	\$	694,400
Arts and cultural grants .....		9,828,400
GROSS APPROPRIATION .....	\$	10,522,800
Appropriated from:		
Federal revenues:		
NFAH-NEA, promotion of the arts, partnership agreements .....		700,000
Special revenue funds:		
State general fund/general purpose .....	\$	9,822,800

### **Mackinac Island state park commission.**

#### **Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION**

Full-time equated classified positions .....	39.0	
Mackinac Island park operation—24.3 FTE positions .....	\$	1,946,000
Historical facilities system—14.7 FTE positions .....		1,692,900
GROSS APPROPRIATION .....	\$	3,638,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDOT, state trunkline fund .....		500,000
Special revenue funds:		
Mackinac Island state park operation fees .....		150,000
Mackinac Island state park fund.....		1,489,800
State general fund/general purpose .....	\$	1,499,100

### **Michigan historical program.**

#### **Sec. 106. MICHIGAN HISTORICAL PROGRAM**

Full-time equated classified positions .....	83.0	
Historical administration and services—71.0 FTE positions .....	\$	5,137,500
Federal programs—12.0 FTE positions .....		1,960,900
Heritage publications .....		700,000
Private grants and gifts .....		502,400
Thunder Bay national marine sanctuary and underwater preserve ...		195,400
Historical grants .....		25,000
GROSS APPROPRIATION .....	\$	8,521,200
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDOT, comprehensive transportation fund .....		6,100

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

	For Fiscal Year Ending Sept. 30, 2006
IDG-MDOT, state aeronautics fund .....	\$ 3,700
IDG-MDOT, state trunkline fund .....	136,100
Federal revenues:	
DOI-NPS, historic preservation grants-in-aid .....	1,395,700
Federal funds .....	565,200
Special revenue funds:	
Private - grants and gifts .....	400,000
Private - Mann house trust fund .....	102,400
Game and fish protection fund .....	3,900
Heritage publication fund .....	700,000
Marine safety fund .....	500
Special revenue, internal service and pension trust .....	76,200
State lottery fund .....	26,200
Waterways fund .....	900
State general fund/general purpose .....	\$ 5,104,300

**Library of Michigan.**

**Sec. 107. LIBRARY OF MICHIGAN**

Full-time equated classified positions .....	71.0
Book distribution centers .....	\$ 350,000
Collected gifts and fees .....	161,900
Library of Michigan operations—71.0 FTE positions .....	6,303,800
Library services and technology act .....	5,557,400
State aid to public libraries .....	7,177,300
State aid to cooperative libraries .....	4,649,800
Subregional state aid .....	505,000
Preservation and access for Michigan project .....	481,800
GROSS APPROPRIATION .....	\$ 25,187,000
Appropriated from:	
Federal revenues:	
Library services and technology act .....	5,557,400
Special revenue funds:	
Private - gifts and bequests revenues .....	75,000
User fees .....	86,900
State general fund/general purpose .....	\$ 19,467,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

**Total state spending.**

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 \$44,405,500.00

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



and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$15,280,600.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES

Arts and cultural grants.....	\$	2,948,500
State aid to libraries .....		11,827,100
Subregional state aid .....		505,000
Total department of history, arts, and libraries .....	\$	15,280,600

**Authorizations subject to MCL 18.1101 to 18.1594.**

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

**Definitions.**

Sec. 203. As used in this appropriation act:

- (a) "Department" means the department of history, arts, and libraries.
- (b) "Director" means the director of the department of history, arts, and libraries.
- (c) "DOI-NPS" means the United States department of interior, national park service.
- (d) "Fiscal agencies" means the house fiscal agency and the senate fiscal agency.
- (e) "FTE" means full-time equated.
- (f) "IDG" means interdepartmental grant.
- (g) "MCACA" means the Michigan council for arts and cultural affairs.
- (h) "MDOT" means the Michigan department of transportation.
- (i) "NEA" means the national endowment for the arts.
- (j) "NFAH" means the national foundation of the arts and the humanities.
- (k) "Subcommittees" means all members of the appropriate subcommittees of the house and senate appropriations committees.

**Billing by department of civil service.**

Sec. 204. The department of civil service shall bill the departments 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 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 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 standing committees

on appropriations the number of exceptions to the hiring freeze approved during the previous quarter and the reasons to justify the exception.

**Privatization; project plan.**

Sec. 207. At least 60 days before beginning any effort to privatize, the department shall submit a complete project plan to the subcommittees and the fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the fiscal agencies and to the subcommittees within 30 months.

**Use of Internet; transmission of reports.**

Sec. 208. Unless otherwise specified, the department shall use the Internet to fulfill the reporting requirements of this act. Required reports may be transmitted via electronic mail to the recipients identified for each reporting requirement or they may be placed on the 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 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 value.

**Affirmative action programs.**

Sec. 211. The department shall establish and maintain affirmative action programs based on guidelines developed by the state equal opportunity workforce planning council which was created by Executive Order No. 1996-13 in order to receive general fund/general purpose dollars.

**Information technology; payment of user fees.**

Sec. 213. From the funds appropriated in part 1 for information technology, departments and agencies shall pay user fees to the department of information technology for technology related services and projects. The user fees shall be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

**Information technology; amounts designated as work project.**

Sec. 214. 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.

**Fees for services.**

Sec. 215. (1) The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, and facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. Fees for services shall be reasonably related to the cost of providing the services and shall be used to offset the costs of the services. The department may receive and expend funds in addition to those authorized in part 1 for the following:

(a) Supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products.

(b) Microfilming and other document and data imaging services, media, storage, and copies.

(c) Patron copier and document reproduction services and copies.

(d) Conferences, training classes, exhibits, programs, and workshops conducted as part of the department's mission.

(e) Use of specialized equipment, facilities, and software that permit distance learning and meetings, and group decision making.

(f) Special services including the rental of department exhibits and collections.

(2) The funds received under this section may be deposited and expended from the history, arts, and libraries fund established in section 216 of this article.

### **History, arts, and libraries fund.**

Sec. 216. (1) A fund known as the history, arts, and libraries fund is created in the department. The fund may be used to receive and expend funds in addition to those authorized in part 1. The fund balance may be carried forward for expenditure in subsequent fiscal years.

(2) The department shall provide a report to the senate and house of representatives appropriations subcommittees on history, arts, and libraries of all revenues to and expenditures from the history, arts, and libraries fund. The report shall include an estimated fund balance for the fiscal year ending September 30, 2006. The report is due November 1, 2006.

### **Out-of-state travel.**

Sec. 217. (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.

**Supplemental fund sourcing options.**

Sec. 218. It is the intent of the legislature to explore supplemental fund sourcing options for the department of history, arts, and libraries.

**Communication of employee with legislative member or staff.**

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.

**Michigan film advisory commission; minutes.**

Sec. 220. The department shall publish the proposed minutes of the Michigan film advisory commission on the Internet within 8 business days after the meeting to which the minutes refer. Approved minutes of the Michigan film advisory commission shall be posted on the Internet within 8 business days after their approval.

**MICHIGAN COUNCIL FOR ARTS AND CULTURAL AFFAIRS**

**Arts and cultural grants; duties of Michigan council for arts and cultural affairs.**

Sec. 401. (1) The MCACA in the department shall administer the arts and cultural grants appropriated in part 1.

(2) The MCACA shall render fair and independent decisions concerning arts and cultural grant requests and shall do all of the following:

(a) Use published criteria to evaluate program quality.

(b) Seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received.

(c) Give priority to projects that serve multiple counties or that leverage significant additional public and private investment.

(3) The MCACA shall not award grants for projects or activities that include displays of human wastes on religious symbols, displays of sex acts, and depictions of flag desecration.

(4) The MCACA shall provide for fair, equitable, and efficient distribution of funds granted through the regional regranting program. The MCACA shall provide for an annual assessment of grant management and distribution of mini-grant awards by designated regional regranting agencies and review the methodology employed.

(5) The MCACA shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations to transition from solely volunteer-based organizations to

professionally directed operations. Criteria for support include the requirement of collaboration between these organizations and other community organizations.

**Grant awards; categories.**

Sec. 402. The MCACA may award grants to counties, cities, villages, townships, community foundations and organizations in the following categories:

(a) Anchor organization program for organizations that serve regional and statewide audiences. Anchor organizations shall demonstrate a commitment to education, to mentoring smaller organizations, and to reaching underserved audiences.

(b) Arts projects program.

(c) Arts and learning program.

(d) Artists in residence for education program.

(e) Arts organization development program.

(f) Capital improvement program.

(g) Local arts agencies services program.

(h) Regional regranting program.

(i) Partnership program.

(j) Rural arts and cultural program.

(k) Cultural projects program.

(l) Historical projects program.

(m) Discretionary grants program.

**Grant levels; limitation.**

Sec. 403. (1) From the state funds appropriated in part 1 for arts and cultural grants, no one organization may receive more than 17% of this funding. It is the intent of the legislature that this percentage be reduced to 16% in fiscal year 2007, and 15% in fiscal year 2008.

(2) The MCACA shall make every effort to provide total grant awards in the anchor organization program at a level not to exceed 70% of the total amount appropriated for arts and cultural grants.

(3) As documented in the audit report that is submitted as part of the grant application process, the total of all grants awarded to any organization receiving grants within the anchor organization program may not exceed 15% of their "total unrestricted revenues, gains, and other support," as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations.

(4) Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to an eligible recipient, the department shall execute a grant agreement with the recipient. The grant agreement shall identify the projects funded and specify the category in section 402 under which the grant is awarded.

**Grant applicants; requirements.**

Sec. 404. Grant applicants must meet and adhere to the following requirements:

(a) Each applicant shall pay a nonrefundable application fee of \$300.00 or 3% of the desired grant amount, whichever is less. The department may use the application fee to offset its direct and indirect costs.

(b) An applicant for a grant under the anchor organization program shall submit with the application the applicant's most recent annual audit report which states their "total unrestricted revenues, gains, and other support," as defined by the financial accounting standards board in the accounting standards for not-for-profit organizations. The audit report must cover an audit period that ends within 18 months of the date of the application.

(c) Each applicant shall identify proposed matching funds from local and/or private sources on a dollar-for-dollar basis. The dollar-for-dollar match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions.

### **Grant recipients; information to be provided.**

Sec. 405. Each grant recipient shall provide the MCACA with the following:

(a) The MCACA shall receive proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period.

(b) Within 30 days following the end of the grant period, a final report that includes the following:

(i) Project revenues and expenditures including grant matching fund amounts.

(ii) Number of patrons attracted or benefiting during the grant period.

(iii) A narrative summary of each project and its outcome.

(c) By April 7 of the grant year, each recipient of a grant greater than \$100,000.00 shall submit an interim report that includes the items identified in subdivision (b).

### **Reports.**

Sec. 406. (1) The department shall make the following reports:

(a) An electronic report identifying the website location that contains a list of all grant recipients, sorted by county. This report shall be provided to each legislator within 1 business day of the announcement of annual awards by the MCACA.

(b) An electronic report to the appropriations subcommittees, the state budget office, and the fiscal agencies, within 30 days after the MCACA announces the annual grant awards, that includes all of the following:

(i) A listing of each applicant.

(ii) The county of residence of the applicant.

(iii) The amount requested.

(iv) The amount awarded.

(v) The grant category under which an applicant applied.

(vi) A summary of projects funded for each recipient.

(vii) The expected number of patrons for an applicant during the grant period.

(viii) The amount of matching funds proposed by each applicant.

(ix) A listing containing the information in subdivision (a) and subparagraphs (i) to (viii) for any regranted funds in the preceding fiscal year.

(c) An annual report to the appropriations subcommittees, the state budget office, and the fiscal agencies is due when materials are first distributed by the MCACA seeking grant applications for the subsequent fiscal year. The report shall contain the following:

(i) The MCACA guidelines for awarding grants.

(ii) A summary of any changes in the program guidelines from the previous fiscal year.

(2) The council shall report to the chairpersons of the house and senate appropriations subcommittees on history, arts, and libraries by August 1 all unexpended or unencumbered discretionary grant funding that is available. The council shall not redistribute any unexpended or unencumbered grant funds during the fiscal year without a 10-day notice to the chairpersons of the house and senate appropriations subcommittees on history, arts, and libraries.

### **Contributions; designation on income tax form.**

Sec. 407. It is the intent of the legislature to amend the income tax act of 1967, MCL 206.1 to 206.532, to create a designation on the Michigan income tax form for contributions to the Michigan council for arts and cultural affairs grant program.

## **MICHIGAN HISTORICAL PROGRAM**

### **Historic site preservation grants; funds as work projects; purpose; agreement.**

Sec. 501. The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the projects for which the funds were reserved have been completed or are terminated. The purpose of these work projects is the identification, designation, and preservation of historic resources. The method used will be to solicit applications, score applications based upon established criteria, and award subgrants. The department shall execute a grant agreement with each recipient. The total cost is \$1,348,000.00 and the tentative completion date is September 30, 2007.

### **Funds collected under MCL 399.6, 399.7, and 399.7a.**

Sec. 502. Funds collected by the department under sections 6, 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are appropriated to the department for the purpose for which they were received and may be carried forward for expenditure in subsequent fiscal years.

### **Museum store.**

Sec. 503. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 504. (1) From the state funds appropriated in part 1, the department may award discretionary historical grants to preserve Michigan lighthouses. The department may award up to \$25,000.00 in grants for this purpose and may use a portion of those funds to assist in the transfer of lighthouses from federal ownership. A portion of the funds may also be dedicated to program administration and project coordination.

(2) The department shall allocate grant funds under this section pursuant to eligibility and scoring requirements established by the department. The method used will be to solicit applications from eligible recipients, score applications based on the established criteria, and award grants through executed contracts.

(3) Grants under this section may be awarded for purposes of stabilization, rehabilitation, or other preservation work on a Michigan lighthouse, but shall not be awarded for operational purposes.

(4) The funds appropriated in part 1 and allocated by this section are for work projects. The funds shall not lapse to the general fund at the end of the fiscal year but shall remain available in subsequent fiscal years, until funds have been expended, the projects for which the funds were reserved have been completed, or the projects are terminated, whichever occurs first.

### **Michigan freedom trail commission.**

Sec. 505. From the funds appropriated in part 1 for historical administration and services, \$25,000.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4 of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the department's Michigan historical center to support commission operations.

### **Auctions, sales, or transfers of artifacts.**

Sec. 506. Proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum are appropriated to the department and may be expended upon receipt for additional material for the collection. The department shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house appropriations subcommittees on history, arts, and libraries 1 week prior to any auctions or sales.

### **Michigan history magazine subscriber list; availability.**

Sec. 507. Unless prohibited by law, the department shall make available to the historical society of Michigan the use of the Michigan history magazine subscriber list, or a portion of the Michigan history magazine subscriber list, at a cost not to exceed the actual expense incurred for providing a single mailing.

Sec. 508. From the funds appropriated in part 1 in the historical administration and services line item, \$100,000.00 shall be used to fund a competitive historical grant program. Eligible applicants include all state and local historical societies and the state historical preservation network. Awards shall be made for projects that can leverage additional public and private investment and may involve, but are not limited to, capital improvements projects, restorations, research, educational programs, and publications.

Sec. 509. Of the funds appropriated in part 1 for the historical grants, \$25,000.00 shall be allocated to support Michigan history day.

## **LIBRARY OF MICHIGAN**

### **Receipt of subregional state aid; conditions.**

Sec. 601. In order to receive subregional state aid as appropriated in part 1 to the library of Michigan, a subregional library's fiscal agency must agree to maintain local

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



funding support at the same level in the current fiscal year as in the fiscal agency's preceding fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that is the subregional library's fiscal agency, that reduction shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that is a subregional library's fiscal agency or a reduction in expenditures for the subregional library's fiscal agency, a reduction in expenditures for the subregional library shall not be interpreted as a reduction in local support and shall not disqualify a subregional library from receiving state aid under part 1.

### **Subregional library; budget; release of funds.**

Sec. 602. The funds appropriated in part 1 for a subregional library shall not be released until a budget for that subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities. Subregional state aid shall be used only for providing services to the blind and to persons with disabilities.

### **Statewide database access.**

Sec. 603. Of the funds appropriated in part 1 for the operation of the library of Michigan, a portion may be used for statewide database access such as making computerized databases, searches of those databases, and the products of those searches available through the libraries of Michigan. Only those libraries that qualify under the federal library services and technology act, subtitle B of title II of the museum and library services act, title II of the arts, humanities, and cultural affairs act of 1976, Public Law 94-462, 110 Stat. 3009-295, are eligible to participate in these activities.

### **Book distribution centers; distribution of funds.**

Sec. 607. The funds appropriated in part 1 for book distribution centers shall be equally distributed to the public enrichment foundation and the Michigan friends of education.

Sec. 609. The appropriation in part 1 for the preservation and access for Michigan project shall be used to digitize materials currently in the possession of public libraries in the state and to preserve, store, and make these digitized images accessible via the Michigan electronic library. The subject materials are to be significant in the state's history, the only existing copies of unique items, or of broad interest to the citizens of Michigan. To the extent possible, the department shall seek to award these funds on an equitable geographic basis given the quality of proposals received. No single recipient shall receive funding in excess of 45% of the total appropriation.

### **State aid to cooperative libraries; distribution; rate.**

Sec. 610. Of the total appropriation for state aid to cooperative libraries, \$4,334,600.00 shall be distributed at a rate of 43.478 cents per capita for payments as provided under section 13 of the state aid to public libraries act, 1977 PA 89, MCL 397.563, and \$315,200.00 shall be distributed on the basis of \$8.69 per square mile for payments to cooperative libraries as provided under section 16(4) of the state aid to public libraries act, 1977 PA 89, MCL 397.566.

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

**MACKINAC ISLAND STATE PARK COMMISSION**

**Transfer of amount from Mackinac Island park operation line item; condition.**

Sec. 700. If additional general fund/general purpose funding is appropriated for the Mackinac Island state park commission, a like amount shall be transferred from the Mackinac Island park operation line item in part 1 to the arts and cultural grants and the state aid to libraries line items. The amount shall be equally divided between the appropriations.

This act is ordered to take immediate effect.  
Approved September 29, 2005.  
Filed with Secretary of State September 30, 2005.

**[No. 158]**

**(SB 281)**

AN ACT to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2006; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

*The People of the State of Michigan enact:*

PART 1

LINE-ITEM APPROPRIATIONS

**Appropriations; department of transportation.**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**STATE TRANSPORTATION DEPARTMENT**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	3,022.3	
GROSS APPROPRIATION .....		\$ 3,411,460,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers ....		0
ADJUSTED GROSS APPROPRIATION .....		\$ 3,411,460,000
Federal revenues:		
DOT, federal transit act .....		59,200,000
DOT-FHWA, highway research, planning, and construction .....		1,147,342,100
DOT-FRA, local rail service assistance .....		100,000
DOT-FRA, rail passenger/HSGT .....		1,000,000