

No. 81  
STATE OF MICHIGAN  
JOURNAL  
OF THE  
**House of Representatives**  
95th Legislature  
REGULAR SESSION OF 2009

---

---

House Chamber, Lansing, Tuesday, September 29, 2009.

10:00 a.m.

The House was called to order by the Speaker Pro Tempore.

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

Agema—present	Durhal—present	Lahti—present	Proos—present
Amash—present	Ebli—present	LeBlanc—present	Roberts—present
Angerer—present	Elsenheimer—present	Leland—present	Rocca—present
Ball—present	Espinoza—present	Lemmons—present	Rogers—present
Barnett—present	Geiss—present	Lindberg—present	Schmidt, R.—present
Bauer—present	Genetski—present	Lipton—present	Schmidt, W.—present
Bennett—excused	Gonzales—present	Liss—present	Schuitmaker—present
Bledsoe—present	Green—present	Lori—present	Scott, B.—present
Bolger—present	Gregory—present	Lund—present	Scott, P.—present
Booher—present	Griffin—present	Marleau—present	Scripps—present
Brown, L.—present	Haase—present	Mayes—present	Segal—present
Brown, T.—present	Haines—present	McDowell—present	Sheltrown—present
Byrnes—present	Hammel—present	McMillin—present	Simpson—present
Byrum—present	Hansen—present	Meadows—present	Slavens—present
Calley—present	Haugh—present	Meekhof—present	Slezak—present
Caul—present	Haveman—present	Melton—present	Smith—present
Clemente—present	Hildenbrand—present	Meltzer—present	Spade—present
Constan—present	Horn—present	Miller—present	Stamas—present
Corriveau—present	Huckleberry—present	Moore—present	Stanley—present
Coulouris—present	Jackson—present	Moss—present	Switalski—present
Crawford—present	Johnson—present	Nathan—present	Tlaib—present
Cushingberry—present	Jones, Rick—present	Nerat—excused	Tyler—present
Daley—present	Jones, Robert—present	Neumann—present	Valentine—present
Dean—present	Kandrevas—present	Opsommer—present	Walsh—present
Denby—present	Kennedy—present	Pavlov—present	Warren—present
DeShazor—present	Knollenberg—present	Pearce—present	Womack—present
Dillon—present	Kowall—present	Polidori—present	Young—present
Donigan—present	Kurtz—present		

e/d/s = entered during session

Rep. Dian Slavens, from the 21st District, offered the following invocation:

“Dear gracious and glorious Lord, we ask for Your guidance during these challenging times. Give us the strength, courage and wisdom to properly serve all the people of this great state. Please allow us to set aside our individual goals in favor of the common good of this state. In Your glorious name we pray. Amen.”



Rep. Angerer moved that Reps. Bennett and Nerat be excused from today’s session. The motion prevailed.



Rep. Angerer moved that House Committees be given leave to meet during the balance of today’s session. The motion prevailed.

**Reports of Select Committees**

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 4438, entitled**

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agency.

Recommends:

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

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

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agency.

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

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of education and certain state purposes related to education as set forth in this act for the fiscal year ending September 30, 2010, from the following funds:

**DEPARTMENT OF EDUCATION**

APPROPRIATION SUMMARY:

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	538.5	
<b>GROSS APPROPRIATION .....</b>		<b>\$ 112,871,600</b>
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
<b>ADJUSTED GROSS APPROPRIATION .....</b>		<b>\$ 112,871,600</b>
Federal revenues:		
Federal revenues .....	68,190,000	
Federal indirect funds .....	2,550,500	
IMLS, library services and technology act .....	5,557,400	
Total federal revenues.....	76,297,900	
Special revenue funds:		
Local cost sharing (schools for deaf/blind).....	6,698,500	

	For Fiscal Year Ending Sept. 30, 2010
Local school district service fees .....	310,200
Total local revenues .....	7,008,700
Gifts, bequests, and donations .....	650,600
Private foundations .....	2,445,900
Total private revenues .....	3,096,500
Total local and private revenues .....	10,105,200
Certification fees .....	5,755,700
Commodity distribution fees .....	71,700
Student insurance revenues .....	218,600
Teacher college review fees.....	54,000
Teacher testing fees .....	527,900
Tenant rent.....	261,000
Training and orientation workshop fees .....	150,000
Total other state restricted revenues .....	7,038,900
State general fund/general purpose .....	\$ 19,429,600
<b>Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	12.0
State board of education, per diem payments .....	\$ 24,400
Unclassified positions—6.0 FTE positions .....	515,600
State board/superintendent operations—12.0 FTE positions.....	2,338,800
GROSS APPROPRIATION .....	\$ 2,878,800
Appropriated from:	
Federal revenues:	
Federal revenues .....	610,600
Special revenue funds:	
Private foundations .....	27,000
Certification fees .....	611,400
State general fund/general purpose .....	\$ 1,629,800
<b>Sec. 103. CENTRAL SUPPORT</b>	
Full-time equated classified positions .....	21.6
Central support—21.6 FTE positions .....	\$ 3,880,000
Worker's compensation.....	43,900
Building occupancy charges - property management services .....	2,661,700
Tenant rent.....	261,000
Training and orientation workshops .....	150,000
Terminal leave payments .....	554,700
GROSS APPROPRIATION .....	\$ 7,551,300
Appropriated from:	
Federal revenues:	
Federal revenues.....	2,493,400
Federal indirect funds.....	1,956,200
Special revenue funds:	
Local cost sharing (schools for deaf/blind).....	68,400
Certification fees .....	398,900
Teacher testing fees .....	13,200
Tenant rent.....	261,000
Training and orientation workshop fees .....	150,000
State general fund/general purpose .....	\$ 2,210,200
<b>Sec. 104. INFORMATION TECHNOLOGY SERVICES</b>	
Information technology operations.....	\$ 3,516,900
GROSS APPROPRIATION .....	\$ 3,516,900
Appropriated from:	
Federal revenues:	
Federal revenues.....	1,696,500
Federal indirect funds.....	223,300

	For Fiscal Year Ending Sept. 30, 2010
Special revenue funds:	
Local cost sharing (schools for deaf/blind).....	146,600
Certification fees .....	226,900
State general fund/general purpose .....	\$ 1,223,600
<b>Sec. 105. SPECIAL EDUCATION SERVICES</b>	
Full-time equated classified positions ..... 47.0	
Special education operations—47.0 FTE positions.....	\$ 11,528,900
GROSS APPROPRIATION .....	\$ 11,528,900
Appropriated from:	
Federal revenues:	
Federal revenues .....	11,097,400
Special revenue funds:	
Private foundations .....	105,700
Certification fees .....	38,700
State general fund/general purpose .....	\$ 287,100
<b>Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND</b>	
Full-time equated classified positions ..... 109.0	
Michigan schools for the deaf and blind operations—108.0 FTE positions.....	\$ 13,081,100
Camp Tuhsmehta—1.0 FTE position .....	295,100
Private gifts - blind.....	90,000
Private gifts - deaf.....	250,000
GROSS APPROPRIATION .....	\$ 13,716,200
Appropriated from:	
Federal revenues:	
Federal revenues .....	6,064,400
Special revenue funds:	
Local cost sharing (schools for deaf/blind).....	6,483,500
Local school district service fees .....	299,100
Gifts, bequests, and donations.....	650,600
Student insurance revenue .....	218,600
State general fund/general purpose .....	\$ 0
<b>Sec. 107. PROFESSIONAL PREPARATION SERVICES</b>	
Full-time equated classified positions ..... 30.5	
Professional preparation operations—30.5 FTE positions .....	\$ 6,708,800
Department of attorney general.....	50,000
GROSS APPROPRIATION .....	\$ 6,758,800
Appropriated from:	
Federal revenues:	
Federal revenues .....	2,797,800
Special revenue funds:	
Certification fees .....	3,392,300
Teacher college review fees.....	54,000
Teacher testing fees .....	514,700
State general fund/general purpose .....	\$ 0
<b>Sec. 108. EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES</b>	
Full-time equated classified positions ..... 26.0	
Early childhood education and family services operations—26.0 FTE positions.....	\$ 4,378,700
GROSS APPROPRIATION .....	\$ 4,378,700
Appropriated from:	
Federal revenues:	
Federal revenues .....	3,288,100
Special revenue funds:	
Private foundations .....	193,600
Certification fees .....	59,200
State general fund/general purpose .....	\$ 837,800

For Fiscal Year  
Ending Sept. 30,  
2010

<b>Sec. 109. SCHOOL IMPROVEMENT SERVICES</b>	
Full-time equated classified positions .....	81.0
School improvement operations—81.0 FTE positions .....	\$ 18,169,000
<b>GROSS APPROPRIATION</b> .....	<u>\$ 18,169,000</u>
Appropriated from:	
Federal revenues:	
Federal revenues .....	16,077,400
Special revenue funds:	
Private foundations .....	1,119,600
Certification fees .....	536,900
State general fund/general purpose .....	\$ 435,100
<b>Sec. 110. SCHOOL FINANCE AND SCHOOL LAW SERVICES</b>	
Full-time equated classified positions .....	16.5
School finance and school law operations—16.5 FTE positions .....	\$ 2,835,200
<b>GROSS APPROPRIATION</b> .....	<u>\$ 2,835,200</u>
Appropriated from:	
Federal revenues:	
Federal revenues .....	938,900
Federal indirect funds .....	371,000
Special revenue funds:	
Certification fees .....	491,400
State general fund/general purpose .....	\$ 1,033,900
<b>Sec. 111. EDUCATION ASSESSMENT AND ACCOUNTABILITY</b>	
Full-time equated classified positions .....	45.6
Educational assessment operations—45.6 FTE positions .....	\$ 9,452,400
<b>GROSS APPROPRIATION</b> .....	<u>\$ 9,452,400</u>
Appropriated from:	
Federal revenues:	
Federal revenues .....	9,452,400
State general fund/general purpose .....	\$ 0
<b>Sec. 112. GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES</b>	
Full-time equated classified positions .....	63.3
Grants administration and school support services operations—63.3 FTE positions .....	\$ 8,810,800
Federal and private grants .....	3,000,000
<b>GROSS APPROPRIATION</b> .....	<u>\$ 11,810,800</u>
Appropriated from:	
Federal revenues:	
Federal revenues .....	10,404,800
Special revenue funds:	
Local school district service fees .....	11,100
Private foundations .....	1,000,000
Commodity distribution fees .....	71,700
State general fund/general purpose .....	\$ 323,200
<b>Sec. 113. CAREER AND TECHNICAL EDUCATION</b>	
Full-time equated classified positions .....	25.0
Career and technical education operations—25.0 FTE positions .....	\$ 3,915,800
<b>GROSS APPROPRIATION</b> .....	<u>\$ 3,915,800</u>
Appropriated from:	
Federal revenues:	
Federal revenues .....	3,268,300
State general fund/general purpose .....	\$ 647,500
<b>Sec. 114. LIBRARY OF MICHIGAN</b>	
Full-time equated classified positions .....	61.0
Library of Michigan operations—59.0 FTE positions .....	\$ 4,601,400
Library services and technology program—2.0 FTE positions .....	5,557,400

	For Fiscal Year Ending Sept. 30, 2010
State aid to libraries .....	6,000,000
Book distribution centers.....	200,000
GROSS APPROPRIATION .....	\$ 16,358,800
Appropriated from:	
Federal revenues:	
IMLS, library services and technology act .....	5,557,400
State general fund/general purpose .....	\$ 10,801,400

PART 2  
PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for the fiscal year ending September 30, 2010 is \$26,468,500.00 and state spending from state resources to be paid to local units of government for the fiscal year ending September 30, 2010 is \$6,000,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF EDUCATION**

State aid to libraries .....	\$ 6,000,000
Total department of education .....	\$ 6,000,000

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

Sec. 203. As used in this act:

- (a) "Department" means the Michigan department of education.
- (b) "District" means a local school district as defined in section 6 of the revised school code, 1976 PA 451, MCL 380.6, or a public school academy as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.
- (c) "FTE" means full-time equated.
- (d) "IMLS" means institute of museum and library services.

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

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

Sec. 206. The department shall provide through the Internet the state board of education agenda and all supporting documents, and shall notify the state budget director and the senate and house fiscal agencies that the agenda and supporting documents are available on the Internet, at the time the agenda and supporting documents are provided to state board of education members.

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

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

- (a) Coordinate with the office of drug control policy in the department of community health to ensure that there is a meaningful linkage between the efforts under this act to provide safe schools and the initiatives undertaken through that office, including, but not limited to, school districts' safe and drug-free school plans, and to facilitate timely applications for and distribution of available grant money.
- (b) Provide through the Internet the availability to access, and provide through the Internet information regarding, the state model policy on locker searches, the state model policy on firearm safety and awareness, and any other state or local safety policies that the office considers exemplary.
- (c) Advance, promote, and encourage the awareness and use of the state police anti-violence hotline.

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

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

be subject to provisions of an interagency agreement between the departments and agencies and the department of information technology.

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

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

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

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

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

Sec. 214. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state-restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 215. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless the professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

Sec. 216. The department shall not take disciplinary action against an employee who communicates truthfully and factually with a member of the legislature or his or her staff.

Sec. 217. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms

with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 219. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$700,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$250,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 220. The department shall provide data requested by a member of the legislature, his or her staff, or the house and senate fiscal agencies in a timely manner.

Sec. 221. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 222. (1) The department shall report no later than April 1, 2010 on each specific policy change made by the department to implement a public act affecting that department that took effect during the preceding calendar year. The department shall report to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Sec. 223. Beginning November 1, 2009 and continuing quarterly thereafter, the department shall report on the number of FTEs in pay status by civil service classification to the house and senate appropriations subcommittees responsible for the department budget and the house and senate fiscal agencies.

Sec. 225. It is the intent of the legislature that not later than 60 days after the state receives audited membership counts from intermediate school districts, the state superintendent of public instruction shall investigate and report to the legislature on the scope of and proposed solutions to pupil membership fraud and the incidence of students counted in membership in a district and not remaining in that district for the balance of the school year.

Sec. 226. Not later than October 15, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

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

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

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

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

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

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

Sec. 302. From the amount appropriated in part 1 to the state board of education, not more than \$35,000.00 shall be expended for in-state travel and out-of-state travel directly related to the duties of the state board of education.

#### **MICHIGAN SCHOOLS FOR THE DEAF AND BLIND**

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



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

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

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

(3) From the unexpended balances of appropriations for the schools for the deaf and blind operations, up to \$250,000.00 of any unexpended and unencumbered funds remaining on September 30, 2010 may be carried forward as a work project and expended for special maintenance and repairs of facilities at the campus of the Michigan schools for the deaf and blind in Flint. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of \$250,000.00. The estimated completion date of the work is September 30, 2011.

(4) From the tenant rent appropriation for Fay hall, up to \$100,000.00 of any unexpended and unencumbered funds remaining on September 30, 2010 may be carried forward as a work project or as restricted revenue and expended for special maintenance and repairs of facilities at Fay hall. The work project may be performed by state employees, or by contract when necessary, at an estimated cost of \$100,000.00. The estimated completion date of the work project is September 30, 2011.

Sec. 405. The department may assist the department of community health, other departments, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of community health for reimbursement.

Sec. 406. (1) The Michigan schools for the deaf and blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. The Michigan schools for the deaf and blind shall distribute information detailing its services to all intermediate school districts in the state.

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

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

Sec. 407. Revenue received from gifts, bequests, and donations that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

#### **PROFESSIONAL PREPARATION SERVICES**

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

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

Sec. 506. Revenue received from teacher testing fees that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and shall not revert to the general fund.

#### **OFFICE OF SCHOOL IMPROVEMENT**

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

#### **INFORMATION TECHNOLOGY**

Sec. 701. The department shall work in collaboration with the center for educational performance and information to support the comprehensive educational information system and all data collection and reporting efforts of the department.

#### **LIBRARY OF MICHIGAN**

Sec. 801. In addition to the funds appropriated in part 1, the funds collected by the department for document reproduction and services; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

Sec. 802. The funds appropriated in part 1 for book distribution centers shall be distributed equally to the public enrichment foundation and the Michigan friends of education.

Sec. 803. It is the intent of the legislature that the library of Michigan and the component programs currently within the library of Michigan shall be kept together in a state department.

**GRANTS ADMINISTRATION AND SCHOOL SUPPORT SERVICES**

Sec. 901. Within 10 days of the receipt of a grant appropriated in the federal and private grants line item in part 1, the department shall notify the house and senate chairpersons of the appropriations subcommittees responsible for the department budget, the house and senate fiscal agencies, and the state budget director of the receipt of the grant, including the funding source, purpose, and amount of the grant.

Sec. 903. The department shall work with the legislature to examine the feasibility of removing the barriers to operation of cyber schools that focus on special student populations such as dropouts or expelled students. Not later than December 31, 2009, the department shall prepare and submit to the appropriations subcommittees on education and K-12 school aid a report on these matters.

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of education and certain other purposes relating to education for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agency.

George Cushingberry, Jr.  
 Chuck Moss  
 Conferees for the House

Ron Jelinek  
 Cameron Brown  
 Michael Switalski  
 Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Angerer moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 465**

**Yeas—74**

Agema	Dillon	Kurtz	Pearce
Amash	Elsenheimer	Lahti	Polidori
Angerer	Espinoza	LeBlanc	Proos
Ball	Genetski	Lemmons	Roberts
Bledsoe	Gonzales	Lori	Rocca
Bolger	Green	Lund	Rogers
Booher	Griffin	Marleau	Schmidt, R.
Brown, L.	Haase	Mayes	Schmidt, W.
Calley	Haines	McDowell	Schuitmaker
Caul	Hammel	McMillin	Scott, P.
Clemente	Hansen	Meekhof	Scripps
Constan	Haugh	Melton	Slavens
Corriveau	Haveman	Meltzer	Slezak
Coulouris	Hildenbrand	Miller	Spade
Crawford	Horn	Moore	Stamas
Cushingberry	Huckleberry	Moss	Switalski
Daley	Jones, Rick	Opsommer	Tyler
Denby	Knollenberg	Pavlov	Walsh
DeShazor	Kowall		

**Nays—34**

Barnett	Geiss	Lipton	Simpson
Bauer	Gregory	Liss	Smith

Brown, T.	Jackson	Meadows	Stanley
Byrnes	Johnson	Nathan	Tlaib
Byrum	Jones, Robert	Neumann	Valentine
Dean	Kandrevas	Scott, B.	Warren
Donigan	Kennedy	Segal	Womack
Durhal	Leland	Sheltrown	Young
Ebli	Lindberg		

In The Chair: Byrnes

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 4446, entitled**

A bill to make appropriations for the departments of environmental quality and natural resources for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Recommends:

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

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

A bill to make appropriations for the departments of environmental quality and natural resources for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

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

PART 1

LINE-ITEM APPROPRIATIONS

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

**TOTAL NATURAL RESOURCE MANAGEMENT AND ENVIRONMENTAL PROTECTION APPROPRIATION SUMMARY**

Full-time equated unclassified positions..... 11.0  
 Full-time equated classified positions ..... 3,701.0

GROSS APPROPRIATION ..... \$ 704,288,100

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers ..... 12,322,900

ADJUSTED GROSS APPROPRIATION ..... \$ 691,965,200

Federal revenues:

Total federal revenues..... 253,070,700

Special revenue funds:

Total local revenues ..... 0

Total private revenues ..... 6,040,000

Total other state restricted revenues ..... 389,180,100

State general fund/general purpose ..... \$ 43,674,400

**Sec. 102. DEPARTMENT OF ENVIRONMENTAL QUALITY**

**(1) APPROPRIATION SUMMARY:**

Full-time equated unclassified positions..... 5.0

Full-time equated classified positions ..... 1,491.1

GROSS APPROPRIATION ..... \$ 388,989,600

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers ..... 8,520,700

ADJUSTED GROSS APPROPRIATION ..... \$ 380,468,900

	For Fiscal Year Ending Sept. 30, 2010
Federal revenues:	
Total federal revenues.....	180,218,200
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	658,900
Total other state restricted revenues.....	172,641,300
State general fund/general purpose .....	\$ 26,950,500
<b>FUND SOURCE SUMMARY:</b>	
Full-time equated unclassified positions.....	5.0
Full-time equated classified positions .....	1,491.1
<b>GROSS APPROPRIATION .....</b>	<b>\$ 388,989,600</b>
Interdepartmental grant revenues:	
IDG-MDOT - Michigan transportation fund .....	1,087,100
IDG-MSP.....	898,600
IDT, interdivisional charges.....	2,053,400
IDT, laboratory services .....	4,481,600
Total interdepartmental grants and intradepartmental transfers .....	8,520,700
<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ 380,468,900</b>
Federal revenues:	
Federal funds.....	180,218,200
Total federal revenues.....	180,218,200
Special revenue funds:	
Total local revenues.....	0
Private funds.....	658,900
Total private revenues.....	658,900
Total local and private revenues.....	658,900
Aboveground storage tank fees .....	371,200
Air emissions fees .....	9,661,700
Campground fund.....	242,900
Clean Michigan initiative fund - clean water fund.....	3,770,800
Cleanup and redevelopment fund.....	6,550,800
Community pollution prevention fund .....	250,000
Electronic waste recycling fund .....	245,000
Environmental education fund.....	251,500
Environmental pollution prevention fund.....	1,284,200
Environmental protection fund .....	6,103,300
Environmental response fund .....	11,584,700
Fees and collections .....	404,100
Financial instruments.....	5,000,000
Great Lakes protection fund.....	1,615,700
Groundwater discharge permit fees .....	1,260,300
Hazardous material transportation permit fund.....	224,400
Infrastructure construction fund .....	404,300
Land and water permit fees.....	1,695,300
Landfill maintenance trust fund .....	57,300
Medical waste emergency response fund .....	246,200
Metallic mining surveillance fee revenue.....	34,300
Mineral well regulatory fee revenue.....	175,300
Nonferrous metallic mineral surveillance.....	22,400
NPDES fees.....	3,548,600
Oil and gas regulatory fund.....	8,426,800
Orphan well fund.....	2,060,200
Public swimming pool fund .....	553,300
Public utility assessments.....	791,900
Public water supply fees.....	4,005,000
Publication revenue .....	76,900

	For Fiscal Year Ending Sept. 30, 2010
Refined petroleum fund.....	32,315,600
Restricted funds.....	18,366,000
Revitalization revolving loan fund.....	85,800
Revolving loan revenue bonds.....	11,400,000
Sand extraction fee revenue.....	74,100
Scrap tire regulatory fund.....	4,789,400
Septage waste contingency fund.....	38,600
Septage waste program fund.....	778,100
Settlement funds.....	1,884,600
Sewage sludge land application fees.....	870,300
Soil erosion and sedimentation control training fund.....	117,300
Solid waste management fund - staff account.....	4,606,800
Small business pollution prevention revolving loan fund.....	110,600
Stormwater permit fees.....	2,861,200
Strategic water quality initiatives fund.....	10,000,000
Underground storage tank fees.....	2,170,200
Waste reduction fee revenue.....	3,988,600
Wastewater operator training fees.....	175,000
Water analysis fees.....	3,311,200
Water pollution control revolving fund.....	3,128,300
Water quality protection fund.....	100,000
Water use reporting fees.....	551,200
Total other state restricted revenues.....	172,641,300
State general fund/general purpose.....	\$ 26,950,500
<b>(2) EXECUTIVE OPERATIONS AND DEPARTMENT SUPPORT</b>	
Full-time equated unclassified positions.....	5.0
Full-time equated classified positions.....	81.0
Unclassified salaries—5.0 FTE positions.....	\$ 487,600
Administrative hearings.....	457,000
Executive direction—17.0 FTE positions.....	2,100,500
Central operations—57.0 FTE positions.....	5,276,500
Office of the Great Lakes—7.0 FTE positions.....	1,028,400
Great lakes restoration initiative.....	50,000,000
Automated data processing.....	2,053,400
Environmental support projects.....	5,000,000
Building occupancy charges.....	6,669,000
Rent - privately owned property.....	2,145,900
GROSS APPROPRIATION.....	\$ 75,218,300
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MSP.....	113,500
IDT, interdivisional charges.....	2,053,400
IDT, laboratory services.....	530,400
Federal revenues:	
Federal funds.....	50,384,000
Special revenue funds:	
Environmental education fund.....	251,500
Financial instruments.....	5,000,000
Great Lakes protection fund.....	615,700
Restricted funds.....	11,625,100
Settlement funds.....	106,700
State general fund/general purpose.....	\$ 4,538,000
<b>(3) AIR QUALITY</b>	
Full-time equated classified positions.....	229.0
Air quality programs—229.0 FTE positions.....	\$ 24,555,800
GROSS APPROPRIATION.....	\$ 24,555,800

For Fiscal Year  
Ending Sept. 30,  
2010

Appropriated from:	
Federal revenues:	
Federal funds .....	6,473,500
Special revenue funds:	
Air emissions fees .....	9,262,000
Environmental response fund .....	108,900
Fees and collections .....	307,600
Oil and gas regulatory fund.....	110,400
Refined petroleum fund.....	2,921,300
State general fund/general purpose .....	\$ 5,372,100
<b>(4) OFFICE OF POLLUTION PREVENTION AND COMPLIANCE ASSISTANCE</b>	
Full-time equated classified positions .....	47.0
Pollution prevention and technical assistance—47.0 FTE positions .....	\$ 5,968,000
GROSS APPROPRIATION .....	\$ 5,968,000
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
Federal funds .....	818,400
Special revenue funds:	
Private funds .....	500,000
Air emissions fees .....	399,700
Settlement funds .....	227,200
Small business pollution prevention revolving loan fund .....	110,600
Waste reduction fee revenue.....	3,912,100
State general fund/general purpose .....	\$ 0
<b>(5) OFFICE OF GEOLOGICAL SURVEY</b>	
Full-time equated classified positions .....	60.0
Coal and sand dune management—1.0 FTE positions.....	\$ 132,800
Metallic mining reclamation program—1.0 FTE positions.....	34,300
Mineral wells management—2.0 FTE positions .....	175,300
Nonferrous metallic mining—1.0 FTE positions .....	22,400
Services to oil and gas programs—53.0 FTE positions .....	8,393,300
Well plugging-orphan wells—2.0 FTE positions .....	2,060,200
GROSS APPROPRIATION .....	\$ 10,818,300
Appropriated from:	
Federal revenues:	
Federal funds .....	58,700
Special revenue funds:	
Metallic mining surveillance fee revenue.....	34,300
Mineral well regulatory fee revenue.....	175,300
Nonferrous metallic mineral surveillance.....	22,400
Oil and gas regulatory fund.....	8,316,400
Orphan well fund.....	2,060,200
Publication revenue .....	76,900
Sand extraction fee revenue.....	74,100
State general fund/general purpose .....	\$ 0
<b>(6) LAND AND WATER MANAGEMENT</b>	
Full-time equated classified positions .....	139.1
Land and water interface programs—71.0 FTE positions.....	\$ 7,880,500
Program direction and project assistance—38.1 FTE positions.....	2,677,300
Wetlands protection—30.0 FTE positions.....	1,845,400
GROSS APPROPRIATION .....	\$ 12,403,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT - Michigan transportation fund .....	1,032,500

	For Fiscal Year Ending Sept. 30, 2010
Federal revenues:	
Federal funds .....	3,690,300
Special revenue funds:	
Land and water permit fees .....	1,140,100
State general fund/general purpose .....	\$ 6,540,300
<b>(7) REMEDIATION AND REDEVELOPMENT</b>	
Full-time equated classified positions .....	349.0
Federal cleanup project management—60.0 FTE positions .....	\$ 8,517,200
Superfund cleanup .....	3,000,000
Contaminated site investigations, cleanup and revitalization—230.0 FTE positions .....	24,007,500
Emergency cleanup action .....	4,000,000
Refined petroleum product cleanup program .....	20,000,000
Environmental cleanup support .....	1,840,000
Laboratory services—59.0 FTE positions .....	7,368,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 68,733,400</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDT, laboratory services .....	3,800,300
Federal revenues:	
Federal funds .....	8,620,200
Special revenue funds:	
Private funds .....	158,900
Cleanup and redevelopment fund .....	6,550,800
Environmental protection fund .....	6,103,300
Environmental response fund .....	11,305,000
Landfill maintenance trust fund .....	57,300
Public water supply fees .....	257,200
Refined petroleum fund .....	26,932,700
Revitalization revolving loan fund .....	85,800
Settlement funds .....	1,550,700
Water analysis fees .....	3,311,200
State general fund/general purpose .....	\$ 0
<b>(8) WASTE AND HAZARDOUS MATERIALS DIVISION</b>	
Full-time equated classified positions .....	170.0
Hazardous waste management program—57.0 FTE positions .....	\$ 5,987,700
Low-level radioactive waste authority—2.0 FTE positions .....	791,900
Medical waste program—2.0 FTE positions .....	246,200
Radiological protection program—12.0 FTE positions .....	1,036,800
Scrap tire regulatory program—11.0 FTE positions .....	1,089,400
Solid waste management program—45.0 FTE positions .....	4,928,300
Underground storage tank program—33.0 FTE positions .....	3,588,100
Aboveground storage tank program—8.0 FTE positions .....	774,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 18,443,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP .....	757,100
Federal revenues:	
Federal funds .....	4,039,600
Special revenue funds:	
Aboveground storage tank fees .....	371,200
Electronic waste recycling fund .....	245,000
Environmental pollution prevention fund .....	1,284,200
Hazardous materials transportation permit fund .....	224,400
Medical waste emergency response fund .....	246,200
Public utility assessments .....	791,900
Refined petroleum fund .....	1,404,500

	For Fiscal Year Ending Sept. 30, 2010
Scrap tire regulatory fund.....	1,089,400
Solid waste management fund - staff account.....	4,606,800
Underground storage tank fees.....	2,170,200
Waste reduction fee revenue.....	76,500
State general fund/general purpose .....	\$ 1,136,000
<b>(9) WATER DIVISION</b>	
Full-time equated classified positions .....	396.0
Drinking water and environmental health—120.0 FTE positions .....	\$ 15,220,300
Surface water—106.8 FTE positions.....	15,331,200
NPDES nonstormwater program—98.2 FTE positions .....	11,253,800
Groundwater discharge—22.0 FTE positions.....	2,994,500
Municipal assistance—37.0 FTE positions .....	5,334,700
Sewage sludge land application program—6.0 FTE positions.....	870,300
Water withdrawal assessment program—3.0 FTE positions .....	603,000
Expedited water/wastewater permits—3.0 FTE positions .....	404,300
Fish contaminant monitoring contracts .....	316,100
GROSS APPROPRIATION .....	\$ 52,328,200
Appropriated from:	
Federal revenues:	
Federal funds .....	21,781,500
Special revenue funds:	
Campground fund.....	242,900
Clean Michigan initiative fund - clean water fund.....	3,770,800
Environmental response fund .....	170,800
Fees and collections .....	96,500
Groundwater discharge permit fees .....	1,260,300
Infrastructure construction fund .....	404,300
Land and water permit fees .....	555,200
NPDES fees.....	3,548,600
Public swimming pool fund .....	553,300
Public water supply fees.....	2,347,800
Refined petroleum fund.....	973,400
Septage waste contingency fund .....	38,600
Septage waste program fund .....	378,100
Sewage sludge land application fees .....	870,300
Soil erosion and sedimentation control training fund .....	117,300
Stormwater permit fees .....	2,861,200
Strategic water quality initiatives fund.....	400,000
Wastewater operator training fees .....	175,000
Water pollution control revolving fund .....	3,128,300
Water use reporting fees.....	551,200
State general fund/general purpose .....	\$ 8,102,800
<b>(10) CRIMINAL INVESTIGATIONS</b>	
Full-time equated classified positions .....	20.0
Environmental investigations—20.0 FTE positions .....	\$ 2,605,100
GROSS APPROPRIATION .....	\$ 2,605,100
Appropriated from:	
Federal revenues:	
Federal funds .....	684,000
Special revenue funds:	
Restricted funds .....	1,163,000
State general fund/general purpose .....	\$ 758,100
<b>(11) GRANTS</b>	
Water pollution control and drinking water revolving funds .....	\$ 82,943,000
Noncommunity water grants.....	1,400,000



	For Fiscal Year Ending Sept. 30, 2010
Grants to counties - air pollution .....	83,700
Coastal management grants .....	2,000,000
Federal - nonpoint source water pollution grants.....	6,500,000
Federal - Great Lakes remedial action plan grants .....	700,000
Great Lakes research and protection grants .....	1,000,000
Radon grants.....	90,000
Drinking water program grants .....	1,330,000
Pollution prevention local grants.....	250,000
Septage waste compliance grants .....	400,000
Scrap tire grants .....	3,700,000
Strategic water quality initiative loans .....	9,600,000
Water quality protection grants .....	100,000
GROSS APPROPRIATION .....	\$ 110,096,700
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
Federal funds .....	82,163,000
Special revenue funds:	
Community pollution prevention fund .....	250,000
Great Lakes protection fund.....	1,000,000
Public water supply fees.....	1,400,000
Refined petroleum fund.....	83,700
Revolving loan revenue bonds.....	11,400,000
Scrap tire regulatory fund.....	3,700,000
Septage waste program fund .....	400,000
Strategic water quality initiatives fund.....	9,600,000
Water quality protection fund.....	100,000
State general fund/general purpose .....	\$ 0
<b>(12) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 7,819,600
GROSS APPROPRIATION .....	\$ 7,819,600
Appropriated from:	
Interdepartmental grant revenues:	
IDT, laboratory services .....	150,900
IDG from MSP .....	28,000
IDG from MDOT - Michigan transportation fund .....	54,600
Federal revenues:	
Federal funds .....	1,505,000
Special revenue funds:	
Restricted funds .....	5,577,900
State general fund/general purpose .....	\$ 503,200
<b>Sec. 103. DEPARTMENT OF NATURAL RESOURCES</b>	
<b>(1) APPROPRIATION SUMMARY:</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	2,209.9
GROSS APPROPRIATION .....	\$ 315,298,500
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	3,802,200
ADJUSTED GROSS APPROPRIATION .....	\$ 311,496,300
Federal revenues:	
Total federal revenues.....	72,852,500
Special revenue funds:	
Total private revenues.....	5,381,100
Total other state restricted revenues .....	216,538,800
State general fund/general purpose .....	\$ 16,723,900

	For Fiscal Year Ending Sept. 30, 2010
<b>FUND SOURCE SUMMARY</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	2,209.9
<b>GROSS APPROPRIATION</b> .....	<b>\$ 315,298,500</b>
Interdepartmental grant revenues:	
IDG, engineering services to work orders.....	1,972,100
IDG, MacMullan conference center revenue.....	1,413,100
IDG, land acquisition services to work orders .....	417,000
Total interdepartmental grants and intradepartmental transfers .....	3,802,200
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 311,496,300</b>
Federal revenues:	
DAG, federal .....	13,561,900
DOC, federal .....	71,800
DOE, federal.....	1,000
DOI, federal.....	47,271,000
DHS, federal.....	7,756,900
DOT, federal .....	3,900,000
EPA, federal.....	289,900
Total federal revenues.....	72,852,500
Special revenue funds:	
Private funds.....	5,268,500
Private - grants and gifts .....	10,000
Private - Mann house trust fund.....	102,600
Total private revenues.....	5,381,100
Aircraft fees.....	263,000
Cervidae licensing and inspection fees .....	168,100
Clean Michigan initiative fund .....	25,500
Commercial forest fund.....	54,300
Forest recreation account.....	1,549,600
Forest development fund .....	32,361,600
Forest land user charges .....	569,300
Game and fish protection fund .....	56,749,300
Game and fish protection fund - fisheries settlement .....	911,500
Game and fish protection fund - deer habitat reserve .....	3,172,100
Game and fish protection fund - turkey permit fees .....	1,908,800
Game and fish protection fund - waterfowl fees .....	111,200
Game and fish - wildlife resource protection fund .....	1,689,900
Game and fish protection fund - youth hunting and fishing education and outreach .....	46,700
Land exchange facilitation fund .....	6,295,500
Mackinac Island state park operation fund .....	167,000
Mackinac Island state park fund .....	1,649,200
Marine safety fund .....	4,823,500
Michigan civilian conservation corps endowment fund .....	250,000
Michigan heritage publications fund .....	701,100
Michigan state parks endowment fund.....	16,844,100
Michigan state waterways fund.....	23,281,100
Michigan natural resources trust fund.....	2,855,200
Museum operations fund .....	513,400
Nongame wildlife fund.....	707,300
Off-road vehicle trail improvement fund.....	4,772,100
Off-road vehicle safety education fund .....	288,600
Park improvement fund .....	39,019,300
Permanent snowmobile trail easement fund .....	700,000
Recreation improvement fund .....	1,472,900
Shop fees .....	67,300
Snowmobile registration fee revenue .....	2,328,300

	For Fiscal Year Ending Sept. 30, 2010
Snowmobile trail improvement fund .....	9,964,400
Sportsmen against hunger fund .....	257,600
Total other state restricted revenues .....	216,538,800
State general fund/general purpose .....	\$ 16,723,900
<b>(2) EXECUTIVE</b>	
Full-time equated unclassified positions..... 6.0	
Full-time equated classified positions ..... 85.8	
Commission (including travel expense—per diem).....	\$ 85,400
Unclassified salaries .....	319,800
Communications—62.3 FTE positions.....	4,873,600
Executive direction—18.0 FTE positions.....	2,251,100
Legal coordination—5.5 FTE positions .....	549,100
Great lakes restoration initiative.....	15,000,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 23,079,000</b>
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
DHS, federal.....	45,700
DOI, federal.....	15,937,200
Special revenue funds:	
Private funds.....	75,900
Forest development fund .....	375,500
Forestland user charges .....	2,100
Forest recreation account.....	44,000
Game and fish protection fund.....	2,482,200
Game and fish protection fund - deer habitat reserve.....	81,500
Game and fish protection fund - turkey permit fees .....	33,700
Game and fish protection fund - waterfowl fees.....	900
Game and fish - wildlife resource protection fund .....	35,100
Game and fish protection fund - youth hunting and fishing education and outreach .....	46,700
Land exchange facilitation fund .....	117,400
Marine safety fund .....	62,400
Michigan natural resources trust fund.....	54,200
Michigan state parks endowment fund.....	175,700
Michigan state waterways fund.....	332,200
Nongame wildlife fund.....	18,400
Off-road vehicle trail improvement fund.....	30,800
Park improvement fund .....	2,393,500
Recreation improvement fund .....	19,900
Off-road vehicle safety education fund .....	50,700
Snowmobile registration fee revenue .....	58,500
Snowmobile trail improvement fund .....	56,600
State general fund/general purpose .....	\$ 548,200
<b>(3) ADMINISTRATIVE SERVICES</b>	
Full-time equated classified positions ..... 46.0	
Budget and support services—10.0 FTE positions .....	\$ 1,172,800
Financial services—23.0 FTE positions .....	2,453,800
Grants administration—13.0 FTE positions .....	1,281,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 4,907,700</b>
Appropriated from:	
Interdepartmental grant revenues:	
Federal revenues:	
DOI, federal.....	204,600
Special revenue funds:	
Clean Michigan initiative fund .....	25,500
Forest development fund .....	806,400

	For Fiscal Year Ending Sept. 30, 2010
Forest recreation account.....	33,500
Game and fish protection fund.....	883,800
Game and fish protection fund - deer habitat reserve.....	25,100
Game and fish protection fund - turkey permit fees.....	17,100
Game and fish protection fund - waterfowl fees.....	3,900
Game and fish - wildlife resource protection fund.....	16,400
Land exchange facilitation fund.....	41,200
Marine safety fund.....	129,000
Michigan natural resources trust fund.....	1,008,600
Michigan state parks endowment fund.....	125,400
Michigan state waterways fund.....	206,300
Nongame wildlife fund.....	12,600
Off-road vehicle trail improvement fund.....	13,700
Park improvement fund.....	588,700
Recreation improvement fund.....	10,800
Snowmobile registration fee revenue.....	31,400
Snowmobile trail improvement fund.....	86,900
State general fund/general purpose.....	\$ 636,800
<b>(4) LAND AND FACILITIES</b>	
Full-time equated classified positions.....	134
Land and facilities—134.2 FTE positions.....	\$ 20,239,100
<b>GROSS APPROPRIATION.....</b>	<b>\$ 20,239,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, engineering services to work orders.....	1,972,100
IDG, land acquisition services to work orders.....	417,000
IDG, MacMullan conference center revenue.....	1,413,100
Special revenue funds:	
Forest development fund.....	1,978,600
Forest land user charges.....	13,700
Forest recreation fund.....	11,100
Game and fish protection fund.....	6,630,700
Game and fish protection fund - deer habitat reserve.....	200,600
Game and fish protection fund - turkey permit fees.....	78,300
Game and fish - wildlife resource protection fund.....	6,200
Land exchange facilitation fund.....	5,909,600
Marine safety fund.....	103,900
Michigan natural resources trust fund.....	5,900
Michigan state parks endowment fund.....	134,500
Michigan state waterways fund.....	269,800
Off-road vehicle trail improvement fund.....	24,200
Park improvement fund.....	511,000
Snowmobile registration fee revenue.....	40,600
Snowmobile trail improvement fund.....	79,900
State general fund/general purpose.....	\$ 438,300
<b>(5) DEPARTMENTAL OPERATION SUPPORT</b>	
Building occupancy charges.....	\$ 3,222,100
Rent - privately owned property.....	490,000
Gifts and bequests.....	500,000
<b>GROSS APPROPRIATION.....</b>	<b>\$ 4,212,100</b>
Appropriated from:	
Special revenue funds:	
Private funds.....	500,000
Forest development fund.....	583,100
Forest recreation fund.....	14,900

	For Fiscal Year Ending Sept. 30, 2010
Game and fish protection fund .....	841,700
Game and fish protection fund - deer habitat reserve .....	19,800
Game and fish protection fund - turkey permit fees .....	18,900
Game and fish - wildlife resource protection fund .....	7,100
Land exchange facilitation fund .....	70,900
Marine safety fund .....	32,000
Michigan natural resources trust fund .....	39,000
Michigan state parks endowment fund .....	199,900
Michigan state waterways fund .....	107,400
Park improvement fund .....	310,700
Snowmobile trail improvement fund .....	20,300
State general fund/general purpose .....	\$ 1,446,400
<b>(6) WILDLIFE MANAGEMENT</b>	
Full-time equated classified positions .....	205.0
Cormorant population mitigation program .....	\$ 75,000
Wildlife management—196.0 FTE positions .....	28,771,800
Natural resources heritage—9.0 FTE positions .....	1,263,000
State game and wildlife area maintenance .....	750,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 30,859,800</b>
Appropriated from:	
Federal revenues:	
DAG, federal .....	366,500
DOI, federal .....	13,812,100
EPA, federal .....	1,000
Special revenue funds:	
Private funds .....	114,600
Cervidae licensing and inspection fees .....	103,000
Forest development fund .....	65,500
Game and fish protection fund .....	9,039,300
Game and fish protection fund - deer habitat reserve .....	2,768,300
Game and fish protection fund - turkey permit fees .....	1,693,000
Game and fish protection fund - waterfowl fees .....	103,600
Nongame wildlife fund .....	641,900
Sportsmen against hunger fund .....	257,600
State general fund/general purpose .....	\$ 1,893,400
<b>(7) FISHERIES MANAGEMENT</b>	
Full-time equated classified positions .....	232.0
Aquatic resource mitigation—2.0 FTE positions .....	\$ 912,500
Fisheries resource management—170.0 FTE positions .....	18,323,600
Fish production—60.0 FTE positions .....	8,300,100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 27,536,200</b>
Appropriated from:	
Federal revenues:	
DAG, federal .....	134,400
DOE, federal .....	1,000
DOC, federal .....	53,400
DOI, federal .....	10,067,700
EPA, federal .....	165,500
Special revenue funds:	
Private funds .....	116,700
Game and fish protection fund .....	16,086,000
Game and fish protection fund - fisheries settlement .....	911,500
State general fund/general purpose .....	\$ 0
<b>(8) PARKS AND RECREATION</b>	
Full-time equated classified positions .....	794.9
State parks—631.4 FTE positions .....	\$ 46,698,700

	For Fiscal Year Ending Sept. 30, 2010
State park improvement revenue bonds - debt service.....	1,147,100
Recreational boating—163.5 FTE positions.....	14,776,100
GROSS APPROPRIATION.....	\$ 62,621,900
Appropriated from:	
Federal revenues:	
EPA, federal.....	122,400
Special revenue funds:	
Private funds.....	370,300
Michigan civilian conservation corps endowment fund.....	250,000
Michigan state parks endowment fund.....	13,293,200
Michigan state waterways fund.....	14,776,100
Off-road vehicle trail improvement fund.....	247,400
Park improvement fund.....	33,562,500
State general fund/general purpose.....	\$ 0
<b>(9) MACKINAC ISLAND STATE PARK COMMISSION</b>	
Full-time equated classified positions.....	39.0
Mackinac Island park operations—24.0 FTE positions.....	\$ 1,588,200
Historical facilities system—15.0 FTE positions.....	1,789,000
GROSS APPROPRIATION.....	\$ 3,377,200
Appropriated from:	
Special revenue funds:	
Mackinac Island state park operation fund.....	167,000
Mackinac Island state park fund.....	1,600,500
State general fund/general purpose.....	\$ 1,609,700
<b>(10) MICHIGAN HISTORICAL PROGRAM</b>	
Full-time equated classified positions.....	62.0
Archives—8.0 FTE positions.....	\$ 732,000
Freedom trail commission—1.0 FTE positions.....	25,000
Heritage publications—5.0 FTE positions.....	701,200
Historical administration and services—42.0 FTE positions.....	3,058,200
Museum stores—4.0 FTE positions.....	513,400
Special programs (Mann house)—1.0 FTE positions.....	112,600
Thunder Bay national marine sanctuary and underwater preserve—1.0 FTE positions.....	150,100
GROSS APPROPRIATION.....	\$ 5,292,500
Appropriated from:	
Federal revenues:	
DOI, federal.....	100
Special revenue funds:	
Private - grants and gifts.....	10,000
Private - Mann house trust fund.....	102,600
Michigan heritage publications fund.....	701,100
Museum operations fund.....	513,400
State general fund/general purpose.....	\$ 3,965,300
<b>(11) FOREST, MINERAL, AND FIRE MANAGEMENT</b>	
Full-time equated classified positions.....	383.0
Forest management and timber market development—165.0 FTE positions.....	\$ 20,544,200
Adopt-a-forest program.....	25,000
Wildfire protection—122.0 FTE positions.....	11,451,500
Forest recreation—51.0 FTE positions.....	4,924,000
Minerals management—23.0 FTE positions.....	2,565,400
Cooperative resource programs—12.0 FTE positions.....	1,034,800
Forest management initiative—10.0 FTE positions.....	808,900
Forest fire equipment.....	500,000
GROSS APPROPRIATION.....	\$ 41,853,800
Appropriated from:	
Federal revenues:	
DAG, federal.....	2,436,000

	For Fiscal Year Ending Sept. 30, 2010
DHS, federal.....	255,600
DOI, federal.....	2,000
EPA, federal.....	1,000
Special revenue funds:	
Private funds.....	941,000
Aircraft fees.....	263,000
Commercial forest fund.....	49,200
Forest development fund.....	25,730,700
Forestland user charges.....	536,500
Forest recreation fund.....	1,240,500
Game and fish protection fund.....	1,481,000
Michigan natural resources trust fund.....	1,268,100
Michigan state parks endowment fund.....	574,700
Michigan state waterways fund.....	394,200
Off-road vehicle trail improvement fund.....	742,500
Recreation improvement fund.....	330,200
Off-road vehicle safety education fund.....	6,200
Shop fees.....	67,300
Snowmobile registration fee revenue.....	16,900
Snowmobile trail improvement fund.....	1,629,600
State general fund/general purpose.....	\$ 3,887,600
<b>(12) LAW ENFORCEMENT</b>	
Full-time equated classified positions.....	228.0
General law enforcement—228.0 FTE positions.....	\$ 28,629,000
<b>GROSS APPROPRIATION</b> .....	\$ 28,629,000
Appropriated from:	
Federal revenues:	
DHS, federal.....	4,485,600
DOC, federal.....	18,400
DOI, federal.....	563,300
Special revenue funds:	
Cervidae licensing and inspection fees.....	65,100
Forest recreation account.....	61,000
Game and fish protection fund.....	16,467,800
Game and fish protection fund - wildlife resource protection fund.....	1,566,800
Marine safety fund.....	1,614,100
Off-road vehicle trail improvement fund.....	1,251,400
Park improvement fund.....	61,000
Off-road vehicle safety education fund.....	81,700
Snowmobile registration fee revenue.....	991,100
State general fund/general purpose.....	\$ 1,401,700
<b>(13) GRANTS</b>	
Accessibility grants.....	\$ 1,000,000
Federal - clean vessel act grants.....	400,000
Federal - forest stewardship grants.....	3,125,000
Federal - land and water conservation fund payments.....	2,566,900
Federal - rural community fire protection.....	300,000
Federal - urban forestry grants.....	4,000,000
Game and nongame wildlife fund grants.....	10,000
Grant to counties - marine safety.....	4,275,000
Grants to communities - federal oil, gas, and timber payments.....	3,450,000
National recreational trails.....	3,950,000
Off-road vehicle safety training grants.....	150,000
Off-road vehicle trail improvement grants.....	2,454,000
Recreation improvement fund grants.....	1,100,000
Snowmobile law enforcement grants.....	1,142,000

	For Fiscal Year Ending Sept. 30, 2010
Snowmobile local grants program .....	8,014,000
Trail easements .....	700,000
GROSS APPROPRIATION .....	\$ 36,636,900
Appropriated from:	
Federal revenues:	
DAG, federal .....	10,625,000
DHS, USCG .....	1,470,000
DOI, federal.....	3,116,900
DOT, federal .....	3,900,000
Special revenue funds:	
Private funds.....	1,150,000
Marine safety fund .....	2,805,000
Nongame wildlife fund.....	10,000
Off-road vehicle trail improvement fund.....	2,454,000
Permanent snowmobile trail easement fund.....	700,000
Recreation improvement fund .....	1,100,000
Off-road vehicle safety education fund .....	150,000
Snowmobile registration fee revenue .....	1,142,000
Snowmobile trail improvement fund .....	8,014,000
State general fund/general purpose .....	\$ 0
<b>(14) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 9,412,100
GROSS APPROPRIATION .....	\$ 9,412,100
Appropriated from:	
Special revenue funds:	
Commercial forest fund.....	5,100
Forest development fund .....	1,521,800
Forestland user charges .....	17,000
Forest recreation fund.....	44,600
Game and fish protection fund .....	2,836,800
Game and fish protection fund - deer habitat reserve.....	76,800
Game and fish protection fund - turkey permit fees .....	67,800
Game and fish protection fund - waterfowl fees.....	2,800
Game and fish - wildlife resource protection fund .....	58,300
Land exchange facilitation fund.....	156,400
Mackinac Island state park fund .....	48,700
Marine safety fund .....	77,100
Michigan natural resources trust fund.....	479,400
Michigan state parks endowment fund.....	340,700
Michigan state waterways fund.....	671,000
Nongame wildlife fund.....	24,400
Off-road vehicle trail improvement fund.....	8,100
Park improvement fund .....	1,591,900
Recreation improvement fund .....	12,000
Snowmobile registration fee revenue .....	47,800
Snowmobile trail improvement fund .....	77,100
State general fund/general purpose .....	\$ 1,246,500
<b>(15) CAPITAL OUTLAY</b>	
<b>(a) STATE PARK AND FOREST AREA IMPROVEMENTS</b>	
State parks repair and maintenance.....	\$ 4,000,000
Forest roads, bridges and facilities.....	1,400,000
GROSS APPROPRIATION .....	\$ 5,400,000
Appropriated from:	
Special revenue funds:	
Private funds.....	2,000,000
Forest development fund .....	1,300,000



	For Fiscal Year Ending Sept. 30, 2010
Forest recreation account.....	100,000
Michigan state parks endowment fund.....	2,000,000
State general fund/general purpose .....	\$ 0
<b>(b) WATERWAYS BOATING PROGRAM</b>	
Infrastructure improvements - state projects .....	\$ 400,000
Land acquisitions.....	1,000,000
Boating program, state boating access sites:	
Sleepy Hollow State Park, boating access site improvements: new access road and entrance, expansion of launch ramp, new parking area, interpretive kiosk for boating safety and fishing information, universal accessibility (total authorized cost \$776,200; Federal share \$582,100; state share \$194,100).....	
	776,200
Detour, Chippewa County, floating dock repair and replacement (total authorized cost is increased from \$4,000,000 to \$7,500,000; Federal share is increased from \$3,000,000 to \$5,235,000; state share is increased from \$1,000,000 to \$2,265,000).....	3,500,000
Port Austin, Huron County, new floating piers, utility upgrades and breakwall improvements (total authorized cost is increased from \$500,000 to \$5,000,000; Federal share is increased from \$0 to \$1,100,000; state share is increased from \$500,000 to \$3,900,000).....	4,000,000
Boating program, state harbors and docks:	
Lac La Belle, Keweenaw County, pilings and pier replacement (total authorized cost \$1,000,000; federal share \$750,000; state share \$250,000) .....	1,000,000
Boating program, local harbors and docks:	
Naubinway, Mackinac County, breakwater protection, dredging and engineering, phase I (total authorized cost \$210,000; state share \$210,000).....	210,000
Leland, Leelanau County, dock replacements, utility upgrades, seawall protection (total authorized cost is increased from \$4,195,000 to 4,900,000; local share is increased from \$990,000 to \$1,225,000; state share is increased from \$2,970,000 to \$3,675,000).....	705,000
GROSS APPROPRIATION.....	\$ 11,591,200
Appropriated from:	
Federal revenues:	
DHS, federal.....	1,500,000
DOI, federal.....	3,567,100
Special revenue funds:	
Michigan state waterways fund.....	6,524,100
State general fund/general purpose .....	\$ 0
<b>(16) CONSOLIDATION SAVINGS</b>	
Consolidation savings.....	\$ (350,000)
GROSS APPROPRIATION.....	\$ (350,000)
Appropriated from:	
State general fund/general purpose .....	\$ (350,000)

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is \$432,854,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$10,722,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENTAL QUALITY

GRANTS

Noncommunity water grants.....	\$ 1,400,000
Scrap tire grants .....	1,850,000
Septage waste compliance program .....	400,000
SUBTOTAL FOR DEPARTMENT OF ENVIRONMENTAL QUALITY.....	\$ 3,650,000

DEPARTMENT OF NATURAL RESOURCES

CAPITAL OUTLAY

Waterways boating program.....	\$ 2,415,000
--------------------------------	--------------

GRANTS

Grants to counties - marine safety .....	2,805,000
Off-road vehicle safety training grants.....	150,000
Off-road vehicle trail improvement grants .....	450,000
Recreation improvement fund grants.....	110,000
Snowmobile law enforcement grants.....	1,142,000
SUBTOTAL FOR DEPARTMENT OF NATURAL RESOURCES .....	\$ 7,072,000
TOTAL NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION.....	\$ 10,722,000

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

Sec. 203. As used in this act:

- (a) "Commission" means the commission of natural resources.
- (b) "DAG" means the United States department of agriculture.
- (c) "DHS" means the United States department of homeland security.
- (d) "DOC" means the United States department of commerce.
- (e) "DOE" means the United States department of energy.
- (f) "DOI" means the United States department of interior.
- (g) "DOT" means the United States department of transportation.
- (h) "EPA" means the United States environmental protection agency.
- (i) "FTE" means full-time equated.
- (j) "IDG" means interdepartmental grant.
- (k) "IDT" means intradepartmental transfer.
- (l) "MDSP" means the Michigan department of state police.
- (m) "NPDES" means national pollution discharge elimination system.

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

Sec. 206. The departments of environmental quality and natural resources shall use the Internet to fulfill the reporting requirements of this act. This requirement can be met if reports are transmitted via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 207. (1) Within 14 days after the release of the executive budget recommendation, the departments of environmental quality and natural resources shall each provide the state budget director, the senate and house appropriations subcommittees on environmental quality or natural resources, respectively, and the senate and house fiscal agencies with an annual report on estimated restricted fund balances, projected revenues, and expenditures for the fiscal years ending September 30, 2009 and September 30, 2010.

(2) Estimates of restricted fund revenues for the fiscal year ending September 30, 2010 shall be reissued on or before September 30, 2009. These revised revenue estimates shall form the basis for determinations of the number of funded positions authorized in this act.

(3) Part 1 of this act provides authorizations to fund 3,556.9 FTE classified positions during the fiscal year ending September 30, 2010. Line-item appropriations include limitations on the number of payroll hours to be funded, on the basis of 2,088 hours per each FTE position. The departments of environmental quality and natural resources shall each report the number of funded FTE positions within 15 days after the effective date of this act. The number of classified employees compensated through each line item is limited by the authorized FTE positions indicated in this act, as adjusted for the number of reported funded FTE positions. Each report shall be provided to the house and senate appropriations subcommittees on environmental quality or natural resources, respectively, and the house and senate fiscal agencies by the deadlines provided in this section.

Sec. 208. (1) From the funds appropriated under this act, the departments of environmental quality and natural resources shall each prepare a report that lists all of the following regarding grant, loan, or grant and loan programs administered by the respective department for the fiscal year ending on September 30, 2010:

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

- (f) The source of funds for each program, including the citation of pertinent authorizing acts.
- (g) Information regarding plans for the next fiscal year for the phaseout, expansion, or changes for each program.
- (h) A listing of all recipients of grants or loans awarded by the department by type and amount of grant or loan during the fiscal year ending September 30, 2009.

(2) The reports required under this section shall be submitted to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies by January 1, 2010.

Sec. 209. Appropriations of state-restricted game and fish protection funds have been made to the following departments and agencies in their respective appropriation acts. The amounts appropriated to these departments and agencies are listed below:

Civil service commission .....	\$ 876,100
Legislative auditor general .....	21,900
Attorney general .....	482,800
Department of management and budget .....	391,200
Department of treasury .....	1,793,300

Sec. 210. Before January 31, 2010, the department of natural resources, in cooperation with the Michigan state waterways commission, shall provide to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies a list of projects completed by the commission in fiscal year 2008-2009, including the county and municipality in which each project is located.

Sec. 211. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the game and fish protection trust fund to the game and fish protection account of the Michigan conservation and recreation legacy fund, \$6,000,000.00 for the fiscal year ending September 30, 2010.

Sec. 212. From the funds appropriated in part 1 for information technology, the departments of environmental quality and natural resources shall pay user fees to the department of information technology for technology-related services and projects. These user fees shall be subject to provisions of an interagency agreement between each respective department and the department of information technology.

Sec. 213. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state-restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 214. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 215. The directors of the departments of environmental quality and natural resources shall each take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the respective department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 216. Neither the department of environmental quality nor the department of natural resources shall take disciplinary action against an employee for communicating truthfully and factually with a member of the legislature or his or her staff.

Sec. 217. (1) Funds appropriated in part 1 shall not be used by the department of environmental quality or the department of natural resources to adopt a rule that will apply to a small business and that will have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(2) As used in this section:

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

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

Sec. 218. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 219. The departments of environmental quality and natural resources shall each develop a plan for allocating restricted funds among department administrative support and regulatory activities. Each plan shall be submitted to the house and senate appropriations subcommittees on environmental quality or natural resources, respectively, by January 30, 2010. Each plan shall include a cost allocation plan for financial services support, office space rent and building occupancy charges, and support division service for information systems and technology and a methodology to use information generated through activity reports that identifies the percentage of employee time spent on restricted fund activities.

Sec. 220. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$33,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 221. Neither the department of environmental quality nor the department of natural resources shall approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless the professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from the department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise. This section does not apply to meetings or to the purchase of excess federal equipment.

Sec. 222. Beginning December 2009 and every 2 months thereafter, the department of environmental quality and the department of natural resources shall each promptly report on the number of FTEs in pay status as of the first day of that month, by civil service classification. Each department shall submit the report to the house and senate appropriations subcommittees on environmental quality or natural resources, respectively, and the house and senate fiscal agencies.

Sec. 223. The departments of environmental quality and natural resources, in collaboration with the state budget office, shall each submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on or before March 1, 2010 a report on appropriated and supportable FTE positions within the enacted budget for the fiscal year ending September 30, 2010. The report shall contain all of the following information for each individual line item contained in the enacted budget:

(a) The number of FTEs to be funded from the line item.

(b) The amount that is proposed to be allocated to salary and wage and fringe benefit costs from the gross appropriation for the line item.

(c) The amount that is proposed to be allocated to salary and wage and fringe benefit costs from the gross appropriation for the line item on which was based the increase in the executive budget proposal from the amount appropriated for the

line item in the department budget for the fiscal year ending September 30, 2010, if different from the amount in subdivision (b).

(d) The portion of the amount described in subdivision (b) that is proposed to be taken from each funding source identified in the budget.

(e) The gross salary and wage expenditures for the line item during the fiscal year ending September 30, 2009 and the estimated salary and wage expenditures for the line item during the fiscal year ending September 30, 2010.

(f) The estimated number of FTE positions supportable by the amount described in subdivision (b).

Sec. 224. (1) The department of environmental quality shall report all of the following information relative to allocations made from appropriations for the environmental cleanup and redevelopment program, state cleanup, emergency actions, superfund cleanup, the revitalization revolving loan program, the brownfield grants and loans program, the leaking underground storage tank cleanup program, the contaminated lake and river sediments cleanup program, the refined petroleum product cleanup program, and the environmental protection bond projects under section 19508(7) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.19508, to the state budget director, the senate and house appropriations subcommittees on environmental quality, and the senate and house fiscal agencies:

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 225. (1) The department of environmental quality is authorized to expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of legislatively approved sites for the environmental cleanup and redevelopment program, the leaking underground storage tank cleanup program, and the refined petroleum product cleanup program.

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

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

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

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

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

Sec. 226. Of the money appropriated from the environmental education fund in part 1, \$5,000.00 shall be allocated to Michigan State University Extension Service - 4-H Youth Programs to fund the Michigan Youth Conservation Council.

Sec. 227. (1) The appropriation for the department of environmental quality in section 102(2) includes \$11,625,100.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for selected line items in the executive operations and administrative support appropriation unit.

(2) The appropriation for the department of environmental quality in section 102(10) includes \$1,163,000.00 from restricted funds. This funding shall support the restricted fund requirements, pursuant to subsection (4), for the criminal investigations appropriations.

(3) The appropriation in section 102(12) includes \$5,577,900.00 from restricted funds. This funding source shall support the restricted fund requirements, pursuant to subsection (3), for the information technology appropriation.

(4) The department of environmental quality shall adopt a cost allocation plan for revenue sources supporting line items listed in section 102(2), (10), and (12).

(5) The department of environmental quality shall provide a report on or before October 31, 2009 to the house and senate appropriations subcommittees on environmental quality and the house and senate fiscal agencies of the line item amounts and detailed revenue sources which support the restricted fund appropriations in section 102(2), (10), and (12).

Sec. 228. It is the intent of the legislature that the department of natural resources will be the successor agency to the department of environmental quality created by Executive Reorganization Order No. 1995-16, MCL 324.99903. In addition to the powers and duties provided by law to the department of natural resources, the department of natural resources will have the powers and duties provided to the department of environmental quality in Executive Reorganization Order No. 1995-16, MCL 324.99903, and the powers and duties otherwise provided to the department of environmental quality or the director of the department of environmental quality by law.

Sec. 229. The appropriations in this act assume the issuance and acceptance of an executive order by the governor for the purpose of consolidating the responsibilities and functions of the departments of environmental quality and natural resources. Any efficiency savings realized programs supported by general fund appropriations shall lapse and be credited to the state general fund. The amount of efficiency savings potentially to be realized through the consolidation of field offices and elimination of duplicative positions will be approximately \$2,000,000.00.

Sec. 230. Effective November 1, 2009, expenditures from section 102 shall not be allowed by the director of the department of environmental quality unless a notice of an intent to spend is provided to the speaker of the house of representatives, not later than 30 days before disbursements from allotted funds.

Sec. 231. Any permit application that has been submitted to and pending with the department of environmental quality for a period of 2 years or more shall be considered administratively complete effective January 1, 2010.

Sec. 232. (1) From the funds appropriated in part 1, the departments of environmental quality and natural resources shall each develop, post, and maintain on a user-friendly and publicly accessible Internet site, all expenditures made by the agency within a fiscal year. The posting must include the purpose for which each expenditure is made.

(2) From the funds appropriated in part 1, neither the department of environmental quality nor the department of natural resources shall spend more than \$25,000.00 to implement this section or cause essential services to be diminished.

Sec. 233. The departments of environmental quality and natural resources shall receive and retain copies of all reports funded from appropriations in part 1. These departments shall follow federal and state guidelines for short-term and long-term retention of these reports. To the extent consistent with federal and state guidelines, the requirements of this section are satisfied if the reports funded from appropriations in part 1 are retained in electronic format.

Sec. 234. Unexpended settlement revenues at the end of the fiscal year may be carried forward into the settlement fund in the succeeding fiscal year up to a maximum carryforward of \$2,500,000.00.

Sec. 235. The departments of environmental quality and natural resources shall each annually report by December 31 to the state budget director, the senate and house appropriations committees, and the senate and house fiscal agencies an accounting of all civil and criminal fine revenue collected during the previous fiscal year and post its report on its website.

Sec. 236. Not later than September 30, 2010, the departments of environmental quality and natural resources shall each prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. These reports shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. These reports shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 237. (1) When managing and regulating best available retrofit technologies ("BART") under part 55 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5501 to 324.5542, the department of environmental quality shall use proven science and representative data based upon professional peer review standards. If the department of environmental quality requests a permit holder to implement BART review, the department shall cite the specific scientific methods and provide data-based evidence to justify using the BART measure.

(2) If the department of environmental quality requests the permit holder to undertake a feasibility study to determine whether to utilize BART, the department of environmental quality shall reimburse the permit holder all costs associated with conducting the feasibility study. Reimbursement shall be made within 30 days of submission of costs by the permit holder.

Sec. 238. By July 1, 2010, the department of environmental quality shall prepare and submit a report to the state budget director, the legislature, the chairs of the standing committees of the senate and house of representatives with primary responsibility for issues related to natural resources and the environment, and the chairs of the subcommittees of the senate and house appropriations committees with primary responsibility for appropriations for the department, outlining the implementation of the Great Lakes water quality bond provided for in part 197 of the natural resources and

environmental protection act, 1994 PA 451, MCL 324.19701 to 324.19708, including, but not limited to, the amount of bonds issued and the date they were issued, the number of applications received for loans from the state water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, the total amount of loans requested, a listing of the applicants receiving loans and the total amount of loans provided to those applicants, a listing of applicants whose loan applications were not approved and the reasons why those applications were not approved, the amount of the loans granted that were leveraged from bond proceeds, and the remaining bond proceeds and bond authorization.

Sec. 239. The department of environmental quality shall perform a review of its programs to determine how its programs compare to similar programs in other Great Lake states. The analysis shall include, but not be limited to, evaluation of permitting time, number of enforcement actions, stringency of the controlling law, and the cost of the relevant permits. The department of environmental quality shall report the findings of this review to the senate and house appropriations committees not later than April 1, 2010.

Sec. 240. The department of environmental quality shall engage in a process to determine efficiencies that can be made in the air permitting program, including renewable operating permits, the NPDES program, and the remediation and redevelopment program. The department of environmental quality shall report the findings of this effort to the senate and house appropriations committees not later than April 1, 2010.

Sec. 241. From the amounts appropriated in part 1, the department of environmental quality shall implement 2008 PA 389.

Sec. 242. Semiannually, the departments of environmental quality and natural resources shall each notify the senate and house appropriation subcommittees with primary responsibility for appropriations to the respective department, the senate and house fiscal agencies, and the state budget director of all requests made of the department under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, during the previous 6 months.

#### **DEPARTMENT OF ENVIRONMENTAL QUALITY**

##### **LAND AND WATER MANAGEMENT**

Sec. 301. It is the intent of the legislature that the level of funding for the wetland protection program under part 303 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.30301 to 324.30323, for the fiscal year ending September 30, 2010, will be augmented to maintain the level of the previous fiscal year by funds from an appropriate restricted use fund through a supplemental appropriation act.

##### **REMEDIATION AND REDEVELOPMENT**

Sec. 302. Revenues remaining in the interdepartmental transfers, laboratory services at the end of the fiscal year shall carry forward into the succeeding fiscal year.

Sec. 303. The unexpended funds appropriated in part 1 for emergency cleanup actions and the refined petroleum product cleanup program are considered work project appropriations and any unencumbered or unallotted funds are carried forward into the succeeding fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the projects to be carried forward is to provide contaminated site cleanup.
- (b) The projects will be accomplished by contract.
- (c) The total estimated cost of all projects is identified in each line-item appropriation.
- (d) The tentative completion date is September 30, 2014.

Sec. 304. Effective October 1, 2009, surplus funds not to exceed \$1,000,000.00 in the cleanup and redevelopment trust fund are hereby appropriated to the environmental protection fund.

Sec. 305. Effective October 1, 2009, surplus funds not to exceed \$1,000,000.00 in the community pollution prevention fund are hereby appropriated to the environmental protection fund.

Sec. 306. It is the intent of the legislature to repay the refined petroleum fund for the \$70,000,000.00 that was transferred to the environmental protection fund as part of the resolution for the fiscal year 2006-2007 budget.

Sec. 308. The department of environmental quality shall not expend funds appropriated in part 1 if using operational memoranda or other similar documents that are in draft form to impose regulations on individuals or businesses conducting environmental cleanup projects, except as provided in part 213 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.21301 to 324.21331, or when there is written consent between the department of environmental quality and the individual or business.

##### **WASTE AND HAZARDOUS MATERIALS**

Sec. 401. Effective October 1, 2009, surplus funds not to exceed \$1,500,000.00 in the solid waste management fund perpetual care account are appropriated to the solid waste management fund staff account.

Sec. 402. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11720, then the department of environmental quality may spend funds appropriated in part 1 under the septage waste compliance program in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

**WATER**

Sec. 501. By February 1, 2010, the department of environmental quality shall submit a report on the department's use of the national pollutant discharge elimination system fund created in MCL 324.3121 for the previous fiscal year, to the senate and house appropriations subcommittees on environmental quality, the standing committees of the legislature with jurisdiction over issues primarily related to natural resources and the environment, and the senate and house fiscal agencies. The report shall include a summary of how the appropriations in part 1 for the NPDES nonstormwater program were used for the various permissible uses of the fund and shall include specific information on all of the following:

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

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

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

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

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

**GRANTS**

Sec. 601. Of the funds appropriated in part 1 for scrap tire grants, \$100,000.00 shall be available for grants to communities to cover scrap tire fire suppression costs, provided owner liability bonds and other available funding sources have been exhausted.

**DEPARTMENT OF NATURAL RESOURCES****ADMINISTRATIVE SERVICES**

Sec. 701. The department of natural resources may charge the appropriations contained in part 1, including all special maintenance and capital projects appropriated for the fiscal year ending September 30, 2010, for engineering services provided, a standard percentage fee to recover actual costs. The department of natural resources may use the revenue derived to support the engineering services charges provided for in part 1.

Sec. 702. The department of natural resources may charge land acquisition projects appropriated for the fiscal year ending September 30, 2010, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to support the land acquisition service charges provided for in part 1.

Sec. 703. The department of natural resources may charge both application fees and transaction fees related to the exchange or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2162. The fees shall be set by the director of the department of natural resources at a rate which allows the department to recover its costs for providing these services.

Sec. 704. The department of natural resources shall prominently display in a prominent place in the fishing guide provided to each licensed fisher and paid for from the funds appropriated in part 1, the website address for the department of community health. In addition, the fishing guide shall include information on alternative sources where interested parties without Internet access may find information on fish advisories issued by the department of community health.

Sec. 705. Within 21 days after the end of the fiscal year ending September 30, 2010, the department of natural resources shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions approved by the commission in the previous fiscal year. For each land transaction, the report shall include the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and whether the transaction is by purchase, public auction, transfer, exchange, or conveyance.

**WILDLIFE MANAGEMENT**

Sec. 801. It is the intent of the legislature that, from the funds appropriated in part 1, the department of natural resources shall reimburse the department of agriculture for costs incurred for indemnification payments for livestock losses caused by wolves, coyotes, or cougars under the animal industry act, 1988 PA 466, MCL 287.701 to 287.745.

Sec. 802. From the funds appropriated in part 1, the department of natural resources shall submit semiannual reports to the state budget director, the senate and house appropriations subcommittees on natural resources, and the senate and house fiscal agencies that provide detail about enforcement actions taken to eradicate bovine tuberculosis, the number of infected deer found, new science it is working on to detect bovine tuberculosis, and other relevant information about the department's efforts to address the presence of bovine tuberculosis in this state.

**FISHERIES MANAGEMENT**

Sec. 901. As a condition of expenditure of fisheries management appropriations under part 1, the department of natural resources shall not impede the certification process for water control structures on Michigan waterways. The department



of natural resources shall fund from funds appropriated in part 1 all non-water-quality studies or requirements that the department requests of either of the following:

(a) The department of environmental quality as a condition for issuance of a certification under the federal water pollution control act, 33 USC 1341.

(b) The federal energy regulatory commission as a condition of licensing under the federal power act, 16 USC 791a to 825r.

Sec. 902. (1) From the appropriation in part 1 for aquatic resource mitigation, not more than \$758,000.00 shall be allocated for grants to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat stabilization and soil erosion control.

(2) The fisheries division in the department of natural resources shall develop priority and cost estimates for all recommended projects.

#### **PARKS AND RECREATION**

Sec. 1001. Pursuant to section 1902(2) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1902, there is appropriated from the Michigan natural resources trust fund to the Michigan state parks endowment fund an amount not to exceed \$10,000,000.00 for the fiscal year ending September 30, 2010.

Sec. 1002. The department of natural resources shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies if it intends to reduce operations or reduce recreation opportunities at any state park or recreation area.

Sec. 1003. The department of natural resources shall not alter or halt operations of the ski hill or demolish buildings related to the ski hill, the assistant manager residence, the 3-unit apartment building, or the carpenter's shop and garage in Porcupine Mountains wilderness state park. The department shall collaborate with travel Michigan for the marketing and promotion of the ski hill.

Sec. 1004. From the funds appropriated in part 1, the department shall maintain an appropriate number of defibrillators in state parks. State parks shall accept donations of defibrillators.

#### **MACKINAC ISLAND STATE PARK**

Sec. 1101. The funds collected by the Mackinac Island State Park commission for admission fees and store sales shall be deposited in the Mackinac Island State Park operation fund. Any funds remaining at the end of the fiscal year shall not lapse to the general fund, but shall carry forward and be available for appropriation in the subsequent fiscal year.

#### **FOREST, MINERAL, AND FIRE MANAGEMENT**

Sec. 1201. In addition to the funds appropriated in part 1, \$350,000.00 is appropriated to the department of natural resources to cover costs related to any declared emergency involving the collapse of any abandoned mine shaft located on state land. This appropriation shall not be expended unless the state budget director recommends the expenditure and the department of natural resources notifies the house and senate committees on appropriations.

Sec. 1202. The department of natural resources shall spend amounts appropriated in part 1 for forest-related activities to employ or contract for additional foresters to mark timber, pursuant to section 903.

Sec. 1203. Of the funds appropriated in part 1, the department of natural resources shall, subject to the forest certification process, prescribe treatment on 63,000 acres, prepare appropriate treatment for not less than 58,000 acres at the current average rate of 12.5 to 15 cords per acre, and offer those cords for sale in 2010, provided that the department shall take into consideration the impact of timber harvesting on wildlife habitat and recreation uses. The department of natural resources shall, subject to the forest certification process, increase marking or treatment of hardwood timber for sale and harvest by 10% over 2009 levels. In addition, the department of natural resources shall take into consideration silvicultural analysis and report annually to the legislature on plans and efforts to address factors limiting management of timber. The department of natural resources shall increase the number of prepared acres if it appears that regional market demand requires increased volumes of harvested timber. The department of natural resources shall provide quarterly reports on the number of acres treated, pursuant to this section, to the senate and house appropriations subcommittees on natural resources and the standing committees of the senate and house of representatives with primary responsibility for natural resources issues. The department of natural resources shall complete and deliver these reports no later than 45 days after the end of the fiscal quarter.

Sec. 1204. From the funds appropriated in part 1, the department of natural resources shall provide for a designated snowmobile route connecting the village of Bellaire to the Jordan River Trail across state owned land with associated reasonable restrictions that mitigate negative impacts on the natural resources.

Sec. 1205. In addition to the money appropriated in this act, the department of natural resources may receive and expend money from federal sources for the purpose of providing response to wildfires as required by a compact with the federal government. If additional expenditure authorization is required, the department of natural resources shall notify the state budget office that expenditure under this section is required. The department of natural resources shall notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies of the expenditures under this section by November 1, 2010.

Sec. 1206. The department of natural resources shall continue to work cooperatively with horseback riding interests to maximize riding opportunities in the state.

Sec. 1207. The department of natural resources shall work with the commission and stakeholders to review the current bidding process and implement changes as necessary to ensure that it meets state standards and promotes the purchase of state timber and shall report to the legislature on this issue by March 31, 2010.

#### **LAW ENFORCEMENT**

Sec. 1301. The appropriation in part 1 for snowmobile law enforcement grants shall be used by the department of natural resources to provide grants to county law enforcement agencies to enforce part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to 324.82160, including rules promulgated under that part and ordinances enacted pursuant to that part. The department of natural resources shall consider the number of enforcement hours and the number of miles of snowmobile trails in each county in allocating these grants. Any funds not distributed to counties revert back to the snowmobile registration fee subaccount created under section 82111 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82111. Counties shall provide semiannual reports to the department of natural resources on the use of grant money received under this section.

Sec. 1302. From the funds appropriated in part 1, not less than 6 months before expiration of a contract or adoption of amendments to an existing contract with the concessionaire at the Island Lake shooting range, the department of natural resources shall notify in the least expensive method possible all residents within 5 miles of the shooting range and the state and local elected officials representing Green Oak Township in Livingston County of the contract expiration date or adoption of amendments to an existing contract. If the department of natural resources intends to extend or amend the contract with the concessionaire, it shall hold 1 public hearing in Livingston County on the matter not less than 60 days before execution.

#### **GRANTS**

Sec. 1401. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, 2009, the department of natural resources shall report to the senate and house appropriations subcommittees on natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the fiscal year ending September 30, 2009.

Sec. 1402. Subject to part 811 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81150, from the funds appropriated in part 1 for off-road vehicle trail improvements grants, not less than \$980,000.00 shall be spent on the development of new trails in accordance with the off-road vehicle trail expansion plan submitted to the legislature pursuant to section 807 of article 14 of 2005 PA 154.

#### **CAPITAL OUTLAY**

Sec. 1501. The appropriation made in this act for the harbors and docks program is for the purpose of participating with the federal government and assisting political entities and subdivisions of this state in the construction and improvement of recreational boating facilities within this state. Subject to the approval of the state administrative board, this money shall be allocated by the department of natural resources to the federal government, or to the political entities or local units of government involved in the particular projects. An allocation shall not exceed the state portion as listed with each project description. The department of natural resources shall take the steps necessary to match federal money available for the construction and improvement of recreational boating facilities within the state, and to meet requirements of the federal government.

Sec. 1502. (1) The director of the department of natural resources shall allocate lump-sum appropriations to the department of natural resources made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

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

Sec. 1503. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

#### **MICHIGAN HISTORICAL PROGRAM**

Sec. 1601. The federal funds appropriated in part 1 for the historic site preservation grants are for work projects and shall not lapse at the end of the fiscal year but shall continue to be available for expenditure until the projects for which the funds were reserved have been completed or are terminated. The purpose of these work projects is the identification, designation, rehabilitation, and preservation of historic resources. The method used will be to solicit applications, score applications based upon established criteria, and award subgrants. The department of natural resources shall execute a grant agreement with each recipient. The total cost is \$85,000.00, and the tentative completion date is September 30, 2010.

Sec. 1602. Funds collected by the department of natural resources under sections 6, 7, and 7a of 1913 PA 271, MCL 399.6, 399.7, and 399.7a, are appropriated to the department of natural resources for the purposes for which they were received, upon receipt.

Sec. 1603. For the purposes of administering the museum store as provided in section 7a of 1913 PA 271, MCL 399.7a, the department of natural resources is exempt from section 261 of the management and budget act, 1984 PA 431, MCL 18.1261.

Sec. 1604. From the funds appropriated in part 1 for historical administration and services, \$25,000.00 shall be allocated to support the operations of the Michigan freedom trail commission as specified in section 4 of the Michigan freedom trail commission act, 1998 PA 409, MCL 399.84. These funds shall be used to reimburse commission members, to pay for necessary contractual services of the commission, and to hire not more than 1.0 FTE position in the Michigan historical center to support commission operations.

Sec. 1605. Proceeds in excess of costs incurred in the conduct of auctions, sales, or transfers of artifacts no longer considered suitable for the collections of the state historical museum are appropriated to the department of natural resources and may be expended upon receipt for additional material for the collection. The department of natural resources shall notify the chairpersons, vice chairpersons, and minority vice chairpersons of the senate and house appropriations subcommittees on natural resources 1 week prior to any auctions or sales.

### **CONSOLIDATION SAVINGS**

Sec. 1701. (1) The negative appropriation for department consolidation savings in part 1 shall be satisfied by savings realized through the elimination of duplicative administrative functions, state and private lease space consolidation, and other efficiency savings made possible through a reorganization of the department of environmental quality and the department of natural resources into a single state department.

(2) The negative appropriation for consolidation savings in part 1 shall be satisfied by efficiencies and other savings identified by the department director and approved by the state budget director. The director shall submit a plan to satisfy this negative appropriation 30 days after the effective date of an executive order issued for the purpose of creating a single state department from the functions and units of the departments of environmental quality and natural resources.

(3) Appropriation adjustments required due to negative appropriations for consolidation savings shall be made only after legislative approval of transfers pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the departments of environmental quality and natural resources for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to create funds and accounts; to require reports; to prescribe certain powers and duties of certain state agencies and officials; to authorize certain transfers by certain state agencies; and to provide for the disposition of fees and other income received by the various state agencies.

Michael Lahti  
John Espinoza  
Darwin Booher  
Conferees for the House

Michelle McManus  
Ron Jelinek  
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Angerer moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

### **Roll Call No. 466**

### **Yeas—68**

Agema	Dillon	Kurtz	Polidori
Amash	Ebli	Lahti	Proos
Ball	Elsenheimer	LeBlanc	Rocca
Bolger	Espinoza	Lindberg	Rogers
Booher	Genetski	Lori	Schmidt, W.
Brown, T.	Gonzales	Lund	Schuitmaker

Calley	Green	Marleau	Scott, P.
Caul	Griffin	Mayer	Sheltrown
Clemente	Haines	McDowell	Simpson
Constan	Hammel	McMillin	Slezak
Corriveau	Hansen	Meekhof	Spade
Crawford	Haveman	Meltzer	Stamas
Cushingberry	Hildenbrand	Moore	Stanley
Daley	Horn	Moss	Switalski
Dean	Jones, Rick	Opsommer	Tyler
Denby	Knollenberg	Pavlov	Walsh
DeShazor	Kowall	Pearce	Womack

**Nays—40**

Angerer	Geiss	Leland	Schmidt, R.
Barnett	Gregory	Lemmons	Scott, B.
Bauer	Haase	Lipton	Scripps
Bledsoe	Haugh	Liss	Segal
Brown, L.	Huckleberry	Meadows	Slavens
Byrnes	Jackson	Melton	Smith
Byrum	Johnson	Miller	Tlaib
Coulouris	Jones, Robert	Nathan	Valentine
Donigan	Kandrevas	Neumann	Warren
Durhal	Kennedy	Roberts	Young

In The Chair: Byrnes

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 4437, entitled**

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Recommends:

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

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**  
PART 1

LINE-ITEM APPROPRIATIONS

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

**DEPARTMENT OF CORRECTIONS**

APPROPRIATION SUMMARY:

Average population .....	45,433
Full-time equated unclassified positions.....	21.0

	For Fiscal Year Ending Sept. 30, 2010
Full-time equated classified positions .....	15,746.1
GROSS APPROPRIATION .....	\$ 1,930,185,700
Appropriated from:	
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	891,900
ADJUSTED GROSS APPROPRIATION .....	\$ 1,929,293,800
Federal revenues:	
Total federal revenues.....	7,746,100
Special revenue funds:	
Total local revenues.....	432,700
Total private revenues.....	0
Total other state restricted revenues .....	50,924,600
State general fund/general purpose .....	\$ 1,870,190,400
<b>Sec. 102. EXECUTIVE</b>	
Full-time equated unclassified positions.....	21.0
Full-time equated classified positions .....	12.0
Unclassified positions—21.0 FTE positions .....	\$ 1,812,100
Executive direction—12.0 FTE positions.....	2,188,900
Neal, et al. settlement agreement .....	10,000,000
GROSS APPROPRIATION .....	\$ 14,001,000
Appropriated from:	
State general fund/general purpose .....	\$ 14,001,000
<b>Sec. 103. PLANNING AND COMMUNITY SUPPORT</b>	
Full-time equated classified positions .....	73.0
Planning and community development support—59.0 FTE positions .....	\$ 6,090,500
Mental health awareness training .....	100,000
Prisoner reintegration programs .....	56,605,700
Substance abuse testing and treatment services—14.0 FTE positions .....	19,191,500
Residential services .....	18,075,500
Community corrections comprehensive plans and services .....	12,758,000
Public education and training.....	50,000
Regional jail program.....	100
Felony drunk driver jail reduction and community treatment program .....	1,740,100
County jail reimbursement program.....	16,572,100
County jail reimbursement program savings.....	(4,300,000)
GROSS APPROPRIATION .....	\$ 126,883,500
Appropriated from:	
Federal revenues:	
DOJ, office of justice programs, RSAT.....	143,500
DOJ, prisoner reintegration .....	1,035,000
Special revenue funds:	
Civil infraction fees .....	7,514,400
State general fund/general purpose .....	\$ 118,190,600
<b>Sec. 104. OPERATIONS SUPPORT ADMINISTRATION</b>	
Full-time equated classified positions .....	142.9
Operations support administration—50.0 FTE positions .....	\$ 4,799,000
New custody staff training .....	250,500
Compensatory buyout and union leave bank.....	100
Worker's compensation.....	14,330,800
Bureau of fiscal management—59.9 FTE positions.....	6,442,900
Office of legal services—23.0 FTE positions .....	2,583,700
Internal affairs—10.0 FTE positions .....	1,039,800
Rent .....	2,095,200
Equipment and special maintenance.....	2,425,500
Administrative hearings officers.....	3,549,600
Judicial data warehouse user fees .....	50,000

	For Fiscal Year Ending Sept. 30, 2010
Sheriffs' coordinating and training office .....	500,000
Prosecutorial and detainer expenses .....	4,051,000
GROSS APPROPRIATION .....	\$ 42,118,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDSP, Michigan justice training fund.....	298,400
Special revenue funds:	
Local corrections officer training fund.....	500,000
Correctional industries revolving fund .....	110,400
State general fund/general purpose .....	\$ 41,209,300
<b>Sec. 105. FIELD OPERATIONS ADMINISTRATION</b>	
Full-time equated classified positions .....	2,174.9
Field operations—1,992.6 FTE positions .....	\$ 171,935,100
Parole board operations—63.0 FTE positions.....	5,584,900
Parole/probation services.....	2,243,500
Community re-entry centers—58.3 FTE positions.....	15,628,000
Electronic monitoring center—61.0 FTE positions.....	11,306,300
GROSS APPROPRIATION .....	\$ 206,697,800
Appropriated from:	
Special revenue funds:	
Local - community tether program reimbursement.....	432,700
Re-entry center offender reimbursements.....	136,800
Parole and probation oversight fees .....	8,300,000
Parole and probation oversight fees set-aside .....	2,643,500
Public works user fees.....	249,400
Tether program participant contributions .....	3,033,800
State general fund/general purpose .....	\$ 191,901,600
<b>Sec. 106. CORRECTIONAL FACILITIES ADMINISTRATION</b>	
Average population .....	210
Full-time equated classified positions .....	1,503.6
Correctional facilities administration—28.0 FTE positions .....	\$ 5,697,400
Prison food service—423.0 FTE positions.....	72,611,800
Transportation—215.6 FTE positions.....	23,351,600
Central records—53.5 FTE positions .....	4,589,100
DOJ psychiatric plan - MDCH mental health services .....	45,489,700
DOJ psychiatric plan - MDOC staff and services—149.7 FTE positions.....	14,622,500
Inmate legal services .....	1,004,900
Loans to parolees.....	179,400
Housing inmates in federal institutions.....	793,900
Prison store operations—75.0 FTE positions .....	4,800,000
Prison industries operations—219.0 FTE positions .....	20,358,300
Education services and federal education grants—10.0 FTE positions .....	3,420,500
Federal school lunch program .....	712,800
Leased beds and alternatives to leased beds .....	100
Inmate housing fund—26.3 FTE positions.....	4,432,200
Average population .....	210
Correctional cost savings.....	(38,209,200)
MPRI education program—303.5 FTE positions .....	32,467,400
GROSS APPROPRIATION .....	\$ 196,322,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDCH, forensic center food service .....	593,500
Federal revenues:	
DAG-FNS, national school lunch.....	712,800
DED-OESE, title 1 .....	522,900
DED-OVAE, adult education.....	893,000

	For Fiscal Year Ending Sept. 30, 2010
DED-OSERS .....	108,000
DED, vocational education equipment .....	277,400
DED, youthful offender/Specter grant.....	1,292,100
DOJ-BOP, federal prisoner reimbursement .....	211,000
DOJ-OJP, serious and violent offender reintegration initiative .....	10,300
DOJ, prison rape elimination act grant .....	1,004,300
SSA-SSI, incentive payment .....	126,600
Special revenue funds:	
Correctional industries revolving fund .....	20,358,300
Resident stores.....	4,800,000
State general fund/general purpose .....	\$ 165,412,200
<b>Sec. 107. HEALTH CARE</b>	
Full-time equated classified positions .....	1,170.0
Health care administration—13.0 FTE positions .....	\$ 2,048,300
Prisoner health care services .....	95,881,400
Vaccination program.....	691,200
Northern region clinical complexes—249.8 FTE positions .....	29,481,200
Southeastern region clinical complexes—602.9 FTE positions .....	93,540,500
Southwestern region clinical complexes—304.3 FTE positions .....	38,004,700
GROSS APPROPRIATION .....	\$ 259,647,300
Appropriated from:	
Special revenue funds:	
Prisoner health care copayments .....	336,300
State general fund/general purpose .....	\$ 259,311,000
<b>Sec. 108. NORTHERN REGION CORRECTIONAL FACILITIES</b>	
Average population .....	12,917
Full-time equated classified positions .....	3,174.4
Alger maximum correctional facility - Munising—268.0 FTE positions .....	\$ 27,231,400
Average population .....	889
Baraga maximum correctional facility - Baraga—332.1 FTE positions .....	31,363,100
Average population .....	884
Chippewa correctional facility - Kincheloe—475.3 FTE positions.....	47,349,800
Average population .....	2,282
Kinross correctional facility - Kincheloe—357.3 FTE positions .....	35,813,100
Average population .....	1,799
Marquette branch prison - Marquette—352.1 FTE positions.....	37,630,100
Average population .....	1,201
Newberry correctional facility - Newberry—281.9 FTE positions .....	26,846,800
Average population .....	978
Oaks correctional facility - Eastlake—309.0 FTE positions .....	33,808,200
Average population .....	1,156
Ojibway correctional facility - Marenisco—209.9 FTE positions .....	19,361,100
Average population .....	1,090
Pugsley correctional facility - Kingsley—218.0 FTE positions .....	20,300,600
Average population .....	1,158
Saginaw correctional facility - Freeland—314.8 FTE positions .....	31,177,000
Average population .....	1,480
Northern region administration and support—56.0 FTE positions .....	3,622,900
GROSS APPROPRIATION .....	\$ 314,504,100
Appropriated from:	
Special revenue funds:	
Public works user fees.....	512,900
State general fund/general purpose .....	\$ 313,991,200
<b>Sec. 109. SOUTHEASTERN REGION CORRECTIONAL FACILITIES</b>	
Average population .....	16,193
Full-time equated classified positions .....	4,017.0

	For Fiscal Year Ending Sept. 30, 2010
Cooper street correctional facility - Jackson—275.9 FTE positions.....	\$ 28,503,700
Average population.....	1,752
G. Robert Cotton correctional facility - Jackson—405.5 FTE positions .....	38,843,000
Average population.....	1,854
Charles E. Egeler correctional facility - Jackson—357.3 FTE positions.....	39,222,400
Average population.....	1,376
Gus Harrison correctional facility - Adrian—450.7 FTE positions .....	45,323,300
Average population.....	2,342
Huron Valley correctional complex - Ypsilanti—651.6 FTE positions .....	67,180,900
Average population.....	1,872
Macomb correctional facility - New Haven—285.6 FTE positions.....	27,464,000
Average population.....	1,228
Maxey/Woodland Center correctional facility - Whitmore Lake—186.3 FTE positions .....	15,850,100
Average population.....	328
Mound correctional facility - Detroit—300.5 FTE positions .....	26,309,100
Average population.....	1,051
Parnall correctional facility - Jackson—260.8 FTE positions.....	26,377,800
Average population.....	1,712
Ryan correctional facility - Detroit—293.8 FTE positions.....	29,261,000
Average population.....	1,059
Thumb correctional facility - Lapeer—288.0 FTE positions .....	29,147,500
Average population.....	1,219
Special alternative incarceration program (Camp Cassidy Lake)—120.0 FTE positions .....	10,892,600
Average population.....	400
Southeastern region administration and support—141.0 FTE positions .....	21,461,400
GROSS APPROPRIATION.....	\$ 405,836,800
Appropriated from:	
Federal revenues:	
DOJ, state criminal alien assistance program.....	1,409,200
Special revenue funds:	
Public works user fees.....	1,295,900
State general fund/general purpose .....	\$ 403,131,700
<b>Sec. 110. SOUTHWESTERN REGION CORRECTIONAL FACILITIES</b>	
Average population.....	16,113
Full-time equated classified positions .....	3,478.3
Bellamy Creek correctional facility - Ionia—399.4 FTE positions .....	\$ 36,767,300
Average population.....	1,850
Earnest C. Brooks correctional facility - Muskegon—454.2 FTE positions.....	45,346,500
Average population.....	2,440
Carson City correctional facility - Carson City—459.8 FTE positions .....	46,464,800
Average population.....	2,440
Richard A. Handlon correctional facility - Ionia—237.4 FTE positions .....	23,238,300
Average population.....	1,320
Ionia maximum correctional facility - Ionia—306.7 FTE positions .....	29,583,600
Average population.....	707
Lakeland correctional facility - Coldwater—473.8 FTE positions.....	46,167,900
Average population.....	2,392
Michigan reformatory - Ionia—311.1 FTE positions.....	26,179,100
Average population.....	1,338
Pine River correctional facility - St. Louis—211.7 FTE positions .....	20,713,200
Average population.....	1,200
St. Louis correctional facility - St. Louis—524.2 FTE positions .....	50,425,800
Average population.....	2,426
Southwestern region administration and support—100.0 FTE positions .....	16,706,200
GROSS APPROPRIATION.....	\$ 341,592,700



For Fiscal Year  
Ending Sept. 30,  
2010

Appropriated from:	
Special revenue funds:	
Public works user fees.....	371,700
State general fund/general purpose .....	\$ 341,221,000
<b>Sec. 111. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 22,582,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 22,582,000</b>
Appropriated from:	
Special revenue funds:	
Correctional industries revolving fund .....	154,900
Parole and probation oversight fees set-aside .....	606,300
State general fund/general purpose .....	\$ 21,820,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is \$1,921,115,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$93,287,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS

Field operations - assumption of county probation staff.....	\$ 48,783,900
Public service work projects .....	4,859,800
Community corrections comprehensive plans and services .....	12,758,000
Community corrections residential services.....	18,075,500
Community corrections public education and training.....	50,000
Felony drunk driver jail reduction and community treatment program .....	1,740,100
Community re-entry centers .....	2,019,600
Regional jail program.....	100
<b>TOTAL</b> .....	<b>\$ 88,287,000</b>

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

Sec. 203. As used in this act:

- (a) "DAG" means the United States department of agriculture.
- (b) "DAG-FNS" means the DAG food and nutrition service.
- (c) "DED" means the United States department of education.
- (d) "DED-OESE" means the DED office of elementary and secondary education.
- (e) "DED-OSERS" means the DED office of special education and rehabilitative services.
- (f) "DED-OVAE" means the DED office of vocational and adult education.
- (g) "Department" or "MDOC" means the Michigan department of corrections.
- (h) "DOJ" means the United States department of justice.
- (i) "DOJ-BOP" means the DOJ bureau of prisons.
- (j) "DOJ-OJP" means the DOJ office of justice programs.
- (k) "FTE" means full-time equated.
- (l) "GED" means general educational development certificate.
- (m) "GPS" means global positioning system.
- (n) "HIV" means human immunodeficiency virus.
- (o) "IDG" means interdepartmental grant.
- (p) "IDT" means intradepartmental transfer.
- (q) "MDCH" means the Michigan department of community health.
- (r) "Medicaid benefit" means a benefit paid or payable under a program for medical assistance under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.
- (s) "MDS" means the Michigan department of state police.
- (t) "MPRI" means the Michigan prisoner reentry initiative.
- (u) "OCC" means the office of community corrections.
- (v) "RSAT" means residential substance abuse treatment.

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

(x) "SSA-SSI" means SSA supplemental security income.

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

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

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

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

Sec. 207. At least 120 days before beginning any effort to privatize, except for the current effort to privatize and contract for prisoner mental health services which is necessitated by the critical need for prisoner mental health treatment staff, the department shall submit a complete project plan to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies. The plan shall include the criteria under which the privatization initiative will be evaluated. The evaluation shall be completed and submitted to the appropriate senate and house appropriations subcommittees and the senate and house fiscal agencies within 30 months. In the case of the current effort to privatize and contract for prisoner mental health services, the department shall submit a complete project plan to the appropriate senate and house appropriations committee chairs and appropriate senate and house appropriations subcommittee chairs as well as the senate and house fiscal agency and state budget office 10 days prior to beginning the effort.

Sec. 207a. (1) Before privatizing any services or activities currently provided by state employees in the department, except for the privatization of prisoner mental health services which is necessitated by a critical shortage of mental health professional staff, the department shall submit to the senate and house appropriations committees a preprivatization cost-benefit analysis. This analysis shall utilize accurate, reliable, and objective data. Included in this analysis shall be a comparative estimate of the costs that will be incurred by this state over the life of the contract if 1 or both of the following occur:

(a) The service or activity continues to be provided by state employees.

(b) The service or activity is privatized. The costs of privatizing these services shall include the costs of all necessary monitoring and oversight of the private entity by this state.

(2) The department shall not commence any efforts to privatize the services or activities currently provided by state employees under part 1, except for prisoner mental health services, until the cost-benefit analysis prescribed by subsection (1) has been sent to both the senate and house appropriations committees 14 days prior to the efforts to privatize, and proves a cost savings equivalent to the savings specified in civil service rules for disbursement for personal services outside the civil service. Before awarding a contract for the provision of prisoner mental health treatment services, a cost-benefit analysis shall be completed as specified in subsection (1) and submitted to the appropriate senate and house appropriations committee chairs and appropriate senate and house appropriations subcommittee chairs as well as the senate and house fiscal agency and state budget office not less than 7 days prior to awarding a contract.

(3) In all cases in which a service or activity is privatized, including the provision of prisoner mental health services, the private entity shall be adequately bonded, so as not to expose the state to any potential future liability or legal causes of action.

(4) A private contractor with a contract with this state that expends state or federal tax dollars shall have all records pertinent to state contracts, including all records detailing compliance with section 209, be subject to disclosure to the department or the department of management and budget.

(5) State employees shall be given the opportunity to bid on contracts that privatize services that are or were provided by state employees. If the contract is awarded to any state employee, he or she ceases being an employee of the state.

Sec. 208. The department shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site. There shall be at least 1 separate and distinct electronic file for each section that includes a reporting requirement.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if comparable quality American goods or services, or both, that do not cost more than 5% greater than foreign goods or services are available. Preference shall be given to produce, goods or services, or both, grown, processed, manufactured,

or provided by Michigan businesses if they are of comparable quality and do not cost more than 5% greater than non-Michigan manufactured or provided goods or services. In addition, preference shall be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 210. (1) Individuals seeking employment with the department shall submit to a controlled substance test administered by the department under civil service rules and regulations and applicable collective bargaining agreements.

(2) The department shall deny employment to individuals seeking employment with the department who violate subsection (1) or who submit to testing under subsection (1) but test positive for the illicit use of a controlled substance.

Sec. 211. (1) The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, parolee loans, academic/vocational services, custody escorts, compassionate visits, and union steward activities. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

(2) If a parolee or probationer has been ordered to pay restitution, the department shall ensure that payment is a condition of his or her community supervision. Restitution payments shall be made as provided in section 22 of chapter XV of the code of criminal procedure, 1927 PA 175, MCL 775.22. The department shall collect not more than 50% of all money collected from parolees and probationers for payments other than victim payments, as that term is defined in section 22 of chapter XV of the code of criminal procedure, 1927 PA 175, MCL 775.22.

Sec. 213. By February 15, 2010, the department shall provide the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a report detailing non-general fund/general purpose sources of revenue, including, but not limited to, federal revenues, state restricted revenues, local and private revenues, offender reimbursements and other payments, revolving funds, and 1-time sources of revenue, whether or not those revenues were appropriated. The report shall include statements detailing for each account the total amount of revenue received during fiscal year 2008-2009, the amount by which the revenue exceeded any applicable appropriated fund source, the amount spent during fiscal year 2008-2009, the account balance at the close of fiscal year 2008-2009, and the projected revenues and expenditures for fiscal year 2009-2010.

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

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

Sec. 216. (1) Due to the current budgetary problems of this state, out-of-state travel for the fiscal year ending September 30, 2010 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states for similar reasons.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, or both, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

(2) Not later than January 1, 2010, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house standing committees on appropriations, the senate and house fiscal agencies, and the state budget director. The report shall include the following information:

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 217. The director shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms

with which the department contracts to subcontract with certified businesses in deprived and depressed communities for services, supplies, or both.

Sec. 219. Any contract for prisoner telephone services entered into after the effective date of this act shall include a condition that fee schedules for prisoner telephone calls, including rates and any surcharges other than those necessary to meet special equipment costs, be the same as fee schedules for calls placed from outside of correctional facilities.

Sec. 221. (1) The department shall report no later than March 1, 2010 on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year to the senate and house appropriations subcommittees on corrections, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Sec. 222. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 223. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 224. By March 1, 2010, the department shall provide a litigation report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall identify all lawsuits adjudicated through the trial court phase in which the department or an employee acting on behalf of the department was a defendant and in which trial court proceedings resulted in a decision of \$250,000.00 or more against the department.

Sec. 225. (1) The department shall make every effort to place employees displaced by any reductions in force within other positions in the department.

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

Sec. 230. (1) From the funds appropriated in part 1, the department shall complete the study required by section 230 of 2008 PA 245. The study shall cover at least 1 county jail in each of the department's 3 administrative regions within the state and at a minimum shall be based on a representative random sample of county jail inmates. To the extent that such information would not conflict with state law on confidentiality for inmates included in the study, at a minimum, the study shall be sufficient to provide all of the information required by subsection (2). In the process of study design, development, and implementation, the department shall assure involvement of and consultation from counties, sheriffs, prosecutors, victims, and consumer, family, advocacy, provider, and professional groups concerned with mental health and justice issues. The methodological basis for the study shall include all of the following:

(a) Diagnostic clinical interviews with all of the inmates in the study.

(b) Reviews of the criminal history records of all of the inmates in the study.

(c) Reviews of the medical and mental health records of all of the inmates in the study, as available.

(2) By September 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the results and findings of the study, including, at a minimum, information on

all of the following, to the extent that the information does not conflict with state law on confidentiality for the inmates included in the study:

- (a) Study methodology, including information on the sample size and counties sampled.
- (b) The proportion of county jail inmates with a primary diagnosis of mental illness, the proportion of inmates with a primary diagnosis of addiction disorder, and the proportion of inmates with a dual diagnosis of mental illness and addiction disorder.
- (c) For each category of inmates listed in subdivision (b), all of the following information:
  - (i) The proportion considered to currently require treatment and the percentage in need of treatment who are currently receiving it. Information on inmates currently receiving treatment shall identify whether the inmates are receiving inpatient, residential, or outpatient treatment. Treatment information on inmates with a dual diagnosis shall identify whether inmates are receiving mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, or substance abuse outpatient treatment.
  - (ii) Data indicating how many inmates previously had been hospitalized in a state or private psychiatric hospital for persons with mental illness.
  - (iii) Data indicating whether and with what frequency inmates previously had been incarcerated in a jail or committed to the department of corrections.
  - (iv) Data indicating whether inmates previously had received services managed by a community mental health program or substance abuse coordinating agency.

Sec. 231. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

Sec. 232. By April 1, 2010, the department shall report to the senate and house of representatives appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with a listing of Michigan vendors whose contracts were canceled or reduced in favor of single-source contracts from vendors based outside of Michigan. The report shall provide information for fiscal years 2007-2008 and 2008-2009 and shall include pertinent contract amounts.

Sec. 233. (1) The negative appropriation for correctional cost savings in part 1 equates to an \$841.00 reduction in the department's cost per prisoner and shall be satisfied by cost savings realized through departmental savings and efficiencies directly or indirectly affecting its cost per offender.

(2) Appropriation authorization adjustments required due to negative appropriations for correctional cost savings shall be made only after the approval of transfers by the legislature under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) By March 1, 2010, the department shall report to the senate and house of representatives appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of actions taken to meet the savings identified in this section.

#### **EXECUTIVE**

Sec. 301. (1) For 3 years after a felony offender is released from the department's jurisdiction, the department shall maintain the offender's file on the offender tracking information system and make it publicly accessible in the same manner as the file of the current offender. However, the department shall immediately remove the offender's file from the offender tracking information system upon determination that the offender was wrongfully convicted and the offender's file is not otherwise required to be maintained on the offender tracking information system.

(2) Information removed from the offender tracking information system due to the expiration of 3 years following release of an offender from the department's jurisdiction shall be retained by the department and maintained in a password-protected archive. Effective October 1, 2009, information in the archive shall be made available upon payment of a fee as determined by the department. Revenue collected under this section is appropriated for the costs of the offender tracking information system, and any revenue collected in excess of the costs of maintaining the offender tracking information system is appropriated for information technology costs. The department shall report on March 1, 2010 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the fees charged and revenue collected under this section.

Sec. 302. A report on the mental health study required under section 302 of 2007 PA 124, together with any recommendations contained in the study and response from the department, shall be provided to the members of the senate and house appropriations subcommittees on corrections and community health, the senate and house fiscal agencies, MDCH, and the state budget director no later than 30 days after the receipt of the completed study. The report shall include all of the information specified in section 302(2)(a) to (j) of 2007 PA 124. The report also shall include a plan by the department to implement those recommendations with which it agrees and an explanation of any disagreements with recommendations. It is the intent of the legislature to review the department's implementation plan and, in coordination with the department, to identify funds with which to implement the plan, as appropriate.

Sec. 303. It is the intent of the legislature that the quantity of database systems in use by the department be optimal for efficient data usage and communications. By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of the plan to implement secure, encrypted, Internet-based database systems that can electronically communicate with each other and with other law-enforcement-related databases by September 30, 2010.

Sec. 304. The director of the department shall maintain a staff savings initiative program to invite employees to submit suggestions for saving costs for the department. The department shall report semiannually to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the suggestions submitted under this section, the implementation plan for those suggestions with which the department agrees, and an explanation of any disagreements with suggestions.

Sec. 305. By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of prisoners who committed suicide during the previous calendar year. To the extent permitted by law, the report shall include all of the following information:

- (a) The prisoner's age, offense, sentence, and admission date.
- (b) Each prisoner's facility and unit.
- (c) A description of the circumstances of the suicide.
- (d) The date of the suicide.
- (e) Whether the suicide occurred in a housing unit, a segregation unit, a mental health unit, or elsewhere on the grounds of the facility.
- (f) Whether the prisoner had been denied parole and the date of any denial.
- (g) Whether the prisoner had received a mental health evaluation or assessment.
- (h) Details on the department's responses to each suicide, including immediate on-site responses and subsequent internal investigations.
- (i) A description of any monitoring and psychiatric interventions that had been undertaken prior to the prisoner's suicide, including any changes in placement or mental health care.
- (j) Whether the prisoner had previously attempted suicide.

#### **PLANNING AND COMMUNITY SUPPORT**

Sec. 401. The department shall submit 3-year and 5-year prison population projection updates by February 1, 2010 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The report shall include explanations of the methodology and assumptions used in developing the projection updates.

Sec. 402. It is the intent of the legislature that the funds appropriated in part 1 for prisoner reintegration programs be expended for the purpose of reducing victimization by reducing repeat offending through the following prisoner reintegration programming:

- (a) The provision of employment or employment services and job training.
- (b) The provision of housing assistance.
- (c) Referral to mental health services.
- (d) Referral to substance abuse services.
- (e) Referral to public health services.
- (f) Referral to education.
- (g) Referral to any other services necessary for successful reintegration.

Sec. 403. By March 1, 2010, the department shall provide a report on MPRI expenditures and allocations to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. At a minimum, the report shall include information on both of the following:

- (a) Details on prior-year expenditures, including amounts spent on each project funded, itemized by service provided and service provider.
- (b) Allocations and projected expenditures for each project funded and for each project to be funded, itemized by service to be provided and service provider.

Sec. 403a. (1) In collaboration with a technical committee composed of representatives from the department, designees of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the justice center of the council of state governments, the department shall develop a performance-based dashboard tracking and reporting system that establishes key indicators of the success and failure of offenders. Indicators shall reflect the status of and trends in key program elements, behavior improvements on the part of offenders, and whether targeted goals are being met.

(2) By April 1, 2010, the department shall report dashboard data to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director.

Sec. 404. (1) The department shall screen and assess each prisoner for alcohol and other drug involvement to determine the need for further treatment. The assessment process shall be designed to identify the severity of alcohol and other drug addiction and determine the treatment plan, if appropriate.

(2) The department shall provide substance abuse treatment to prisoners with priority given to those prisoners who are most in need of treatment and who can best benefit from program intervention based on the screening and assessment provided under subsection (1).

Sec. 405. (1) In expending residential substance abuse treatment services funds appropriated under this act, the department shall ensure to the maximum extent possible that residential substance abuse treatment services are available statewide.

(2) By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the allocation, distribution, and expenditure of all funds appropriated by the substance abuse testing and treatment line item during fiscal year 2008-2009 and projected for fiscal year 2009-2010. The report shall include, but not be limited to, an explanation of an anticipated year-end balance, the number of participants in substance abuse programs, and the number of offenders on waiting lists for residential substance abuse programs. Information required under this subsection shall, where possible, be separated by MDOC administrative region and by offender type, including, but not limited to, a distinction between prisoners, parolees, and probationers.

(3) By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on substance abuse testing and treatment program objectives, outcome measures, and results, including program impact on offender behavior and success as defined in section 409.

Sec. 405a. It is the intent of the legislature that the department work cooperatively with MDCH and substance abuse coordinating agencies in referring offenders as appropriate to intensive substance abuse services, including residential services.

Sec. 407. (1) By June 30, 2010, the department shall place the 2009 statistical report on an Internet site. The statistical report shall include, but not be limited to, the information as provided in the 2004 statistical report.

(2) It is the intent of the legislature that starting with calendar year 2009, the statistical report be placed on an Internet site within 6 months after the end of each calendar year.

Sec. 408. The department shall measure the repeat offense rates of offenders using at least a 3-year period following their release from prison.

Sec. 409. The office of community corrections shall provide and coordinate the delivery and implementation of services in communities to facilitate successful offender reintegration into the community. Programs and services to be offered shall include, but are not limited to, technical assistance for comprehensive corrections plan development, new program start-up funding, program funding for those programs delivering services for eligible offenders in geographic areas identified by the office of community corrections as having a shortage of available services, technical assistance, referral services for education, employment services, and substance abuse and family counseling. As used in this act:

(a) "Alternative to incarceration in a state facility or jail" means a program that involves offenders who receive a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail based on historical local sentencing patterns or that amounts to a reduction in the length of sentence in a jail.

(b) "Goal" means the intended or projected result of a comprehensive corrections plan or community corrections program to reduce repeat offending, criminogenic and high-risk behaviors, prison commitment rates, to reduce the length of stay in a jail, or to improve the utilization of a jail.

(c) "Jail" means a facility operated by a local unit of government for the physical detention and correction of persons charged with or convicted of criminal offenses.

(d) "Objective risk and needs assessment" means an evaluation of an offender's criminal history; the offender's noncriminal history; and any other factors relevant to the risk the offender would present to the public safety, including, but not limited to, having demonstrated a pattern of violent behavior, and a criminal record that indicates a pattern of violent offenses.

(e) "Offender eligibility criteria" means particular criminal violations, state felony sentencing guidelines descriptors, and offender characteristics developed by advisory boards and approved by local units of government that identify the offenders suitable for community corrections programs funded through the office of community corrections.

(f) "Offender target population" means felons or misdemeanants who would likely be sentenced to imprisonment in a state correctional facility or jail, who would not likely increase the risk to the public safety based on an objective risk and needs assessment that indicates that the offender can be safely treated and supervised in the community.

(g) "Offender who would likely be sentenced to imprisonment" means either of the following:

(i) A felon or misdemeanant who receives a sentencing disposition that appears to be in place of incarceration in a state correctional facility or jail, according to historical local sentencing patterns.

(ii) A currently incarcerated felon or misdemeanant who is granted early release from incarceration to a community corrections program or who is granted early release from incarceration as a result of a community corrections program.

(h) "Success" means that an offender has done all of the following:

(i) Regularly reported to his or her assigned field agent.

(ii) Is participating in or has successfully completed all required substance abuse, mental health, sex offender, or other treatment as approved by the field agent.

(iii) Obtained employment, has enrolled or participated in a program of education or job training, or has investigated all bona fide employment opportunities.

(iv) Obtained housing.

(v) Obtained a state identification card.

(vi) Not sent or returned to prison for the conviction of a new crime or the revocation of probation or parole.

(vii) Not been sentenced to a jail term for a new criminal offense.

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

(a) Reduce admissions to prison of offenders who would have otherwise received an active sentence, including probation violators.

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

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

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

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

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

(3) Funds awarded for residential services in part 1 shall provide for a per diem reimbursement of not more than \$47.50.

Sec. 411. The comprehensive corrections plans shall also include, where appropriate, descriptive information on the full range of sanctions and services that are available and utilized within the local jurisdiction and an explanation of how jail beds, residential services, the special alternative incarceration program, probation detention centers, the electronic monitoring program for probationers, and treatment and rehabilitative services will be utilized to support the objectives and priorities of the comprehensive corrections plans and the purposes and priorities of section 8(4) of the community corrections act, 1988 PA 511, MCL 791.408, which contribute to the success of offenders. The plans shall also include, where appropriate, provisions that detail how the local communities plan to respond to sentencing guidelines found in chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, and use the county jail reimbursement program under section 414. The state community corrections board shall encourage local community corrections advisory boards to include in their comprehensive corrections plans strategies to collaborate with local alcohol and drug treatment agencies of the MDCH for the provision of alcohol and drug screening, assessment, case management planning, and delivery of treatment to alcohol- and drug-involved offenders.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months.

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

(4) The department, the state budget office, the Michigan association of counties, and the Michigan sheriffs' association shall, if appropriate, recommend modification of the criteria for reimbursement contained in subsection (2) at meetings convened by the chairs of the house and senate appropriations subcommittees on corrections.

(5) The department shall reimburse counties for offenders in jail based upon the reimbursement eligibility criteria in place on the date the offender was originally sentenced for the reimbursable offense.

(6) County jail reimbursement program expenditures shall not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program shall be made in the order in which properly documented requests for reimbursements are received. A request shall be considered to be properly documented if it meets MDOC requirements for documentation. The department shall by October 15, 2008 distribute the documentation requirements to all counties.

Sec. 415. (1) As a condition of receipt of the funds appropriated in part 1 for community corrections plans and services and residential services, the department shall only award those funds requested under a properly prepared and approved comprehensive corrections plan submitted under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, or directly applied for under section 10 of the community corrections act, 1988 PA 511, MCL 791.410.

(2) The department shall only halt funding for an entity funded under section 8 of the community corrections act, 1988 PA 511, MCL 791.408, in instances of substantial noncompliance during the period covered by the plan.

Sec. 416. (1) Funds included in part 1 for the felony drunk driver jail reduction and community treatment program are appropriated for and may be expended for any of the following purposes:

(a) To increase availability of treatment options to reduce drunk driving and drunk driving-related deaths by addressing the alcohol addiction of felony drunk drivers who otherwise likely would be sentenced to jail or a combination of jail and other sanctions.

(b) To divert from jail sentences or to reduce the length of jail sentences for felony drunk drivers who otherwise would have been sentenced to jail and whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have upper limits of 18 months or less, through funding programs that may be used in lieu of incarceration and that increase the likelihood of rehabilitation.

(c) To provide a policy and funding framework to make additional jail space available for housing convicted felons whose recommended minimum sentence ranges under sentencing guidelines established under chapter XVII of the code of criminal procedure, 1927 PA 175, MCL 777.1 to 777.69, have lower limits of 12 months or less and who likely otherwise would be sentenced to prison, with the aim of enabling counties to meet or exceed amounts received through the county jail reimbursement program during fiscal year 2002-2003 and reducing the numbers of felons sentenced to prison.

(2) Expenditure of funds included in part 1 for the felony drunk driver jail reduction and community treatment program shall be by grant awards consistent with standards developed by a committee of the state community corrections advisory board. The chairperson of the committee shall be the board member representing county sheriffs. Remaining members of the committee shall be appointed by the chairperson of the board.

(3) In developing annual standards, the committee shall consult with interested agencies and associations. Standards developed by the committee shall include application criteria, performance objectives and measures, funding allocations, and allowable uses of the funds, consistent with the purposes specified in this section.

(4) Allowable uses of the funds shall include reimbursing counties for transportation, treatment costs, and housing felony drunk drivers during a period of assessment for treatment and case planning. Reimbursements for housing during the assessment process shall be at the rate of \$43.50 per day per offender, up to a maximum of 5 days per offender.

(5) The standards developed by the committee shall assign each county a maximum funding allocation based on the amount the county received under the county jail reimbursement program in fiscal year 2001-2002 for housing felony drunk drivers whose recommended minimum sentence ranges under the sentencing guidelines described in subsection (1)(c) had upper limits of 18 months or less.

(6) Awards of funding under this section shall be provided consistent with the local comprehensive corrections plans developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414. Funds awarded under this section may be used in conjunction with funds awarded under grant programs established under that act. Due to the need for felony drunk drivers to be transitioned from county jails to community treatment services, it is the intent of the legislature that local units of government utilize funds received under this section to support county sheriff departments.

(7) As used in this section, "felony drunk driver" means a felon convicted of operating a motor vehicle under the influence of intoxicating liquor or a controlled substance, or both, third or subsequent offense, under section 625(9)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.625, or its predecessor statute, punishable as a felony.

Sec. 417. (1) By March 1, 2010, the department shall report to the members of the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on each of the following programs from the previous fiscal year:

(a) The county jail reimbursement program.

(b) The felony drunk driver jail reduction and community treatment program.

(c) Any new initiatives to control prison population growth funded or proposed to be funded under part 1.

(2) For each program listed under subsection (1), the report shall include information on each of the following:

(a) Program objectives and outcome measures, including, but not limited to, the number of offenders who successfully completed the program, and the number of offenders who successfully remained in the community during the 3 years following termination from the program.

(b) Expenditures by location.

(c) The impact on jail utilization.

(d) The impact on prison admissions.

(e) Other information relevant to an evaluation of the program.

Sec. 418. (1) The department shall ensure that each prisoner make all reasonable efforts to obtain the documents necessary to obtain a state operator's license or state identification card prior to a prisoner's discharge or parole hearing. The process for prisoners to acquire this documentation shall be part of the department's operating procedure.

(2) The department shall cooperate with MDCH to maintain a process by which prisoners can obtain their birth certificates. By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the process developed under this section.

Sec. 419. (1) The department shall provide weekly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoner, parolee, and probationer populations by facility, and prison capacities.

(2) The department shall provide monthly electronic mail reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director. The reports shall include information on end-of-month prisoner populations in county jails, the net operating capacity according to the most recent certification report, identified by date, and end-of-month data, year-to-date data, and comparisons to the prior year for the following:

(a) Community residential program populations, separated by centers and electronic monitoring.

(b) Parole populations.

(c) Probation populations, with identification of the number in special alternative incarceration.

(d) Prison and camp populations, with separate identification of the number in special alternative incarceration and the number of lifers.

(e) Parole board activity, including the numbers and percentages of parole grants and parole denials.

(f) Prisoner exits, identifying transfers to community placement, paroles from prisons and camps, paroles from community placement, total movements to parole, prison intake, prisoner deaths, prisoners discharging on the maximum sentence, and other prisoner exits.

(g) Prison intake and returns, including probation violators, new court commitments, violators with new sentences, escaper new sentences, total prison intake, returns from court with additional sentences, community placement returns, technical parole violator returns, and total returns to prison and camp.

Sec. 420. By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house judiciary committees, the senate and house fiscal agencies, and the state budget director on performance data and efforts to improve efficiencies relative to departmental staffing, health care services, food service, prisoner transportation, mental health care services, and pharmaceutical costs.

Sec. 421. Of the funds appropriated in part 1, \$100,000.00 is appropriated for the purpose of providing an IDG to the MDSP for the purpose of providing grants for training teams of law enforcement officers and mental health treatment providers. The teams shall be trained in effective and safe ways of assisting people with mental illness during law enforcement contacts and directing people with mental illness to treatment programs. It is the intent of the legislature that mental health awareness training be incorporated into continuing education for all law enforcement officers in the state.

Sec. 422. It is the intent of the legislature that MPRI programs as measured by success as identified in section 409 are maintained as standard operating procedure in the department.

Sec. 424. (1) From the funds appropriated in part 1 for residential services, the department shall develop and implement, in collaboration with the judiciary and as approved by the state court administrative office, a demonstration project based on evidence-based practices related to judicial and case management interventions that have been proven to increase public safety for high-risk, high-need probationers as determined by a validated risk and need assessment instrument. As used in this section, "probationer" means a circuit court probationer serving a probation sentence for a crime.

(2) The demonstration project shall be implemented in 4 areas of the state identified jointly by the department and the state court administrative office. Preference shall be given to locations that are representative of areas with high rates of violent crimes as described in the council of state governments' justice center report on analyses of crime, community corrections, and sentencing policies in this state.

(3) The primary goal of the demonstration project is to reduce crime and revictimization by high-risk, high-need probationers. The secondary goal of the demonstration project is to reduce expenditures for long-term incarceration.

(4) The demonstration project may provide up to 6 months of residential services, and treatment methods, and interventions that are evidence-based, including, but not limited to, the following:

(a) Risk/needs assessment.

(b) Motivational techniques.

(c) Type, intensity, and duration of treatment based on each probationer's risk and needs and delivered consistent with evidence-based practices.

(5) The department shall implement the evidence-based practice of collaborative case management and utilize the services of the department and of local community corrections consistent with the local comprehensive corrections plan developed under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(6) The department shall assign a probation officer to the demonstration project to supervise a specialized caseload for high-risk, high-need probationers. All probation officers supervising a specialized caseload under this section shall receive substantial education and training on issues of substance abuse, mental health, and drug and alcohol testing.

(7) The probation officer shall work in cooperation with the local judiciary and the community corrections advisory board in a collaborative effort toward the goals of promoting probationer success and reducing crime and revictimization.

(8) The probation officer assigned to the demonstration project shall comply with supervision requirements established for the demonstration project by the field operations administration deputy director.

(9) The department shall identify and coordinate information for each local jurisdiction selected for the demonstration project regarding the rate of incarceration of high-risk, high-need probationers to ensure that appropriate probationers are targeted for the demonstration project.

(10) From the funds appropriated in part 1 for public education and training, the department shall collaborate with the local judiciary, community corrections advisory board, and service providers to develop and provide appropriate training for all local stakeholders involved in the demonstration project described in this section.

(11) From the funds provided to the local jurisdiction for the demonstration project, the department shall collaborate with the local judiciary and the community corrections advisory board to develop and implement an evaluation of the demonstration project that will show the impact of the project on the arrests, convictions, technical violations, and commitments to prison of the demonstration project participants. This evaluation shall be performed in accordance with department of corrections policy and procedure on evaluation design in cooperation with the office of research and planning.

(12) By May 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of the demonstration project prescribed under this section, including information on all of the following:

(a) Demonstration project locations and participating courts.

(b) The number of probationers participating in the pilot categorized by location and offense.

(c) Evaluation status and methodology.

(d) Preliminary results, if any.

Sec. 426. It is the intent of the legislature that the department cooperate with nonprofit agencies to establish recycling programs for the purpose of employing at-risk youth and offenders on parole. The programs shall be administered by

Michigan-chartered nonprofit corporations. The nonprofit corporations must have expertise in recycling and expertise in creating employment opportunities for parolees.

Sec. 429. It is the intent of the legislature that the department work with other state departments and agencies to implement the policy options provided to the state by the council of state governments in January 2009.

Sec. 430. The department shall ensure that each prisoner has the opportunity to meet with his or her transition team prior to release from prison. If applicable, community providers shall enter the prison to meet with the prisoner prior to release.

Sec. 431. The department shall ensure that prior to release from prison, each offender has possession of all of the following:

- (a) All documents necessary to obtain a state operator's license or state identification card.
- (b) A set of clothing that would be appropriate and suitable for wearing to an interview for employment.

Sec. 433. The department shall report quarterly on January 1, 2010, April 1, 2010, July 1, 2010, and September 30, 2010 to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of any contracts entered into under the June 2009 request for proposals for the re-entry initiative project for offenders with special needs. The report shall include information on all of the following:

- (a) The number of prisoners and participating parolees in each of the target population subgroups, including medically fragile, mentally ill, developmentally disabled, and youthful offenders.
- (b) Descriptions of the key services being provided to each subgroup under the contract or contracts.
- (c) Estimates of the average per-offender costs of services for each target population subgroup under each contract, compared to the average cost of prison incarceration for those populations.

Sec. 434. (1) The negative appropriation for county jail reimbursement program savings in part 1 shall be satisfied by savings realized through departmental savings and efficiencies.

(2) Appropriation authorization adjustments required due to negative appropriations for county jail reimbursement program savings shall be made only after the approval of transfers by the legislature according to section 393 of the management and budget act, 1984 PA 431, MCL 18.1393.

#### **OPERATIONS AND SUPPORT ADMINISTRATION**

Sec. 501. From the funds appropriated in part 1 for prosecutorial and detainer expenses, the department shall reimburse counties for housing and custody of parole violators and offenders being returned by the department from community placement who are available for return to institutional status and for prisoners who volunteer for placement in a county jail.

Sec. 502. Funds included in part 1 for the sheriffs' coordinating and training office are appropriated for and may be expended to defray costs of continuing education, certification, recertification, decertification, and training of local corrections officers, the personnel and administrative costs of the sheriffs' coordinating and training office, the local corrections officers advisory board, and the sheriffs' coordinating and training council under the local corrections officers training act, 2003 PA 125, MCL 791.531 to 791.546.

Sec. 503. Funds appropriated in part 1 for administrative hearings officers are appropriated as an interdepartmental grant to the department of energy, labor, and economic growth for the purpose of funding administrative hearings officers for adjudication of grievances pertaining to the department of corrections. The department shall not expend appropriations from part 1 to satisfy charges from the department of energy, labor, and economic growth for administrative hearings officers in excess of the amount expressly appropriated by this act for the administrative hearings officers unless funding is transferred into this line under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 504. Of the funds appropriated in part 1, \$50,000.00 is appropriated to provide an interdepartmental grant to the judiciary for use of the judicial data warehouse by department employees.

Sec. 505. The department shall train all custody staff in effective and safe ways of handling prisoners with mental illness and referring prisoners to mental health treatment programs. Mental health awareness training shall be incorporated into the training of new custody staff.

#### **FIELD OPERATIONS ADMINISTRATION**

Sec. 601. (1) From the funds appropriated in part 1, the department shall conduct a statewide caseload audit of field agents. The audit shall address public protection issues and assess the ability of the field agents to complete their professional duties. The results of the audit shall be submitted to the senate and house appropriations subcommittees on corrections and the senate and house fiscal agencies, and the state budget office by March 1, 2010.

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

Sec. 602. (1) Of the amount appropriated in part 1 for field operations, a sufficient amount shall be allocated for the community service work program and shall be used for salaries and wages and fringe benefit costs of community service coordinators employed by the department to supervise offenders participating in work crew assignments. Funds shall also be used to cover motor transport division rates on state vehicles used to transport offenders to community service work project sites.

(2) The community service work program shall provide offenders with community service work of tangible benefit to a community while fulfilling court-ordered community service work sanctions and other postconviction obligations.

(3) As used in this section, "community service work" means work performed by an offender in an unpaid position with a nonprofit or tax-supported or government agency for a specified number of hours of work or service within a given time period.

Sec. 603. (1) All prisoners, probationers, and parolees involved with the electronic tether program shall reimburse the department for costs associated with their participation in the program. The department may require community service work reimbursement as a means of payment for those able-bodied individuals unable to pay for the costs of the equipment.

(2) Program participant contributions and local community tether program reimbursement for the electronic tether program appropriated in part 1 are related to program expenditures and may be used to offset expenditures for this purpose.

(3) Included in the appropriation in part 1 is adequate funding to implement the community tether program to be administered by the department. The community tether program is intended to provide sentencing judges and county sheriffs in coordination with local community corrections advisory boards access to the state's electronic tether program to reduce prison admissions and improve local jail utilization. The department shall determine the appropriate distribution of the tether units throughout the state based upon locally developed comprehensive corrections plans under the community corrections act, 1988 PA 511, MCL 791.401 to 791.414.

(4) For a fee determined by the department, the department shall provide counties with the tether equipment, replacement parts, administrative oversight of the equipment's operation, notification of violators, and periodic reports regarding county program participants. Counties are responsible for tether equipment installation and service. For an additional fee as determined by the department, the department shall provide staff to install and service the equipment. Counties are responsible for the coordination and apprehension of program violators.

(5) Any county with tether charges outstanding over 60 days shall be considered in violation of the community tether program agreement and lose access to the program.

Sec. 604. Community-placement prisoners and parolees shall reimburse the department for the total costs of the program. As an alternative method of payment, the department may develop a community service work schedule for those individuals unable to meet reimbursement requirements established by the department.

Sec. 606. It is the intent of the legislature that the department shall ensure that parolees and probationers may timely contact their parole or probation agents and maintain procedures that preclude any necessity for an offender to have access to an agent's home telephone number or other personal information pertaining to the agent.

Sec. 608. By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the use of electronic monitoring. At a minimum, the report shall include all of the following:

(a) Details on the failure rate of parolees for whom GPS tether is utilized, including the number and rate of parolee technical violations, including specifying failures due to committing a new crime that is uncharged but leads to parole termination, and the number and rate of parolee violators with new sentences.

(b) Information on the factors considered in determining whether an offender is placed on active GPS tether, passive GPS tether, radio frequency tether, or some combination of these or other types of electronic monitoring.

(c) Monthly data on the number of offenders on active GPS tether, passive GPS tether, radio frequency tether, and any other type of tether.

Sec. 609. By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the use of kiosk reporting stations. At a minimum, the report shall include all of the following:

(a) Factors considered in determining whether an offender is assigned to report at a kiosk.

(b) Information on the location, costs, safety features, and other features of kiosks used for offender reporting.

(c) Information on demonstration project outcome measures.

(d) An evaluation of the kiosk reporting demonstration project, including any need for improvement and an assessment of the potential for expanded use of kiosk reporting stations.

Sec. 611. The department shall prepare by March 1, 2010 individual reports for the community reentry program, the electronic tether program, and the special alternative to incarceration program. The reports shall be submitted to the house and senate appropriations subcommittees on corrections, the house and senate fiscal agencies, and the state budget director. Each program's report shall include information on all of the following:

(a) Monthly new participants by type of offender. Community re-entry program participants shall be categorized by reason for placement. For technical rule violators, the report shall sort offenders by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(b) Monthly participant unsuccessful terminations, including cause.

(c) Number of successful terminations.

- (d) End month population by facility/program.
- (e) Average length of placement.
- (f) Return to prison statistics.
- (g) Description of each program location or locations, capacity, and staffing.
- (h) Sentencing guideline scores and actual sentence statistics for participants, if applicable.
- (i) Comparison with prior year statistics.
- (j) Analysis of the impact on prison admissions and jail utilization and the cost effectiveness of the program.

Sec. 612. (1) The department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) To the extent policies or programs described in subsection (1) are used, developed, or contracted for, the department may request that funds appropriated in part 1 be transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for their operation.

(3) The department shall continue to utilize parole violator processing guidelines that require parole agents to utilize all available appropriate community-based, nonincarcerative postrelease sanctions and services when appropriate. The department shall periodically evaluate such guidelines for modification, in response to emerging information from the demonstration projects for substance abuse treatment provided under this act and applicable provisions of prior budget acts for the department.

(4) The department shall provide quarterly reports to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence during the preceding calendar quarter. The reports shall include the following information each for probationers, parolees after their first parole, and parolees who have been paroled more than once:

(a) The numbers of parole and probation violators returned to or sent to prison for a new crime with a comparison of original versus new offenses by major offense type: assaultive, nonassaultive, drug, and sex.

(b) The numbers of parole and probation violators returned to or sent to prison for a technical violation and the type of violation, including, but not limited to, zero gun tolerance and substance abuse violations. For parole technical rule violators, the report shall list violations by type, by length of time since release from prison, by the most recent violation, and by the number of violations occurring since release from prison.

(c) The educational history of those offenders, including how many had a GED or high school diploma prior to incarceration in prison, how many received a GED while in prison, and how many received a vocational certificate while in prison.

(d) The number of offenders who participated in the MPRI versus the number of those who did not.

(e) The unduplicated number of offenders who participated in substance abuse treatment programs, mental health treatment programs, or both, while in prison, itemized by diagnosis.

Sec. 613. Subject to the appropriations in part 1, the department is encouraged to expand the use of continuous remote alcohol monitors for parolees and probationers who test positive for alcohol abuse or have alcohol-abuse-related violations of their community supervision.

Sec. 614. (1) As a condition of probation, community control, payment plan for the payment of a fine or restitution, or any other court-ordered supervision, the court may order the posting of a bond to secure the defendant's appearance at any subsequent court proceeding or to otherwise enforce the orders of the court. An appearance bond executed under this section shall be filed with the court or with the sheriff by a licensed professional bail agent who shall provide a copy of the bond to the clerk of court.

(2) The court may issue an order to produce the defendant sua sponte or upon notice by the clerk or the probation officer that the person has violated the terms of probation, community control, court-ordered supervision, or other applicable court order. The court or the clerk of the court shall give the bail agent not less than 72 hours to bring the defendant before the court. If the bail agent fails to produce the defendant in court or to the sheriff at the time noticed by the court or the clerk of court, the appearance bond required under subsection (1) shall be forfeited according to the procedures set forth in section 15 of chapter V of the code of criminal procedure, 1927 PA 175, MCL 765.15. The defendant's failure to appear shall be the sole grounds for forfeiture of the appearance bond.

#### **HEALTH CARE**

Sec. 801. The department shall not expend funds appropriated under part 1 for any surgery, procedure, or treatment to provide or maintain a prisoner's sex change unless it is determined medically necessary by the chief medical officer of the department.

Sec. 802. As a condition of expenditure of the funds appropriated in part 1, the department shall provide the senate and house of representatives appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director with all of the following:

(a) Quarterly reports on physical and mental health care detailing the average number of days between a prisoner's diagnosis and commencement of treatment for that diagnosis, quarterly and fiscal year-to-date expenditures itemized by vendor, allocations, status of payments from contractors to vendors, and projected year-end expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment.

(b) Regular updates on progress on requests for proposals and requests for information pertaining to prisoner health care and mental health care, until the applicable contract is approved.

Sec. 804. (1) The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoner health care utilization. The report shall include the number of inpatient hospital days, outpatient visits, and emergency room visits in the previous quarter and since October 1, 2009, by facility.

(2) By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on prisoners receiving off-site inpatient medical care that would have received care in a state correctional facility if beds were available. The report shall include the number of prisoners receiving off-site inpatient medical care and average length of stay in an off-site facility during the period they would have received care in a state correctional facility if beds were available, by month and correctional facilities administration region.

Sec. 805. The bureau of health care services shall develop information on hepatitis C and HIV prevention and the risks associated with exposure to hepatitis C and HIV. The health care providers shall disseminate this information verbally and in writing to each prisoner at the health screening and full health appraisal conducted at admissions, at the annual health care screening 30 days before or after a prisoner's birthday, and prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence.

Sec. 806. (1) From the funds appropriated in part 1, the department shall require a hepatitis C antibody test and an HIV test for each prisoner prior to release to the community by parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall require an HIV test and a hepatitis C risk factor screening for each prisoner at the health screening at admissions. If hepatitis C risk factors are identified, the department shall offer the prisoner a hepatitis C antibody test. An explanation of results of the tests shall be provided confidentially to the prisoner, and if appropriate based on the test results, the prisoner shall also be provided a recommendation to seek follow-up medical attention.

(2) By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director on the number of offenders tested and the number of offenders testing positive for HIV, the hepatitis C antibody, or both at prison admission and parole, transfer to community residential placement, or discharge on the maximum sentence. The department shall keep records of those offenders testing positive for HIV, the hepatitis C antibody, or both at prison admission, parole, transfer to community residential placement, and discharge. These records shall clearly state the date each test was performed.

(3) As a condition of expenditure of the funds appropriated in part 1, the department shall keep records of the following:

(a) The number of offenders testing positive for the hepatitis C antibody who do not receive treatment, by reason for not participating.

(b) The number of offenders achieving a sustained viral response from hepatitis C treatment.

(c) Cost and duration of treatment by offender.

Sec. 807. The department shall ensure that all medications for a prisoner be transported with that prisoner when the prisoner is transferred from 1 correctional facility to another. Prisoners being released shall be provided with a supply of medication to allow for continuity of care in the community.

Sec. 808. There are sufficient funds and FTEs appropriated in part 1 to provide a full complement of nurses for clinical complexes working regular pay hours, and it is the intent of the legislature that sufficient nurses be hired or retained to limit the use of overtime other-than-holiday pay.

Sec. 809. The department, in conjunction with efforts to implement the MPRI, shall cooperate with the MDCH to share data and information as they relate to prisoners being released who are HIV positive or positive for the hepatitis C antibody. By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on all of the following:

(a) Programs and the location of programs implemented as a result of the work under this section.

(b) The number of prisoners released to the community by parole, discharge on the maximum sentence, or transfer to community residential placement who are HIV positive, positive for the hepatitis C antibody, or both.

(c) The number of offenders referred to the local public health department, by county.

Sec. 811. By February 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the status of efforts to implement continuous quality improvement for prisoner health care. At a minimum, the report shall identify the processes that were in place before the start of the fiscal year, the processes undertaken since the beginning of the fiscal year, and plans for future changes.

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

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

#### **CORRECTIONAL FACILITIES ADMINISTRATION**

Sec. 902. From the funds appropriated in part I, the department shall allocate sufficient funds to develop a demonstration children's visitation program. The demonstration program shall teach parenting skills and arrange for day visitation at these facilities for parents and their children, except for the families of prisoners convicted of a crime involving criminal sexual conduct in which the victim was less than 18 years of age or involving child abuse.

Sec. 903. Except as otherwise provided in this section, the department shall prohibit prisoners' access to or use of the Internet or any similar system. Under adequate supervision and with security precautions that ensure appropriate computer use by prisoners, the department may allow a prisoner access to or use of the Internet for the purposes of educational programming, employment training, job searches, or other Internet-based programs and services consistent with programming objectives, efficient operations, and the safety and security of the institution.

Sec. 904. Any department employee who, in the course of his or her job, is determined by a physician to have had a potential exposure to the hepatitis B virus, shall receive a hepatitis B vaccination upon request.

Sec. 905. (1) The inmate housing fund shall be used for the custody, treatment, clinical, and administrative costs associated with the housing of prisoners other than those specifically budgeted for elsewhere in this act. Funding in the inmate housing fund is appropriated into a separate control account. Funding in the control account shall be distributed as necessary into separate accounts created to separately identify costs for specific purposes.

(2) Quarterly reports on all expenditures from the inmate housing fund shall be submitted by the department to the state budget director, the senate and house appropriations subcommittees on corrections, and the senate and house fiscal agencies.

Sec. 906. (1) The department shall establish a uniform rate to be paid by public and private agencies that benefit from public work services provided by special alternative incarceration participants and prisoners.

(2) It is the intent of the legislature that to the degree consistent with public safety and the safety and security of the institutions, public works projects be continued at the level provided in 2006 PA 331.

(3) It is the intent of the legislature that public works fee schedules be maintained at half the rates in effect on September 30, 2008.

(4) The department shall maintain a list of the number of prisoners available for public works crews at each department facility, and the number of prisoners necessary to fulfill current public works contracts at each department facility. The department shall place the list on a publicly accessible Internet site and update the list weekly.

(5) It is the intent of the legislature that pay rates for prisoners classified to public works assignments be increased by 50 cents per day from the rates in effect on September 30, 2009.

Sec. 907. The department shall report quarterly to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on academic/vocational programs. The report shall provide information relevant to an assessment of the department's academic and vocational programs, including, but not limited to, the following:

(a) The number of instructors and the number of instructor vacancies, by program and facility.

(b) The number of prisoners enrolled in each program, the number of prisoners completing each program, the number of prisoners who fail each program, the number of prisoners who do not complete each program and the reason for not completing the program, the number of prisoners transferred to another facility while enrolled in a program and the reason for transfer, the number of prisoners enrolled who are repeating the program by reason, and the number of prisoners on waiting lists for each program, all itemized by facility.

(c) The steps the department has undertaken to improve programs, track records, accommodate transfers and prisoners with health care needs, and reduce waiting lists.

(d) The number of prisoners paroled without a high school diploma and the number of prisoners paroled without a GED.



(e) An explanation of the value and purpose of each program, e.g., to improve employability, reduce recidivism, reduce prisoner idleness, or some combination of these and other factors.

(f) An identification of program outcomes for each academic and vocational program.

(g) An explanation of the department's plans for academic and vocational programs, including plans to contract with intermediate school districts for GED and high school diploma programs.

(h) The number of prisoners not paroled at their earliest release date due to lack of a GED, and the reason those prisoners have not obtained a GED.

Sec. 908. By February 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director, the percent of offenders included in the prison population intake for fiscal years 2007-2008 and 2008-2009 who have a high school diploma or a GED.

Sec. 909. As a condition of expending funds appropriated for academic/vocational programs under part 1, the department shall by January 31, 2009 provide a plan to contract with intermediate school districts for GED and high school diploma programs at correctional facilities to the members of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget director. The plan shall include detailed information on the development of the curriculum, how the program will be administered, how the program will improve employability, and how the program will be evaluated.

Sec. 910. The department shall allow the Michigan Braille transcribing fund program to operate at its current location. The donation of the building by the Michigan Braille transcribing fund at the G. Robert Cotton correctional facility in Jackson is acknowledged and appreciated. The department shall continue to encourage the Michigan Braille transcribing fund to produce high-quality materials for use by the visually impaired.

Sec. 911. (1) From the appropriations in part 1, the department shall ensure that all prisoner activities shall include the presence of a sufficient number of correctional officers needed to maintain the safety and security of the institution.

(2) By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director the number of critical incidents occurring each month by type and the number and severity of assaults occurring each month at each facility during calendar year 2009.

(3) The department shall not reduce the ratio of custody officers to prisoners at any correctional facility below the levels that existed October 1, 2008. Any correctional facility that reduces its security level after October 1, 2008 shall not have a ratio of custody officers to prisoners below that of a comparable facility. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director if it is unable to comply with this section. The report shall include all of the following:

(a) A list of the correctional facilities that reduced their ratio of custody officers to prisoners in violation of this subsection.

(b) An explanation of why the department is unable to comply with this subsection.

(c) A plan to maintain the safety and security of the facilities or units.

(4) Subsection (3) does not apply to facilities or portions of facilities that have closed.

Sec. 912. The department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by March 1, 2010 on the ratio of correctional officers to prisoners for each correctional institution, the ratio of shift command staff to line custody staff, and the ratio of noncustody institutional staff to prisoners for each correctional institution.

Sec. 913. The department shall develop and maintain a statewide waiting list for offenders referred for assessment for the assaultive offender program for parole eligibility and, if possible, shall transfer prisoners into facilities where assaultive offender programs are available in order to facilitate timely participation and completion prior to parole eligibility hearings. Nothing in this section should be deemed to make parole denial appealable in court.

Sec. 916. The department shall conduct a feasibility study focusing on the budgetary impact of converting the law library collections at correctional facilities to an electronic medium. The department shall report its findings to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director by April 1, 2010.

Sec. 917. From the funds appropriated in part 1, the department shall allocate sufficient funds to implement evidence-based demonstration projects that change offenders' behaviors, values, beliefs, and attitudes toward victims and the community.

Sec. 918. Following receipt of an auditor general performance audit on offender transportation, the department, in conjunction with the department of management and budget, shall issue a request for information on the possible bidding of all offender transportation services. State employees shall be given the opportunity to respond to a request for information on offender transportation services. Any response to the request for information shall include an explanation of how savings of at least 5% over existing costs of offender transportation would be realized.

Sec. 919. (1) As a condition of expending funds appropriated in part 1 for prison food service, the department shall comply with the provisions of sections 207 and 207a, including, but not limited to, all of the following criteria:

(a) Providing a complete project plan at least 120 days prior to issuing a request for proposals or an invitation to bid for all or a substantial portion of food service, including a contract for food procurement.

(b) Conducting a privatization cost-benefit analysis as described by section 207a.

(c) Providing a copy of the cost-benefit analysis to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director before the earliest of the following:

- (i) Issuance of a request for proposals or invitation to bid.
- (ii) Filing a contract change request with the state administrative board.
- (iii) Entering into a contract for all or a substantial portion of prison food service.

(2) As a condition of expending funds appropriated in part 1 for prison food service, any contract for prison food service or prison food procurement shall identify all of the following:

(a) How savings equivalent to the savings specified in civil service rules for personal services outside the civil service would be realized.

(b) How the department will comply with the requirements of sections 209 and 212.

(c) How food quality will be maintained in conjunction with any cost savings.

(d) The impact on local vendors, growers, and processors, identified by facility or region, as appropriate, compared to prior-year purchases.

Sec. 920. The department shall make every effort to operate a garden or horticultural operation at each correctional facility, where practical, in order to provide food for correctional facilities and not-for-profit organizations.

Sec. 921. (1) By April 30, 2010, the department shall report to the chairs of the senate and house appropriations committees, the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the following:

(a) The actual savings realized between October 1, 2009 and April 1, 2010 as a result of closing correctional facilities and correctional camps between June 1, 2009 and January 1, 2010, itemized by correctional facility or correctional camp.

(b) The projected fiscal year 2009-2010 savings by closing correctional facilities and correctional camps between June 1, 2009 and January 1, 2010, itemized by correctional facility or correctional camp.

(2) The report in subsection (1) shall include information on all of the following:

(a) The savings realized or projected to be realized, itemized by program or type of expenditure.

(b) Any cost of field supervision, field operations programs, or prisoner reintegration programs related to the closure of correctional facilities and correctional camps between June 1, 2009 and January 1, 2010.

Sec. 922. It is the intent of the legislature that all prisoners work 40 hours per week in the correctional facility, as part of a public works crew or in private enterprise, or participate in vocational or training programs. Prisoners may be enrolled in GED or education programs in combination with employment. Prisoners not employed shall be enrolled in GED or other educational programs for not less than 20 hours per week. This section does not apply to prisoners classified in level V or administrative segregation.

Sec. 923. The department shall cooperate with the department of education to evaluate the feasibility of local school districts providing education programming to targeted prisoners under the age of 20 who have not received a high school diploma. By June 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on any plans or evaluations developed under this section.

Sec. 924. The department shall evaluate all prisoners at intake for substance abuse disorders, developmental disorders, and serious mental illness. Prisoners with serious mental illness shall not be confined in administrative segregation due to behavior that is symptomatic of serious mental illness. Under the supervision of a mental health professional, a prisoner with serious mental illness may be secluded in a therapeutic environment for the safety of the prisoner or others. A prisoner in seclusion shall be evaluated every 12 hours by a mental health professional in order to remain in seclusion. As used in this section:

(a) "Administrative segregation" means confinement for maintenance of order or discipline to a cell or room apart from accommodations provided for inmates who are participating in programs of the facility.

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

Sec. 925. By March 1, 2010, the department shall report to the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, and the state budget director on the annual number of prisoners in administrative segregation between October 1, 2003 and September 30, 2009, and the annual number of prisoners in administrative segregation between October 1, 2003 and September 30, 2009 who at any time during the current or prior prison term were diagnosed with serious mental illness or have a developmental disorder and the number of days each of the prisoners with serious mental illness or a developmental disorder have been confined to administrative segregation. As used in this section:

(a) "Administrative segregation" means confinement for maintenance of order or discipline to a cell or room apart from accommodations provided for inmates who are participating in programs of the facility.

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

Sec. 927. It is the intent of the legislature that the department of corrections and the department of human services examine the potential of entering into an intergovernmental agreement to place offenders less than 19 years of age who are

committed to the department of corrections in underutilized units of the W.J. Maxey training school. The facilities shall be used to house offenders less than 19 years of age who are currently committed to the department of corrections.

Sec. 928. Funding appropriated in part 1 for consent decree line items is appropriated into separate control accounts created for each line item. Funding in each control account shall be distributed as necessary into separate accounts created for the purpose of separately identifying costs and expenditures associated with each consent decree.

Sec. 929. From the funds appropriated in part 1, the department shall do all of the following:

(a) Ensure that any inmate care and control staff in contact with prisoners less than 19 years of age are adequately trained with regard to the developmental and mental health needs of prisoners less than 19 years of age.

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

(i) "Administrative segregation" means confinement for maintenance of order or discipline to a cell or room apart from accommodations provided for inmates who are participating in programs of the facility.

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

(c) Implement a specialized re-entry program that recognizes the needs of prisoners less than 19 years old for supervised re-entry.

Sec. 930. The department shall not have a shooting range located on property east of 3760 Foco Road, Standish, Michigan.

Sec. 931. (1) Included in the annual cost per prisoner are funds appropriated in part 1 for the following:

(a) Northern, southeastern, and southwestern region correctional facilities.

(b) Northern, southeastern, and southwestern region administration and support.

(c) Northern, southeastern, and southwestern region clinical complexes.

(d) Prisoner health care services.

(e) Health care administration.

(f) Vaccination program.

(g) Prison food service and federal school lunch program.

(h) Transportation.

(i) Inmate legal services.

(j) Correctional facilities administration.

(k) Central records.

(l) DOJ psychiatric plan.

(m) Workers compensation.

(n) New custody staff training.

(o) Housing inmates in federal institutions.

(p) Prison store operations.

(q) Education services and federal education grants.

(r) MPRI education program.

(2) It is the intent of the legislature that the department reduce the annual cost per prisoner by \$841.00 in comparison to the annual cost per prisoner in fiscal year 2008-2009.

Second: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the department of corrections and certain state purposes related to corrections for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to provide for reports; to provide for the creation of certain advisory committees and boards; to prescribe certain powers and duties of the department of corrections, certain other state officers and agencies, and certain advisory committees and boards; to provide for the collection of certain funds; and to provide for the disposition of fees and other income received by certain state agencies.

Alma Wheeler Smith  
Fred Durhal, Jr.  
John Proos  
Conferees for the House

Alan L. Cropsey  
Roger Kahn  
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.



### Reports of Standing Committees

The Committee on Energy and Technology, by Rep. Mayes, Chair, reported

**House Bill No. 5375, entitled**

A bill to provide for loans, grants, and other assistance for energy efficiency and renewable energy projects; to create a restricted fund; and to provide for the powers and duties of certain state and local governmental officers and entities.

Without amendment and with the recommendation that the bill pass.

The bill was referred to the order of Second Reading of Bills.

#### Favorable Roll Call

To Report Out:

Yeas: Reps. Mayes, Geiss, Lisa Brown, Clemente, Ebli, Huckleberry, Lindberg, Lipton, Melton, Roberts, Scripps, Wayne Schmidt and Schuitmaker

Nays: None

#### COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Mayes, Chair, of the Committee on Energy and Technology, was received and read:

Meeting held on: Tuesday, September 29, 2009

Present: Reps. Mayes, Geiss, Lisa Brown, Clemente, Ebli, Huckleberry, Lindberg, Lipton, Melton, Roberts, Scripps, Horn, Crawford, Marleau, Opsommer, Proos, Wayne Schmidt and Schuitmaker

Absent: Rep. Johnson

Excused: Rep. Johnson

#### COMMITTEE ATTENDANCE REPORT

The following report, submitted by Rep. Cushingberry, Chair, of the Committee on Appropriations, was received and read:

Meeting held on: Tuesday, September 29, 2009

Present: Reps. Cushingberry, Hammel, Bauer, Terry Brown, Dean, Durhal, Espinoza, Gonzales, Gregory, Jackson, Lahti, LeBlanc, McDowell, Miller, Smith, Spade, Switalski, Tlaib, Moss, Agema, Booher, Caul, Genetski, Green, Haines, Hildenbrand, Lori, Proos, Rogers and Schuitmaker

Absent: Rep. Bennett

### Introduction of Bills

Reps. Haveman, Lund, Horn, Agema, Kurtz, Denby, Green, Amash, Tyler, Ball, Caul, Opsommer, Elsenheimer, Meekhof, Crawford, Rick Jones, McMillin, Haines, Pavlov, Daley, Moore, Walsh, Rogers, Calley, Hildenbrand, Knollenberg, Lori, Kowall, Proos, Genetski, Bolger, Pearce, DeShazor, Hansen, Marleau, Wayne Schmidt, Paul Scott, Meltzer, Moss, Stamas, Schuitmaker and Booher introduced

**House Bill No. 5480, entitled**

A bill to amend 1967 PA 281, entitled "Income tax act of 1967," by amending section 272 (MCL 206.272), as added by 2006 PA 372.

The bill was read a first time by its title and referred to the Committee on Tax Policy.

Reps. Hansen, Hildenbrand, Haveman, Horn, Stamas, Caul, Mayes, Kowall, Knollenberg, Byrum, Simpson, Marleau, Crawford, Kurtz, Sheltroun, Ball, Meekhof, Terry Brown, Lindberg, Booher, McDowell, LeBlanc, Pavlov, Daley, Calley, Denby, Genetski, Espinoza, Proos, Elsenheimer, Moore, Moss, Tyler, Pearce, Opsommer, Walsh, Bolger, Wayne Schmidt, Lund, Rocca, McMillin and Neumann introduced

**House Bill No. 5481, entitled**

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 43509, 43532, 43533, and 48721 (MCL 324.43509, 324.43532, 324.43533, and 324.48721), sections 43509 and 43533 as amended by 1996 PA 585, section 43532 as amended by 2002 PA 108, and section 48721 as added by 1995 PA 57.

The bill was read a first time by its title and referred to the Committee on Tourism, Outdoor Recreation and Natural Resources.

Reps. Liss, Schuitmaker, Kowall, Lipton, Haase, Byrnes, Bauer, Segal and Crawford introduced

**House Bill No. 5482, entitled**

A bill to amend 1974 PA 258, entitled "Mental health code," (MCL 330.1001 to 330.2106) by adding sections 1060c and 1072.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Kowall, Schuitmaker, Liss, Bauer, Segal, Lipton, Byrnes, Haase, Crawford and Meadows introduced

**House Bill No. 5483, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 1 of chapter XIIA (MCL 712A.1), as amended by 2001 PA 211, and by adding section 18s.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Segal, Haase, Lipton, Bauer, Byrnes, Crawford and Liss introduced

**House Bill No. 5484, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," (MCL 710.21 to 712A.32) by adding section 18r to chapter XIIA.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Lipton, Haase, Segal, Bauer, Byrnes, Crawford, Liss and Kowall introduced

**House Bill No. 5485, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 1 of chapter XIIA (MCL 712A.1), as amended by 2001 PA 211.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Crawford, Haase, Segal, Lipton, Bauer, Byrnes, Liss and Kowall introduced

**House Bill No. 5486, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," (MCL 710.21 to 712A.32) by adding section 18q to chapter XIIA.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Byrnes, Haase, Segal, Lipton, Bauer, Crawford, Liss and Kowall introduced

**House Bill No. 5487, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," (MCL 710.21 to 712A.32) by adding section 18n to chapter XIIA.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Bauer, Haase, Segal, Lipton, Byrnes, Crawford, Liss and Kowall introduced

**House Bill No. 5488, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," (MCL 710.21 to 712A.32) by adding section 18o to chapter XIIA.

The bill was read a first time by its title and referred to the Committee on Judiciary.

Reps. Haase, Segal, Lipton, Bauer, Byrnes, Crawford, Liss and Kowall introduced

**House Bill No. 5489, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," (MCL 710.21 to 712A.32) by adding section 18p to chapter XIIA.

The bill was read a first time by its title and referred to the Committee on Judiciary.

By unanimous consent the House returned to the order of

**Reports of Select Committees**

**Senate Bill No. 248, entitled**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to create

funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

The Senate has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning

**Senate Bill No. 248, entitled**

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Recommends:

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

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

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

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

PART 1

LINE-ITEM APPROPRIATIONS

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

**DEPARTMENT OF HUMAN SERVICES**

APPROPRIATION SUMMARY

Full-time equated classified positions .....	10,905.8	
Unclassified positions .....	6.0	
Total full-time equated positions .....	10,911.8	
GROSS APPROPRIATION .....		\$ 5,941,404,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....	2,426,600	
ADJUSTED GROSS APPROPRIATION .....		\$ 5,938,978,100
Federal revenues:		
Federal - FMAP stimulus .....	17,314,900	
Federal - Food assistance administration (ARRA) .....	5,642,900	
Total federal revenues .....	4,951,052,800	
Special revenue funds:		
Total private revenues .....	10,184,700	
Total local revenues .....	37,498,800	
Total other state restricted revenues .....	57,015,400	
State general fund/general purpose .....		\$ 860,268,600

**Sec. 102. EXECUTIVE OPERATIONS**

Total full-time equated positions .....	621.7	
Full-time equated unclassified positions .....	6.0	
Full-time equated classified positions .....	615.7	
Unclassified salaries—6.0 FTE positions .....		\$ 647,900
Salaries and wages—244.7 FTE positions .....		15,480,600
Contractual services, supplies, and materials .....		5,697,700
Demonstration projects—9.0 FTE positions .....		9,424,100
Inspector general salaries and wages—99.0 FTE positions .....		5,868,000

	For Fiscal Year Ending Sept. 30, 2010
Electronic benefit transfer EBT.....	6,491,500
Michigan community service commission—15.0 FTE positions.....	9,101,600
AFC, children’s welfare and day care licensure—222.0 FTE positions.....	23,562,600
State office of administrative hearings and rules.....	5,559,300
Bridges support staff —26.0 FTE positions.....	2,499,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 84,332,900</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	57,927,400
Special revenue funds:	
Total private revenues.....	3,199,600
Total local revenues.....	175,000
Licensing fees.....	516,300
Health systems fees and collections.....	216,100
Total other state restricted revenue.....	25,000
State general fund/general purpose.....	\$ 22,273,500
<b>Sec. 103. CHILD SUPPORT ENFORCEMENT</b>	
Full-time equated classified positions.....	198.7
Child support enforcement operations—192.7 FTE positions.....	\$ 23,322,700
Legal support contracts.....	138,753,600
Child support incentive payments.....	32,409,600
State disbursement unit—6.0 FTE positions.....	17,520,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 212,006,800</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	195,481,000
Special revenue funds:	
Total local revenues.....	340,000
Total restricted revenues.....	3,395,000
State general fund/general purpose.....	\$ 12,790,800
<b>Sec. 104. COMMUNITY ACTION AND ECONOMIC OPPORTUNITY</b>	
Full-time equated classified positions.....	17.0
Bureau of community action and economic opportunity—17.0 FTE positions.....	\$ 1,971,600
Community services block grant.....	24,718,000
Weatherization assistance.....	18,418,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 45,108,300</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	45,108,300
Special revenue funds:	
State general fund/general purpose.....	\$ 0
<b>Sec. 105. ADULT AND FAMILY SERVICES</b>	
Full-time equated classified positions.....	40.7
Executive direction and support—5.0 FTE positions.....	\$ 520,300
Guardian contract.....	600,000
Adult services policy and administration—6.0 FTE positions.....	639,600
Office of program policy—29.7 FTE positions.....	4,833,900
Employment and training support services.....	14,735,000
Wage employment verification reporting.....	848,700
Urban and rural empowerment/enterprise zones.....	100
Nutrition education.....	30,000,000
Marriage initiative.....	2,103,700
Fatherhood initiative.....	1,466,200
Crisis prevention and elder law of Michigan food for the elderly project.....	200,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 55,947,500</b>



	For Fiscal Year Ending Sept. 30, 2010
Appropriated from:	
Interdepartmental grant revenues:	
ADJUSTED GROSS APPROPRIATION .....	\$ 55,947,500
Federal revenues:	
Total federal revenues.....	46,484,300
Special revenue funds:	
State general fund/general purpose .....	\$ 9,463,200
<b>Sec. 106. CHILDREN'S SERVICES</b>	
Full-time equated classified positions .....	187.3
Salaries and wages—44.2 FTE positions .....	\$ 2,916,400
Contractual services, supplies, and materials .....	936,300
Foster care payments.....	159,120,600
Foster care - children with serious emotional disturbance waiver .....	1,769,000
Adoption subsidies .....	230,947,000
Adoption support services—7.2 FTE positions.....	16,395,100
Youth in transition—2.0 FTE positions.....	18,053,300
Interstate compact.....	231,600
Children's benefit fund donations .....	21,000
Teenage parent counseling—2.3 FTE positions .....	3,000,000
Families first.....	18,450,700
Strong families/safe children—3.0 FTE positions.....	10,656,100
Child protection and permanency—37.5 FTE positions .....	18,847,100
Zero to three.....	3,843,800
Family group decision making .....	2,300,000
Family reunification program .....	3,977,100
Family preservation and prevention services administration—14.5 FTE positions .....	2,050,200
Children's trust fund administration—12.0 FTE positions.....	1,053,600
Children's trust fund grants .....	3,825,100
ECIC, early childhood investment corporation .....	14,623,000
Attorney general contract .....	3,374,300
Prosecuting attorney contracts.....	2,561,700
Child protection—5.0 FTE positions.....	813,100
Subsidized guardianship program.....	4,575,000
Domestic violence prevention and treatment—14.6 FTE positions .....	14,797,800
Rape prevention and services .....	2,600,000
Title IV-E compliance and accountability office—5.0 FTE positions.....	397,800
Child welfare institute—40.0 FTE positions .....	5,943,800
Communities in schools .....	200,000
Child care fund in-home care incentive program.....	3,750,000
GROSS APPROPRIATION .....	\$ 552,030,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DCH - crime victim's fund.....	1,300,000
ADJUSTED GROSS APPROPRIATION .....	\$ 550,730,500
Federal revenues:	
Federal - FMAP stimulus .....	16,196,800
Total other federal revenues .....	360,857,100
Special revenue funds:	
Private - children's benefit fund donations.....	21,000
Private - collections .....	3,150,000
Local funds - county chargeback .....	9,975,800
Compulsive gambling prevention fund.....	1,040,000
Children's trust fund.....	3,822,700
State general fund/general purpose .....	\$ 155,667,100

For Fiscal Year  
Ending Sept. 30,  
2010

**Sec. 107. CHILDREN'S RIGHTS SETTLEMENT**

Full-time equated classified positions .....	773.0	
Children's services administration—49.0 FTE positions .....		\$ 3,730,100
Children's services contractual services, supplies, and materials .....		30,600
Settlement monitor .....		1,625,800
Needs assessment .....		4,000,000
Child welfare field staff—718.0 FTE positions .....		37,522,600
Child welfare field staff contractual services, supplies, and materials .....		383,400
Foster care payments .....		35,222,100
Child care fund.....		7,421,700
Adoption subsidies .....		4,754,700
Adoption support services .....		15,359,900
Youth in transition.....		276,200
Travel.....		450,500
Payroll taxes and fringe benefits .....		23,267,400
Bureau of children and adult licensing—6.0 FTE positions .....		540,600
Information technology .....		2,704,200
Rent .....		1,558,400
<b>GROSS APPROPRIATION .....</b>		<b>\$ 138,848,200</b>
Appropriated from:		
Federal revenues:		
Total federal revenues.....		44,754,200
Special revenue funds:		
Local funds - county chargeback .....		4,708,700
State general fund/general purpose .....		\$ 89,385,300

**Sec. 108. JUVENILE JUSTICE SERVICES**

Full-time equated classified positions .....	248.5	
W.J. Maxey training school—107.0 FTE positions.....		\$ \$13,447,100
Bay pines center—49.0 FTE positions.....		5,279,500
Nokomis challenge center .....		1,246,200
Shawono center—48.0 FTE positions .....		5,104,200
Community juvenile justice centers .....		687,000
Child care fund.....		209,450,300
Child care fund administration—5.8 FTE positions.....		791,400
County juvenile officers .....		3,894,700
Community support services—2.0 FTE positions.....		1,396,600
Juvenile justice, administration and maintenance—31.7 FTE positions .....		4,232,800
W.J. Maxey memorial fund .....		45,000
Juvenile accountability block grant—1.0 FTE position .....		1,300,400
Committee on juvenile justice administration—4.0 FTE positions.....		519,500
Committee on juvenile justice grants .....		5,000,000
<b>GROSS APPROPRIATION .....</b>		<b>\$ 252,394,700</b>
Appropriated from:		
Federal revenues:		
Total federal revenues.....		125,832,300
Special revenue funds:		
Total private revenues.....		45,000
Local funds - state share education funds.....		2,523,200
Local funds - county chargeback .....		11,111,500
State general fund/general purpose .....		\$ 112,882,700

**Sec. 109. LOCAL OFFICE STAFF AND OPERATIONS**

Full-time equated classified positions .....	8,225.5	
Field staff, salaries and wages—8,004.7 FTE positions .....		\$ 416,498,900
Contractual services, supplies, and materials .....		17,335,200
Medical/psychiatric evaluations.....		6,300,000
Donated funds positions—156.0 FTE positions.....		12,440,500

	For Fiscal Year Ending Sept. 30, 2010
Training and program support—23.0 FTE positions.....	3,667,500
Food stamp reinvestment—31.8 FTE positions.....	2,500,000
Wayne County gifts and bequests .....	100,000
Volunteer services and reimbursement .....	1,294,900
SSI advocates—10.0 FTE positions .....	2,190,500
<b>GROSS APPROPRIATION</b> .....	<b>\$ 462,327,500</b>
Appropriated from:	
Federal revenues:	
Federal - FMAP stimulus .....	697,300
Food assistance administration - ARRA .....	3,526,800
Total other federal revenues .....	297,338,800
Special revenue funds:	
Local funds.....	6,372,500
Private funds - donated funds.....	739,400
Private funds - Wayne County gifts .....	100,000
Private funds - hospital contributions.....	2,929,700
Supplemental security income recoveries.....	702,000
State general fund/general purpose .....	<b>\$ 149,921,000</b>
<b>Sec. 110. DISABILITY DETERMINATION SERVICES</b>	
Full-time equated classified positions .....	572.4
Disability determination operations—546.9 FTE positions .....	<b>\$ 83,849,200</b>
Medical consultation program—21.4 FTE positions.....	2,959,500
Retirement disability determination—4.1 FTE positions .....	835,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 87,643,700</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DMB - office of retirement systems.....	1,126,600
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 86,517,100</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	83,801,200
Special revenue funds:	
State general fund/general purpose .....	<b>\$ 2,715,900</b>
<b>Sec. 111. CENTRAL SUPPORT ACCOUNTS</b>	
Rent .....	<b>\$ 37,013,400</b>
Occupancy charge.....	9,180,700
Travel.....	5,630,500
Equipment.....	227,300
Worker’s compensation.....	3,190,200
Advisory commissions.....	17,900
Payroll taxes and fringe benefits .....	267,558,500
<b>GROSS APPROPRIATION</b> .....	<b>\$ 322,818,500</b>
Appropriated from:	
Federal revenues:	
Federal - FMAP stimulus .....	420,800
Food assistance administration (ARRA) .....	2,116,100
Total other federal revenues .....	212,126,500
Special revenue funds:	
Local funds - county chargeback .....	2,292,100
State general fund/general purpose .....	<b>\$ 105,863,000</b>
<b>Sec. 112. PUBLIC ASSISTANCE</b>	
Full-time equated classified positions .....	27.0
Family independence program .....	<b>\$ 379,058,900</b>
Family independence program supplement .....	5,583,500
State disability assistance payments.....	35,952,000
Food assistance program benefits.....	2,353,393,000

	For Fiscal Year Ending Sept. 30, 2010
Food assistance program benefits (ARRA) .....	343,414,000
State supplementation .....	59,843,500
State supplementation administration .....	2,477,100
Low-income home energy assistance program .....	116,451,600
Food bank funding .....	1,345,000
Homeless programs .....	11,646,700
Multicultural integration funding .....	1,815,500
Indigent burial .....	4,709,300
Emergency services local office allocations .....	21,615,500
Regulated day care services .....	127,184,700
Unregulated day care services .....	111,570,400
Day care services grants and contracts .....	3,275,000
Day care training, technology and oversight—20.0 FTE positions .....	2,478,200
Refugee assistance program—7.0 FTE positions .....	17,717,500
<b>GROSS APPROPRIATION</b> .....	<b>\$ 3,599,531,400</b>
Appropriated from:	
Federal revenues:	
Federal supplemental nutrition assistance revenues (ARRA) .....	343,414,000
Child care and development block grant (ARRA) .....	21,076,500
Total federal revenues .....	3,019,990,600
Special revenue funds:	
Child support collections .....	29,531,700
Supplemental security income recoveries .....	14,156,600
Public assistance recoupment revenue .....	3,610,000
State general fund/general purpose .....	\$ 167,752,000
<b>Sec. 113. INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 81,783,300
Child support automation .....	46,631,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 128,414,300</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	96,860,200
Special revenue funds:	
State general fund/general purpose .....	\$ 31,554,100
<b>Sec. 114. FEDERAL ARRA STIMULUS</b>	
Food bank funding (ARRA) .....	\$ 100
Elder law of Michigan food for the elderly (ARRA) .....	100
Eligibility specialists (ARRA) .....	100
Day care services (ARRA) .....	100
<b>GROSS APPROPRIATION</b> .....	<b>\$ 400</b>
Appropriated from:	
Federal revenues:	
Federal supplemental nutrition assistance revenues (ARRA) .....	300
Child care and development fund (ARRA) .....	100
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is \$917,284,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$98,688,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HUMAN SERVICES

Child care fund .....	\$ 92,880,400
County juvenile officers .....	3,648,400
State disability assistance payments .....	\$ 2,159,200
<b>TOTAL</b> .....	<b>\$ 98,688,000</b>

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

Sec. 203. As used in this act:

- (a) "AFC" means adult foster care.
- (b) "CFSR" means child and family services review.
- (c) "Children's rights settlement agreement" means the settlement agreement entered in the case of Dwayne B. vs. Granholm, docket No. 2:06-cv-13548 in the United States district court for the eastern district of Michigan.
- (d) "Current fiscal year" means fiscal year ending September 30, 2010.
- (e) "DCH" means the department of community health.
- (f) "Department" means the department of human services.
- (g) "Director" means the director of the department of human services.
- (h) "DMB" means the department of management and budget.
- (i) "ECIC" means early childhood investment corporation.
- (j) "FMAP" means federal medical assistance percentage.
- (k) "FTE" means full-time equated.
- (l) "IDG" means interdepartmental grant.
- (m) "JET" means jobs, education, and training program.
- (n) "Previous fiscal year" means fiscal year ending September 30, 2009.
- (o) "RSDI" means retirement survivors disability insurance.
- (p) "SSI" means supplemental security income.
- (q) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 604, 605 to 608, and 609 to 619.
- (r) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 655 and 656 to 669b.
- (s) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 673, 673b to 679, and 679b.
- (t) "VA" means veterans affairs.

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

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

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

Sec. 207. (1) Sanctions, suspensions, conditions for provisional license status, and other penalties shall not be more stringent for private service providers than for public entities performing equivalent or similar services.

(2) Neither the department nor private service providers or licensees shall be granted preferential treatment or considered automatically to be in compliance with administrative rules based on whether they have collective bargaining agreements with direct care workers. Private service providers or licensees without collective bargaining agreements shall not be subjected to additional requirements or conditions of licensure based on their lack of collective bargaining agreements.

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

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

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

with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

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

(2) The department's ability to satisfy appropriation fund sources in part 1 shall not be limited to collections and accruals pertaining to services provided in the current fiscal year, but shall also include reimbursements, refunds, adjustments, and settlements from prior years. The department shall submit a written report to the chairpersons of the senate and house appropriations subcommittees on the department budget that identifies all reimbursements, refunds, adjustments, and settlements from prior years to be used to satisfy appropriation fund sources.

Sec. 213. (1) The department may retain all of the state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections shall be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of such costs shall be applied against the federal funds deducted in the executive operations appropriation unit.

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

- (a) An update on federal sanctions and federal requirements for reinvestment due to the food stamp error rate.
- (b) Review of the status of training for employees who administer the food assistance program.
- (c) An outline of the past year's monthly status of worker to food stamp cases and monthly status of worker to food stamp applications.
- (d) Corrective action through policy, rules, and programming being taken to reduce the food stamp error rate.
- (e) Any other information regarding the food stamp error rate, including information pertaining to technology and computer applications used for the food assistance program.

Sec. 214. (1) The department shall submit a report to the chairpersons of the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the details of allocations within program budgeting line items and within the salaries and wages line items in all appropriation units. The report shall include a listing, by account, dollar amount, and fund source, of salaries and wages; longevity and insurance; retirement; contractual services, supplies, and materials; equipment; travel; and grants within each program line item appropriated for the current fiscal year. With regard to federal appropriations, for each program line item funded by no more than 3 federal funding sources, the department shall provide estimates of the allocation of the appropriation for each specific federal funding source.

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

Sec. 215. If a legislative objective of this act or the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented without loss of federal financial participation because implementation would conflict with or violate federal regulations, the department shall notify the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies and policy offices of that fact.

Sec. 216. The department, in collaboration with the state budget office, shall submit to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on or before March 1 of the current fiscal year a report on appropriated and supportable FTE positions within the executive budget proposal for the fiscal year beginning October 1, 2010. The report shall contain all of the following information for each individual line item contained in the executive budget proposal for the department budget:

- (a) The number of FTEs to be funded from the line item.
- (b) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item.
- (c) The amount that is proposed to be allocated to salary and wage costs from the gross appropriation for the line item on which was based the increase in the executive budget proposal from the amount appropriated for the line item in the department budget for the current fiscal year, if different from the amount in subdivision (b).
- (d) The portion of the amount described in subdivision (b) that is proposed to be taken from each funding source identified in the budget.
- (e) The gross salary and wage expenditures for the line item during the previous fiscal year and the estimated salary and wage expenditures for the line item during the current fiscal year.
- (f) The estimated number of FTE positions supportable by the amount described in subdivision (b).

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.
- (g) The travel is necessary as part of the training of department workers or the staff of private providers through the child welfare institute.

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

Sec. 218. (1) By February 15 of the current fiscal year, the department shall prepare an annual report on the TANF federal block grant. The report shall include projected expenditures for the current fiscal year, an accounting of any previous year funds carried forward, and a summary of all interdepartmental or interagency agreements relating to the use of TANF funds. The report shall be forwarded to the state budget director and the house and senate appropriations subcommittees on the department budget and the house and senate fiscal agencies and policy offices.

(2) The state budget director shall give prior written notice to the members of the house and senate appropriations subcommittees for the department and to the house and senate fiscal agencies and policy offices of any proposed changes in utilization or distribution of TANF funding or the distribution of TANF maintenance of effort spending relative to the amounts reflected in the annual appropriations acts of all state agencies where TANF funding is appropriated. The written notice shall be given not less than 30 days before any changes being made in the funding allocations. This prior notice requirement also applies to new plans submitted in response to federal TANF reauthorization or replacement by an equivalent federal law.

Sec. 219. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless a professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from the department to attend or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

Sec. 220. The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that they are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of their organization or their guiding principles or statements of faith.

Sec. 221. If the revenue collected by the department from private and local sources exceeds the amount spent from amounts appropriated in part 1, the revenue may be carried forward, with approval from the state budget director, into the subsequent fiscal year.

Sec. 222. (1) The department shall report no later than April 1 of the current fiscal year on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Sec. 223. The department shall make a determination of Medicaid eligibility not later than 60 days after all information to make the determination is received from the applicant when disability is an eligibility factor. For all other Medicaid applicants, the department shall make a determination of Medicaid eligibility not later than 45 days after all information to make the determination is received from the applicant.

Sec. 224. The department shall approve or deny a Medicaid application for a patient of a nursing home within 45 days after the receipt of the necessary information.

Sec. 225. The department shall develop a rapid redetermination process for nursing home residents whose Medicaid stay is greater than 90 days. This process shall be implemented not later than September 30 of the current fiscal year.

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

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

Sec. 264. The department shall not take disciplinary action against an employee for communicating with a member of the legislature or his or her staff.

Sec. 270. (1) The department shall continue to implement a plan to provide client-centered results-oriented foster care programs.

(2) The department shall obtain data from its systems on a quarterly basis for the measures listed in subdivisions (a) to (g). This data shall report on children supervised by the department and by private agencies. The measures are described as follows:

(a) Placement stability. Children shall have no more than 2 placement settings using the following minimum acceptable standards:

(i) Eighty-six percent or more of children in care for 365 days or less will have no more than 2 placement settings.

(ii) Seventy-three percent or more of children in care for not less than 366 days and not more than 730 days will have no more than 2 placement settings.

(iii) Forty-five percent or more of children in care for 731 days or more will have no more than 2 placement settings.

(b) Timeliness of reunification. No fewer than 43% of children in care for 30 days or more shall be discharged from foster care to the home of a parent or legal guardian within 12 months after removal.

(c) Permanency of reunification. No more than 4% of children who were discharged from foster care to reunification will reenter foster care in less than 12 months from the date of discharge.

(d) Timeliness of adoptions. No fewer than 36.6% of children in care for 30 days or more shall be discharged from foster care to a finalized adoption within 24 months after removal.

(e) Discharge to permanency for children in foster care for long periods of time. No fewer than 29.1% of children in care for the most recent 24 months shall be discharged to a permanent placement before reaching 18 years of age. Permanent placement is defined as adoption, guardianship, or reunification.

(f) Legally free children in foster care for long period of time who are discharged to permanency. No fewer than 98% of children in care for the most recent 12 months and legally free for adoption shall be discharged to a permanent placement before reaching 18 years of age. Permanent placement is defined as adoption, guardianship, or reunification.

(g) Children discharged from foster care without permanency. Not more than 45% of children in care for the most recent 12 months or more shall:

(i) Be discharged from foster care before reaching 18 years of age if the reason for discharge is another planned permanent living arrangement (APPLA).

(ii) Reach 18 years of age while in foster care, if the child has been in foster care for 3 years or more.

(3) During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget the information listed in subsection (2).

Sec. 271. (1) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices detailing changes in program policy, outcome measurement, and training by the department and courts to meet the requirements of the adoption and safe families act of 1997, Public Law 105-89, 111 Stat. 2115.

(2) The department shall provide the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, and the senate and house policy offices a report detailing recent department communication



with the federal government related to the provision of foster care, juvenile justice, and adoption services. The report shall include information detailing federal recommendations made to the department and courts, any sanction or warning of possible future sanction assessed on this state by the federal government, the status of the performance improvement plan submitted to the federal government, and efforts by the department to increase federal financial support for children's services in this state.

Sec. 273. (1) On the first day of each month, the department shall report to the senate and house standing committees with primary jurisdiction over matters relating to human services and the senate and house appropriations subcommittees on the department budget any policy changes made to implement the provisions of enacted legislation, including the annual appropriation for the department budget.

(2) The department shall provide to the senate and house appropriations subcommittees on the department budget and senate and house standing committees with primary jurisdiction over matters relating to human services, the senate and house fiscal agencies, and the senate and house policy offices by July 1 of the current fiscal year a cumulative list of all policy changes in child welfare services, child support, work first, work requirements, adult and child safety, local staff program responsibilities, and day care and the most recent regulatory plan submitted to the state office of administrative hearings and rules.

(3) The department shall only use money appropriated in section 102 to prepare regulatory reform plans. Money appropriated in part 1 shall not be used to prepare regulatory reform plans or promulgate rules that exceed statutory authority granted to the department. If the department fails to comply with the provisions of section 39(1) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.239, money shall not be expended for the further preparation of that regulatory plan or the promulgation of rules for that regulatory plan.

(4) Money appropriated in part 1 shall not be used to prepare a regulatory plan or promulgate rules that fail to reduce the disproportionate economic impact on small businesses as required in section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(5) Money appropriated in part 1 shall not be used to prepare a regulatory plan or promulgate rules that grant preferences to private providers of services based on whether that private provider has a collective bargaining agreement with its workers.

Sec. 274. The department shall report to the house and senate appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director as part of the annual budget presentation on each federal grant this state was eligible to apply for, listing both grants applied for and not applied for. This report will cover grants exceeding \$500,000.00, related to fatherhood and marriage initiatives, teen pregnancy prevention, kinship care, before- and after-school programs, family preservation and prevention, homeless prevention, and youth in transition.

Sec. 278. (1) The department shall contract with 1 or more private consulting firms for revenue maximization services for all caseload services currently provided by the department.

(2) Contractors shall be reimbursed for revenue maximization services by allowing the contractors to retain a negotiated percentage of savings identified. The percentage of savings retained by a contractor shall not exceed 25%.

(3) The department shall retain any savings achieved through the revenue maximization services contract as an offset to general fund/general purpose costs. Additional savings shall be allocated within the department for the following purposes:

(a) Technology programs that help maintain an effective and efficient computer system for caseworkers.

(b) Additional staff to reduce caseload-to-worker ratios.

(4) The department shall provide a report to the senate and house appropriations subcommittees on the department budget, senate and house standing committees on human services matters, senate and house fiscal agencies and policy offices, and state budget director by April 1 of the current fiscal year on the waste, fraud, error, and abuse located through contracts authorized under subsection (1).

Sec. 279. All contracts relating to human services entered into or renewed by the department on or after October 1 of the current fiscal year shall be performance-based contracts that employ a client-centered results-oriented process that is based on measurable performance indicators and desired outcomes and includes the annual assessment of the quality of services provided. During the annual budget presentation, the department shall provide the senate and house appropriations subcommittees on the department budget with the measurable performance indicators, desired outcomes, and the assessment of the quality of services provided for each contract relating to human services entered into by the department during the current fiscal year.

Sec. 280. The department shall submit a report to the house and senate appropriations subcommittees for the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by February 1 of the current fiscal year on the status of the department's information technology improvement initiative "Bridges" integration project. The report shall include details on the following:

(a) The amounts expended during the previous fiscal year and the first quarter of the current fiscal year by project.

(b) The amounts of appropriations carried forward as work projects from previous fiscal years for information technology projects.

(c) A listing of the projects and activities undertaken during the previous fiscal year and during the first quarter of the current fiscal year.

(d) A narrative describing anticipated information technology needs for the department in future years.

Sec. 284. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 286. The department shall contract with a private company to conduct a study of ways to streamline the department's procurement procedures for durable goods and services. A report and recommendations for streamlining the department's procurement procedures shall be prepared by the private contractor and submitted to the house and senate appropriations committees and the house and senate fiscal agencies by November 30 of the current fiscal year.

Sec. 287. The department shall work collaboratively with the child death review board and court system to improve communication and coordination between entities on the review and examination of child death in Michigan.

Sec. 288. (1) The department shall not establish time limits on payments to providers for properly documented services purchased by the department.

(2) The department shall pay providers that meet the requirements of subsection (1) with state general fund/general purpose funds if federal funds cannot be used because of time restrictions on federal claims.

Sec. 290. The appropriations in part 1 reflect a reduction in staffing levels of 65 FTE positions from previous fiscal year levels. The legislature intends that the reduction be accomplished by the following staff reductions under each of the following line items:

(a) Under executive operations salaries and wages:

(i) Office of communications, 10 positions.

(ii) Office of contracts and rate setting, 6 positions.

(iii) Office of inspector general - monitoring and internal controls, 8 positions.

(iv) Office services division - composition unit, 2 positions.

(v) Budget division, 1 position.

(vi) Purchasing, vehicles, and inventory control, 1 position.

(vii) Office of technology and information management - technology coordination and support, 3 positions.

(b) Under field staff, salaries and wages, 20 recruitment specialists.

(c) Under medical consultation program, 3 disability examiners.

(d) Under child support enforcement operations:

(i) One deputy director position.

(ii) Administration division, 2 positions.

(iii) Operations division - case management, 2 positions.

(iv) Operations division - special initiatives unit, 2 positions.

(v) Operations division - central functions, 4 positions.

Sec. 295. (1) From the money appropriated in part 1 for information technology services and projects, the department shall allocate \$250,000.00 to modify the "Bridges" eligibility system to permit greater cooperation between the department of state police and department's office of inspector general in identifying individuals with criminal justice disqualifications for program eligibility inappropriately accessing benefits.

(2) The department shall provide a report by March 15 of the current fiscal year to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies and the senate and house policy offices on the progress of the effort required in subsection (1) and the number of individuals identified as ineligible for benefits as a result of cooperation between the office of inspector general and department of state police.

Sec. 296. Not later than October 15, 2010, the department shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

Sec. 297. The department shall, with assistance from the department of community health, provide a report to the senate and house appropriations subcommittees on the department budget, the senate and house committees with primary

jurisdiction over matters of health policy, the senate and house fiscal agencies, and the senate and house policy offices describing money collected through Medicaid estate recovery efforts and proposed changes to section 112g of the social welfare act, 1939 PA 280, MCL 400.112g, that could increase collections through Medicaid estate recovery.

Sec. 298. From the money appropriated in part 1 for 200 limited-term eligibility full-time employees, the department shall inform all employees hired with these funds that their employment is temporary and should not be considered permanent. Any temporary employee hired may be given preference by the department for hiring if a suitable full-time permanent position becomes available within the department.

Sec. 299. From the money appropriated in part 1 for electronic benefit transfer, beginning not later than May 31, 2010, the department shall provide to recipients a branded MasterCard debit card to be used to access family independence program cash benefits. The use of the Bridge card on the QWEST network shall be discontinued for cash benefits, and the department shall issue a letter to recipients explaining the process for the transition to the new MasterCard debit card and how benefits may be accessed.

#### **EXECUTIVE OPERATIONS**

Sec. 306. From the money appropriated in part 1 for demonstration projects, the department shall allocate \$200,000.00 to support the kinship care resource center administered by the Michigan state university school of social work. Funding is contingent upon the center's reporting of necessary data to the department to demonstrate TANF or maintenance of effort eligibility. The center shall submit quarterly reports to the department detailing expenditures from this appropriation and reviewing program outcomes including the number of families served through counseling, respite care, and other services as well as the number provided with information on kinship care. The department shall submit each quarterly report to the house and senate appropriations subcommittees on the department budget by January 15, April 15, July 15, and October 15 of each year.

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, \$500,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Money distributed under subsection (1) shall be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, including, but not limited to, call volume by community health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

Sec. 308. From the money appropriated in part 1 for demonstration projects, \$200,000.00 shall be expended on a contract with the University of Detroit Mercy to provide legal services for disabled veterans who are seeking eligibility under federal disability programs, including federal supplemental security income. The contract shall fund a statewide effort by the university through use of its mobile office to deliver these legal services.

Sec. 309. The department shall assess fees in the licensing and regulation of child care organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and adult foster care facilities as defined in the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees collected by the department shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 310. The department shall furnish the clerk of the house, the secretary of the senate, the senate and house fiscal agencies and policy offices, the state budget office, and all members of the house and senate appropriations committees with a summary of any evaluation reports and subsequent approvals or disapprovals of juvenile residential facilities operated by the department, as required by section 6 of 1973 PA 116, MCL 722.116. If no evaluations are conducted during the fiscal year, the department shall notify the fiscal agencies and all members of the appropriate subcommittees of the house and senate appropriations committees.

Sec. 311. The department shall continue to operate a performance-based licensing model that will assure compliance with department policy and statutory mandates. This model will prioritize licensing activities based on risk to the vulnerable children and adults residing in or receiving services from licensees.

Sec. 312. From the money appropriated in part 1 for demonstration projects, the department shall provide \$120,000.00 for a pilot program in Sanilac County. The program shall coordinate a comprehensive system of care and referral for area families with children ages zero to 18.

#### **ADULT AND FAMILY SERVICES**

Sec. 415. (1) In expending money appropriated in part 1 for the fatherhood initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for the fatherhood program.

(2) The department may choose providers that will work with counties to help eligible fathers under TANF guidelines to acquire skills that will enable them to increase their responsible behavior toward their children and the mothers of their children. An increase of financial support for their children should be a very high priority as well as emotional support.

(3) A fatherhood initiative program established under this section shall minimally include at least 3 of the following components: promoting responsible, caring, and effective parenting through counseling; mentoring and parental education; enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take advantage of job search programs, job training, and education to improve their work habits and work skills; improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in household matters; infant care; effective communication and respect; anger management; children's financial support; and drug-free lifestyle.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

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

Sec. 416. (1) In expending money appropriated in part 1 for the marriage initiative, the department may contract with independent contractors from various counties, including, but not limited to, faith-based and nonprofit organizations. Preference shall be given to independent contractors that provide at least 10% in matching funds, through any combination of local, state, or federal funds or in-kind or other donations. However, an independent contractor that cannot secure matching funds shall not be excluded from consideration for a marriage initiative program.

(2) The department may choose providers to work with counties that will work to support and strengthen marriages of those eligible under the TANF guidelines. The areas of work may include, but are not limited to, marital counseling, domestic violence counseling, family counseling, effective communication, and anger management as well as parenting skills to improve the family structure.

(3) A marriage initiative program established under this section may include, but is not limited to, 1 or more of the following: public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health; education in high schools on the value of marriage, relationship skills, and budgeting; premarital, marital, family, and domestic violence counseling; effective communication; marriage mentoring programs which use married couples as role models and mentors in at-risk communities; anger management; and parenting skills to improve the family structure.

(4) The department is authorized to make allocations of TANF funds, of not more than 20% per county, under this section only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

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

Sec. 418. From the funds appropriated in part 1 for employment and training support services, the department may expand the availability of individual development accounts (IDAs) with \$200,000.00 for allocation to qualified IDA programs established through the Michigan IDA partnership to serve TANF-eligible households in Michigan. The Michigan IDA partnership shall encourage each TANF-eligible household served to claim the federal and state earned income tax credit (EITC) and to incorporate all or part of any tax credit received in the household's IDA savings plan, and shall provide the household with information concerning available free tax assistance resources. In addition, the Michigan IDA partnership and its program sites shall participate in community EITC coalitions established under the plan to increase the EITC participation of TANF families referenced in section 666. The same amount shall be appropriated annually to further expand IDA opportunities to low-income families to become more financially self-sufficient through financial education, saving, wise investment in home ownership, postsecondary education, small business development, or a combination of those programs.

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

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

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

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

Sec. 423. (1) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$75,000.00 to support ongoing efforts in Barry County to provide programs to women or children, or both, facing crisis situations as a result of domestic violence or abuse.

(2) From the money appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate not less than \$100,000.00 to assist this state's elderly population to participate in the food assistance program. The money may be used as state matching funds to acquire available United States department of agriculture funding to provide outreach program activities, such as eligibility screen and information services, as part of a statewide food stamp hotline.

(3) Of the funds appropriated in part 1 for crisis prevention and senior food aid projects, the department shall allocate \$25,000.00 for a food aid outreach project in Muskegon County and \$25,000.00 for a food aid outreach project in Kent County.

### **CHILDREN'S SERVICES**

Sec. 501. During the current fiscal year, 85% or more of children who have been in care for 1 year or longer while legally available for adoption or with an established goal of reunification with their families shall be permanently placed. During the annual budget presentation, the department shall report on the number of children supervised by the department and by private agencies who remain in foster care more than 12 and less than 24 months and those who remain in foster care 24 months or more.

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

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

- (a) Has not yet graduated from high school or passed a high school equivalency examination.
- (b) Is making progress toward completing high school.
- (c) Has not yet reached his or her nineteenth birthday.
- (d) Is not eligible for federal supplemental security income (SSI) payments.

Sec. 504. (1) The department will ensure that children aged 14 years and older in foster care and youth transitioning from foster care to adulthood have access to the range of supportive services necessary to support their preparation for and successful transition to adulthood, including, but not limited to, independent living services eligible for federal reimbursement under the Chafee program, and shall maintain sufficient resources to deliver independent living services to all children in foster care custody of the department who qualify for them.

(2) The department also shall develop and implement the following policies, services, and programs focused on meeting the needs of foster children who are 14 years and older with a permanency goal other than a goal of reunification:

(a) Beginning November 15, 2008, the department shall refer all children 14 years and older in foster care and youth transitioning from foster care to adulthood to Michigan works! agencies for participation in youth programs and services administered under the workforce investment act, 29 USC 2801 et seq., designed to assist youth in developing job skills and career opportunities, and shall refer suitably qualified children for summer training, mentorship, and enrichment opportunities.

(b) By November 15, 2008, the department shall have developed and implemented a policy and the necessary resources to extend all foster youths' eligibility for child foster care custody until 20 years of age and to make available independent living services through the age of 21 years.

(c) By November 15, 2008, the department shall develop and implement a policy and process by which all children emancipating from the foster care system at 18 years of age or beyond are enrolled for Medicaid managed care coverage so that their coverage continues without interruption at the time of emancipation.

(d) Beginning November 15, 2008, the department shall refer all children without an identified housing situation at the time of emancipation from the foster care system at 18 years of age or beyond to the Michigan state housing development authority for rental assistance and services under the homeless youth initiative.

(e) By October 2009, the department shall hire 14 regional education planners who shall provide consultation and support to youth 14 years of age and older in accessing educational services and in developing individualized education plans, including identifying all available financial aid resources.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children's trust fund grants, money granted or money received as gifts or donations to the children's trust fund created by 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

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

the state agency, and the state child abuse and neglect prevention board may receive and expend funds for shared costs of a joint project in addition to those authorized by part 1.

(3) The department may collaborate with the state child abuse and neglect prevention board to develop recommendations on how to best incorporate child abuse prevention strategies and practices into suggested changes in state statute and department policy. The department shall provide any recommendations developed with the state child abuse and prevention board to the senate and house standing committees on human services and appropriations subcommittees on the department budget not later than March 1 of the current fiscal year.

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

(5) The department and the child abuse neglect and prevention board shall collaborate to ensure that administrative delays are avoided and the local grant recipients and direct service providers receive money in an expeditious manner. The department and board shall seek to have the children's trust fund grants distributed no later than October 31 of the current fiscal year.

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

(a) A child would be living in the same household with a parent or other adult who has been convicted of criminal sexual conduct against a child.

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

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

Sec. 510. The department shall not be required to put up for bids a contract with a service provider if the service provider is nationally accredited or is currently the only provider in the service area.

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

(a) There is no appropriate placement available in this state as determined by the department interstate compact office.

(b) An out-of-state placement exists that is nearer to the child's home than the closest appropriate in-state placement as determined by the department interstate compact office.

(c) The out-of-state facility meets all of the licensing standards of this state for a comparable facility.

(d) The out-of-state facility meets all of the applicable licensing standards of the state in which it is located.

(e) The department has done an on-site visit to the out-of-state facility, reviewed the facility records, reviewed licensing records and reports on the facility, and believes that the facility is an appropriate placement for the child.

(2) The department shall not expend money for a child placed in an out-of-state facility without approval of the department interstate compact office. The department shall notify the appropriate state agency in that state including the name of the out-of-state provider who accepted the placement.

(3) The department shall submit a report by February 1 of each year on the number of children who were placed in out-of-state facilities during the previous fiscal year, the number of Michigan children residing in such facilities at the time of the report, the total cost and average per diem cost of these out-of-state placements to this state, and a list of each such placement arranged by the Michigan county of residence for each child.

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

(a) Statistical information including, at a minimum, all of the following:

(i) The total number of reports of abuse or neglect investigated under the child protection law, 1975 PA 238, MCL 722.621 to 722.638, and the number of cases classified under category I or category II and the number of cases classified under category III, category IV, or category V.

(ii) Characteristics of perpetrators of abuse or neglect and the child victims, such as age, relationship, race, and ethnicity and whether the perpetrator exposed the child victim to drug activity, including the manufacture of illicit drugs, that exposed the child victim to substance abuse, a drug house, or methamphetamine.

(iii) The mandatory reporter category in which the individual who made the report fits, or other categorization if the individual is not within a group required to report under the child protection law, 1975 PA 238, MCL 722.621 to 722.638.

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

(c) The information contained in the report required under section 8d(5) of the child protection law, 1975 PA 238, MCL 722.628d, on cases classified under category III.

(d) The department policy, or changes to the department policy, regarding termination of parental rights or foster placement for children who have been exposed to the production of illicit drugs in their dwelling place or a place frequented by the children.

(e) The department policy, or changes to the department policy, regarding children who have been exposed to the production or manufacture of methamphetamines.

Sec. 515. The department shall use performance-based models for all foster care services. The goal of these models shall be to ensure that foster care services are provided in a manner that increases the state's compliance with CFSR and children's rights settlement agreement goals. Not later than March 30 of the current fiscal year, the department shall provide an update to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the office of the state budget on benchmarks developed in conjunction with private providers for this performance model, results the department or agencies have achieved in improving permanency placements, and recommendations for further improvements for foster care services across the entire state.

Sec. 517. (1) From the funds appropriated in part 1, the department is authorized to allocate funds to multipurpose collaborative bodies. Priority for activities and services will be given to at-risk children and families and cases classified by the department as category III or category IV under sections 8 and 8d of the child protection law, 1975 PA 238, MCL 722.628 and 722.628d.

(2) Funds appropriated in part 1 for zero to three may be used to fund community-based collaborative prevention services designed to do any of the following:

(a) Foster positive parenting skills especially for parents of children under 3 years of age.

(b) Improve parent/child interaction.

(c) Promote access to needed community services.

(d) Increase local capacity to serve families at risk.

(e) Improve school readiness.

(f) Support healthy family environments that discourage alcohol, tobacco, and other drug use.

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

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

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

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

(c) Demonstrate that the planned services are part of the community's integrated comprehensive family support strategy endorsed by the community collaborative and, where there is a great start collaborative, demonstrate that the planned services are part of the community's great start strategic plan.

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

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

Sec. 523. (1) The department shall report on prevention programs for which money is appropriated in part 1 to the senate and house appropriations subcommittees on the department budget during the annual budget presentation. The report shall contain all of the following for each program:

(a) The average cost per recipient served.

(b) Measurable performance indicators.

(c) Desired outcomes or results and goals that can be measured on an annual basis, or desired results for a defined number of years.

(d) Monitored results.

(e) Innovations that may include savings or reductions in administrative costs.

(2) From the money appropriated in part 1 for youth in transition, domestic violence prevention and treatment, and teenage parent counseling, the department is authorized to make allocations of TANF funds only to agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements.

(3) An agency that receives teenage parent counseling money shall provide at least 10% in matching funds, through any combination of local, state, or federal money or in-kind or other donations.

Sec. 532. (1) The department, in collaboration with representatives of private child and family agencies, shall revise and improve the annual licensing review process and the annual contract compliance review process for child placing agencies and child caring institutions. The improvement goals shall be safety and care for children. Improvements to the review process shall be directed toward alleviating administrative burdens so that agency resources may be focused on

children. The revision shall include identification of duplicative staff activities and information sought from child placing agencies and child caring institutions in the annual review process. The department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on or before January 15 of the current fiscal year on the findings of the annual licensing review.

(2) The department shall conduct licensing reviews no more than once every 2 years for child placing agencies and child caring institutions that are nationally accredited and have no outstanding violations.

(3) The department shall develop a plan to license relatives of foster children as foster care providers to ensure consistent high standards of care for those foster children. The department shall report on the plan to the senate and house appropriations subcommittees with oversight over the department budget, the senate and house standing policy committees generally concerned with children's issues, the senate and house fiscal agencies and policy offices, and the state budget director as part of the quarterly reports required by section 582.

Sec. 533. (1) The department shall make payments to child placing facilities for out-of-home care services within 30 days of receiving all necessary documentation from those agencies.

(2) The department shall explore various types of automated payments to private nonprofit child placing facilities to improve speed and accuracy of payments.

Sec. 536. (1) The department shall place all children within their own county or within a 75-mile radius of the home from which the child entered custody, whichever is greater, unless 1 or more of the following applies:

(a) The child's needs are so exceptional that they cannot be met by a family or facility within the county or 75-mile radius.

(b) The child needs re-placement and the child's permanency goal is to be returned to his or her parents who at the time reside out of the county or 75-mile radius.

(c) The child is to be placed with a relative out of the county or 75-mile radius.

(d) The child is to be placed in an appropriate preadoptive or adoptive home that is out of the county or 75-mile radius.

(2) If placement outside the county or 75-mile radius is made, either of the following applies:

(a) In a "designated county", as defined in section IV.A.3 of the children's rights settlement agreement, the county administrator of children's services shall be specifically required to certify the circumstances supporting the placement in writing, based on his or her own examination of the circumstances and the child's needs and best interests.

(b) In any other county, the children's services field manager shall be specifically required to certify the circumstances supporting the placement in writing, based on his or her own examination of the circumstances and the child's needs and best interests.

Sec. 537. The department, in collaboration with child placing agencies, shall develop a strategy to implement section 115o of the social welfare act, 1939 PA 280, MCL 400.115o. The strategy shall include a requirement that a department caseworker responsible for preparing a recommendation to a court concerning a juvenile placement shall provide, as part of the recommendation, information regarding the requirements of section 115o of the social welfare act, 1939 PA 280, MCL 400.115o.

Sec. 539. The department shall work in collaboration with representatives from child placing agencies to ensure appropriate placement for children who have been adjudicated abused, neglected, or delinquent and for whom residential treatment is required. The department and the representatives from the child placing agencies shall focus on statewide placement criteria to address the best interest of the child in need of services. The placement criteria shall include a continuum of care settings and options as appropriate for each child and his or her needs at specific times, including home placements, relative placements, shelter placements, and other options.

Sec. 544. The department shall continue pilot projects with applications pending for accelerated residential treatment.

Sec. 546. (1) From the money appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of foster care services not less than a \$37.00 administrative rate.

(2) From the funds appropriated in part 1 for foster care payments and from child care fund, the department shall pay providers of general independent living services not less than a \$28.00 administrative rate. For specialized independent living services, the administrative rate paid shall not be less than the administrative rate paid in fiscal year 2008-2009.

(3) The department shall calculate and report to the house and senate appropriations subcommittees on the department budget on the cost of care, on a per diem basis, for foster care services delivered directly by the department.

(4) Beginning April 1 of the current fiscal year for children not eligible for title IV-E funding, 75% of the cost for the administrative rates in subsections (1) and (2) shall be funded with state funds and any available federal revenues. Counties shall be subject to the remaining 25% of the cost for the administrative rates in subsections (1) and (2).

Sec. 547. (1) Beginning April 1 of the current fiscal year, the department shall establish a \$40.00 administrative rate for foster care and independent living services delivered directly by the department.

(2) For children not eligible for title IV-E funding, 75% of the cost for the administrative rate in subsection (1) shall be funded with state funds and any available federal revenues. Counties shall be subject to the remaining 25% of the cost for the administrative rate in subsection (1).



Sec. 548. During the annual budget presentation to the house and senate appropriations subcommittees on the department budget, the department shall report on progress in implementing the recommendations of the task force that studied the disproportionate representation of African-American and other children of color in the child welfare and juvenile justice systems as required under former section 548 of the fiscal year 2005-2006 budget act for the department.

Sec. 556. The department shall submit a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the senate and house policy offices that includes all of the following:

(a) A description of how the department is complying with federal requirements to notify prospective adoptive parents about adoption subsidies for which those prospective adoptive parents may qualify.

(b) The number of requests received by the department from adoptive parents for money or reimbursement of costs to attend conferences that include training or discussion of significant adoption issues, the proportion of these requests approved by the department, and the total annual expenditure for approved requests.

(c) The number of fair hearing requests from adoptive parents received by the department challenging the amount of the adoption subsidy, broken down by the stated reason for the challenge.

(d) The number of adoption subsidy payments suspended when the child is still in the custody of the adoptive parent, but no longer in the physical care of the adoptive parent.

Sec. 562. (1) The department shall allow a county to submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

(2) The department shall submit a claim for title IV-E foster care funding for a placement in a secure residential facility if the county can demonstrate that the reason for the secure placement is a diagnosed medical necessity and not protection of the public.

Sec. 565. (1) From the funds appropriated in part 1 for federally funded family preservation programs, the department shall allocate \$2,000,000.00 to Wayne County to provide home-based programs as part of the county expansion of community-based services to serve the county's adjudicated delinquent and abused and neglected youth.

(2) One-half of the total amount allocated to Wayne County shall be used to serve adjudicated delinquent youth, and 1/2 shall be used to serve abused and neglected youth.

(3) Federal revenues shall be paid to Wayne County as reimbursement for actual costs incurred, consistent with established federal requirements.

(4) As a condition of receipt of federal funds pursuant to subsection (1), Wayne County shall provide the department with a plan for the use of allocated funds in a format to be specified by the department. The county shall also provide the department with all information required to demonstrate the appropriateness and allowability of expenditures and to meet federal financial and programmatic reporting requirements.

Sec. 566. (1) Subject to subsection (2), beginning October 1, 2008, preference shall be given in the provision of direct foster care services to public and private agencies that are nationally accredited.

(2) Beginning October 1, 2007, the department shall not enter into or maintain a contract with a for-profit child placing agency, or with a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, to provide direct foster care services unless the agency was licensed on or before August 1, 2007 and, if the agency is a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, the contract with the for-profit group or organization existed prior to August 1, 2007.

Sec. 568. (1) From the money appropriated in part 1 for child welfare improvements, the department may allow the private sector to compete for the money to achieve permanency placement for children in foster care and prioritize funding for children in foster care who have barriers to permanency placement.

(2) The department shall submit quarterly reports to the legislature that include all of the following information on the appropriation adjustments described in section 568(2) of 2007 PA 131 and those same appropriations adjustments in this act:

(a) The number of positions hired or paid from these appropriations, what their titles and responsibilities will be, what performance objectives and measurable outcomes they are required to satisfy, and what they are being paid in salaries, wages, and fringe benefits. If a community-based provider of adoption services assumes an adoption case that was previously handled by a public agency or worker, the time that the case was handled by the public agency or worker shall not be counted in a performance measure without the consent of the community-based provider.

(b) Information on any contracts for services that have been awarded and the performance objectives and measurable outcomes that are incorporated in the contracts and the successes or failures that are achieved as a result.

(c) Detailed information on any money spent for child welfare improvements and what measurable outcome is expected for the money being spent.

Sec. 570. (1) From the money appropriated in part 1 for the subsidized guardianship program, the department shall provide subsidies under this program to children who are wards of the court under section 2(b) of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2.

(2) The department shall make money available to children who are receiving services from the department at the time a guardian is appointed for the child, if the court appointing the guardian considers it necessary to continue those services for the success of the guardianship.

(3) The department may provide money to eligible children in the subsidized guardianship program on an as-needed basis or in the form of a 1-time payment to promote permanency for children.

(4) The department shall report during the annual budget presentation to the senate and house appropriations subcommittees on the department budget the number of guardianship subsidies and recommendations for any modifications in the subsidized guardianship program.

Sec. 571. The department shall maintain a title IV-E compliance and accountability office with the following goals and responsibilities:

(a) Study efforts in other states to determine best practices for title IV-E-related activities and measures to maximize the receipt of federal money for eligible cases.

(b) Coordinate compliance with federal regulations in order to receive title IV-E money.

(c) Provide necessary technical assistance to local units of government, including courts, to ensure proper handling of cases and paperwork in preparation for federal audits and reviews.

(d) Coordinate a program to provide private persons, groups, and corporations with incentives to make tax-deductible contributions intended to assist foster care families to overcome barriers to becoming licensed and eligible to receive title IV-E money.

(e) As part of the quarterly reports required by section 582, provide information to the house and senate appropriations subcommittees on the department budget on activities and progress toward meeting the responsibilities outlined above.

Sec. 573. From the money appropriated in part 1 for adoption support services, \$1,049,400.00 is allocated to support adoption contracts focusing on long-term permanent wards who have been wards for more than 1 year after termination of parental rights. Private agencies shall receive \$16,000.00 for each finalized placement under the program.

Sec. 574. (1) From the money appropriated in part 1 for foster care payments – abuse and neglect, \$2,500,000.00 is allocated to support contracts with child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive \$2,300.00 for each facilitated licensure. The agency facilitating the licensure would retain the placement and continue to provide case management services for at least 50% of the newly licensed cases for which the placement was appropriate to the agency. Up to 50% of the newly licensed cases would have direct foster care services provided by the department.

(2) From the money appropriated for foster care payments, \$375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers to assist with home improvements or payment for physical exams for applicants needed by foster families to accommodate foster children.

Sec. 575. (1) Of the funds provided for the training of human services workers, particularly caseworkers, the department shall use appropriated funds to begin cultural sensitivity training and awareness with the goal of effectively reducing the number of minority children inappropriately removed from their homes for neglect and placed in the foster care system when more appropriate action would include the provision of support services to the family.

(2) Of the money appropriated to the department for family preservation and prevention, more specific focus shall be placed on preserving and reunifying families.

(3) As a condition for receiving appropriated money, the department and the office of the friend of the court shall work in cooperation to provide support services to families of custodial parents who have been awarded child support from a parent who is incarcerated.

(4) As part of the quarterly reports required by section 582, the department shall provide a report to the house and senate appropriations subcommittees with jurisdiction over the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the specific cultural sensitivity training and awareness efforts, family preservation and reunification efforts.

Sec. 577. From the money appropriated in part 1, the department may allow a community collaborative to use strong families safe children program funds for a prevention program that meets standards agreed upon between the community collaborative and county department offices in accordance with federal regulations regarding expenditure of strong families safe children program funds.

Sec. 578. The department and child placing agencies shall utilize a standardized assessment tool to measure the mental health treatment needs of every child supervised by the department. The department shall use the results of this assessment process to determine what services are to be provided to the child while under department supervision.

Sec. 580. The department and the department of community health shall initiate efforts to identify mental health programs and activities where the services of the 2 departments overlap, or are uncoordinated. The goal shall be to provide adequate and stable mental health services which address the need of the individual child without duplicative, confusing, or needlessly complex services. The department shall report on these coordination efforts with the department of community health during the annual budget presentations to the senate and house appropriations subcommittees with jurisdiction over the department budget.

Sec. 581. (1) The money appropriated in part 1 for adoption support services shall be used by the department of human services to increase the rates paid to private adoption agencies for all categories of adoption placements and adoption finalizations to reflect the rate schedule below:

Reimbursement Category	Placement Rate	Finalization Rate	Total Payment
Basic: More than 12 months	\$3,405	\$2,270	\$5,675
Standard: 9-12 months, statewide	\$3,538	\$2,364	\$5,902
Enhanced: 8 months, statewide	\$5,771	\$3,846	\$9,617
Premium: 5 months, statewide	\$7,371	\$4,914	\$12,285
Residential	\$8,513	\$5,676	\$14,189
MARE	\$13,094	\$8,730	\$21,824
In-state Transfer			\$1,845
Interstate: Existing Services			\$1,844
Interstate: New Services			\$3,546

(2) The additional revenue shall be used by private adoption agencies to increase staffing to a level sufficient to meet the 22:1 cases-to-worker ratio requirements for adoption workers within the children's rights settlement agreement.

Sec. 582. On the last working day of January, April, July, and November, for the preceding fiscal quarter, the department shall submit a comprehensive child welfare improvement report, compiling material required by each section of this act related to child welfare. This report will be provided to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget director and will provide an overview of the status of all initiatives the department is required to carry out by this appropriation act and the impact of those initiatives on meeting the benchmarks established in the federal child and family service review process and the requirements established in the children's rights settlement agreement. The report may include information about other initiatives of the department and its service delivery partners which support improvements in safety, permanency, and well-being for the children and families served by Michigan's child welfare system.

Sec. 583. The department shall provide to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices a report detailing the number of individuals participating as foster parents during the previous fiscal year who dropped out of the program. The report shall also provide explanatory data on the primary reasons that foster parents chose to leave the program.

Sec. 584. The department shall provide recommendations to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on families and human services, and the senate and house fiscal agencies and policy offices on changes to current state statutes that would ensure more effective communication between caseworkers and courts administering foster care cases.

Sec. 585. The department shall allow private nationally accredited foster care and adoption agencies to conduct their own staff training, based on current department policies and procedures, provided that the agency trainer and training materials are accredited by the department and that the agency documents to the department that the training was provided. The department shall provide access to any training materials requested by the private agencies to facilitate this training.

Sec. 586. The department shall request a modification of the staffing requirement imposed by the children's rights settlement agreement. The modification would permit the department to ensure that 75% of purchase of service monitors will have a caseload of no more than 100 cases in fiscal year 2009-2010.

Sec. 587. (1) The appropriation in part 1 for the child care fund in-home care incentive program shall be used to encourage counties to increase the number of children in the child welfare and juvenile justice systems receiving in-home care services as opposed to out-of-home placements. Funds shall cover the costs of in-home care services that are eligible for temporary assistance for needy families funding. To receive reimbursement under the program, a county shall document that expenditures for in-home care services for the fiscal year ending September 30, 2009 exceeded those of the prior year. Each county shall receive reimbursement from the department in an amount equal to 75% of the documented increase in in-home care expenditures. However, if the amount of eligible expenditures claimed by all counties exceeds the appropriation in part 1, each county will receive a prorated share of its documented increase in in-home care expenditures. Each county shall provide for the remaining 25% of costs from its child care fund.

(2) To participate in the child care fund in-home care incentive program, a county shall submit to the department by December 15 of each year, in a manner determined by the department, a report outlining its proposed budget for the incentive program for the current fiscal year and an overview of measures to be used to monitor outcomes for youth receiving services under the program. The department must approve a final report by the following February 15 for the county to be eligible for program reimbursement.

#### **PUBLIC ASSISTANCE**

Sec. 601. (1) The department may terminate a vendor payment for shelter upon written notice from the appropriate local unit of government that a recipient's rental unit is not in compliance with applicable local housing codes or when the

landlord is delinquent on property tax payments. A landlord shall be considered to be in compliance with local housing codes when the department receives from the landlord a signed statement stating that the rental unit is in compliance with local housing codes and that statement is not contradicted by the recipient and the local housing authority. The department shall terminate vendor payments if a taxing authority notifies the department that taxes are delinquent.

(2) Whenever a client agrees to the release of his or her name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been requested meets applicable local housing codes. Vendoring shall be terminated for those units that the local authority indicates in writing do not meet local housing codes until such time as the local authority indicates in writing that local housing codes have been met.

(3) In order to participate in the rent vendoring programs of the department, a landlord shall cooperate in weatherization and conservation efforts directed by the department or by an energy provider participating in an agreement with the department when the landlord's property has been identified as needing services.

Sec. 603. (1) The department, as it determines is appropriate, shall enter into agreements with energy providers by which cash assistance recipients and the energy providers agree to permit the department to make direct payments to the energy providers on behalf of the recipient. The payments may include heat and electric payment requirements from recipient grants and amounts in excess of the payment requirements.

(2) The department shall establish caps for natural gas, wood, electric heat service, deliverable fuel heat services, and for electric service based on available federal funds.

(3) The department shall review and adjust the standard utility allowance for the state food assistance program to ensure that it reflects current energy costs in the state.

Sec. 604. (1) The department shall operate a state disability assistance program. Except as provided in subsection (3), persons eligible for this program shall include needy citizens of the United States or aliens exempted from the supplemental security income citizenship requirement who are at least 18 years of age or emancipated minors meeting 1 or more of the following requirements:

(a) A recipient of supplemental security income, social security, or medical assistance due to disability or 65 years of age or older.

(b) A person with a physical or mental impairment which meets federal supplemental security income disability standards, except that the minimum duration of the disability shall be 90 days. Substance abuse alone is not defined as a basis for eligibility.

(c) A resident of an adult foster care facility, a home for the aged, a county infirmary, or a substance abuse treatment center.

(d) A person receiving 30-day postresidential substance abuse treatment.

(e) A person diagnosed as having acquired immunodeficiency syndrome.

(f) A person receiving special education services through the local intermediate school district.

(g) A caretaker of a disabled person as defined in subdivision (a), (b), (e), or (f) above.

(2) Applicants for and recipients of the state disability assistance program shall be considered needy if they:

(a) Meet the same asset test as is applied to applicants for the family independence program.

(b) Have a monthly budgetable income that is less than the payment standards.

(3) Except for a person described in subsection (1)(c) or (d), a person is not disabled for purposes of this section if his or her drug addiction or alcoholism is a contributing factor material to the determination of disability. "Material to the determination of disability" means that, if the person stopped using drugs or alcohol, his or her remaining physical or mental limitations would not be disabling. If his or her remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the person may receive state disability assistance. Such a person must actively participate in a substance abuse treatment program, and the assistance must be paid to a third party or through vendor payments. For purposes of this section, substance abuse treatment includes receipt of inpatient or outpatient services or participation in alcoholics anonymous or a similar program.

(4) A refugee or asylee who loses his or her eligibility for the federal supplemental security income program by virtue of exceeding the maximum time limit for eligibility as delineated in 8 USC 1612 and who otherwise meets the eligibility criteria under this section shall be eligible to receive benefits under the state disability assistance program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities shall be the same as the prevailing supplemental security income rate under the personal care category.

Sec. 606. County department offices shall require each recipient of family independence program and state disability assistance who has applied with the social security administration for supplemental security income to sign a contract to repay any assistance rendered through the family independence program or state disability assistance program upon receipt of retroactive supplemental security income benefits.

Sec. 607. The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues shall not be limited to recoveries and accruals pertaining to state disability assistance, or family independence assistance grant payments provided only in the current fiscal year, but shall include all related net recoveries received during the current fiscal year.

Sec. 608. Adult foster care facilities providing domiciliary care or personal care to residents receiving supplemental security income or homes for the aged serving residents receiving supplemental security income shall not require those residents to reimburse the home or facility for care at rates in excess of those legislatively authorized. To the extent permitted by federal law, adult foster care facilities and homes for the aged serving residents receiving supplemental security income shall not be prohibited from accepting third-party payments in addition to supplemental security income provided that the payments are not for food, clothing, shelter, or result in a reduction in the recipient's supplemental security income payment.

Sec. 609. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced during the current fiscal year. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

Sec. 610. In developing good cause criteria for the state emergency relief program, the department shall grant exemptions if the emergency resulted from unexpected expenses related to maintaining or securing employment.

Sec. 611. A provider of indigent burial services may collect additional payment from relatives or other persons on behalf of the deceased if the total additional payment does not exceed \$4,000.00.

Sec. 612. For purposes of determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if their total housing obligation does not exceed 75% of their total net income.

Sec. 613. (1) From the money appropriated in part 1 for indigent burial, the maximum allowable reimbursement limit for indigent burials shall be \$700.00, which shall be distributed as follows:

- (a) \$455.00 to the funeral director.
- (b) \$145.00 to the cemetery or crematorium.
- (c) \$100.00 to the provider of the vault.

(2) The department shall continue to work with funeral directors to establish a regional or statewide pilot program that would include the following elements:

(a) From the money appropriated in part 1 for indigent burial, the department shall provide for the direct cremation of bodies of indigent persons that are not claimed by a person who has the right to control the disposition of the body.

(b) The department may select through competitive bidding funeral directors in each county or region of the state to supervise the disposition of unclaimed bodies.

(c) Until contracts based upon competitive bidding under subdivision (b) are entered into, the payment to a funeral director for these services shall be \$800.00 plus mileage reimbursement for transportation costs at the standard rate established by the department of management and budget for travel reimbursement for nonstate vehicles plus the cost of the cremation permit.

(d) The department may deviate from the payment limits established in subsection (1) and section 611 in making payments under the pilot program.

(e) The department shall provide periodical reports to the senate and house of representatives appropriations subcommittees with jurisdiction over the department budget regarding the pilot program's caseload and expenditures.

Sec. 614. The funds available in part 1 for burial services shall be available if the deceased was an eligible recipient and an application for emergency relief funds was made within 10 business days of the burial or cremation of the deceased person. Each provider of burial services shall be paid directly by the department.

Sec. 615. Except as required by federal law or regulations, funds appropriated in part 1 shall not be used to provide public assistance to a person who is an illegal alien. This section shall not prohibit the department from entering into contracts with food banks, emergency shelter providers, or other human services agencies who may, as a normal part of doing business, provide food or emergency shelter.

Sec. 617. In operating the family independence program with funds appropriated in part 1, the department shall not approve as a minor parent's adult supervised household a living arrangement in which the minor parent lives with his or her partner as the supervising adult.

Sec. 618. The department may only reduce, terminate, or suspend assistance provided under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, without prior notice in 1 or more of the following situations:

- (a) The only eligible recipient has died.
- (b) A recipient member of a program group or family independence assistance group has died.
- (c) A recipient child is removed from his or her family home by court action.
- (d) A recipient requests in writing that his or her assistance be reduced, terminated, or suspended.
- (e) A recipient has been approved to receive assistance in another state.
- (f) A change in either state or federal law that requires automatic grant adjustments for classes of recipients.
- (g) The only eligible recipient in the household has been incarcerated.
- (h) A recipient is no longer a Michigan resident.
- (i) A recipient is closed on 1 case to be activated on another.
- (j) Federal payments (other than RSDI, railroad retirement, or VA) to the group have begun or increased.

(k) A recipient is disqualified for intentional program violation.

(l) When the department's negative action is upheld in an administrative hearing.

Sec. 619. The department shall exempt from the denial of title IV-A assistance and food assistance benefits, contained in 21 USC 862a, any individual who has been convicted of a felony that included the possession, use, or distribution of a controlled substance, after August 22, 1996, provided that the individual is not in violation of his or her probation or parole requirements. Benefits shall be provided to such individuals as follows:

(a) A third-party payee or vendor shall be required for any cash benefits provided.

(b) An authorized representative shall be required for food assistance receipt.

Sec. 621. Funds appropriated in part 1 may be used to support multicultural integration and support services. The department shall distribute all of the funds described in this section based on assessed community needs.

Sec. 631. The department shall maintain policies and procedures to achieve all of the following:

(a) The identification of individuals on entry into the system who have a history of domestic violence, while maintaining the confidentiality of that information.

(b) Referral of persons so identified to counseling and supportive services.

(c) In accordance with a determination of good cause, the waiving of certain requirements of family independence programs where compliance with those requirements would make it more difficult for the individual to escape domestic violence or would unfairly penalize individuals who have been victims of domestic violence or who are at risk of further domestic violence.

Sec. 635. Within 24 hours of receiving all information necessary to process an application for payments for child day care, the department shall determine whether the child day care provider to whom the payments, if approved, would be made, is listed on the child abuse and neglect central registry. If the provider is listed on the central registry, the department shall immediately send written notice denying the applicant's request for child day care payments.

Sec. 640. (1) From the funds appropriated in part 1 for day care services, the department may continue to provide infant and toddler incentive payments to child day care providers serving children from 0 to 2-1/2 years of age who meet licensing or training requirements.

(2) The use of the funds under this section should not be considered an ongoing commitment of funding.

Sec. 643. As a condition of receipt of federal TANF funds, homeless shelters and human services agencies shall collaborate with the department to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless programs, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters or human services agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 645. An individual or family is considered homeless, for purposes of eligibility for state emergency relief, if living temporarily with others in order to escape domestic violence. For purposes of this section, domestic violence is defined and verified in the same manner as in the department's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 653. From the funds appropriated in part 1 for food assistance, an individual who is the victim of domestic violence and does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. This exemption can be extended an additional 3 months upon demonstration of continuing need.

Sec. 657. (1) The department shall allocate \$3,000,000.00 for the operation of a statewide before- or after-school program targeted to children in kindergarten through ninth grade. Eligible programs must serve geographic areas near school buildings that do not meet federal no child left behind annual yearly progress (AYP) requirements and that include the before- or after-school programs in the AYP plans as a means to improve outcomes and serve children living in households with income below 200% of the federal poverty guidelines as established by the United States department of health and human services.

(2) The department shall give priority to before- and after-school programs that operate in areas with a marked increase in gang violence as defined by the United States attorney's office.

Sec. 659. The department may provide staff support to the Kent school services network to assist in addressing the multiple needs of children and families at community schools. The department may also participate in the expansion of this program in Kent County as well as other areas of the state that may use the Kent school services network program as a model.

Sec. 660. From the funds appropriated in part 1 for food bank funding, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. The agencies that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive allocations in excess of those received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Sec. 665. The department shall partner with the department of transportation and may partner with other entities to use TANF and other sources of available funding to support public transportation needs of TANF-eligible individuals. This partnership shall place a priority on transportation needs for employment or seeking employment or medical or health-related transportation.

Sec. 666. The department shall continue efforts to increase the participation of eligible family independence program recipients in the federal and state earned income tax credit.

Sec. 669. (1) The department shall distribute cash and food assistance to recipients electronically by using debit or purchasing cards.

(2) The department shall allocate up to \$7,167,500.00 for the annual clothing allowance. The allowance shall be granted to all eligible children as defined by the department.

(3) The department shall take steps to inform family independence program recipients eligible for the allowance under subsection (2) that the money is to be used for clothing for eligible children.

Sec. 670. (1) From the money appropriated in part 1 for family independence program supplement, the department shall allocate no less than \$5,583,500.00 for a 1-time supplement for clothing expenses. The allowance shall be granted to all eligible children as defined by the department.

(2) The department shall distribute the supplement in subsection (1) to recipients electronically by using debit or purchasing cards.

(3) The department shall take steps to inform recipients of the 1-time supplement in subsection (1) that the money is to be used for clothing for eligible children and that the supplement is a 1-time payment.

Sec. 673. The department shall immediately send notification to a client participating in the state child day care program and his or her child day care provider if the client's eligibility is reduced or eliminated.

Sec. 674. (1) The department shall continue administrative efforts to reduce waste, fraud, and abuse within the child day care program. Beginning December 31 of the current fiscal year, the department shall report annually to the senate and house appropriations subcommittees for the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the estimated impact of efforts to reduce inappropriate payments through the child day care program.

(2) The department may contract with a private entity to utilize information technology or other methods of management and oversight of child day care payments to ensure that payments made through the child day care program are accurate and appropriate.

Sec. 675. (1) The department shall establish a 1-time basic training requirement for all enrolled day care aides and relative care providers. All enrolled providers will be required to complete the basic training requirement in order to be eligible for state day care reimbursement payments.

(2) The department shall ensure that additional annual training beyond the basic training requirement is available for enrolled providers and shall make enhanced reimbursement payments to enrolled providers who complete at least 10 hours of optional annual training as outlined in subsection (3).

(3) From the money appropriated in part 1 for regulated day care services and unregulated day care services, the department shall make payments to child care providers in accordance with the provisions of this subsection. The maximum hourly rates paid to child care providers shall vary depending upon provider type and the age of the child in care as outlined below:

(a) For children up to 2-1/2 years old, the maximum hourly rate shall be as follows:

(i) For child care centers, \$3.75.

(ii) For family child care homes and group child care homes, \$2.90.

(iii) For enrolled providers who complete 10 hours of annual training, \$1.85.

(iv) For enrolled providers who do not complete 10 hours of annual training, \$1.60.

(b) For children over the age of 2-1/2 years, the maximum hourly rate shall be as follows:

(i) For child care centers, \$2.50.

(ii) For family child care homes and group child care homes, \$2.40.

(iii) For enrolled providers who complete 10 hours of annual training, \$1.85.

(iv) For enrolled providers who do not complete 10 hours of annual training, \$1.60.

(4) The department shall establish policies and rules for determining eligibility for the enhanced reimbursement payments to enrolled providers who complete 10 hours of annual training and shall ensure that the policies and rules are communicated to all enrolled providers that receive state reimbursement payments.

Sec. 676. (1) The department shall collaborate with the state board of education to extend the duration of the Michigan after-school partnership and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2003.

(2) From the funds appropriated in part 1, \$25,000.00 shall be used to support the Michigan after-school partnership and to leverage other private and public funding to engage the public and private sectors in building and sustaining high-quality out-of-school-time programs and resources. The co-chairs shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.

(3) Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the senate and house committees on appropriations, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 677. The department shall establish a state goal for the percentage of family independence program (FIP) cases involved in employment activities. The percentage established shall not be less than 50%. On a monthly basis, the department shall report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget director on the current percentage of FIP cases involved in JET employment activities. If the FIP case percentage is below the goal for more than 2 consecutive quarters, the department shall develop a plan to increase the percentage of FIP cases involved in employment-related activities. The department shall deliver the plan during the next annual budget presentation to the senate and house appropriations subcommittees on the department budget.

Sec. 678. (1) The department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the early childhood investment corporation (ECIC). The report is due by February 15 of each year and shall contain at least the following information:

- (a) Detail of the amounts of grants awarded.
- (b) The grant recipients.
- (c) The activities funded by each grant.
- (d) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All ECIC contracts for comprehensive systems planning shall be bid out through a statewide request-for-proposal process.

Sec. 681. The department shall work in collaboration with grocers, distributors, and merchants on effective education of food assistance recipients to ensure adequate notice of changes in the food assistance benefits distribution. The department shall update the senate and house appropriations subcommittees on the department budget and standing committees for human services on the progress and issues raised by this change in distribution.

Sec. 682. The department shall notify the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy staffs regarding the JET program savings for the previous fiscal year and the details on the proposed use of that money.

Sec. 683. (1) From the funds appropriated in part 1 for SSI advocacy, \$1,275,000.00 shall be paid to the Michigan state bar foundation for SSI advocacy services provided by the legal services association of Michigan. A payment of \$400.00 shall be made for each case referred to the legal services association of Michigan, with a final payment of \$250.00 on case completion.

(2) The department shall not provide payment to the legal services association of Michigan for assisting a recipient to submit a frivolous appeal or application or for assisting a recipient who has submitted multiple applications that have been denied regarding the same disability, unless the legal services association of Michigan determines that there is a valid reason to pursue an appeal.

Sec. 685. (1) Not later than March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house appropriations subcommittees with jurisdiction over the department of community health budget, on the number of recipients that applied for Medicaid coverage, the number of recipients that were approved for Medicaid coverage, and the number of recipients that were denied Medicaid coverage. The report shall describe these statistics comparing the current and previous fiscal years and summarize department programs to assist persons in applying for Medicaid.

(2) Not later than March 1 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees with jurisdiction over the department budget, and to the senate and house subcommittees with jurisdiction over the department of community health budget, on the number of applicants for home help services. The department shall give a summary report on the number of approved applications, denied applications, pending applications, and the number of applications in which the applicant was eligible for nursing home services.

Sec. 686. (1) The department shall ensure that program policy requires caseworkers to confirm that individuals presenting personal identification issued by another state seeking assistance through the family independence program, food assistance program, state disability assistance program, or medical assistance program are not receiving benefits from any other state.

(2) The department shall explore changes in program policies to ensure that caseworkers confirm the address provided by any individual seeking family independence program benefits or state disability assistance benefits.

(3) The department shall explore changes in program policy that would ensure that individuals with property assets assessed at a value higher than \$500,000.00 would not be able to access assistance through department-administered programs.

(4) The department shall modify program policy to ensure that caseworkers request an up-to-date telephone number during the eligibility determination or redetermination process for individuals seeking medical assistance benefits. On a



monthly basis, the department shall provide the department of community health an updated list of telephone numbers for medical assistance recipients.

Sec. 688. The department in conjunction with Michigan works! shall examine and report on the incidence of reported barriers among families terminated from the family independence program because of noncompliance with work-related requirements. The report shall be submitted to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget director by April 1 of the current fiscal year.

Sec. 690. Child care centers, child care group homes, and child care family homes that are licensed or registered with the department may report to the department on a quarterly basis on the number of vacancies they have with regard to children in their care. Vacancy information may be reported more frequently to the department on a voluntary basis.

Sec. 691. The department may choose not to distribute public assistance or subsidies to the parent or parents of school-age children if that parent or those parents have not signed a parent, student, teacher compact outlining the role of each party in the educational success of the student as required by the federal no child left behind act of 2001, Public Law 107-110.

Sec. 695. The funds appropriated in part 1 for food assistance program benefits (ARRA) that are financed by federal funds designated as ARRA funding represent federal funds associated with the American recovery and reinvestment act of 2009, Public Law 111-5. These federal funds are temporary in nature.

### **JUVENILE JUSTICE SERVICES**

Sec. 705. (1) The department, in conjunction with private juvenile justice residential programs, shall develop a methodology for measuring goals, objectives, and performance standards for the delivery of juvenile justice residential programs based on national standards and best practices. The department will provide a unified data collection mechanism to ensure consistent reporting of aggregate case information from the courts. These goals, objectives, and performance standards shall apply to both public and private delivery of juvenile justice residential programs, and data shall be collected from both private and public juvenile justice residential programs that can be used to evaluate performance achievements, including, but not limited to, the following:

- (a) Admission and release data and other information related to demographics of population served.
- (b) Program descriptions and information related to treatment, educational services, and conditions of confinement.
- (c) Program outcomes including recidivism rates for youth served by the facility.
- (d) Trends in census and population demographics.
- (e) Staff and resident safety.
- (f) Facility profile.

(2) The department during the annual budget presentation shall outline the progress of the development of the goals, objectives, and performance standards, as well as the information collected through the implementation of the performance measurement program. The presentation shall include all of the following:

- (a) Actual cost and actual days of care by facility for the most recently completed fiscal year. This report shall also include the actual number of youth served as well as demographic information.
- (b) Actual cost per day per youth by facility for the most recently completed fiscal year.
- (c) An analysis of the variance between the estimated cost and days of care assumed in the original appropriation and the figures in subdivisions (a) and (b).
- (d) Both the number of authorized FTE positions for each facility and the number of actual on-board FTE positions for the most recently completed fiscal year.

Sec. 706. Counties shall be subject to 50% chargeback for the use of alternative regional detention services, if those detention services do not fall under the basic provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates those detention services programs primarily with professional rather than volunteer staff.

Sec. 707. In order to be reimbursed for child care fund expenditures, counties are required to submit department-developed reports to enable the department to document potential federally claimable expenditures. This requirement is in accordance with the reporting requirements specified in section 117a(7) of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 708. As a condition of receiving money appropriated in part 1 for the child care fund line item, by February 15 of the current fiscal year, counties shall have an approved service spending plan for the current fiscal year. Counties must submit the service spending plan to the department by December 15 of the current fiscal year for approval.

Sec. 717. (1) If funds become available, the department shall contract with a state university to conduct a behavioral health study of juvenile justice facilities operated or contracted for by the state. The study shall utilize diagnostic clinical interviews with and records reviews for a representative random sample of juvenile justice system detainees to develop a report on each of the following:

- (a) The proportion of juvenile justice detainees with a primary diagnosis of emotional disorder, the percentage of those detainees considered to currently require mental health treatment, and the proportion of those detainees currently

receiving mental health services, including a description and breakdown, encompassing, at a minimum, the categories of inpatient, residential, and outpatient care, of the type of mental health services provided to those detainees.

(b) The proportion of juvenile justice detainees with a primary diagnosis of addiction disorder, the percentage of those detainees considered to currently require substance abuse treatment, and the proportion of those detainees currently receiving substance abuse service, including a description and breakdown, encompassing, at a minimum, the categories of residential and outpatient care, of the type of substance abuse services provided to those detainees.

(c) The proportion of juvenile justice detainees with a dual diagnosis of emotional disorder and addiction disorder, the percentage of those detainees considered to currently require treatment for their condition, and the proportion of those detainees currently receiving that treatment, including a description and breakdown, encompassing, at a minimum, the categories of mental health inpatient, mental health residential, mental health outpatient, substance abuse residential, and substance abuse outpatient, of the type of treatment provided to those detainees.

(d) Data indicating whether juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder were previously hospitalized in a state psychiatric hospital for persons with mental illness. These data shall be broken down according to each of these 3 respective categories.

(e) Data indicating whether and with what frequency juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder have been detained previously. These data shall be broken down according to each of these 3 respective categories.

(f) Data classifying the types of offenses historically committed by juvenile justice detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder. These data shall be broken down according to each of these 3 respective categories.

(g) Data indicating whether juvenile justice detainees have previously received services managed by a community mental health program or substance abuse coordinating agency. These data shall be broken down according to the respective categories of detainees with a primary diagnosis of emotional disorder, a primary diagnosis of addiction disorder, and a dual diagnosis of emotional disorder and addiction disorder.

(2) The report referenced under subsection (1) would be provided not later than June 30 of the current fiscal year to the senate and house appropriations subcommittees on human services, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 719. The department shall notify the legislature at least 30 days before closing or making any change in the status, including the licensed bed capacity and operating bed capacity, of a state juvenile justice facility.

Sec. 720. (1) The department shall implement the recommendations on a methodology for measuring goals, objectives, and performance standards developed in conjunction with private providers of juvenile justice residential programs required in section 705 of 2004 PA 344.

(2) The department shall allocate money to public and private providers of juvenile justice services based on their ability to demonstrate results in all of the following:

- (a) Lower recidivism rates.
- (b) Higher school completion rates or GED completion rates.
- (c) Shorter average stays in a residential facility.
- (d) Lower average actual cost per resident.
- (e) Availability of appropriate services to residents.

(3) The department shall comply with section 1150 of the social welfare act, 1939 PA 280, MCL 400.1150, regarding placement of juvenile offenders, and shall refer to that statutory requirement in making referral recommendations to courts for secure residential programs.

Sec. 721. The department shall report to the house and senate appropriations subcommittees on the department budget by October 1 of the current fiscal year on the placement of juvenile offenders who need services in community-based or privately operated facilities.

Sec. 723. A private provider of juvenile services may receive funding for both secure and nonsecure services if the provider has appropriate services for each security level and adequate measures to physically separate residents of each security level.

Sec. 726. (1) Beginning October 1, 2007, from the money appropriated in part 1 for foster care payments and child care fund, the department shall not enter into or maintain a contract with a for-profit provider of residential services for juvenile justice and abused or neglected youth, or with a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, unless the provider was licensed on or before August 1, 2007 and, if the provider is a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, the contract between the provider and the for-profit group or organization existed prior to August 1, 2007.

- (2) A provider shall not receive a daily rate below \$130.00.

Sec. 730. The department shall review and may adjust daily per diem rates to private providers of juvenile justice services in recognition of added complex services.

Sec. 732. The department shall ensure that staff employed at Nokomis challenge center or community juvenile justice facility closed in the current fiscal year appropriation process be given priority for new staff positions that they are qualified to fulfill that are funded in the current fiscal year appropriation to meet the requirements of the children's rights settlement agreement.

#### **LOCAL OFFICE SERVICES**

Sec. 750. The department shall maintain out-stationed eligibility specialists in community-based organizations, nursing homes, and hospitals.

Sec. 751. (1) From the funds appropriated in part 1, the department may implement school-based family resource centers based on the following guidelines:

(a) The center is supported by the local school district.

(b) The programs and information provided at the center do not conflict with sections 1169, 1507, and 1507b of the revised school code, 1976 PA 451, MCL 380.1169, 380.1507, and 380.1507b.

(c) Notwithstanding subdivision (b), the center shall provide information regarding crisis pregnancy centers or adoption service providers in the area.

(2) The department shall notify the senate and house subcommittees on the department budget, the senate and house fiscal agencies and policy offices, and the state budget office of family resource center expansion efforts and shall provide all of the following at the beginning of the selection process or no later than 5 days after eligible schools receive opportunity notification:

(a) A list of eligible schools.

(b) The selection criteria to be used.

(c) The projected number to be opened.

(d) The financial implications for expansion, including funding sources.

Sec. 752. If sufficient funding becomes available from local sources, the department shall support the operation of 2 additional family resource centers in Genesee County, 3 additional family resource centers in Kent County, and 1 additional family resource center in Ingham County.

Sec. 753. The department shall implement the recommendations of the 2004 public private partnership initiative's training committee to define, design, and implement a train-the-trainer program to certify private agency staff to deliver child welfare staff training, explore the use of e-learning technologies, and include consumers in the design and implementation of training. The intent of the legislature is to reduce training and travel costs for both the department and the private agencies. The department shall report no later than December 1 of the current fiscal year on each specific policy change made to implement enacted legislation and the plans to implement the recommendations, including timelines, to the senate and house appropriations subcommittees on the department budget, the senate and house standing committees on human services matters, the senate and house fiscal agencies and policy offices, and the state budget director.

Sec. 754. From the money appropriated in part 1, the department shall provide \$850,000.00 to establish a customer service resource center.

#### **DISABILITY DETERMINATION SERVICES**

Sec. 801. The department disability determination services in agreement with the department of management and budget office of retirement systems will develop the medical information and make recommendations for medical disability retirement for state employees, state police, judges, and schoolteachers.

#### **CHILD SUPPORT ENFORCEMENT**

Sec. 901. (1) The appropriations in part 1 assume a total federal child support incentive payment of \$26,500,000.00.

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

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

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

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

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

Sec. 902. (1) The department shall continue its work to fix and improve the child support computer system using the funding carried forward from prior fiscal years.

(2) The department shall consult with the department of treasury and any outside consultant with collections expertise under contract with the department of treasury to develop a plan to maximize the collection of child support and child support arrearage settlement for the purposes of this section.

(3) The department, through the child support leadership group, shall provide semiannual reports to the legislature concerning money expended and improvements made as a result of this section.

Sec. 903. The department may facilitate with the department of community health a program under which the departments independently or jointly contract with local friend of the court offices to update and maintain the child support statewide database with health insurance information in cases in which the court has ordered a party to the case to maintain health insurance coverage for the minor child or children involved in the case and to assist in the recovery of money paid by the state for health care costs that are otherwise recoverable from a party to the case. The program shall be in addition to a program or programs under existing contract between either or both of the departments with a private entity on September 1 of the current fiscal year. The program shall be entirely funded with state and federal funds from money first recovered or through costs that are avoided by charging the insurance coverage for minor children from state programs to private insurance.

Sec. 904. The department is prohibited from charging back to the counties any of the fees paid that are charged by the internal revenue service or the department of treasury related to the tax intercept and offset programs. The state share of those fees shall be paid from money otherwise provided for office of child support programs.

Sec. 907. The office of child support in cooperation with the state court administrative office shall establish a pilot program to examine the effectiveness of contracting with a public or private collection agency as authorized under section 10 of the office of child support act, 1971 PA 174, MCL 400.240. The pilot program shall be implemented during the current fiscal year. Any restricted revenue collected pursuant to this section shall not be expended until the department and representatives from counties and the friends of the court meet and agree upon recommendations for use of the revenue. The revenue is subject to appropriation by the legislature.

Sec. 908. From the money appropriated in part 1 for child support enforcement operations, \$500,000.00 shall be expended on a contract to collect child support arrearages. Cases shall be assigned to a contractor with the goal that at least 15% of collected arrearages be owed to this state on behalf of current or former TANF recipients. The contractor shall be allowed to retain up to 15% of arrearages collected as a fee for services. By September 30 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the house and senate policy offices on the following contract results:

- (a) Number of cases assigned to the contractor.
- (b) Number of cases in which the contractor successfully collected on arrearages.
- (c) Total arrearages collected.
- (d) Total arrearages collected that were owed to this state as reimbursement for public assistance.
- (e) Total amount retained by the contractor.

Sec. 909. (1) If statewide retained child support collections exceed \$38,300,000.00, 75% of the amount in excess of \$38,300,000.00 is appropriated to legal support contracts. This excess appropriation may be distributed to eligible counties to supplement and not supplant county title IV-D funding.

(2) Each county whose retained child support collections in the current fiscal year exceed its fiscal year 2004-2005 retained child support collections, excluding tax offset and financial institution data match collections in both the current year and fiscal year 2004-2005, shall receive its proportional share of the 75% excess.

(3) Payments to counties participating in projects pursuant to section 907 shall be reduced by the amount paid to the vendor. This authorization adjustment shall be made upon notification of the chairs of the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget director.

Sec. 910. If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. This budget adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with federal regulations at 45 CFR 304.50.

Sec. 911. (1) The department will implement a \$25.00 annual fee pursuant to title IV-D, section 454(6)(B)(ii), of the social security act, 42 USC 651. The fee shall be deducted from support collected on behalf of the individual. Fee revenues shall be used to administer and operate the child support program under part D of title IV of the social security act.

(2) The department shall provide the chairs of the senate and house appropriations committees with model legislation authorizing a \$25.00 annual fee pursuant to title IV-D, 42 USC 654(6)(B) by December 31 of the current fiscal year.

#### **COMMUNITY ACTION AND ECONOMIC OPPORTUNITY**

Sec. 1101. Not later than September 30 of each year, the department shall submit for public hearing to the chairpersons of the house and senate appropriations subcommittees dealing with appropriations for the department budget the proposed use and distribution plan for community services block grant funds appropriated in part 1 for the succeeding fiscal year.

Sec. 1102. The department shall develop a plan based on recommendations from the department of civil rights and from Native American organizations to assure that the community services block grant funds are equitably distributed. The plan must be developed by October 31 of the current fiscal year, and the plan shall be delivered to the appropriations subcommittees on the department budget in the senate and house, the senate and house fiscal agencies, and the state budget director.

Sec. 1104. The department shall award up to \$500,000.00 in competitive grants to organizations based on their education and outreach with the earned income tax credit (EITC). Organizations shall be given preference based on their emphasis on clients who have never filed for the EITC, clients with children, and clients for whom receipt of the EITC will make it easier for them to move off public assistance.

**FEDERAL ARRA STIMULUS**

Sec. 1201. The funds appropriated in part 1 for elder law of Michigan food for the elderly (ARRA) shall be distributed to the center for civil justice to enhance its outreach efforts aimed at increasing the participation of low-income families in the food assistance program.

Sec. 1202. The funds appropriated in part 1 for food bank funding (ARRA) shall be distributed to the food bank council of Michigan to assist Michigan food banks in collaborating with anti-hunger partners in outreach aimed at increasing the participation of low-income families in the food assistance program.

Sec. 1203. From the money appropriated in part 1, the department shall expend \$100.00 to hire 200 limited-term eligibility specialists to address rising caseloads and client applications for assistance, particularly for Medicaid and food assistance.

Sec. 1204. From the money appropriated in part 1, the department may expend \$100.00 of federal child care and development fund revenue for any of the following:

- (a) Child care provider rate increases.
- (b) Child care provider training.
- (c) ECIC expansion.
- (d) Zero to 3 expansion.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of human services and certain state purposes related to public welfare services for the fiscal year ending September 30, 2010; to provide for the expenditure of the appropriations; to create funds; to provide for the imposition of fees; to provide for reports; to provide for the disposition of fees and other income received by the state agency; and to provide for the powers and duties of certain individuals, local governments, and state departments, agencies, and officers.

Bill Hardiman  
 Roger Kahn  
 Conferees for the Senate

Dudley Spade  
 Rashida Tlaib  
 David Agema  
 Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

Rep. Angerer moved pursuant to Joint Rule 9, that the Journal printing requirement be suspended, printed copies of the conference report having been made available to each Member.

The motion prevailed.

The question being on the adoption of the conference report,

The conference report was then adopted, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 468**

**Yeas—69**

Agema	DeShazor	Kowall	Pavlov
Amash	Dillon	Kurtz	Pearce
Angerer	Donigan	Lahti	Proos
Ball	Elsenheimer	LeBlanc	Rocca
Bledsoe	Espinoza	Leland	Rogers
Bolger	Genetski	Lemmons	Schmidt, R.
Booher	Green	Lori	Schmidt, W.

Brown, T.	Griffin	Lund	Schuitmaker
Byrnes	Haines	Marleau	Scott, P.
Calley	Hammel	Mayes	Scripps
Caul	Hansen	McMillin	Simpson
Constan	Haveman	Meekhof	Slezak
Corriveau	Hildenbrand	Melton	Spade
Crawford	Horn	Meltzer	Stamas
Cushingberry	Jackson	Moore	Tlaib
Daley	Jones, Rick	Moss	Tyler
Dean	Knollenberg	Opsommer	Walsh
Denby			

### Nays—39

Barnett	Gregory	Liss	Sheltrown
Bauer	Haase	McDowell	Slavens
Brown, L.	Haugh	Meadows	Smith
Byrum	Huckleberry	Miller	Stanley
Clemente	Johnson	Nathan	Switalski
Coulouris	Jones, Robert	Neumann	Valentine
Durhal	Kandrevas	Polidori	Warren
Ebli	Kennedy	Roberts	Womack
Geiss	Lindberg	Scott, B.	Young
Gonzales	Lipton	Segal	

In The Chair: Byrnes

### Second Reading of Bills

#### Senate Bill No. 777, entitled

A bill to amend 2007 PA 36, entitled “Michigan business tax act,” by amending section 434 (MCL 208.1434), as amended by 2009 PA 26.

The bill was read a second time.

Rep. Angerer moved that the bill be placed on the order of Third Reading of Bills.

The motion prevailed.

Rep. Angerer moved that the bill be placed on its immediate passage.

The motion prevailed, a majority of the members serving voting therefor.

---

Rep. Angerer moved that Rep. Cushingberry be excused temporarily from today’s session.  
The motion prevailed.

By unanimous consent the House returned to the order of

### Third Reading of Bills

#### Senate Bill No. 777, entitled

A bill to amend 2007 PA 36, entitled “Michigan business tax act,” by amending section 434 (MCL 208.1434), as amended by 2009 PA 26.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 469****Yeas—96**

Angerer	Espinoza	LeBlanc	Rocca
Ball	Geiss	Leland	Rogers
Barnett	Gonzales	Lemmons	Schmidt, R.
Bauer	Green	Lindberg	Schmidt, W.
Bolger	Gregory	Lipton	Schuitmaker
Booher	Griffin	Liss	Scott, B.
Brown, L.	Haase	Lori	Scripps
Brown, T.	Haines	Marleau	Segal
Byrnes	Hammel	Mayes	Sheltrown
Byrum	Hansen	McDowell	Simpson
Caul	Haugh	Meadows	Slavens
Clemente	Hildenbrand	Meekhof	Slezak
Constan	Horn	Melton	Smith
Corriveau	Huckleberry	Meltzer	Spade
Coulouris	Jackson	Moore	Stamas
Crawford	Johnson	Moss	Stanley
Dean	Jones, Rick	Nathan	Switalski
Denby	Jones, Robert	Neumann	Tlaib
DeShazor	Kandrevas	Opsommer	Tyler
Dillon	Kennedy	Pavlov	Valentine
Donigan	Knollenberg	Pearce	Walsh
Durhal	Kowall	Polidori	Warren
Ebli	Kurtz	Proos	Womack
Elsenheimer	Lahti	Roberts	Young

**Nays—11**

Agema	Calley	Haveman	Miller
Amash	Daley	Lund	Scott, P.
Bledsoe	Genetski	McMillin	

In The Chair: Byrnes

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement of taxes on certain commercial, business, and financial activities; to prescribe the powers and duties of public officers and state departments; to provide for the inspection of certain taxpayer records; to provide for interest and penalties; to provide exemptions, credits, and refunds; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to make appropriations,”

The House agreed to the full title.

Rep. Angerer moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

By unanimous consent the House returned to the order of

**Motions and Resolutions**

Rep. Angerer moved that when the House adjourns today it stand adjourned until Wednesday, September 30, at 8:00 a.m.

The motion prevailed.

**Reports of Select Committees**

**First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning **House Bill No. 4436, entitled**

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

Recommends:

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

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

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

PART 1

LINE-ITEM APPROPRIATIONS

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

**DEPARTMENT OF COMMUNITY HEALTH**

**APPROPRIATION SUMMARY**

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

**Sec. 102. DEPARTMENTWIDE ADMINISTRATION**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	182.2	
Director and other unclassified—6.0 FTE positions .....		\$ 598,600
Departmental administration and management—172.2 FTE positions .....		22,407,300
Worker’s compensation program .....		8,247,100
Rent and building occupancy .....		10,778,100
Developmental disabilities council and projects—10.0 FTE positions .....		2,793,500
<b>GROSS APPROPRIATION</b> .....		\$ 44,824,600
Appropriated from:		
Federal revenues:		
Total federal revenues.....		13,605,300
Special revenue funds:		
Total private revenues.....		35,200



	For Fiscal Year Ending Sept. 30, 2010
Total other state restricted revenues .....	2,366,100
State general fund/general purpose .....	\$ 28,818,000
<b>Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS</b>	
Full-time equated classified positions .....	118.5
Mental health/substance abuse program administration—117.5 FTE positions .....	\$ 14,691,200
Gambling addiction—1.0 FTE position .....	3,000,000
Protection and advocacy services support .....	194,400
Community residential and support services .....	2,136,000
Highway safety projects .....	400,000
Federal and other special projects .....	4,247,700
Family support subsidy .....	18,599,200
Housing and support services .....	9,306,800
Anti-drug abuse grants .....	8,575,000
Interdepartmental grant to judiciary for drug treatment courts .....	1,800,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 62,950,300</b>
Appropriated from:	
Federal revenues:	
Total federal revenues .....	47,800,000
Special revenue funds:	
Total private revenues .....	190,000
Total other state restricted revenues .....	3,000,000
State general fund/general purpose .....	\$ 11,960,300
<b>Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS</b>	
Full-time equated classified positions .....	9.5
Medicaid mental health services .....	\$ 1,970,775,800
Community mental health non-Medicaid services .....	287,468,000
Medicaid adult benefits waiver .....	40,000,000
Multicultural services .....	6,823,800
Medicaid substance abuse services .....	41,676,500
CMHSP, purchase of state services contracts .....	120,833,400
Civil service charges .....	1,499,300
Federal mental health block grant—2.5 FTE positions .....	15,374,900
State disability assistance program substance abuse services .....	2,243,100
Community substance abuse prevention, education, and treatment programs .....	82,592,300
Children’s waiver home care program .....	19,549,800
Nursing home PAS/ARR-OBRA—7.0 FTE positions .....	12,116,000
Children with serious emotional disturbance waiver .....	7,188,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 2,608,140,900</b>
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of human services .....	1,769,000
Federal revenues:	
Total other federal revenues .....	1,411,168,100
Federal FMAP stimulus (ARRA) .....	203,370,900
Special revenue funds:	
Total local revenues .....	25,228,900
Total other state restricted revenues .....	10,753,200
State general fund/general purpose .....	\$ 955,850,800
<b>Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES</b>	
Total average population .....	893.0
Full-time equated classified positions .....	2,590.5
Caro regional mental health center - psychiatric hospital - adult—468.3 FTE positions .....	\$ 52,809,300
Average population .....	185.0

	For Fiscal Year Ending Sept. 30, 2010
Kalamazoo psychiatric hospital - adult—483.1 FTE positions .....	51,065,700
Average population .....	189.0
Walter P. Reuther psychiatric hospital - adult—433.3 FTE positions .....	46,659,000
Average population .....	234.0
Hawthorn center - psychiatric hospital - children and adolescents—230.9 FTE positions.....	24,834,000
Average population .....	75.0
Mount Pleasant center - developmental disabilities .....	2,465,000
Center for forensic psychiatry—578.6 FTE positions.....	61,286,800
Average population .....	210.0
Forensic mental health services provided to the department of corrections—396.3 FTE positions.....	45,489,700
Revenue recapture .....	750,000
IDEA, federal special education.....	120,000
Special maintenance .....	332,500
Purchase of medical services for residents of hospitals and centers.....	445,600
Closed site, transition, and related costs .....	2,050,100
Gifts and bequests for patient living and treatment environment .....	1,000,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 289,307,700</b>
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of corrections.....	45,489,700
Federal revenues:	
Total other federal revenues .....	30,633,400
Federal FMAP stimulus (ARRA).....	3,382,200
Special revenue funds:	
CMHSP, purchase of state services contracts.....	120,833,400
Other local revenues .....	16,928,200
Total private revenues.....	1,000,000
Total other state restricted revenues .....	12,331,700
State general fund/general purpose .....	<b>\$ 58,709,100</b>
<b>Sec. 106. PUBLIC HEALTH ADMINISTRATION</b>	
Full-time equated classified positions .....	92.7
Public health administration—8.3 FTE positions.....	<b>\$ 1,631,300</b>
Minority health grants and contracts—3.0 FTE positions .....	1,100,400
Promotion of healthy behaviors.....	2,375,900
Vital records and health statistics—81.4 FTE positions .....	10,392,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 15,499,600</b>
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of human services.....	1,123,900
Federal revenues:	
Total federal revenues.....	5,236,900
Special revenue funds:	
Total private revenues.....	1,700,000
Total other state restricted revenues .....	6,116,000
State general fund/general purpose .....	<b>\$ 1,322,800</b>
<b>Sec. 107. HEALTH POLICY, REGULATION, AND PROFESSIONS</b>	
Full-time equated classified positions .....	420.6
Health systems administration—193.6 FTE positions .....	<b>\$ 20,644,300</b>
Emergency medical services program state staff—8.5 FTE positions .....	1,495,000
Radiological health administration—21.4 FTE positions.....	2,947,400
Emergency medical services grants and services .....	660,000
Health professions—147.0 FTE positions .....	24,598,200
Background check program—5.5 FTE positions .....	2,681,000
Health policy, regulation, and professions administration—25.2 FTE positions .....	2,985,800
Nurse scholarship, education, and research program—3.0 FTE positions.....	1,718,300

	For Fiscal Year Ending Sept. 30, 2010
Certificate of need program administration—14.0 FTE positions .....	1,955,700
Rural health services—1.0 FTE position .....	1,405,700
Michigan essential health provider.....	1,325,100
Primary care services—1.4 FTE positions .....	2,318,800
Primary care services (ARRA).....	130,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 64,865,300</b>
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of treasury, Michigan state hospital finance authority.....	116,300
Federal revenues:	
Total other federal revenues .....	23,123,000
Federal revenues (ARRA) .....	130,000
Special revenue funds:	
Total local revenues.....	227,700
Total private revenues.....	455,000
Total other state restricted revenues .....	31,606,600
State general fund/general purpose .....	<b>\$ 9,206,700</b>
<b>Sec. 108. INFECTIOUS DISEASE CONTROL</b>	
Full-time equated classified positions .....	51.7
AIDS prevention, testing, and care programs—12.7 FTE positions .....	<b>\$ 41,367,600</b>
Immunization local agreements.....	13,990,300
Immunization program management and field support—15.0 FTE positions.....	2,035,500
Pediatric AIDS prevention and control—1.0 FTE position.....	1,226,400
Sexually transmitted disease control local agreements .....	3,360,700
Sexually transmitted disease control management and field support—23.0 FTE positions .....	3,716,500
Infectious disease control (ARRA) .....	2,822,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 68,519,700</b>
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	42,128,500
Federal revenues (ARRA) .....	2,822,700
Special revenue funds:	
Total private revenues.....	10,873,600
Total other state restricted revenues .....	9,535,200
State general fund/general purpose .....	<b>\$ 3,159,700</b>
<b>Sec. 109. LABORATORY SERVICES</b>	
Full-time equated classified positions .....	122.0
Laboratory services—122.0 FTE positions .....	<b>\$ 18,439,100</b>
<b>GROSS APPROPRIATION</b> .....	<b>\$ 18,439,100</b>
Appropriated from:	
Interdepartmental grant revenues:	
Interdepartmental grant from the department of environmental quality .....	447,100
Federal revenues:	
Total federal revenues.....	1,683,600
Special revenue funds:	
Total other state restricted revenues .....	9,048,100
State general fund/general purpose .....	<b>\$ 7,260,300</b>
<b>Sec. 110. EPIDEMIOLOGY</b>	
Full-time equated classified positions .....	131.0
AIDS surveillance and prevention program .....	<b>\$ 2,254,100</b>
Asthma prevention and control—2.6 FTE positions .....	843,500
Bioterrorism preparedness—68.6 FTE positions.....	48,905,100
Epidemiology administration—42.3 FTE positions .....	8,112,400
Lead abatement program—7.0 FTE positions.....	2,191,300

	For Fiscal Year Ending Sept. 30, 2010
Newborn screening follow-up and treatment services—10.5 FTE positions .....	4,692,100
Tuberculosis control and prevention.....	867,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 67,865,500</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	60,390,800
Special revenue funds:	
Total private revenues.....	25,000
Total other state restricted revenues .....	5,295,200
State general fund/general purpose .....	\$ 2,154,500
<b>Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS</b>	
Implementation of 1993 PA 133, MCL 333.17015 .....	\$ 20,000
Local health services .....	100,000
Local public health operations .....	40,082,800
Medicaid outreach cost reimbursement to local health departments.....	9,000,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 49,202,800</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	9,000,000
Special revenue funds:	
Total local revenues .....	5,150,000
Total other state restricted revenues .....	100,000
State general fund/general purpose .....	\$ 34,952,800
<b>Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION</b>	
Full-time equated classified positions .....	75.3
Alzheimer's information network.....	\$ 99,500
Cancer prevention and control program—12.0 FTE positions.....	14,304,400
Chronic disease prevention—27.7 FTE positions .....	5,285,700
Diabetes and kidney program—12.2 FTE positions.....	2,512,700
Health education, promotion, and research programs—6.5 FTE positions.....	829,600
Injury control intervention project .....	200,000
Public health traffic safety coordination—1.0 FTE position.....	445,100
Smoking prevention program—14.0 FTE positions .....	4,662,400
Violence prevention—1.9 FTE positions.....	1,892,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 30,232,300</b>
Appropriated from:	
Federal revenues:	
Total federal revenues.....	22,388,600
Special revenue funds:	
Total private revenues.....	146,600
Total other state restricted revenues .....	5,896,800
State general fund/general purpose .....	\$ 1,800,300
<b>Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES</b>	
Full-time equated classified positions .....	56.3
Childhood lead program—6.0 FTE positions.....	\$ 1,766,600
Dental programs—3.0 FTE positions.....	1,094,400
Dental program for persons with developmental disabilities .....	151,000
Early childhood collaborative secondary prevention.....	524,000
Family, maternal, and children's health services administration—43.6 FTE positions .....	5,631,200
Family planning local agreements.....	9,085,700
Local MCH services.....	7,018,100
Pregnancy prevention program .....	1,747,200
Prenatal care outreach and service delivery support .....	3,249,300
School health and education programs—1.0 FTE position.....	400,000

	For Fiscal Year Ending Sept. 30, 2010
Special projects—2.7 FTE positions .....	3,032,400
Sudden infant death syndrome program.....	321,300
GROSS APPROPRIATION .....	\$ 34,021,200
Appropriated from:	
Federal revenues:	
Total federal revenues.....	27,293,700
Special revenue funds:	
Total local revenues.....	75,000
Total other state restricted revenues .....	1,545,100
State general fund/general purpose .....	\$ 5,107,400
<b>Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM</b>	
Full-time equated classified positions .....	43.0
Women, infants, and children program administration and special projects— 43.0 FTE positions .....	\$ 9,554,800
Women, infants, and children program local agreements and food costs .....	236,506,700
GROSS APPROPRIATION .....	\$ 246,061,500
Appropriated from:	
Federal revenues:	
Total federal revenues.....	192,815,400
Special revenue funds:	
Total private revenues.....	53,246,100
State general fund/general purpose .....	\$ 0
<b>Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES</b>	
Full-time equated classified positions .....	47.8
Children's special health care services administration—45.0 FTE positions.....	\$ 4,902,100
Bequests for care and services—2.8 FTE positions .....	1,514,600
Outreach and advocacy.....	3,773,500
Nonemergency medical transportation .....	1,527,600
Medical care and treatment .....	231,455,100
GROSS APPROPRIATION .....	\$ 243,172,900
Appropriated from:	
Federal revenues:	
Total other federal revenues .....	141,515,900
Federal FMAP stimulus (ARRA).....	19,218,200
Special revenue funds:	
Total private revenues.....	1,000,000
Total other state restricted revenues .....	3,837,000
State general fund/general purpose .....	\$ 77,601,800
<b>Sec. 116. CRIME VICTIM SERVICES COMMISSION</b>	
Full-time equated classified positions .....	11.0
Grants administration services—11.0 FTE positions .....	\$ 1,498,200
Justice assistance grants .....	13,000,000
Crime victim rights services grants.....	12,500,000
Crime victim's rights fund revenue to Michigan state police .....	1,053,300
Crime victim's rights fund revenue to department of human services.....	1,300,000
GROSS APPROPRIATION .....	\$ 29,351,500
Appropriated from:	
Federal revenues:	
Total federal revenues.....	15,055,300
Special revenue funds:	
Total other state restricted revenues .....	14,296,200
State general fund/general purpose .....	\$ 0
<b>Sec. 117. OFFICE OF SERVICES TO THE AGING</b>	
Full-time equated classified positions .....	44.5
Commission (per diem \$50.00) .....	\$ 10,500

	For Fiscal Year Ending Sept. 30, 2010
Office of services to aging administration—44.5 FTE positions .....	6,760,500
Community services .....	34,496,600
Nutrition services .....	36,170,500
Foster grandparent volunteer program.....	2,427,600
Retired and senior volunteer program.....	681,800
Senior companion volunteer program .....	1,743,800
Employment assistance.....	3,449,500
Respite care program.....	6,268,700
GROSS APPROPRIATION.....	\$ 92,009,500
Appropriated from:	
Federal revenues:	
Total federal revenues.....	55,203,900
Special revenue funds:	
Total private revenues.....	537,000
Merit award trust fund.....	4,468,700
Total other state restricted revenues .....	1,800,000
State general fund/general purpose .....	\$ 29,999,900
<b>Sec. 118. MEDICAL SERVICES ADMINISTRATION</b>	
Full-time equated classified positions .....	379.0
Medical services administration—379.0 FTE positions .....	\$ 59,977,300
Facility inspection contract .....	132,800
MICHild administration .....	4,327,800
GROSS APPROPRIATION.....	\$ 64,437,900
Appropriated from:	
Federal revenues:	
Total federal revenues.....	44,509,600
Special revenue funds:	
Total local revenues .....	5,000
Total other state restricted revenues .....	97,800
State general fund/general purpose .....	\$ 19,825,500
<b>Sec. 119. MEDICAL SERVICES</b>	
Hospital services and therapy.....	\$ 1,335,404,600
Hospital disproportionate share payments.....	50,000,000
Physician services.....	341,317,300
Medicare premium payments .....	341,408,400
Pharmaceutical services.....	315,359,600
Home health services.....	6,044,700
Hospice services.....	103,153,700
Transportation.....	13,000,000
Auxiliary medical services .....	7,599,500
Dental services .....	126,426,400
Ambulance services.....	11,734,700
Long-term care services .....	1,593,808,300
Medicaid home- and community-based services waiver.....	176,426,800
Adult home help services .....	264,057,900
Personal care services.....	20,463,400
Program of all-inclusive care for the elderly .....	16,600,000
Health plan services .....	3,483,069,900
MICHild program.....	50,000,000
Plan first family planning waiver .....	8,782,200
Medicaid adult benefits waiver.....	139,198,700
Special indigent care payments .....	88,518,500
Federal Medicare pharmaceutical program .....	183,611,800
Promotion of healthy behavior waiver .....	10,000,000
Maternal and child health.....	20,279,500
Subtotal basic medical services program .....	8,706,265,900

	For Fiscal Year Ending Sept. 30, 2010
School-based services.....	64,630,600
Special Medicaid reimbursement.....	239,696,400
Subtotal special medical services payments.....	304,327,000
GROSS APPROPRIATION.....	\$ 9,010,592,900
Appropriated from:	
Federal revenues:	
Total other federal revenues.....	5,688,603,000
Federal FMAP stimulus (ARRA).....	851,168,400
Special revenue funds:	
Total local revenues.....	57,524,400
Total private revenues.....	3,100,000
Merit award trust fund.....	18,431,200
Total other state restricted revenues.....	1,342,964,600
State general fund/general purpose.....	\$ 1,048,801,300
<b>Sec. 120. INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 36,133,500
Michigan Medicaid information system.....	16,801,100
GROSS APPROPRIATION.....	\$ 52,934,600
Appropriated from:	
Federal revenues:	
Total federal revenues.....	37,225,800
Special revenue funds:	
Total other state restricted revenues.....	3,573,900
State general fund/general purpose.....	\$ 12,134,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

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

DEPARTMENT OF COMMUNITY HEALTH

MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION  
AND SPECIAL PROJECTS

Community residential and support services.....	\$ 344,600
Housing and support services.....	599,800
<b>COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS</b>	
State disability assistance program substance abuse services.....	\$ 2,243,100
Community substance abuse prevention, education, and treatment programs.....	16,814,800
Medicaid mental health services.....	501,559,400
Community mental health non-Medicaid services.....	287,468,000
Medicaid adult benefits waiver.....	10,308,000
Multicultural services.....	6,823,800
Medicaid substance abuse services.....	11,140,100
Children's waiver home care program.....	5,225,700
Nursing home PASARR.....	2,688,400

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

Center for forensic psychiatry.....	\$ 290,300
-------------------------------------	------------

PUBLIC HEALTH ADMINISTRATION

Minority health grants and contracts.....	\$ 241,000
Public health administration.....	61,500

HEALTH POLICY, REGULATION, AND PROFESSIONS

Nurse scholarship, education, and research programs.....	\$ 72,600
Primary care services.....	115,600

<b>INFECTIOUS DISEASE CONTROL</b>	
AIDS prevention, testing, and care programs .....	\$ 865,700
Immunization local agreements.....	2,158,100
Immunization program management and field support.....	30,300
Sexually transmitted disease control local agreements .....	421,800
<b>LABORATORY SERVICES</b>	
Laboratory services .....	\$ 3,300
<b>EPIDEMIOLOGY</b>	
Epidemiology administration.....	\$ 125,000
<b>LOCAL HEALTH ADMINISTRATION AND GRANTS</b>	
Implementation of 1993 PA 133 .....	\$ 5,300
Local public health operations .....	34,932,800
<b>CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION</b>	
Cancer prevention and control program .....	\$ 397,300
Chronic disease prevention.....	261,600
Diabetes and kidney program.....	357,700
Smoking prevention program .....	959,900
<b>FAMILY, MATERNAL, AND CHILDREN’S HEALTH SERVICES</b>	
Childhood lead program.....	\$ 107,600
Family, maternal, and children’s health administration.....	87,100
Family planning local agreements.....	111,300
Pregnancy prevention program.....	1,145,100
Prenatal care outreach and service delivery support .....	1,028,900
School health education programs.....	297,000
Special projects.....	175,000
<b>CHILDREN’S SPECIAL HEALTH CARE SERVICES</b>	
Medical care and treatment .....	\$ 451,100
Outreach and advocacy.....	3,077,500
<b>MEDICAL SERVICES</b>	
Dental services .....	\$ 2,348,100
Long-term care services .....	262,002,000
Transportation.....	5,736,900
Medicaid adult benefits waiver.....	9,443,300
Hospital services and therapy.....	6,113,400
Physician services.....	3,717,400
<b>OFFICE OF SERVICES TO THE AGING</b>	
Community services .....	\$ 12,326,700
Nutrition services .....	9,670,300
Foster grandparent volunteer program.....	679,800
Retired and senior volunteer program.....	187,300
Senior companion volunteer program .....	206,500
Respite care program.....	5,384,800
<b>CRIME VICTIM SERVICES COMMISSION</b>	
Crime victim rights services grants.....	\$ 6,800,000
<b>TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT .....</b>	<b>\$ 1,217,612,600</b>

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

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

Sec. 203. As used in this act:

- (a) “AIDS” means acquired immunodeficiency syndrome.
- (b) “ARRA” means the American recovery and reinvestment act of 2009, Public Law 111-5.
- (c) “CMHSP” means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.
- (d) “Current fiscal year” means the fiscal year ending September 30, 2010.
- (e) “Department” means the Michigan department of community health.
- (f) “Director” means the director of the department.
- (g) “DSH” means disproportionate share hospital.
- (h) “EPSDT” means early and periodic screening, diagnosis, and treatment.



- (i) "Federal poverty level" means the poverty guidelines published annually in the federal register by the United States department of health and human services under its authority to revise the poverty line under 42 USC 9902.
- (j) "FMAP" means federal medical assistance percentages.
- (k) "FTE" means full-time equated.
- (l) "GME" means graduate medical education.
- (m) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.
- (n) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome.
- (o) "HMO" means health maintenance organization.
- (p) "IDEA" means the individuals with disabilities education act, 20 USC 1400 to 1482.
- (q) "IDG" means interdepartmental grant.
- (r) "MCH" means maternal and child health.
- (s) "MIChild" means the program described in section 1670.
- (t) "MIHP" means the maternal infant health program.
- (u) "PASARR" means the preadmission screening and annual resident review required under the omnibus budget reconciliation act of 1987, section 1919(e)(7) of the social security act, 42 USC 1396r.
- (v) "PIHP" means a specialty prepaid inpatient health plan for Medicaid mental health services, services to persons with developmental disabilities, and substance abuse services as described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.
- (w) "Title XVIII" means title XVIII of the social security act, 42 USC 1395 to 1395iii.
- (x) "Title XIX" means title XIX of the social security act, 42 USC 1396 to 1396w-1.
- (y) "Title 81" means title 81 of the social security act, 42 USC 1397 to 1397f.
- (z) "WIC" means women, infants, and children supplemental nutrition program.

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

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

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

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

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

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

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

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

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

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

with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) As used in this section:

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

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

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

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

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

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

- (a) Immunizations.
- (b) Communicable disease control.
- (c) Sexually transmitted disease control.
- (d) Tuberculosis control.
- (e) Prevention of gonorrhea eye infection in newborns.
- (f) Screening newborns for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.
- (g) Community health annex of the Michigan emergency management plan.
- (h) Prenatal care.

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

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

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

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

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

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

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

Sec. 261. Funds appropriated in part 1 for the Medicaid management information system upgrade are contingent upon approval of an advanced planning document from the centers for Medicare and Medicaid services. If the necessary matching funds are identified and legislatively transferred to this line item, the corresponding federal Medicaid revenue shall be appropriated at a 90/10 federal/state match rate. This appropriation may be designated as a work project and carried forward to support completion of this project.

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

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

Sec. 265. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed.

Sec. 266. (1) Due to the current budgetary problems in this state, out-of-state travel shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state-restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

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

Sec. 269. The amount appropriated in part 1 for medical services pharmaceutical services includes funds to cover reimbursement of mental health medications under the Medicaid program.

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

- (a) The total amount recovered from the legal action.
- (b) The program or service for which the money was originally expended.
- (c) Details on the disposition of the funds recovered such as the appropriation or revenue account in which the money was deposited.
- (d) A description of the facts involved in the legal action.

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

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

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

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

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

- (a) Local public health departments.
- (b) CMHSPs.
- (c) Substance abuse coordinating agencies.
- (d) Area agencies on aging.

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

- (a) The Michigan association of community mental health boards.
- (b) The Michigan association for local public health.
- (c) The Michigan association of substance abuse coordinating agencies.
- (d) The area agencies on aging association of Michigan.

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

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

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

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

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

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

Sec. 284. The department shall not approve the travel of more than 1 departmental employee to a specific professional development conference or training seminar that is located outside of this state unless the professional development conference or training seminar is funded by a federal or private funding source and requires more than 1 person from a department to attend, or the conference or training seminar includes multiple issues in which 1 employee from the department does not have expertise.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **DEPARTMENTWIDE ADMINISTRATION**

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

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

#### **MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL PROJECTS**

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

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

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

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

- (a) A system of single entry and single exit.
- (b) A complete array of mental health services that includes, but is not limited to, all of the following services: residential and other individualized living arrangements, outpatient services, acute inpatient services, and long-term, 24-hour inpatient care in a structured, secure environment.
- (c) The coordination of inpatient and outpatient hospital services through agreements with state-operated psychiatric hospitals, units, and centers in facilities owned or leased by the state, and privately-owned hospitals, units, and centers licensed by the state pursuant to sections 134 through 149b of the mental health code, 1974 PA 258, MCL 330.1134 to 330.1149b.
- (d) Individualized plans of service that are sufficient to meet the needs of individuals, including those discharged from psychiatric hospitals or centers, and that ensure the full range of recipient needs is addressed through the CMHSP's or PIHP's program or through assistance with locating and obtaining services to meet these needs.
- (e) A system of case management or care management to monitor and ensure the provision of services consistent with the individualized plan of services or supports.
- (f) A system of continuous quality improvement.
- (g) A system to monitor and evaluate the mental health services provided.
- (h) A system that serves at-risk and delinquent youth as required under the provisions of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

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

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

- (a) Any new contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.
- (b) Any amendments to contracts with CMHSPs or PIHPs that would affect rates or expenditures are enacted.
- (3) The report required by subsection (2) shall include information about the changes and their effects on rates and expenditures.

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

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

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

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

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

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

(b) Per capita expenditures by client population group.

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

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

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

(i) The number of people receiving requested services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to the fullest extent possible when providing services and support programs for individuals with mental illness, developmental disabilities, or substance abuse issues. Consumer choices shall include skill-building assistance, rehabilitative and habilitative services, supported and integrated employment services program settings, and other work preparatory services provided in the community or by accredited

community-based rehabilitation organizations. CMHSPs and PIHPs shall not arbitrarily eliminate or restrict any choices from the array of services and program settings available to consumers without reasonable justification that those services are not in the consumer's best interest.

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

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

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

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

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

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

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

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

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

Sec. 465. Funds appropriated in part 1 for respite services shall be used for direct respite care services for children with serious emotional disturbances and their families. Not more than 1% of the funds allocated for respite services shall be expended by CMHSPs for administration and administrative purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 602. Unexpended and unencumbered amounts and accompanying expenditure authorizations up to \$1,000,000.00 remaining on September 30 of the current fiscal year from the amounts appropriated in part 1 for gifts and bequests for patient living and treatment environments shall be carried forward for 1 fiscal year. The purpose of gifts and bequests for patient living and treatment environments is to use additional private funds to provide specific enhancements for individuals residing at state-operated facilities. Use of the gifts and bequests shall be consistent with the stipulation of the donor. The expected completion date for the use of gifts and bequests donations is within 3 years unless otherwise stipulated by the donor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **PUBLIC HEALTH ADMINISTRATION**

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

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

#### **HEALTH POLICY, REGULATION, AND PROFESSIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **INFECTIOUS DISEASE CONTROL**

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

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

criteria and drug formulary, the department may revise the eligibility criteria and drug formulary in a manner that is consistent with federal program guidelines.

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

#### **EPIDEMIOLOGY**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Funding allocations.

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

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

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

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

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

Sec. 1106. Each family planning program receiving federal title X family planning funds under 42 USC 300 to 300a-8 shall be in compliance with all performance and quality assurance indicators that the office of family planning within the United States department of health and human services specifies in the family planning annual report. An agency not in compliance with the indicators shall not receive supplemental or reallocated funds.

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

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

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

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

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

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

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

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

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

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

Sec. 1129. The department shall provide a report annually to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director on the number of children with

elevated blood lead levels from information available to the department. The report shall provide the information by county, shall include the level of blood lead reported, and shall indicate the sources of the information.

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

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

- (a) The department of education.
- (b) The department of community health.
- (c) The health administration in the department of community health.
- (d) The bureau of mental health and substance abuse services in the department of community health.
- (e) The department of human services.
- (f) The department of state police.

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

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

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

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

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

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

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

#### **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

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

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

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

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

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

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

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

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

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

Sec. 1401. The appropriation in part 1 to the office of services to the aging for community services and nutrition services shall be restricted to eligible individuals at least 60 years of age who fail to qualify for home care services under title XVIII, XIX, or 81.



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

- (a) The recipient's degree of frailty.
- (b) The recipient's inability to prepare his or her own meals safely.
- (c) Whether the recipient has another care provider available.
- (d) Any other qualifications normally necessary for the recipient to receive home-delivered meals.

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

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

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

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

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

- (a) The total allocation of state resources made to each area agency on aging by individual program and administration.
- (b) Detail expenditure by each area agency on aging by individual program and administration including both state funded resources and locally funded resources.

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

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

### **MEDICAL SERVICES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 1627. (1) The department shall use procedures and rebates amounts specified under section 1927 of title XIX, 42 USC 1396r-8, to secure quarterly rebates from pharmaceutical manufacturers for outpatient drugs dispensed to

participants in the MICHild program, maternal outpatient medical services program, children's special health care services, and adult benefit waiver program.

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

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

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

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

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

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

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

(3) In addition to the minimum copayments listed in subsection (2), the department shall increase and expand Medicaid cost-sharing mechanisms as permitted by the federal deficit reduction act of 2005, Public Law 109-171. These additional copayments or premiums, or both, shall be designed so as to produce \$10,000,000.00 in general fund/general purpose savings to the state Medicaid program.

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

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

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

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

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

- (a) That the recipient shall not smoke.
- (b) That the recipient shall attend all scheduled medical appointments.
- (c) That the recipient shall exercise regularly.
- (d) That if the recipient has children, those children shall be up to date on their immunizations.
- (e) That the recipient shall abstain from abusing controlled substances and narcotics.

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

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

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

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

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

Sec. 1649. From the funds appropriated in part 1 for medical services, the department shall continue breast and cervical cancer treatment coverage for women up to 250% of the federal poverty level, who are under age 65, and who are not

otherwise covered by insurance. This coverage shall be provided to women who have been screened through the centers for disease control breast and cervical cancer early detection program, and are found to have breast or cervical cancer, pursuant to the breast and cervical cancer prevention and treatment act of 2000, Public Law 106-354.

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

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

(3) The criteria for medical exceptions to HMO enrollment shall be based on submitted documentation that indicates a recipient has a serious medical condition, and is undergoing active treatment for that condition with a physician who does not participate in 1 of the HMOs. If the person meets the criteria established by this subsection, the department shall grant an exception to mandatory enrollment at least through the current prescribed course of treatment, subject to periodic review of continued eligibility.

Sec. 1651. (1) Medical services patients who are enrolled in HMOs have the choice to elect hospice services or other services for the terminally ill that are offered by the HMOs. If the patient elects hospice services, those services shall be provided in accordance with part 214 of the public health code, 1978 PA 368, MCL 333.21401 to 333.21420.

(2) The department shall not amend the medical services hospice manual in a manner that would allow hospice services to be provided without making available all comprehensive hospice services described in 42 CFR part 418.

Sec. 1652. Any new contracts with Medicaid health plans negotiated or signed, or both, during the current fiscal year shall include the following provisions regarding expansion of services by the Medicaid HMOs to counties not previously served by that Medicaid HMO:

(a) The Medicaid HMO shall not sell, transfer, or otherwise convey to any person all or any portion of the HMO's assets or business, whether in the form of equity, debt or otherwise, for a period of 3 years from the date the Medicaid HMO commences operations in a new service area.

(b) That any Medicaid HMOs that expand into a county with a population of at least 1,500,000 shall also expand its coverage to a county with a population of less than 100,000 which has 1 or fewer HMOs participating in the Medicaid program.

Sec. 1653. Implementation and contracting for managed care by the department through HMOs shall be subject to the following conditions:

(a) Continuity of care is assured by allowing enrollees to continue receiving required medically necessary services from their current providers for a period not to exceed 1 year if enrollees meet the managed care medical exception criteria.

(b) The department shall require contracted HMOs to submit data determined necessary for evaluation on a timely basis.

(c) Mandatory enrollment of Medicaid beneficiaries living in counties defined as rural by the federal government, which is any nonurban standard metropolitan statistical area, is allowed if there is only 1 HMO serving the Medicaid population, as long as each Medicaid beneficiary is assured of having a choice of at least 2 physicians by the HMO.

(d) Enrollment of recipients of children's special health care services in HMOs shall continue to be voluntary for those enrolled in the children's special health care services program before October 1, 2009. Children's special health care services recipients shall be informed of the opportunity to enroll in HMOs.

(e) The department shall develop a case adjustment to its rate methodology that considers the costs of persons with HIV/AIDS, end stage renal disease, organ transplants, and other high-cost diseases or conditions and shall implement the case adjustment when it is proven to be actuarially and fiscally sound. Implementation of the case adjustment must be budget neutral.

(f) Prior to contracting with an HMO for managed care services that did not have a contract with the department before October 1, 2002, the department shall receive assurances from the office of financial and insurance regulation that the HMO meets the net worth and financial solvency requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Sec. 1654. Medicaid HMOs shall provide for reimbursement of HMO covered services delivered other than through the HMO's providers if medically necessary and approved by the HMO, immediately required, and that could not be reasonably obtained through the HMO's providers on a timely basis. Such services shall be considered approved if the HMO does not respond to a request for authorization within 24 hours of the request. Reimbursement shall not exceed the Medicaid fee-for-service payment for those services.

Sec. 1655. (1) The department may require a 12-month lock-in to the HMO selected by the recipient during the initial and subsequent open enrollment periods, but allow for good cause exceptions during the lock-in period.

(2) Medicaid recipients shall be allowed to change HMOs for any reason within the initial 90 days of enrollment.

Sec. 1656. (1) The department shall provide an expedited complaint review procedure for Medicaid eligible persons enrolled in HMOs for situations in which failure to receive any health care service would result in significant harm to the enrollee.

(2) The department shall provide for a toll-free telephone number for Medicaid recipients enrolled in managed care to assist with resolving problems and complaints. If warranted, the department shall immediately disenroll persons from managed care and approve fee-for-service coverage.

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

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

(3) Subsections (1) and (2) shall not be construed as a requirement to alter an existing agreement between an HMO and their contracting hospitals nor as a requirement that an HMO must reimburse for services that are not considered to be medically necessary.

Sec. 1658. (1) HMOs shall have contracts with hospitals within a reasonable distance from their enrollees. If a hospital does not contract with the HMO in its service area, that hospital shall enter into a hospital access agreement as specified in the Medical Services Administration Bulletin Hospital 01-19.

(2) A hospital access agreement specified in subsection (1) shall be considered an affiliated provider contract pursuant to the requirements contained in chapter 35 of the insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

Sec. 1659. The following sections of this act are the only ones that shall apply to the following Medicaid managed care programs, including the comprehensive plan, MIChoice long-term care plan, and the mental health, substance abuse, and developmentally disabled services program: 271, 288, 401, 402, 404, 411, 414, 418, 424, 428, 456, 462, 1607, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657, 1658, 1660, 1661, 1662, 1699, 1711, 1752, 1783, 1787, 1791, 1815, 1820, 1821, and 1828.

Sec. 1660. (1) The department shall assure that all Medicaid children have timely access to EPSDT services as required by federal law. Medicaid HMOs shall provide EPSDT services to their child members in accordance with Medicaid EPSDT policy.

(2) The primary responsibility of assuring a child's hearing and vision screening is with the child's primary care provider. The primary care provider shall provide age-appropriate screening or arrange for these tests through referrals to local health departments. Local health departments shall provide preschool hearing and vision screening services and accept referrals for these tests from physicians or from Head Start programs in order to assure all preschool children have appropriate access to hearing and vision screening. Local health departments shall be reimbursed for the cost of providing these tests for Medicaid eligible children by the Medicaid program.

(3) The department shall prohibit HMOs from requiring prior authorization of their contracted providers for any EPSDT screening and diagnosis services.

(4) The department shall require HMOs to be responsible for well child visits as described in Medicaid policy. These responsibilities shall be specified in the information distributed by the HMOs to their members.

(5) The department shall provide, on an annual basis, budget-neutral incentives to Medicaid HMOs and local health departments to improve performance on measures related to the care of children.

Sec. 1661. (1) The department shall assure that all Medicaid eligible children and pregnant women have timely access to MIHP services. Medicaid HMOs shall assure that MIHP screening is available to their pregnant members and that those women found to meet the MIHP high-risk criteria are offered maternal support services. Local health departments shall assure that MIHP screening is available for Medicaid pregnant women and that those women found to meet the MIHP high-risk criteria are offered MIHP services or are referred to a certified MIHP provider.

(2) The department shall require HMOs to be responsible for the coordination of MIHP services as described in Medicaid policy. These responsibilities shall be specified in the information distributed by the HMOs to their members.

(3) The department shall assure the coordination of MIHP services with the WIC program, state-supported substance abuse, smoking prevention, and violence prevention programs, the department of human services, and any other state or local program with a focus on preventing adverse birth outcomes and child abuse and neglect.

(4) The department shall provide, on an annual basis, budget-neutral incentives to Medicaid HMOs and local health departments to improve performance on measures related to the care of pregnant women.

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

(2) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and health employer data and information set well child health measures in accordance with the National Committee on Quality Assurance prescribed methodology.

(3) The department shall provide a copy of the analysis of the Medicaid HMO annual audited health employer data and information set reports and the annual external quality review report to the senate and house of representatives

appropriations subcommittees on community health, the senate and house fiscal agencies, and the state budget director, within 30 days of the department's receipt of the final reports from the contractors.

(4) The department shall work with the Michigan association of health plans and the Michigan association for local public health to improve service delivery and coordination in the MIHP and EPSDT programs.

(5) The department shall assure that training and technical assistance are available for EPSDT and MIHP for Medicaid health plans, local health departments, and MIHP contractors.

Sec. 1670. (1) The appropriation in part 1 for the MICHild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with income at or below 200% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of making application for MICHild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the medical services administration public concurrence process, consistent with the provisions of this act. Health coverage for children in families between 150% and 200% of the federal poverty level shall be provided through a state-based private health care program.

(2) The department may provide up to 1 year of continuous eligibility to children eligible for the MICHild program unless the family fails to pay the monthly premium, a child reaches age 19, or the status of the children's family changes and its members no longer meet the eligibility criteria as specified in the federally approved MICHild state plan.

(3) Children whose category of eligibility changes between the Medicaid and MICHild programs shall be assured of keeping their current health care providers through the current prescribed course of treatment for up to 1 year, subject to periodic reviews by the department if the beneficiary has a serious medical condition and is undergoing active treatment for that condition.

(4) To be eligible for the MICHild program, a child must be residing in a family with an adjusted gross income of less than or equal to 200% of the federal poverty level. The department's verification policy shall be used to determine eligibility.

(5) The department shall enter into a contract to obtain MICHild services from any HMO, dental care corporation, or any other entity that offers to provide the managed health care benefits for MICHild services at the MICHild capitated rate. As used in this subsection:

(a) "Dental care corporation", "health care corporation", "insurer", and "prudent purchaser agreement" mean those terms as defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL 550.52.

(b) "Entity" means a health care corporation or insurer operating in accordance with a prudent purchaser agreement.

(6) The department may enter into contracts to obtain certain MICHild services from community mental health service programs.

(7) The department may make payments on behalf of children enrolled in the MICHild program from the line-item appropriation associated with the program as described in the MICHild state plan approved by the United States department of health and human services, or from other medical services.

(8) The department shall assure that an external quality review of each MICHild contractor, as described in subsection (5), is performed, which analyzes and evaluates the aggregated information on quality, timeliness, and access to health care services that the contractor furnished to MICHild beneficiaries.

(9) The department shall develop an automatic enrollment algorithm that is based on quality and performance factors.

Sec. 1671. From the funds appropriated in part 1, the department shall continue a comprehensive approach to the marketing and outreach of the MICHild program. The marketing and outreach required under this section shall be coordinated with current outreach, information dissemination, and marketing efforts and activities conducted by the department.

Sec. 1673. The department may establish premiums for MICHild eligible persons in families with income above 150% of the federal poverty level. The monthly premiums shall not be less than \$10.00 or exceed \$15.00 for a family.

Sec. 1677. The MICHild program shall provide all benefits available under the state employee insurance plan that are delivered through contracted providers and consistent with federal law, including, but not limited to, the following medically necessary services:

(a) Inpatient mental health services, other than substance abuse treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance abuse services, including services furnished in a state-operated mental hospital and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MICHild state plan.

(e) Substance abuse treatment services that may include inpatient, outpatient, and residential substance abuse treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

Sec. 1680. Payment increases for enhanced wages and new or enhanced employee benefits provided in previous years through the Medicaid nursing home wage pass-through program shall be continued.

Sec. 1681. From the funds appropriated in part 1 for home- and community-based services, the department and local waiver agents shall encourage the use of family members, friends, and neighbors of home- and community-based services participants, where appropriate, to provide homemaker services, meal preparation, transportation, chore services, and other nonmedical covered services to participants in the Medicaid home- and community-based services program. This section shall not be construed as allowing for the payment of family members, friends, or neighbors for these services unless explicitly provided for in federal or state law.

Sec. 1682. (1) The department shall implement enforcement actions as specified in the nursing facility enforcement provisions of section 1919 of title XIX, 42 USC 1396r.

(2) In addition to the appropriations in part 1, the department is authorized to receive and spend penalty money received as the result of noncompliance with medical services certification regulations. Penalty money, characterized as private funds, received by the department shall increase authorizations and allotments in the long-term care accounts.

(3) The department is authorized to provide civil monetary penalty funds to the disability network of Michigan to be distributed to the 15 centers for independent living for the purpose of assisting individuals with disabilities who reside in nursing homes to return to their own homes.

(4) The department is authorized to use civil monetary penalty funds to conduct a survey evaluating consumer satisfaction and the quality of care at nursing homes. Factors can include, but are not limited to, the level of satisfaction of nursing home residents, their families, and employees. The department may use an independent contractor to conduct the survey.

(5) Any unexpended penalty money, at the end of the year, shall carry forward to the following year.

Sec. 1683. The department shall promote activities that preserve the dignity and rights of terminally ill and chronically ill individuals. Priority shall be given to programs, such as hospice, that focus on individual dignity and quality of care provided persons with terminal illness and programs serving persons with chronic illnesses that reduce the rate of suicide through the advancement of the knowledge and use of improved, appropriate pain management for these persons; and initiatives that train health care practitioners and faculty in managing pain, providing palliative care, and suicide prevention.

Sec. 1684. The department shall submit a report by September 30, 2010 to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director that will identify by waiver agent, Medicaid home- and community-based services waiver costs by administration, case management, and direct services.

Sec. 1685. All nursing home rates, class I and class III, must have their respective fiscal year rate set 30 days prior to the beginning of their rate year. Rates may take into account the most recent cost report prepared and certified by the preparer, provider corporate owner or representative as being true and accurate, and filed timely, within 5 months of the fiscal year end in accordance with Medicaid policy. If the audited version of the last report is available, it shall be used. Any rate factors based on the filed cost report may be retroactively adjusted upon completion of the audit of that cost report.

Sec. 1687. The department shall study the feasibility, impact, and cost of supporting a Medicaid rate enhancement to be used exclusively to fund affordable, accessible, and adequate health insurance for direct care workers in nursing homes, adult foster care homes, homes for the aged, and home- and community-based services programs. The department shall report its findings and recommendations to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by April 1, 2010.

Sec. 1688. The department shall not impose a limit on per unit reimbursements to service providers that provide personal care or other services under the Medicaid home- and community-based services waiver program for the elderly and disabled. The department's per day per client reimbursement cap calculated in the aggregate for all services provided under the Medicaid home- and community-based services waiver is not a violation of this section.

Sec. 1689. (1) Priority in enrolling additional persons in the Medicaid home- and community-based services waiver program shall be given to those who are currently residing in nursing homes or who are eligible to be admitted to a nursing home if they are not provided home- and community-based services. The department shall use screening and assessment procedures to assure that no additional Medicaid eligible persons are admitted to nursing homes who would be more appropriately served by the Medicaid home- and community-based services waiver program.

(2) Within 60 days of the end of each fiscal quarter, the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies that details existing and future allocations for the home- and community-based services waiver program by regions as well as the associated expenditures. The report shall include information regarding the net cost savings from moving individuals from a nursing home to the home- and community-based services waiver program, the number of individuals transitioned from nursing homes to the home- and community-based services waiver program, the number of individuals on waiting lists by region for the program, and the amount of funds transferred during the fiscal quarter. The report shall also include the number of

Medicaid individuals served and the number of days of care for the home- and community-based services waiver program and in nursing homes.

(3) The department shall develop a system to collect and analyze information regarding individuals on the home- and community-based services waiver program waiting list to identify the community supports they receive, including, but not limited to, adult home help, food assistance, and housing assistance services and to determine the extent to which these community supports help individuals remain in their home and avoid entry into a nursing home. The department shall provide a progress report on implementation to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1 of the current fiscal year.

(4) It is the intent of the legislature that the department shall revise any policies, guidelines, procedures, standards, and regulations in order to limit the self-determination option with respect to the home- and community-based services waiver program to those services furnished by approved home-based service providers meeting provider qualifications established in the waiver and approved by the centers for Medicare and Medicaid services.

Sec. 1690. (1) The department shall submit a report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year, to include all data collected on the quality assurance indicators in the preceding fiscal year for the home- and community-based services waiver program, as well as quality improvement plans and data collected on critical incidents in the waiver program and their resolutions.

(2) The department shall submit a report to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year, to include all data collected on the quality assurance indicators in the preceding fiscal year for the adult home help program, as well as quality improvement plans and data collected on critical incidents in the adult home help program and their resolutions.

Sec. 1691. (1) Payment increases provided in previous years to adult home help workers shall be continued. From the funds appropriated in part 1 for adult home help services, \$16,584,000.00 is appropriated to increase the wages of adult home help workers by 50 cents per hour in all counties effective October 1, 2009.

(2) The department, in conjunction with the department of human services, shall revise any policies, rules, procedures, or regulations that may be an administrative barrier to the implementation of the wage adjustments described in this section.

Sec. 1692. (1) The department is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department and the state budget director are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal Medicaid services funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to such agreements and state and federal law.

(2) From the funds appropriated in part 1 for medical services school-based services payments, the department is authorized to do all of the following:

(a) Finance activities within the medical services administration related to this project.

(b) Reimburse participating school districts pursuant to the fund-sharing ratios negotiated in the state-local agreements authorized in subsection (1).

(c) Offset general fund costs associated with the medical services program.

Sec. 1693. The special Medicaid reimbursement appropriation in part 1 may be increased if the department submits a medical services state plan amendment pertaining to this line item at a level higher than the appropriation. The department is authorized to appropriately adjust financing sources in accordance with the increased appropriation.

Sec. 1694. The department shall distribute \$1,122,300.00 to an academic health care system that includes a children's hospital that has a high indigent care volume.

Sec. 1695. (1) The department shall evaluate the impact of implementing a case mix reimbursement system for nursing facilities. The department shall consult with representatives from the department, the health care association of Michigan, the Michigan county medical care facilities council, and the Michigan association of homes and services for the aging.

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

Sec. 1697. (1) As may be allowed by federal law or regulation, the department may use funds provided by a local or intermediate school district, which have been obtained from a qualifying health system, as the state match required for receiving federal Medicaid or children health insurance program funds. Any such funds received shall be used only to support new school-based or school-linked health services.

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

Sec. 1699. The department may make separate payments directly to qualifying hospitals serving a disproportionate share of indigent patients in the amount of \$51,000,000.00, and to hospitals providing graduate medical education training programs. If direct payment for GME and DSH is made to qualifying hospitals for services to Medicaid clients, hospitals will not include GME costs or DSH payments in their contracts with HMOs.



Sec. 1711. (1) The department shall maintain the 2-tier reimbursement methodology for Medicaid emergency physicians professional services that was in effect on September 30, 2002, subject to the following conditions:

(a) Payments by case and in the aggregate shall not exceed 70% of Medicare payment rates.

(b) Total expenditures for these services shall not exceed the level of total payments made during fiscal year 2001-2002, after adjusting for Medicare copayments and deductibles and for changes in utilization.

(2) To ensure that total expenditures stay within the spending constraints of subsection (1)(b), the department shall develop a utilization adjustor for the basic 2-tier payment methodology. The adjustor shall be based on a good faith estimate by the department as to what the expected utilization of emergency room services will be during the current fiscal year given changes in the number and category of Medicaid recipients. If expenditure and utilization data indicate that the amount and/or type of emergency physician professional services are exceeding the department's estimate, the utilization adjustor shall be applied to the 2-tier reimbursement methodology in such a manner as to reduce aggregate expenditures to the fiscal year 2001-2002 adjusted expenditure target.

Sec. 1712. (1) Subject to the availability of funds, the department shall implement a rural health initiative. Available funds shall first be allocated as an outpatient adjustor payment to be paid directly to hospitals in rural counties in proportion to each hospital's Medicaid and indigent patient population. Additional funds, if available, shall be allocated for defibrillator grants, EMT training and support, or other similar programs.

(2) Except as otherwise specified in this section, "rural" means a county, city, village, or township with a population of not more than 30,000, including those entities if located within a metropolitan statistical area.

Sec. 1716. The department shall seek to maintain a constant enrollment level within the Medicaid adult benefits waiver program throughout fiscal year 2009-2010.

Sec. 1717. (1) The department shall create 2 pools for distribution of disproportionate share hospital funding. The first pool, totaling \$45,000,000.00, shall be distributed using the distribution methodology used in fiscal year 2003-2004. The second pool, totaling \$5,000,000.00, shall be distributed to unaffiliated hospitals and hospital systems that received less than \$900,000.00 in disproportionate share hospital payments in fiscal year 2007-2008 based on a formula that is weighted proportional to the product of each eligible system's Medicaid revenue and each eligible system's Medicaid utilization, except that no payment of less than \$1,000.00 shall be made.

(2) By September 30 of the current fiscal year, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the 2 pools.

Sec. 1718. The department shall provide each Medicaid adult home help beneficiary or applicant with the right to a fair hearing when the department or its agent reduces, suspends, terminates, or denies adult home help services. If the department takes action to reduce, suspend, terminate, or deny adult home help services, it shall provide the beneficiary or applicant with a written notice that states what action the department proposes to take, the reasons for the intended action, the specific regulations that support the action, and an explanation of the beneficiary's or applicant's right to an evidentiary hearing and the circumstances under which those services will be continued if a hearing is requested.

Sec. 1721. The department shall conduct a review of Medicaid eligibility pertaining to funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual who becomes Medicaid eligible and shall report its findings to the members of the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies not later than May 15 of the current fiscal year. Included in its report shall be recommendations for policy and procedure changes regarding whether any funds prepaid to a nursing home or other health care facility that are subsequently returned to an individual, after the date of Medicaid eligibility and patient pay amount determination, shall be considered as a countable asset and recommendations for a mechanism for departmental monitoring of those funds.

Sec. 1724. The department shall allow licensed pharmacies to purchase injectable drugs for the treatment of respiratory syncytial virus for shipment to physicians' offices to be administered to specific patients. If the affected patients are Medicaid eligible, the department shall reimburse pharmacies for the dispensing of the injectable drugs and reimburse physicians for the administration of the injectable drugs.

Sec. 1725. The department shall continue to work with the department of human services to reduce Medicaid eligibility errors related to basic eligibility requirements, residency issues, and income requirements.

Sec. 1728. The department shall make available to qualifying Medicaid recipients, not based on Medicare guidelines, freestanding electrical lifting and transferring devices.

Sec. 1731. The department shall continue an asset test to determine Medicaid eligibility for individuals who are parents, caretaker relatives, or individuals between the ages of 18 and 21 and who are not required to be covered under federal Medicaid requirements.

Sec. 1732. The department shall assure that, if proposed modifications to the quality assurance assessment program for nursing homes are not implemented, the projected general fund/general purpose savings shall not be achieved through reductions in nursing home reimbursement rates.

Sec. 1733. (1) The department shall seek additional federal funds to permit the state to provide financial support for electronic prescribing and other health information technology initiatives.

(2) The department shall develop a 3-year strategic plan for the implementation of electronic prescribing for the Medicaid program.

Sec. 1734. The department shall seek federal money for demonstration programs that will permit this state to provide financial incentives for positive health behavior practiced by Medicaid recipients, including, but not limited to, consumer-driven strategies that enable Medicaid recipients to choose coverage that meets their individual needs and that authorize monetary or other rewards for demonstrating positive health behavior changes.

Sec. 1739. The department shall continue the contractor performance bonus program for Medicaid health plans. The contractor performance bonus program may include indicators based on the prevalent and chronic conditions affecting the Medicaid population and indicators of preventive health status for adults and children.

Sec. 1740. From the funds appropriated in part 1 for health plan services, the department shall assure that all GME funds continue to be promptly distributed to qualifying hospitals using the methodology developed in consultation with the graduate medical education advisory group during fiscal year 2006-2007.

Sec. 1741. The department shall continue to provide nursing homes the opportunity to receive interim payments upon their request. The department shall make efforts to ensure that the interim payments are as similar to expected cost-settled payments as possible.

Sec. 1742. The department shall allow the retention of up to \$100.00 in special Medicaid reimbursement funding by any public hospital that meets each of the following criteria:

- (a) The hospital participates in the intergovernmental transfers.
- (b) The hospital is not affiliated with a university.
- (c) The hospital provides surgical services.
- (d) The hospital has at least 10,000 Medicaid bed days.

Sec. 1752. The department shall provide a Medicaid health plan with any information that may assist the Medicaid health plan in determining whether another party may be responsible, in whole or in part, for the payment of health benefits.

Sec. 1756. The department shall establish and implement a specialized case and care management program to serve the most costly Medicaid beneficiaries who are noncompliant with medical management, including persons with chronic diseases and mental health diagnoses, high prescription drug utilizers, members demonstrating noncompliance with previous medical management, and neonates. The case and care management program shall, at a minimum, provide a performance payment incentive for physicians who manage the recipient's care and health costs in the most effective way. The department may also develop additional contractual arrangements with 1 or more Medicaid HMOs for the provision of specialized case management services. Contracts with Medicaid HMOs may include provisions requiring collection of data related to Medicaid recipient compliance. Measures of patient compliance may include the proportion of clients who fill their prescriptions, the rate of clients who do not show for scheduled medical appointments, and the proportion of clients who use their medication.

Sec. 1757. (1) The department shall direct the department of human services to obtain proof from all Medicaid recipients that they are legal United States citizens or otherwise legally residing in this country and that they are residents of this state before approving Medicaid eligibility.

(2) It is the intent of the legislature that the department seek clarification from the federal government on whether states can deny Medicaid eligibility to fugitive felons through a state plan amendment of waiver.

Sec. 1759. The department shall implement the following policy changes included in the federal deficit reduction act of 2005, Public Law 109-171:

- (a) Lengthening the look-back policy for asset transfers from 3 to 5 years.
- (b) Changing the penalty period to begin the day an individual applies for Medicaid.
- (c) Individuals with more than \$500,000.00 in home equity do not qualify for Medicaid.
- (d) Utilize the Medicaid false claim act, 1977 PA 72, MCL 400.601 to 400.613, to collect an enhanced state share of damages collected from entities that have been successfully prosecuted for filing a fraudulent Medicaid claim.

Sec. 1764. The department shall annually certify rates paid to Medicaid health plans as being actuarially sound in accordance with federal requirements and shall provide a copy of the rate certification and approval immediately to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies.

Sec. 1767. The department shall study and evaluate the impact of the change in the way in which the Medicaid program pays pharmacists for prescriptions from average wholesale price to average manufacturer price as required by the federal deficit reduction act of 2005, Public Law 109-171. Upon release of the data by the centers for Medicare and Medicaid services, the department shall submit a report of its study to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies. If the department finds that there is a negative impact on the pharmacists, the department shall reexamine the current pharmaceutical dispensing fee structure established under section 1620 and include in the report recommendations and proposals to counter the negative impact of that federal legislation.

Sec. 1770. In conjunction with the consultation requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and except as otherwise provided in this section, the department shall attempt to make the effective date for

a proposed Medicaid policy bulletin or adjustment to the Medicaid provider manual on October 1, January 1, April 1, or July 1 after the end of the consultation period. The department may provide an effective date for a proposed Medicaid policy bulletin or adjustment to the Medicaid provider manual other than provided for in this section if necessary to be in compliance with federal or state law, regulations, or rules or with an executive order of the governor.

Sec. 1772. From the funds appropriated in part 1, the department shall continue a program, the primary goal of which is to enroll all children in foster care in Michigan in a Medicaid health maintenance organization.

Sec. 1773. (1) The department shall establish and implement a bid process to identify a single private contractor to provide Medicaid covered nonemergency transportation services in each county with a population over 750,000 individuals.

(2) The department shall reimburse mileage for nonemergency transportation that encourages contractors to participate.

Sec. 1775. The department shall provide a progress report on ongoing efforts to implement long-term managed care pilot programs to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1 of the current fiscal year.

Sec. 1777. From the funds appropriated in part 1 for long-term care services, the department shall permit, in accordance with applicable federal and state law, nursing homes to use dining assistants to feed eligible residents if legislation to permit the use of dining assistants is enacted into law. The department shall not be responsible for costs associated with training dining assistants.

Sec. 1783. (1) The department shall develop rates by April 1, 2010 for the enrollment of individuals dually eligible for Medicare and Medicaid into Medicaid health plans if those health plans also maintain a Medicare advantage special needs plan certified by the centers for Medicare and Medicaid services.

(2) The department shall report quarterly to the house and senate appropriations subcommittees on community health and to the house and senate fiscal agencies the status of the rate development described in subsection (1) and the number of dual eligibles enrolled by month in Medicaid health plans with Medicare advantage special needs plan certification for fiscal year 2009-2010.

Sec. 1786. (1) For services where the actual length of stay is less than the published low-day threshold, reimbursement for inpatient admissions shall be the actual charge multiplied by the individual hospital's cost-to-charge ratio net of indirect medical education, not to exceed the full diagnosis related group payment rate.

(2) The reimbursement changes specified in subsection (1) shall not be implemented unless the changes are budget-neutral.

(3) The department shall define a low-day threshold of 1 as an inpatient stay of less than 24 hours.

(4) Any adjustment of low-day outliers implemented by the department shall also include an appropriate adjustment to diagnosis-related group weights and prices.

(5) The department shall identify any cost savings associated with the implementation of low-day outliers for 1-day admissions to hospitals that are less than 24 hours and diagnosis related group weights and recalculations excluding the payments made outside of rates. This information shall be submitted by March 1, 2010 to the legislature and the fiscal agencies as part of an effort to identify additional cost savings in the Medicaid program.

Sec. 1787. The department shall work with the department of human services to obtain the telephone number of Medicaid beneficiaries and shall provide each Medicaid health plan with the telephone number of that health plan's enrollees on a monthly basis.

Sec. 1789. The department shall study whether the current nursing home occupancy ceiling is adequate and shall recommend whether to retain the ceiling at 85% or to lower it. The department shall report its findings and recommendations to the state budget director, senate and house appropriations subcommittees on community health, and senate and house fiscal agencies by April 1 of the current fiscal year.

Sec. 1791. (1) From the money appropriated in part 1 for physician services and health plan services, \$5,285,700.00, of which \$2,100,000.00 is general fund/general purpose money, shall be allocated to increase Medicaid reimbursement rates for primary care and well child visit procedure codes. The increased reimbursement rates in this section shall be implemented October 1, 2008 and shall not exceed the comparable Medicare payment rate for the same services.

(2) The money allocated under subsection (1) shall be distributed as a fee-for-service rate increase for primary care procedure codes and as an adjustment paid exclusively to Medicaid managed care organizations for well child visit procedure codes.

(3) By October 1, 2008, the department shall provide a report to the house and senate appropriations subcommittees on community health and the house and senate fiscal agencies that identifies the specific procedure codes affected by this section and the amount and percentage increase provided for each procedure code.

Sec. 1794. From the funds appropriated in part 1 for hospital services and therapy, up to \$100.00 may be allocated for a program to provide a per-person per-day reimbursement for a hospital located in a city with a population over 500,000.

Sec. 1796. The department shall direct the health information technology commission to examine strategies that promote the ability to share medical records. The department shall report the commission's findings by July 1, 2010.

Sec. 1802. The department may spend up to \$100,000.00 on a pilot program targeting Medicaid recipients with certain high-cost or complex health conditions. This pilot shall provide financial incentives to primary care physicians to handle disease management responsibilities for these Medicaid recipients.

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

Sec. 1812. From the funds appropriated in part 1 for medical services administration, up to \$100.00 may be allocated to support a pilot project to develop a regional health care resource sharing network. By encouraging collaboration and partnerships between local hospitals, this network is expected to enable each hospital to maintain independence and community control while sharing best practices and resources. The pilot shall be designed to improve access, improve patient outcomes, and lower costs in a medical home model. The region for the pilot shall encompass 22 counties and have 10 hospitals.

Sec. 1813. The department shall inform county boards of commissioners in counties not presently covered by the program of all-inclusive care for the elderly of the possibility of expansion of the program to their county.

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

Sec. 1816. The department shall work with the Michigan association of health plans to develop and implement strategies for the use of information technology services for claims payment, claims status, and related functions.

Sec. 1817. The department shall convene a workgroup including members of the Michigan association of health plans and the Michigan health and hospital association to discuss implementation of a policy that will prohibit billing for care made necessary by preventable medical errors or adverse health events. The workgroup shall take into account similar policies implemented by the Medicare program and by Medicaid programs in other states. The workgroup shall report its findings and recommendations to the legislature no later than April 1, 2010.

Sec. 1819. It is the intent of the legislature that, beginning in fiscal year 2010-2011, the department shall use Medicaid health plan encounter data in the development and revision of hospital diagnosis-related group pricing policy.

Sec. 1820. The department shall recognize accrediting organizations for Medicaid health plans and shall consider accreditation results when reviewing the performance of Medicaid health plans.

Sec. 1821. The department shall establish appropriate performance standards for Medicaid health plans a year in advance of the application of those standards. The determination of performance shall be based on and include such recognized concepts as 1-year continuous enrollment and HEDIS audited data.

Sec. 1822. The department, the department's contracted Medicaid pharmacy benefit manager, and all Medicaid health plans shall implement coverage for a mental health prescription drug within 30 days of that drug's approval by the department's pharmacy and therapeutics committee.

Sec. 1824. Individuals who live in homes for the aged or adult foster care facilities shall be eligible to apply for enrollment for services from the home- and community-based waiver program.

Sec. 1825. The department may work in conjunction with relevant stakeholders to determine the feasibility of implementing quality assurance assessment programs targeted to certain providers of medical services, as permitted by federal law.

Sec. 1826. The department shall develop a plan to expand and improve the beneficiary monitoring program. This plan shall include cost-effective methods to monitor and reduce unnecessary health care services, including prescription drugs, improve coordination of services between the primary care physician and mental health/substance abuse service providers, and improve compliance with prescribed medical management to reduce more costly use of emergency services. The department shall submit this plan to the house and senate appropriations subcommittees on community health, the house and senate fiscal agencies, and the state budget director by April 1 of the current fiscal year.

Sec. 1828. (1) Effective October 1, 2009, Medicaid payment rates for providers described in subsection (2) shall be reduced to 8% less than the rates in effect on May 1, 2009.

(2) Providers subject to the payment rate reduction shall be limited to those providers subject to percentage rate reductions in Executive Order No. 2009-22.

(3) The department shall reduce rates paid to Medicaid health plans to correspond to the savings realized by the health plans from the reduction in other Medicaid provider rates.

(4) If new revenue is generated to match federal Medicaid funds, the revenue shall be used to reduce or eliminate the rate reductions described in subsections (1), (2), and (3) and to restore other reductions made to the fiscal year 2009-2010 department budget.

Sec. 1829. Notwithstanding the removal of coverage for certain optional Medicaid services, the department shall continue its policy of providing coverage for emergency services. For this purpose, the department shall continue to adhere to the guidelines outlined in MSA policy bulletin MSA 09-28.

Second: That the House and Senate agree to the title of the bill to read as follows:

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

Gary McDowell  
Richard Hammel  
Kevin Green  
Conferees for the House

Roger Kahn  
John Pappageorge  
Conferees for the Senate

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

### **Senate Bill No. 245, entitled**

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

The Senate has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

### **First Conference Report**

The Committee of Conference on the matters of difference between the two Houses concerning

### **Senate Bill No. 245, entitled**

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

Recommends:

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

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

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

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

#### **PART 1**

#### **LINE-ITEM APPROPRIATIONS**

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the

executive office, the legislative branch, and certain other state purposes, for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

**TOTAL GENERAL GOVERNMENT**

**APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	46.0	
Full-time equated classified positions .....	7,440.7	
<b>GROSS APPROPRIATION</b> .....		\$ 3,006,201,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		638,721,400
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 2,367,480,300
Federal revenues:		
Total federal revenues.....		116,944,500
Special revenue funds:		
Total local revenues .....		3,554,000
Total private revenues .....		1,275,700
Total other state restricted revenues .....		1,618,811,900
State general fund/general purpose .....		\$ 626,894,200

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

**(1) APPROPRIATION SUMMARY**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	537.0	
<b>GROSS APPROPRIATION</b> .....		\$ 73,873,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		21,289,800
<b>ADJUSTED GROSS APPROPRIATION</b> .....		\$ 52,583,800
Federal revenues:		
Total federal revenues.....		8,277,800
Special revenue funds:		
Total local revenues .....		0
Total private revenues .....		0
Total other state restricted revenues .....		15,521,000
State general fund/general purpose .....		\$ 28,785,000

**(2) ATTORNEY GENERAL OPERATIONS**

Full-time equated unclassified positions.....	6.0	
Full-time equated classified positions .....	537.0	
Attorney general .....		\$ 124,900
Unclassified positions—5.0 FTE positions .....		476,300
Attorney general operations—500.0 FTE positions .....		67,442,900
Child support enforcement—25.0 FTE positions .....		2,932,900
Prosecuting attorneys coordinating council—12.0 FTE positions .....		2,038,700
<b>GROSS APPROPRIATION</b> .....		\$ 73,015,700

Appropriated from:

Interdepartmental grant revenues:		
IDG from MDCH, health services .....		1,906,300
IDG from MDCH, WIC .....		71,500
IDG from department of corrections .....		487,000
IDG from MDE .....		294,100
IDG from MDEQ .....		1,776,800
IDG from MDHS.....		3,345,100
IDG from MDELEG, career education services .....		190,100
IDG from MDELEG, children’s protection registry .....		37,000
IDG from MDELEG, financial and insurance services.....		1,125,400
IDG from MDELEG, licensing and regulation fees.....		179,400
IDG from MDELEG, Michigan occupational safety and health administration .....		100,800
IDG from MDELEG, Michigan state housing development authority .....		529,500
IDG from MDELEG, remonumentation fees .....		79,200
IDG from MDMB, civil service commission.....		306,300
IDG from MDMB, risk management revolving fund.....		1,362,800
IDG from DMVA .....		121,500

	For Fiscal Year Ending Sept. 30, 2010
IDG from MDOT, comprehensive transportation fund.....	162,400
IDG from MDOT, state aeronautics fund.....	160,300
IDG from MDOT, state trunkline fund .....	2,867,300
IDG from MDSP, Michigan justice training fund .....	325,000
IDG from MDSP .....	720,000
IDG from treasury .....	4,818,600
IDG from treasury, strategic fund .....	131,900
IDG from MDIT.....	191,500
Federal revenues:	
DAG, state administrative match grant/food stamps .....	395,900
Federal funds.....	2,531,300
HHS, medical assistance, medigrant .....	652,300
HHS-OS, state Medicaid fraud control units .....	4,598,300
National criminal history improvement program .....	100,000
Special revenue funds:	
Antitrust enforcement collections.....	663,800
Assigned claims assessments.....	122,600
Attorney general's operations fund .....	919,500
Auto repair facilities fees .....	238,500
Franchise fees.....	305,500
Game and fish protection fund.....	932,800
Homeowner construction lien recovery fund.....	566,100
Liquor purchase revolving fund .....	1,082,000
Manufactured housing fees.....	200,400
Merit award trust fund.....	408,600
Michigan employment security act - administrative fund .....	1,748,400
Prisoner reimbursement.....	470,600
Prosecuting attorneys training fees.....	375,000
Public utility assessments .....	1,839,300
Real estate enforcement fund .....	552,600
Reinstatement fees.....	163,400
Retirement funds .....	770,600
Second injury fund .....	1,004,500
Self-insurers security fund.....	178,100
Silicosis and dust disease fund.....	536,200
State building authority revenue.....	100,300
State casino gaming fund .....	1,139,800
State lottery fund .....	254,000
Utility consumers fund.....	571,600
Waterways fund .....	102,400
Worker's compensation administrative revolving fund .....	274,400
State general fund/general purpose .....	\$ 27,927,100
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 857,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 857,900</b>
Appropriated from:	
State general fund/general purpose .....	\$ 857,900
<b>Sec. 103. DEPARTMENT OF CIVIL RIGHTS</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	5.0
Full-time equated classified positions .....	125.0
<b>GROSS APPROPRIATION</b> .....	<b>\$ 13,763,700</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
<b>ADJUSTED GROSS APPROPRIATION</b> .....	<b>\$ 13,763,700</b>

	For Fiscal Year Ending Sept. 30, 2010
Federal revenues:	
Total federal revenues.....	2,057,300
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose.....	\$ 11,706,400
<b>(2) CIVIL RIGHTS OPERATIONS</b>	
Full-time equated unclassified positions..... 5.0	
Full-time equated classified positions..... 125.0	
Unclassified positions—5.0 FTE positions.....	\$ 267,100
Civil rights operations—125.0 FTE positions.....	12,728,600
GROSS APPROPRIATION.....	\$ 12,995,700
Appropriated from:	
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts.....	1,271,700
HUD, grant.....	770,600
State general fund/general purpose.....	\$ 10,953,400
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 768,000
GROSS APPROPRIATION.....	\$ 768,000
Appropriated from:	
Federal revenues:	
EEOC, state and local antidiscrimination agency contracts.....	15,000
State general fund/general purpose.....	\$ 753,000
<b>Sec. 104. EXECUTIVE OFFICE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions..... 10.0	
Full-time equated classified positions..... 74.2	
GROSS APPROPRIATION.....	\$ 4,823,700
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION.....	\$ 4,823,700
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose.....	\$ 4,823,700
<b>(2) EXECUTIVE OFFICE OPERATIONS</b>	
Full-time equated unclassified positions..... 10.0	
Full-time equated classified positions..... 74.2	
Governor.....	\$ 177,000
Lieutenant governor.....	123,900
Executive office—74.2 FTE positions.....	3,673,000
Unclassified positions—8.0 FTE positions.....	849,800
GROSS APPROPRIATION.....	\$ 4,823,700
Appropriated from:	
State general fund/general purpose.....	\$ 4,823,700
<b>Sec. 105. DEPARTMENT OF INFORMATION TECHNOLOGY</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions..... 3.0	
Full-time equated classified positions..... 1,632.0	
GROSS APPROPRIATION.....	\$ 423,323,100



	For Fiscal Year Ending Sept. 30, 2010
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	423,323,100
ADJUSTED GROSS APPROPRIATION .....	\$ 0
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 0
<b>(2) ADMINISTRATION</b>	
Full-time equated unclassified positions..... 3.0	
Full-time equated classified positions ..... 1,632.0	
Unclassified positions—3.0 FTE positions .....	\$ 300,000
Enterprisewide services—69.0 FTE positions .....	22,560,000
Health and human services—694.5 FTE positions .....	229,080,400
Education services—32.0 FTE positions.....	3,264,300
Public protection—284.0 FTE positions .....	58,931,500
Resources services—164.0 FTE positions.....	18,418,500
Transportation services—99.5 FTE positions.....	28,996,900
General services—289.0 FTE positions .....	61,771,500
GROSS APPROPRIATION .....	\$ 423,323,100
Appropriated from:	
Interdepartmental grant revenues:	
IDG from department of agriculture .....	1,718,900
IDG from department of attorney general.....	857,900
IDG from department of civil rights .....	853,700
IDG from civil service commission .....	4,340,300
IDG from department of community health.....	52,934,600
IDG from department of corrections.....	22,984,300
IDG from department of education .....	3,531,200
IDG from department of environmental quality.....	7,822,300
IDG from Michigan gaming control board .....	1,361,300
IDG from department of human services.....	132,545,400
IDG from department of energy, labor, and economic growth .....	44,907,200
IDG from bureau of state lottery.....	4,614,000
IDG from department of management and budget.....	28,392,400
IDG from department of military and veterans affairs.....	1,254,300
IDG from department of natural resources .....	9,412,100
IDG from department of state .....	25,023,700
IDG from department of state police .....	33,384,700
IDG from department of transportation.....	29,313,200
IDG from department of treasury.....	18,071,600
State general fund/general purpose .....	\$ 0
<b>Sec. 106. LEGISLATURE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ 106,274,700
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 106,274,700
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	400,000

	For Fiscal Year Ending Sept. 30, 2010
Total other state restricted revenues .....	1,109,800
State general fund/general purpose .....	\$ 104,764,900
<b>(2) LEGISLATURE</b>	
Senate .....	\$ 26,698,100
Senate automated data processing .....	2,294,600
Senate fiscal agency .....	2,897,300
House of representatives.....	42,309,700
House automated data processing .....	1,822,400
House fiscal agency.....	2,897,300
GROSS APPROPRIATION .....	\$ 78,919,400
Appropriated from:	
State general fund/general purpose .....	\$ 78,919,400
<b>(3) LEGISLATIVE COUNCIL</b>	
Legislative council.....	\$ 9,139,200
Legislative service bureau automated data processing .....	1,237,300
Worker's compensation.....	133,000
National association dues .....	148,900
Legislative corrections ombudsman.....	369,700
GROSS APPROPRIATION .....	\$ 11,028,100
Appropriated from:	
Special revenue funds:	
Private - gifts and bequests revenues .....	400,000
State general fund/general purpose .....	\$ 10,628,100
<b>(4) LEGISLATIVE RETIREMENT SYSTEM</b>	
General nonretirement expenses.....	\$ 4,533,900
GROSS APPROPRIATION .....	\$ 4,533,900
Appropriated from:	
Special revenue funds:	
Court fees .....	1,109,800
State general fund/general purpose .....	\$ 3,424,100
<b>(5) PROPERTY MANAGEMENT</b>	
Capitol building.....	\$ 2,552,800
Cora Anderson building .....	7,424,800
Farnum building and other properties .....	1,815,700
GROSS APPROPRIATION .....	\$ 11,793,300
Appropriated from:	
State general fund/general purpose .....	\$ 11,793,300
<b>Sec. 107. LEGISLATIVE AUDITOR GENERAL</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ 14,961,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	1,801,500
ADJUSTED GROSS APPROPRIATION .....	\$ 13,159,700
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	1,539,900
State general fund/general purpose .....	\$ 11,619,800
<b>(2) OFFICE OF THE AUDITOR GENERAL</b>	
Unclassified positions.....	\$ 313,500
Field operations .....	14,647,700
GROSS APPROPRIATION .....	\$ 14,961,200
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDMB, civil service commission.....	107,900

	For Fiscal Year Ending Sept. 30, 2010
IDG from MDELEG, liquor purchase revolving fund .....	11,300
IDG from MDOT, comprehensive transportation fund.....	25,200
IDG from MDOT, Michigan transportation fund .....	204,300
IDG from MDOT, state aeronautics fund.....	19,600
IDG from MDOT, state trunkline fund .....	474,600
IDG, single audit act .....	958,600
Special revenue funds:	
21st century jobs fund.....	50,000
Clean Michigan initiative implementation bond fund.....	38,300
Commercial mobile radio system emergency telephone fund.....	38,300
Construction lien fund.....	7,400
Contract audit administration fees.....	53,900
Correctional industries revolving fund .....	32,000
Fee adequacy, air quality delegated authority .....	9,600
Legislative retirement system .....	19,100
Michigan conservation and recreation legacy fund .....	29,500
Michigan economic development corporation.....	54,400
Michigan education trust fund.....	30,700
Michigan justice training commission fund .....	28,700
Michigan state housing development authority fees .....	22,600
Michigan strategic fund.....	89,000
Michigan tobacco settlement authority.....	27,000
Michigan veterans' trust fund.....	24,900
Motor transport revolving fund .....	4,800
Office services revolving fund .....	6,900
State disbursement unit, office of child support.....	25,500
State services fee fund.....	947,300
State general fund/general purpose .....	\$ 11,619,800
<b>Sec. 108. DEPARTMENT OF MANAGEMENT AND BUDGET</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	7.0
Full-time equated classified positions .....	1,406.0
GROSS APPROPRIATION .....	\$ 548,665,700
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	161,186,300
ADJUSTED GROSS APPROPRIATION .....	\$ 387,479,400
Federal revenues:	
Total federal revenues.....	11,219,800
Special revenue funds:	
Total local revenues .....	2,027,600
Total private revenues.....	151,900
Total other state restricted revenues .....	78,805,800
State general fund/general purpose .....	\$ 295,274,300
<b>(2) MANAGEMENT AND BUDGET SERVICES</b>	
Full-time equated unclassified positions.....	7.0
Full-time equated classified positions .....	696.5
Unclassified positions—7.0 FTE positions .....	\$ 636,500
Executive operations—10.5 FTE positions .....	1,407,300
Administrative services—55.5 FTE positions .....	5,153,700
Budget and financial management—172.5 FTE positions .....	23,322,200
Office of the state employer—23.0 FTE positions.....	2,848,200
Design and construction services—40.0 FTE positions .....	5,443,100
Business support services—96.0 FTE positions.....	9,128,500
Building operation services—253.0 FTE positions.....	87,784,000
Building occupancy charges, rent, and utilities.....	5,049,300

	For Fiscal Year Ending Sept. 30, 2010
Motor vehicle fleet—46.0 FTE positions .....	56,994,200
GROSS APPROPRIATION .....	\$ 197,767,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, comprehensive transportation fund.....	32,700
IDG from MDOT, state aeronautics fund.....	23,600
IDG from MDOT, state trunkline fund .....	1,140,800
IDG from building occupancy and parking charges.....	90,855,100
IDG from department of energy, labor, and economic growth .....	100,000
IDG from motor transport fund.....	56,994,200
IDG from MDCH .....	438,900
IDG from MDHS.....	175,500
IDG from user fees.....	5,406,600
Federal revenues:	
Federal indirect funds.....	266,700
Special revenue funds:	
Game and fish protection fund.....	380,500
Health management funds .....	1,862,100
Marine safety fund .....	600
Special revenue, internal service, and pension trust funds.....	11,464,800
State building authority revenue.....	633,400
State exposition and fairgrounds fund.....	6,605,300
State lottery fund.....	334,400
State services fee fund.....	126,400
Waterways fund .....	94,600
State general fund/general purpose .....	\$ 20,830,800
<b>(3) STATEWIDE APPROPRIATIONS</b>	
Professional development fund - MPE, SEIU, scientific and engineering unit .....	\$ 125,000
Professional development fund - MPE, SEIU, technical unit .....	50,000
Professional development fund - AFSCME .....	50,000
Professional development fund - NEREs .....	50,000
Professional development fund - MSCs .....	150,000
GROSS APPROPRIATION .....	\$ 425,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from employer contributions .....	425,000
State general fund/general purpose .....	\$ 0
<b>(4) SPECIAL PROGRAMS</b>	
Full-time equated classified positions .....	176.0
Building occupancy charges - property management services for executive/legislative building occupancy .....	\$ 1,249,100
Retirement services—164.0 FTE positions .....	17,234,000
Office of children’s ombudsman—12.0 FTE positions .....	1,397,600
Census tracking/reapportionment .....	1,200,000
GROSS APPROPRIATION .....	\$ 21,080,700
Appropriated from:	
Special revenue funds:	
Deferred compensation.....	1,542,400
Pension trust funds .....	15,691,600
State general fund/general purpose .....	\$ 3,846,700
<b>(5) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ 26,536,800
GROSS APPROPRIATION .....	\$ 26,536,800
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, comprehensive transportation fund.....	2,100
IDG from MDOT, state aeronautics fund.....	1,100

	For Fiscal Year Ending Sept. 30, 2010
IDG from MDOT, state trunkline fund .....	47,500
IDG from building occupancy and parking charges.....	685,500
IDG from user fees.....	196,400
Special revenue funds:	
Deferred compensation.....	2,600
Game and fish protection fund.....	10,700
Health management funds .....	44,000
MAIN user charges .....	4,305,600
Pension trust funds .....	6,568,700
Special revenue, internal service, and pension trust funds.....	2,635,000
State building authority revenue.....	10,400
State lottery fund.....	4,600
Waterways fund .....	2,000
State general fund/general purpose .....	\$ 12,020,600
<b>(6) STATE BUILDING AUTHORITY RENT</b>	
State building authority rent - state agencies .....	\$ 54,676,300
State building authority rent - department of corrections .....	47,090,600
State building authority rent - universities .....	112,618,300
State building authority rent - community colleges .....	20,985,400
<b>GROSS APPROPRIATION</b> .....	\$ 235,370,600
Appropriated from:	
State general fund/general purpose .....	\$ 235,370,600
<b>(7) CIVIL SERVICE COMMISSION</b>	
Full-time equated classified positions .....	533.5
Agency services—118.5 FTE positions.....	\$ 12,235,400
Executive direction—33.0 FTE positions.....	8,693,400
Employee benefits—31.0 FTE positions.....	5,936,500
Training .....	1,300,000
Human resources operations—351.0 FTE positions .....	33,380,000
Information technology services and projects .....	3,940,300
<b>GROSS APPROPRIATION</b> .....	\$ 65,485,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG, training charges .....	1,300,000
IDG, 1% special funds .....	1,361,300
Federal revenues:	
Federal funds 1%.....	6,147,600
Federal indirect funds.....	4,805,500
Special revenue funds:	
Local funds 1% .....	2,027,600
Private funds 1% .....	151,900
State restricted funds 1%.....	17,759,200
State sponsored group insurance .....	2,650,000
State sponsored group insurance, flexible spending accounts and COBRA .....	6,076,900
State general fund/general purpose .....	\$ 23,205,600
<b>(8) CAPITAL OUTLAY</b>	
Major special maintenance, remodeling and addition for state agencies .....	\$ 2,000,000
<b>GROSS APPROPRIATION</b> .....	\$ 2,000,000
Appropriated from:	
Interdepartmental grant revenues:	
IDG from building occupancy charges.....	2,000,000
State general fund/general purpose .....	\$ 0
<b>Sec. 109. DEPARTMENT OF STATE</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	6.0
Full-time equated classified positions .....	1,809.0
<b>GROSS APPROPRIATION</b> .....	\$ 209,130,200

	For Fiscal Year Ending Sept. 30, 2010
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	20,000,000
ADJUSTED GROSS APPROPRIATION .....	\$ 189,130,200
Federal revenues:	
Total federal revenues.....	1,810,000
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	100
Total other state restricted revenues .....	169,364,700
State general fund/general purpose .....	\$ 17,955,400
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions..... 6.0	
Full-time equated classified positions ..... 30.0	
Secretary of state.....	\$ 124,900
Unclassified positions—5.0 FTE positions .....	453,200
Operations—30.0 FTE positions .....	3,032,300
GROSS APPROPRIATION .....	\$ 3,610,400
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees .....	60,500
Driver fees .....	143,800
Expedient service fees.....	58,500
Parking ticket court fines.....	8,300
Personal identification card fees.....	13,800
Reinstatement fees - operator licenses .....	150,400
Transportation administration collection fund.....	2,069,100
Vehicle theft prevention fees .....	35,600
State general fund/general purpose .....	\$ 1,070,400
<b>(3) DEPARTMENT SERVICES</b>	
Full-time equated classified positions ..... 159.0	
Operations—152.0 FTE positions .....	\$ 22,465,200
Assigned claims assessments—7.0 FTE positions .....	908,600
GROSS APPROPRIATION .....	\$ 23,373,800
Appropriated from:	
Special revenue funds:	
Abandoned vehicle fees.....	468,600
Assigned claims assessments.....	908,600
Auto repair facilities fees .....	415,000
Child support clearance fees .....	34,300
Driver fees .....	451,100
Expedient service fees.....	256,800
Marine safety fund .....	77,100
Off-road vehicle title fees.....	7,800
Parking ticket court fines.....	52,700
Personal identification card fees.....	85,900
Reinstatement fees - operator licenses .....	556,200
Scrap tire fund.....	70,700
Snowmobile registration fee revenue .....	18,100
Transportation administration collection fund.....	18,804,600
Vehicle theft prevention fees .....	243,400
State general fund/general purpose .....	\$ 922,900
<b>(4) REGULATORY SERVICES</b>	
Full-time equated classified positions ..... 210.5	
Operations—208.5 FTE positions .....	\$ 21,671,900
Motorcycle safety education administration—2.0 FTE positions .....	368,500

	For Fiscal Year Ending Sept. 30, 2010
Motorcycle safety education grants .....	1,430,000
County clerk education and training fund .....	100,000
GROSS APPROPRIATION .....	\$ 23,570,400
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees .....	4,144,800
Driver education provider and instructor fund .....	72,900
Driver fees .....	1,978,300
Expedient service fees .....	35,200
Motorcycle safety fund .....	1,798,500
Notary education and training fund .....	100,000
Notary fee fund .....	314,000
Parking ticket court fines .....	20,700
Personal identification card fees .....	50,500
Reinstatement fees - operator licenses .....	1,803,000
Transportation administration collection fund .....	10,921,800
Vehicle theft prevention fees .....	1,330,900
State general fund/general purpose .....	\$ 999,800
<b>(5) CUSTOMER DELIVERY SERVICES</b>	
Full-time equated classified positions .....	1,373.5
Branch operations—931.5 FTE positions .....	\$ 72,417,800
Central operations—415.0 FTE positions .....	40,959,500
Commemorative license plates—24.0 FTE positions .....	2,147,300
Specialty license plates—3.0 FTE positions .....	1,922,000
Olympic center plate .....	75,700
Organ donor program .....	104,100
GROSS APPROPRIATION .....	\$ 117,626,400
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund .....	20,000,000
Federal revenues:	
Federal funds .....	1,460,000
Special revenue funds:	
Private funds .....	100
Abandoned vehicle fees .....	197,600
Auto repair facilities fees .....	93,100
Restricted funds .....	5,750,000
Child support clearance fees .....	295,500
Driver fees .....	16,141,900
Expedient service fees .....	2,465,200
Enhanced driver license and enhanced official state personal identification card fund .....	4,226,700
Marine safety fund .....	1,210,700
Michigan state police auto theft fund .....	118,900
Mobile home commission fees .....	476,000
Off-road vehicle title fees .....	129,900
Parking ticket court fines .....	1,490,500
Personal identification card fees .....	1,614,400
Reinstatement fees - operator licenses .....	1,209,600
Snowmobile registration fee revenue .....	348,100
Transportation administration collection fund .....	58,184,500
Vehicle theft prevention fees .....	209,500
State general fund/general purpose .....	\$ 2,004,200
<b>(6) ELECTION REGULATION</b>	
Full-time equated classified positions .....	36.0
Election administration and services—36.0 FTE positions .....	\$ 4,989,500
Help America vote act .....	350,000

	For Fiscal Year Ending Sept. 30, 2010
Fees to local units .....	109,800
GROSS APPROPRIATION .....	\$ 5,449,300
Appropriated from:	
Federal revenues:	
Federal funds - HAVA HHS .....	350,000
State general fund/general purpose .....	\$ 5,099,300
<b>(7) DEPARTMENTWIDE APPROPRIATIONS</b>	
Building occupancy charges/rent.....	\$ 10,309,100
Worker's compensation.....	304,300
GROSS APPROPRIATION .....	\$ 10,613,400
Appropriated from:	
Special revenue funds:	
Auto repair facilities fees .....	135,300
Driver fees .....	630,800
Expedient service fees.....	26,000
Parking ticket court fines.....	447,800
Transportation administration collection fund.....	5,925,000
State general fund/general purpose .....	\$ 3,448,500
<b>(8) INFORMATION TECHNOLOGY</b>	
Information technology services and projects .....	\$ 24,886,500
GROSS APPROPRIATION .....	\$ 24,886,500
Appropriated from:	
Special revenue funds:	
Administrative order processing fee.....	11,100
Auto repair facilities fees .....	179,300
Child support clearance fees .....	16,200
Driver fees .....	1,548,900
Expedient service fees.....	1,024,500
Parking ticket court fines.....	82,600
Personal identification card fees.....	888,200
Reinstatement fees - operator licenses .....	503,600
Transportation administration collection fund.....	16,051,000
Vehicle theft prevention fees .....	170,800
State general fund/general purpose .....	\$ 4,410,300
<b>Sec. 110. DEPARTMENT OF TREASURY</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
Full-time equated unclassified positions.....	9.0
Full-time equated classified positions .....	1,857.5
GROSS APPROPRIATION .....	\$ 1,611,385,800
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	11,120,700
ADJUSTED GROSS APPROPRIATION .....	\$ 1,600,265,100
Federal revenues:	
Total federal revenues.....	93,579,600
Special revenue funds:	
Total local revenues .....	1,526,400
Total private revenues.....	723,700
Total other state restricted revenues .....	1,352,470,700
State general fund/general purpose .....	\$ 151,964,700
<b>(2) EXECUTIVE DIRECTION</b>	
Full-time equated unclassified positions.....	9.0
Full-time equated classified positions .....	5.0
Unclassified positions—9.0 FTE positions .....	\$ 834,600
Office of the director—5.0 FTE positions.....	843,600
GROSS APPROPRIATION .....	\$ 1,678,200



For Fiscal Year  
Ending Sept. 30,  
2010

Appropriated from:	
Federal revenues:	
DED-OPSE, federal lenders allowance .....	20,000
DED-OPSE, higher education act of 1965, insured loans.....	45,000
Special revenue funds:	
State lottery fund.....	191,000
State services fee fund.....	210,500
State general fund/general purpose .....	\$ 1,211,700
<b>(3) DEPARTMENTWIDE APPROPRIATIONS</b>	
Travel.....	\$ 1,215,900
Rent and building occupancy charges - property management services .....	5,657,300
Worker's compensation insurance premium .....	153,000
GROSS APPROPRIATION .....	\$ 7,026,200
Appropriated from:	
Special revenue funds:	
Delinquent tax collection revenue .....	3,927,700
State general fund/general purpose .....	\$ 3,098,500
<b>(4) LOCAL GOVERNMENT PROGRAMS</b>	
Full-time equated classified positions .....	87.0
Supervision of the general property tax law—60.0 FTE positions .....	\$ 11,629,200
Property tax assessor training—4.0 FTE positions .....	430,400
Local finance—23.0 FTE positions .....	2,402,700
GROSS APPROPRIATION .....	\$ 14,462,300
Appropriated from:	
Special revenue funds:	
Local - assessor training fees .....	830,400
Local - audit charges .....	606,000
Local - equalization study chargebacks.....	40,000
Local - revenue from local government .....	50,000
Delinquent tax collection revenue .....	408,500
Land reutilization fund .....	4,049,600
Municipal finance fees .....	491,000
State education tax collections .....	50,000
State general fund/general purpose .....	\$ 7,936,800
<b>(5) TAX PROGRAMS</b>	
Full-time equated classified positions .....	747.0
Customer contact—139.0 FTE positions.....	\$ 12,070,300
Tax compliance—338.0 FTE positions .....	34,988,700
Tax and economic policy—81.0 FTE positions .....	9,279,900
Tax processing—151.0 FTE positions.....	14,075,100
Michigan business tax implementation—28.0 FTE positions .....	5,366,600
Home heating assistance .....	2,618,100
Bottle bill implementation.....	250,000
Tobacco tax collection—10.0 FTE positions.....	358,900
GROSS APPROPRIATION .....	\$ 79,007,600
Appropriated from:	
Interdepartmental grant revenues:	
IDG, data/collection services fees .....	50,900
IDG from MDOT, Michigan transportation fund .....	6,981,600
IDG from MDOT, state aeronautics fund.....	68,700
Federal revenues:	
HHS-SSA, low-income energy assistance .....	2,618,100
Special revenue funds:	
Bottle deposit fund .....	250,000
Delinquent tax collection revenue .....	58,757,900

	For Fiscal Year Ending Sept. 30, 2010
Tobacco tax collection and enforcement .....	358,900
Tobacco tax revenue .....	591,700
Waterways fund .....	80,500
State general fund/general purpose .....	\$ 9,249,300
<b>(6) BANKING AND MANAGEMENT SERVICES</b>	
Full-time equated classified positions .....	342.0
Program management—10.0 FTE positions .....	\$ 1,070,900
Departmental and budget services—18.0 FTE positions .....	1,748,100
Mail operations—28.0 FTE positions .....	2,028,400
Unclaimed property—21.0 FTE positions .....	3,534,500
Collections—208.0 FTE positions .....	20,562,600
Finance and accounting—17.0 FTE positions .....	1,124,600
Receipts processing—40.0 FTE positions .....	3,138,800
GROSS APPROPRIATION .....	\$ 33,207,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDHS, title IV-D .....	631,000
IDG, levy/warrant cost assessment fees .....	1,866,800
IDG, state agency collection fees .....	602,900
IDG, data/collection services fees .....	206,400
Special revenue funds:	
Delinquent tax collection revenue .....	19,494,900
Escheats revenue .....	3,534,500
Garnishment fees .....	546,100
Justice system fund .....	653,800
Treasury fees .....	43,600
State general fund/general purpose .....	\$ 5,627,900
<b>(7) FINANCIAL PROGRAMS</b>	
Full-time equated classified positions .....	225.5
Investments—82.0 FTE positions .....	\$ 16,717,500
Michigan merit award administration—6.0 FTE positions .....	1,480,000
Common cash and debt management—22.5 FTE positions .....	1,256,800
Public private partnership investment—2.0 FTE positions .....	1,458,700
Student financial assistance programs—113.0 FTE positions .....	35,852,500
GROSS APPROPRIATION .....	\$ 56,765,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG, fiscal agent service fees .....	172,100
Federal revenues:	
DED-OPSE, federal lenders allowance .....	\$ 10,550,200
DED-OPSE, higher education act of 1965, insured loans .....	23,485,800
Special revenue funds:	
Defined contribution administrative fee revenue .....	100,000
Michigan merit award trust fund .....	1,915,700
Public private partnership investment fund .....	1,458,700
Retirement funds .....	15,657,400
School bond fees .....	623,800
Treasury fees .....	1,125,900
State general fund/general purpose .....	\$ 1,675,900
<b>(8) DEBT SERVICE</b>	
Water pollution control bond and interest redemption .....	\$ 2,257,500
Quality of life bond .....	38,355,100
Clean Michigan initiative .....	24,418,000
Great Lakes water quality bond .....	15,146,900
GROSS APPROPRIATION .....	\$ 80,177,500

For Fiscal Year  
Ending Sept. 30,  
2010

Appropriated from:	
Special revenue funds:	
Refined petroleum fund.....	15,514,500
State general fund/general purpose .....	\$ 64,663,000
<b>(9) GRANTS</b>	
Convention facility development distribution.....	\$ 83,850,000
Senior citizen cooperative housing tax exemption program.....	14,520,000
Commercial mobile radio service payments .....	27,000,000
Health and safety fund grants.....	9,000,000
Renaissance zone reimbursement .....	2,992,000
GROSS APPROPRIATION .....	<u>137,362,000</u>
Appropriated from:	
Special revenue funds:	
Commercial mobile radio service fees .....	27,000,000
Convention facility development fund.....	83,850,000
Health and safety fund .....	9,000,000
State general fund/general purpose .....	17,512,000
<b>(10) STATE LOTTERY</b>	
Full-time equated classified positions .....	181.0
Lottery operations—181.0 FTE positions .....	\$ 20,847,800
Promotion and advertising.....	18,622,000
Lottery information technology services and projects .....	4,614,000
GROSS APPROPRIATION .....	<u>\$ 44,083,800</u>
Appropriated from:	
Special revenue funds:	
State lottery fund.....	44,083,800
State general fund/general purpose .....	\$ 0
<b>(11) CASINO GAMING</b>	
Full-time equated classified positions .....	115.0
Michigan gaming control board .....	\$ 50,000
Casino gaming control administration—115.0 FTE positions .....	19,650,600
Casino gaming information technology services and projects .....	1,361,300
GROSS APPROPRIATION .....	<u>\$ 21,061,900</u>
Appropriated from:	
Casino gambling agreements.....	539,600
State services fee fund.....	20,522,300
State general fund/general purpose .....	\$ 0
<b>(12) PAYMENTS IN LIEU OF TAXES</b>	
Commercial forest reserve.....	\$ 2,343,100
Purchased lands .....	4,386,000
Swamp and tax reverted lands.....	6,227,300
GROSS APPROPRIATION .....	<u>\$ 12,956,400</u>
Appropriated from:	
Interdepartmental grant revenues:	
Special revenue funds:	
Game and fish protection fund.....	1,787,900
Michigan natural resources trust fund.....	521,200
Michigan state waterways fund.....	140,900
State general fund/general purpose .....	\$ 10,506,400
<b>(13) MICHIGAN STRATEGIC FUND</b>	
Full-time equated classified positions .....	155.0
Administration—22.0 FTE positions.....	\$ 2,413,100
Job creation services—127.0 FTE positions .....	16,301,900
Michigan film office—6.0 FTE positions .....	721,400
Michigan promotion program.....	5,402,800
Economic development job training grants .....	4,705,800

	For Fiscal Year Ending Sept. 30, 2010
Business incubator program .....	1,300,000
Community development block grants .....	53,000,000
Jobs for Michigan investment program: 21st century jobs fund .....	28,500,000
Arts and cultural grants .....	2,267,400
<b>GROSS APPROPRIATION</b> .....	<b>\$ 114,612,400</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG, MDEQ, air quality fees .....	81,200
Federal revenues:	
NFAH-NEA, promotion of the arts, partnership agreements .....	850,000
HUD-CPD, community development block grant .....	55,466,500
Special revenue funds:	
Private - special project advances .....	723,700
Industry support fees .....	5,300
Jobs for Michigan investment fund - returns to fund .....	1,300,000
Michigan film promotion fund .....	550,000
21st century jobs trust fund .....	28,500,000
State general fund/general purpose .....	\$ 27,135,700
<b>(14) REVENUE SHARING</b>	
Constitutional state general revenue sharing grants .....	\$ 622,137,900
Statutory state general revenue sharing grants .....	314,169,900
County revenue sharing .....	55,291,700
<b>GROSS APPROPRIATION</b> .....	<b>\$ 991,599,500</b>
Appropriated from:	
Sales tax .....	991,599,500
State general fund/general purpose .....	\$ 0
<b>(15) INFORMATION TECHNOLOGY</b>	
Treasury operations information technology services and projects .....	\$ 17,384,600
<b>GROSS APPROPRIATION</b> .....	<b>\$ 17,384,600</b>
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDOT, Michigan transportation fund .....	459,100
Federal revenues:	
DED-OPSE, federal lenders allowance .....	544,000
Special revenue funds:	
Delinquent tax collection revenue .....	11,840,700
Tobacco tax revenue .....	111,900
Michigan merit award trust fund .....	415,100
Retirement funds .....	666,300
State general fund/general purpose .....	\$ 3,347,500

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2009-2010 is \$2,245,706,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$1,162,762,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

**DEPARTMENT OF STATE**

Fees to local units .....	\$ 109,800
Motorcycle safety grants .....	1,144,000
Subtotal .....	\$ 1,253,800

**DEPARTMENT OF TREASURY**

Senior citizen cooperative housing tax exemption .....	\$ 14,520,000
Health and safety fund grants .....	9,000,000
Constitutional state general revenue sharing grants .....	622,137,900
Statutory state general revenue sharing grants .....	314,169,900

Convention facility development fund distribution .....	83,850,000
Commercial mobile radio service payments .....	27,000,000
Renaissance zone reimbursements.....	2,992,000
County revenue sharing payments.....	55,291,700
Airport parking distribution pursuant to section 909 .....	19,590,700
Payments in lieu of taxes .....	12,956,400
Subtotal.....	\$ 1,161,508,600
TOTAL GENERAL GOVERNMENT .....	\$ 1,162,762,400

(2) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 2009-2010 is estimated at \$25,870,314,200.00 in the 2009-2010 appropriations acts and total state spending from state sources paid to local units of government for fiscal year 2009-2010 is estimated at \$15,522,188,500.00. The state-local proportion is estimated at 58.9% of total state spending from state resources.

(3) If payments to local units of government and state spending from state sources for fiscal year 2009-2010 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for fiscal year 2009-2010 to the senate and house of representatives standing committees on appropriations within 30 days after the final book-closing for fiscal year 2009-2010.

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

Sec. 203. As used in this act:

- (a) "AFSCME" means American federation of state, county, and municipal employees.
- (b) "CDBG" means community development block grants.
- (c) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.
- (d) "CPI" means consumer price index.
- (e) "DAG" means the United States department of agriculture.
- (f) "DED-OPSE" means the United States department of education, office of postsecondary education.
- (g) "DOL-ETA" means the United States department of labor, employment and training administration.
- (h) "DOL-OSHA" means the United States department of labor, occupational safety and health administration.
- (i) "EEOC" means the United States equal employment opportunity commission.
- (j) "EPA" means the United States environmental protection agency.
- (k) "FTE" means full-time equated.
- (l) "Fund" means the Michigan strategic fund.
- (m) "GF/GP" means general fund/general purpose.
- (n) "HHS" means the United States department of health and human services.
- (o) "HHS-OS" means the HHS office of the secretary.
- (p) "HHS-SSA" means the HHS social security administration.
- (q) "HUD" means the United States department of housing and urban development.
- (r) "HUD-CPD" means the United States department of housing and urban development – community planning and development.
- (s) "IDG" means interdepartmental grant.
- (t) "JCOS" means the joint capital outlay subcommittee.
- (u) "MAIN" means the Michigan administrative information network.
- (v) "MCL" means the Michigan Compiled Laws.
- (w) "MDCH" means the Michigan department of community health.
- (x) "MDEQ" means the Michigan department of environmental quality.
- (y) "MDHS" means the Michigan department of human services.
- (z) "MDELEG" means the Michigan department of energy, labor, and economic growth.
- (aa) "MDMB" means the Michigan department of management and budget.
- (bb) "MDOT" means the Michigan department of transportation.
- (cc) "MDSP" means the Michigan department of state police.
- (dd) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (ee) "MPE" means the Michigan public employees.
- (ff) "MSC" means managerial, supervisory and confidential.
- (gg) "NERE" means nonexclusively represented employees.
- (hh) "PA" means public act.

- (ii) "PACC" means the prosecuting attorneys coordinating council.
- (jj) "SEIU" means service employees international union.

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

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

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

Sec. 208. The departments and agencies receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

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

Sec. 210. The director of each department receiving appropriations in part 1 shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 211. Pursuant to section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, which provides for a transfer of state general funds into or out of the countercyclical budget and economic stabilization fund, there is appropriated from the countercyclical budget and economic stabilization fund the sum of \$0.00. The calculation required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, is determined as follows:

	2009	2010
Michigan personal income (millions).....	\$393,342	\$329,840
less: transfer payments .....	71,155	74,386
Subtotal.....	<u>\$268,187</u>	<u>\$255,454</u>
Divided by: Detroit CPI for 12 months ending June 30 .....	2.042	2.057
Equals: Real adjusted Michigan personal income.....	\$131,335	\$124,188
Percentage change .....		-5.4%
Percentage change less than 0% .....		-5.4%
Multiplied by: estimated GF/GP revenue in FY 2009-2010 ...		6,949.7
Equals: countercyclical budget and economic stabilization fund payout calculation for the fiscal year ending September 30, 2010. ....		-\$375.3

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

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

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

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

Sec. 216. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2010 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

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

- (a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.
- (b) The destination of each travel occurrence.
- (c) The dates of each travel occurrence.
- (d) A brief statement of the reason for each travel occurrence.
- (e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.
- (f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

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

Sec. 221. (1) Each department shall report no later than April 1, 2010 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the house and senate appropriations subcommittees on the budget for the department, the joint committee on administrative rules, and the senate and house fiscal agencies.

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

(3) As used in this section:

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

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

Sec. 226. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of the attorney general. This prohibition does not apply to legal services for bonding activities and for those activities that the attorney general authorizes.

Sec. 227. Departments or agencies in part 1 shall not enter into any no-bid contracts or extensions of contracts greater than \$500,000.00 unless a request for information indicates that there are no other bidders. For bundled contracts, the \$500,000.00 limit only applies to the individual contracts within the bundle.

Sec. 228. Not later than October 15, each department or agency receiving appropriations in part 1 shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the office of the state budget, the chairpersons of the senate and house appropriations committees, and the senate and house fiscal agencies.

#### **DEPARTMENT OF ATTORNEY GENERAL**

Sec. 301. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$1,500,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 302. (1) The attorney general shall perform all legal services, including representation before courts and administrative agencies rendering legal opinions and providing legal advice to a principal executive department or state agency. A principal executive department or state agency shall not employ or enter into a contract with any other person for services described in this section.

(2) The attorney general shall defend judges of all state courts if a claim is made or a civil action is commenced for injuries to persons or property caused by the judge through the performance of the judge's duties while acting within the scope of his or her authority as a judge.

(3) The attorney general shall perform the duties specified in 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to 14.102, and as otherwise provided by law.

Sec. 303. The attorney general may sell copies of the biennial report in excess of the 350 copies that the attorney general may distribute on a gratis basis. Gratis copies shall not be provided to members of the legislature. Electronic copies of biennial reports shall be made available on the department of attorney general's website. The attorney general shall sell copies of the report at not less than the actual cost of the report and shall deposit the money received into the general fund.

Sec. 304. The department of attorney general is responsible for the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 is to be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.

Sec. 305. In addition to the funds appropriated in part 1, not more than \$400,000.00 shall be reimbursed per fiscal year for food stamp fraud cases heard by the third circuit court of Wayne County that were initiated by the department of attorney general pursuant to the existing contract between the department of human services, the prosecuting attorneys association of Michigan, and the department of attorney general. The source of this funding is money earned by the department of attorney general under the agreement after the allowance for reimbursement to the department of attorney general for costs associated with the prosecution of food stamp fraud cases. It is recognized that the federal funds are earned by the department of attorney general for its documented progress on the prosecution of food stamp fraud cases according to the United States department of agriculture regulations and that, once earned by this state, the funds become state funds.

Sec. 306. Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products by the attorney general are state funds and are subject to appropriation as provided by law.

Sec. 307. (1) In addition to the antitrust revenues in part 1, antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by the department, not to exceed \$250,000.00, are appropriated to the department for antitrust, securities fraud, and consumer protection or class action enforcement cases.

(2) Any unexpended funds from antitrust, securities fraud, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, may be carried forward for expenditure in the following fiscal year up to the maximum authorization of \$250,000.00.

Sec. 308. (1) In addition to the funds appropriated in part 1, there is appropriated up to \$500,000.00 from litigation expense reimbursements awarded to the state.

(2) The funds may be expended for the payment of court judgments or settlements, attorney fees, and litigation expenses not including salaries and support costs, assessed against the office of the governor, the department of the attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against the state. The funds may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

(3) Unexpended funds at the end of the fiscal year may be carried forward for expenditure in the following year, up to a maximum authorization of \$500,000.00.

Sec. 309. From the prisoner reimbursement funds appropriated in part 1, the department may spend up to \$470,600.00 on activities related to the state correctional facilities reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department collects in excess of \$1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, the excess, up to a maximum of \$1,000,000.00, is appropriated to the department of attorney general and may be spent on the representation of the department of corrections and its officers, employees, and agents, including, but not limited to, the defense of litigation against the state, its departments, officers, employees, or agents in civil actions filed by prisoners.



Sec. 310. (1) For the purposes of providing title IV-D child support enforcement funding, the department of human services, as the state IV-D agency, shall maintain a cooperative agreement with the attorney general for federal IV-D funding to support the child support enforcement activities within the office of the attorney general.

(2) The attorney general or his or her designee shall, to the extent allowable under federal law, have access to any information used by the state to locate parents who fail to pay court-ordered child support.

Sec. 312. The department of attorney general shall not receive and expend funds in addition to those authorized in part 1 for legal services provided specifically to other state departments or agencies except for costs for expert witnesses, court costs, or other nonsalary litigation expenses associated with a pending legal action.

#### **DEPARTMENT OF CIVIL RIGHTS**

Sec. 401. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

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

#### **INFORMATION TECHNOLOGY**

Sec. 573. (1) The department of information technology may sell and accept paid advertising for placement on any state website under its jurisdiction. The department shall review and approve the content of each advertisement. The department may refuse to accept advertising from any person or organization or require modification to advertisements based upon criteria determined by the department. Revenue received under this subsection shall be used for operating costs of the department and for future technology enhancements to state of Michigan e-government initiatives. Funds received under this subsection shall be limited to \$250,000.00. Any funds in excess of \$250,000.00 shall be deposited in the state general fund.

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

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

(4) By April 1, the department of information technology shall report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies that a statement of the total revenue received from the sale of paid advertising accepted under this section and a statement of the total number of advertising transactions are available on the department's website.

Sec. 574. The department of information technology may enter into agreements to supply spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The department of information technology may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The department of information technology may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services. Prior to December 1 of each year, the department shall provide a report to the senate and house of representatives standing committees on appropriations subcommittees on general government, detailing the sources of funding and expenditures made under this section.

Sec. 575. The legislature shall have access to all historical and current data contained within MAIN pertaining to state departments. State departments shall have access to all historical and current data contained within MAIN.

Sec. 576. When used in this act, "information technology services" means services involving all aspects of managing and processing information including, but not limited to, all of the following:

- (a) Application development and maintenance.
- (b) Desktop computer support and management.
- (c) Mainframe computer support and management.
- (d) Server support and management.
- (e) Local area network support and management.
- (f) Information technology contract, project, and procurement management.
- (g) Information technology planning and budget management.
- (h) Telecommunication services, security, infrastructure, and support.
- (i) Software and software licensing.

Sec. 577. (1) Funds appropriated in part 1 for the Michigan public safety communications system shall be expended upon approval of an expenditure plan by the state budget director.

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

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

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

Sec. 578. The department of information technology shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1. The report shall include the following:

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

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

Sec. 579. The department of information technology shall provide a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report shall be submitted to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1.

Sec. 580. (1) From the funds appropriated in part 1 to general services, for the department of state, there is appropriated \$4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2010.

Sec. 582. The department shall provide a report by December 1 of each fiscal year to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies detailing the improvements made to Michigan.gov.

Sec. 583. By December 31, the department shall provide a report that lists all change orders and follow-on contracts, greater than \$25,000.00, whether they are bid, exercise options or no-bid, and the amount of each change order or contract extension contract entered into by the department to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 584. The department of information technology shall determine how existing 2-1-1 capacities will be utilized by each state department with community resource information and referral service, including, but not limited to, toll-free help and information lines and comprehensive human service databases. The department of information technology shall report its findings in writing to the senate and house of representatives standing committees on appropriations by July 1, 2010. The report shall include a statement of how each state department has utilized 2-1-1 in its coordination efforts, including any efficiencies, cost savings, and improved service provided to Michigan residents. The report shall also contain recommendations for maintaining a statewide 2-1-1 system.

Sec. 585. The department shall provide a report that calculates the total amount of funds expended for the child support enforcement system to date from the inception of the program. The report shall contain information on the original start and completion dates for the project, the original cost to complete the project, and a listing of all revisions to project

completion dates and costs. The report shall include the total amount of funds paid to the federal government for penalties. The report shall be submitted to the senate and house of representatives standing committees on government operations, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by January 1.

Sec. 586. (1) The state budget director, upon notification to the house and senate appropriations committees, may adjust spending authorization and user fees in the department of information technology budget in order to ensure that the appropriations for information technology in the department budget equal the appropriations for information technology in the budgets for all executive branch agencies.

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

Sec. 587. (1) Revenue collected from licenses issued under the antenna site management project shall be deposited into the antenna site management revolving fund created for this purpose in the department of information technology. The department may receive and expend money from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year shall be proportionately transferred to the appropriate state restricted funds as designated in statute or by constitution.

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

Sec. 588. In addition to the funds appropriated in part 1, the funds collected by the department for supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products area appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

#### **LEGISLATURE**

Sec. 600. The senate, the house of representatives, or an agency within the legislative branch may receive, expend, and transfer funds in addition to those authorized in part 1.

Sec. 601. (1) Funds appropriated in part 1 to an entity within the legislative branch shall not be expended or transferred to another account without written approval of the authorized agent of the legislative entity. If the authorized agent of the legislative entity notifies the state budget director of its approval of an expenditure or transfer before the year-end book-closing date for that legislative entity, the state budget director shall immediately make the expenditure or transfer. The authorized legislative entity agency shall be designated by the speaker of the house of representatives for house entities, the senate majority leader for senate entities, and the legislative council for legislative council entities.

(2) Funds appropriated within the legislative branch, to a legislative council component, shall not be expended by any agency or other subgroup included in that component without the approval of the legislative council.

Sec. 602. The senate may charge rent and assess charges for utility costs. The amounts received for rent charges and utility assessments are appropriated to the senate for the renovation, operation, and maintenance of the Farnum building and other properties.

Sec. 603. The appropriation contained in part 1 for national association dues is to be distributed by the legislative council. From the funding appropriated, \$51,000.00 shall be paid as annual dues to the national conference of commissioners on uniform state laws.

Sec. 604. (1) The appropriation in part 1 to the legislative council includes funds to operate the legislative parking facilities in the capitol area. The legislative council shall establish rules regarding the operation of the legislative parking facilities.

(2) The legislative council shall collect a fee from state employees and the general public using certain legislative parking facilities. The revenues received from the parking fees shall be allocated by the legislative council.

Sec. 605. The appropriation in part 1 to the legislative council for publication of the Michigan manual is a work project account. The unexpended portion remaining on September 30 shall not lapse and shall be carried forward into the subsequent fiscal year for use in paying the associated biennial costs of publication of the Michigan manual.

Sec. 606. The appropriations in part 1 to the legislative branch, for property management, shall be used to purchase equipment and services for building maintenance in order to ensure a safe and productive work environment. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2011.

Sec. 607. The appropriations in part 1 to the legislative branch, for automated data processing, shall be used to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements. These funds are designated as work project appropriations and shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$500,000.00, and the tentative completion date is September 30, 2011.

Sec. 608. In addition to funds appropriated in part 1, the Michigan capitol committee publications save the flags fund account may accept contributions, gifts, bequests, devises, grants, and donations. Those funds that are not expended in the fiscal year ending September 30 shall not lapse at the close of the fiscal year, and shall be carried forward for expenditure in the following fiscal years.

Sec. 610. The funds appropriated in part 1 shall not be used to pay for health insurance benefits for unmarried domestic partners of legislators or legislative employees.

#### **LEGISLATIVE AUDITOR GENERAL**

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

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

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

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

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

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

#### **DEPARTMENT OF MANAGEMENT AND BUDGET**

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

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 702. Proceeds in excess of necessary costs incurred in the conduct of transfers or auctions of state surplus, salvage, or scrap property made pursuant to section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the department of management and budget to offset costs incurred in the acquisition and distribution of federal surplus property.

Sec. 704. (1) The department of management and budget may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the department of management and budget.

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

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

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

Sec. 705. (1) The source of financing in part 1 for statewide appropriations shall be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the department of management and budget. Funds shall be used as specified in joint labor/management agreements or through the coordinated

compensation hearings process. Any deposits made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

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

Sec. 706. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the department of management and budget appropriations financed from special revenue and internal service and pension trust funds, or MAIN user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 707. In addition to the funds appropriated in part 1 to the department of management and budget, the department may receive and expend funds from other principal executive departments and state agencies to implement donated annual leave and administrative leave bank transfer provisions as may be specified in joint labor/management agreements. The amounts may also be transferred to other principal executive departments and state agencies under the joint agreement and any amounts transferred under the joint agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any amounts received by the department of management and budget under this section and intended, under the joint labor/management agreements, to be available for use beyond the close of the fiscal year and any unencumbered funds may be carried over into the succeeding fiscal year.

Sec. 708. The source of financing in part 1 for the Michigan administrative information network shall be funded by proportionate charges assessed against the respective state funds benefiting from this project in the amounts determined by the department.

Sec. 709. (1) Deposits against the interdepartmental grant from building occupancy and parking charges appropriated in part 1 shall be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by the department of management and budget. To the extent excess revenues are collected due to estimates of building occupancy charges exceeding actual costs, the excess revenues may be carried forward into succeeding fiscal years for the purpose of returning funds to state agencies.

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

Sec. 710. The department of management and budget shall notify the chairpersons of the senate and house of representatives standing committees on appropriations and the chairpersons of the senate and house of representatives standing committees on appropriations subcommittees on general government on any revisions that increase or decrease current contracts by more than \$500,000.00 for computer software development, hardware acquisition, or quality assurance at least 14 days before the department of management and budget finalizes the revisions.

Sec. 711. The department of management and budget shall maintain an Internet website that contains notice of all invitations for bids and requests for proposals over \$50,000.00 issued by the department or by any state agency operating under delegated authority. The department shall not accept an invitation for bid or request for proposal in less than 14 days after the notice is made available on the Internet website, except in situations where it would be in the best interest of the state and documented by the department. In addition to the requirements of this section, the department may advertise the invitations for bids and requests for proposals in any manner the department determines appropriate, in order to give the greatest number of individuals and businesses the opportunity to make bids or requests for proposals.

Sec. 712. The department of management and budget may receive and expend funds from the Vietnam veterans memorial monument fund as provided in the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated when received and may be expended upon receipt.

Sec. 713. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money, and government appropriations, for the purposes described in Executive Order No. 2001-10. Funds are appropriated and allocated when received and may be expended upon receipt. Any deposits made under this section and unencumbered funds are restricted revenues and may be carried over into succeeding fiscal years.

Sec. 715. (1) Funds in part 1 for motor vehicle fleet are appropriated to the department of management and budget for administration and for the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

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

(3) It is the intent of the legislature that the department of management and budget have the authority to determine the appropriateness of vehicle assignment, to include year, make, model, size, and price of vehicle. The department may assign motor vehicles, permanently or temporarily, to state agencies and to institutions of higher education.

(4) Pursuant to the department of management and budget's authority under sections 213 and 215 of the management and budget act, 1984 PA 431, MCL 18.1213 and 18.1215, the department shall maintain a plan regarding the operation of the motor vehicle fleet. The plan shall include the number of vehicles assigned to, or authorized for use by, state departments and agencies, efforts to reduce vehicle expenditures, the number of cars in the motor vehicle fleet, the number of miles driven by fleet vehicles, and the number of gallons of fuel consumed by fleet vehicles. The plan shall include a calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if fleet vehicles were required by law to pay motor fuel taxes. The plan shall include a description of fleet garage operations, the goods sold and services provided by the fleet garage, the cost to operate the fleet garage, the number of fleet garage locations, and the number of employees assigned to each fleet garage. The plan may be adjusted during the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet. Within 60 days after the close of the fiscal year, the department shall provide a report to the senate and house of representatives standing committees on appropriations and the senate and house fiscal agencies detailing the current plan and changes made to the plan during the fiscal year.

(5) The department of management and budget may charge state agencies for fuel cost increases that exceed \$2.27 per gallon of unleaded gasoline. The department shall notify state agencies, in writing or by electronic mail, at least 30 days before implementing additional charges for fuel cost increases. Revenues received from these charges are appropriated upon receipt.

Sec. 716. The department of management and budget shall adopt policies and procedures necessary for compliance by the department, other state departments and agencies, and state vendors and subcontractors, with the requirement under subsection (1) of section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, to provide a purchasing preference for products manufactured or services offered by Michigan-based firms.

Sec. 717. In determining whether the purchase, contracting for, providing of supplies, materials, services, insurance, utilities, third-party financing, equipment, printing, and other items needed by state departments or agencies is in the best interests of this state, and in making all discretionary decisions concerning the solicitation, award, amendment, cancellation, or appeal of state contracts, the department of management and budget shall consider all of the following:

(a) Whether a proposal by a vendor to provide services to this state using employees, contractors, subcontractors, or other individuals who are not citizens of the United States, legal resident aliens, or individuals with a valid visa would be detrimental to the state of Michigan, its residents, or the state's economy.

(b) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.

(c) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would be detrimental to the state of Michigan, its residents, or the state's economy.

(d) Whether the acquisition of goods or services from a vendor that is an expatriated business entity located in a tax haven country or an affiliate of an expatriated business entity located in a tax haven country would be detrimental to the state of Michigan, its residents, or the state's economy. As used in this section, "expatriated business entity" means a corporation or an affiliate of the corporation incorporated in a tax haven country after September 11, 2001, but with the United States as the principal market for the public trading of the corporation's stock, as determined by the director of the department of management and budget. "Tax haven country" means each of the following: Barbados, Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of Liechtenstein, the Principality of Monaco, and the Republic of the Seychelles.

(e) Whether the provision of services to this state at a location outside of this state or the United States would be detrimental to the privacy interests of Michigan residents, or risk the disclosure of personal information of Michigan residents, such as social security, financial, or medical data.

(f) Whether a proposal by a vendor to provide services to this state from a location outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.

(g) Whether a proposal by a vendor to provide goods to this state produced outside of this state or the United States would constitute undue risk under a risk management policy, practice, or procedure adopted by the department of management and budget under section 204 of the management and budget act, 1984 PA 431, MCL 18.1204.

Sec. 718. The department of management and budget shall collect from vendors information necessary to comply with the requirements of this act, as determined by the department. The department of management and budget may require vendors to provide any of the following:

(a) Information relating to the location of work performed under a state contract by the vendor and any subcontractors, employees, or other persons performing a state contract.

(b) Information regarding the corporate structure and location of corporate employees and activities of the vendor, its affiliates, or any subcontractors.

(c) Notice of the relocation of the vendor, employees of the vendor, subcontractors of the vendor, or other persons performing services under a state contract outside of the state of Michigan.

Sec. 719. The department of management and budget may require that any vendor or subcontractor providing call or contact center services to the state of Michigan disclose to inbound callers the location from which the call or contact center services are being provided.

Sec. 720. The appropriation in part 1 for census tracking/reapportionment shall be equally distributed to the senate and house of representatives and shall be used for purchasing equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan. These funds are designated as work project appropriations, shall not lapse at the end of the fiscal year, and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$1,200,000.00, and the tentative completion date is September 30, 2013.

Sec. 721. In addition to the funds appropriated in part 1, the department of management and budget may receive and expend money from the Michigan law enforcement officers memorial monument fund as provided in the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.787.

Sec. 722. In addition to the funds appropriated in part 1, the department of management and budget may receive and expend money from the Ronald Wilson Reagan memorial monument fund as provided in the Ronald Wilson Reagan memorial monument fund commission act, 2004 PA 489, MCL 399.261 to 399.266.

Sec. 723. The department shall make available to the public a list of all parcels of real property owned by the state that are available for purchase. The list shall be posted on the Internet through the department's website.

Sec. 724. In addition to the funds appropriated in part 1, the funds collected by the department for document and data imaging services, copies, media, and storage, as well as conferences, workshops, and training classes, are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are received and may be carried forward into the next succeeding fiscal year.

Sec. 725. The department of management and budget shall compile a report by January 1 pertaining to the salaries of unclassified employees, as well as gubernatorial appointees, within all state departments and agencies. The report shall enumerate each unclassified employee and gubernatorial appointee and his or her annual salary individually. The report shall be distributed to the chairs of the senate and house appropriations subcommittees on general government, as well as the senate and house fiscal agencies.

Sec. 726. (1) From the funds appropriated in part 1 to the department of management and budget, budget and financial management, \$7,105,300.00 shall be used to conduct the Michigan state fair at the state exposition and fairgrounds in the year ending September 30, 2010. Funding shall cover costs of conducting an annual state fair, maintaining the fairgrounds, and paying the salaries and benefits of the state fair manager and state fair staff. One unclassified FTE position and 9 classified FTE positions are authorized for the purpose of conducting the state fair and managing the state fairgrounds. The funding shall be appropriated as follows:

(a) \$101,000.00 shall be appropriated for the salary of the 1 unclassified FTE position of the manager of the Michigan state fair.

(b) \$6,915,500.00 shall be appropriated for the state fair operations, including the salaries and benefits of the state fair administration staff and the management and operation of the state fair and fairgrounds.

(c) \$88,800.00 shall be appropriated for state fair information technology.

(2) The department of management and budget shall submit a report regarding the Michigan state fair and fairgrounds to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies by March 1, 2010. The report shall include information regarding the current status of the state exposition and fairgrounds, progress toward conducting a state fair in 2010, plans on use of fairground property, and actions taken to facilitate the conveyance of the responsibilities to conduct the state fair and manage the fairground property to an independent Michigan state fair authority.

Sec. 726a. The Michigan state fair shall cooperate with a nonprofit agency located in a city with a population of not less than 600,000 for the purpose of employing offenders on parole to refurbish, redevelop, and clean the fairgrounds and structures. The program shall be administered by a Michigan-chartered nonprofit corporation with more than 80 years of experience. The nonprofit corporation must have expertise in creating employment opportunities for parolees.

Sec. 727. (1) The department of management and budget, in conjunction with other principal executive departments and agencies, shall take measures to reduce existing department contractual expenditures by \$20,000,000.00. Measures shall include, but not be limited to, all of the following:

(a) Negotiated reductions in contract pricing.

(b) Negotiated reductions in contracts out for bid as part of a best and final offer.

(c) Negotiated discounts in exchange for prompt payment by the state.

(d) Department-initiated freezes for noncritical, optional-use contracts.

(e) Negotiated reductions in pricing with vendors with excellent performance in exchange for contract amendments.

(f) Termination of underutilized contracts, such as those in place for more than 1 year but not utilized in the current fiscal year.

(2) The department of management and budget shall submit an annual report to the senate and house of representatives standing committees on appropriations, senate and house fiscal agencies, and the state budget director on the amount of contract savings achieved for each department and fund sourcing for those savings.

**STATE BUILDING AUTHORITY**

Sec. 740. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2010 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for the fiscal year ending September 30, 2010. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

(2) Upon sale of bonds or notes for the projects identified in part 1 or for equipment as authorized by legislative concurrent resolution and in this section, the state building authority shall credit the general fund of the state an amount equal to that expended from the general fund plus interest, if any, as defined in this section.

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

(4) In the event that a project identified in part 1 is terminated after final design is complete, advances made on behalf of the state building authority for the costs of final design shall be repaid to the general fund in a manner recommended by the director and approved by the JCOS.

Sec. 741. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

(2) As used in this section, "revenue" includes state appropriations, facility opening money, other state aid, indirect cost reimbursement, and other revenue generated by the activities of the facility.

Sec. 742. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

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

Sec. 743. The department of management and budget shall provide to the JCOS, state budget director, and senate and house fiscal agencies a report relative to the status of construction projects associated with state building authority bonds as of September 30 of each year, on or before October 15, or not more than 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

(a) A list of all completed construction projects for which state building authority bonds have been sold, and which bonds are currently active.

(b) A list of all projects under construction for which sale of state building authority bonds is pending.

(c) A list of all projects authorized for construction or identified in an appropriations act for which approval of schematic/preliminary plans or total authorized cost is pending that have state building authority bonds identified as a source of financing.

**CIVIL SERVICE**

Sec. 750. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$2,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$5,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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



Sec. 751. (1) All restricted funds shall be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for fiscal year 2009 in accordance with section 5 of article XI of the state constitution of 1963. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. Unexpended 1% appropriated funds shall be returned to each 1% fund source at the end of the fiscal year.

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

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

Sec. 752. Except where specifically appropriated for this purpose, financing from restricted sources shall be credited to the civil service commission. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to accept the charge, the shortage shall be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority shall be utilized to satisfy commission operating deducts first and civil service obligations second. General fund dollars are appropriated for any shortfall, pursuant to approval by the state budget director.

Sec. 753. The appropriation in part 1 to the civil service commission, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the civil service commission. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program shall be made from assessments levied during the current fiscal year in a manner prescribed by the civil service commission. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, with any remaining balance of unspent employee contributions to be lapsed to the general fund.

Sec. 754. No funds appropriated in part 1 shall be used, directly or indirectly, to fund the office of great workplace development.

#### **CAPITAL OUTLAY**

Sec. 760. As used in sections 761 through 769:

- (a) "Board" means the state administrative board.
- (b) "Community college" does not include a state agency or university.
- (c) "Department" means the department of management and budget.
- (d) "Director" means the director of the department of management and budget.
- (e) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.
- (f) "State agency" means an agency of state government. State agency does not include a community college or university.
- (g) "State building authority" means the authority created under 1964 PA 183, MCL 830.411 to 830.425.
- (h) "University" means a 4-year university supported by the state. University does not include a community college or a state agency.

Sec. 761. Each capital outlay project authorized in this act or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 762. A statement of a proposed facility's operating cost shall be included with the facility's program statement and planning documents when the plans are presented to JCOS for approval.

Sec. 763. (1) Before proceeding with final planning and construction for projects at community colleges and universities included in an appropriations act, the community college or university shall sign an agreement with the department that includes the following provisions:

(a) The university or community college agrees to construct the project within the total authorized cost established by the legislature pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and an appropriations act.

(b) The design and program scope of the project shall not deviate from the design and program scope represented in the program statement and preliminary planning documents approved by the department.

(c) Any other items as identified by the department that are necessary to complete the project.

(2) The department retains the authority and responsibility normally associated with the prudent maintenance of the public's financial and policy interests relative to the state-financed construction projects managed by a community college or university.

Sec. 764. (1) The department shall provide the JCOS, state budget director, and the senate and house fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this act, or by previous acts.

(2) Before the end of each fiscal year, the department shall report to the JCOS, state budget director, and the senate and house fiscal agencies for each capital outlay project other than lump sums all of the following:

- (a) The account number and name of each construction project.
- (b) The balance remaining in each account.
- (c) The date of the last expenditure from the account.
- (d) The anticipated date of occupancy if the project is under construction.
- (e) The appropriations history for the project.
- (f) The professional service contractor.
- (g) The amount of the project financed with federal funds.
- (h) The amount of the project financed through the state building authority.
- (i) The total authorized cost for the project and the state authorized share if different than the total.

(3) Before the end of each fiscal year, the department shall report the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:

- (a) The name of the project and account number.
  - (b) Whether a program statement is approved.
  - (c) Whether schematics are approved by the department.
  - (d) Whether preliminary plans are approved by the department.
  - (e) The name of the professional service contractor.
- (4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Sec. 765. A state agency, college, or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements.

Sec. 766. (1) The director shall allocate lump-sum appropriations made in this act consistent with statutory provisions and the purposes for which funds were appropriated. Lump-sum allocations shall address priority program or facility needs and may include, but are not limited to, design, construction, remodeling and addition, special maintenance, major special maintenance, energy conservation, and demolition.

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

Sec. 767. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

Sec. 768. (1) A site preparation economic development fund is created in the department of management and budget. As used in this section, "economic development sites" means those state-owned sites declared as surplus property pursuant to section 251 of the management and budget act, 1984 PA 431, MCL 18.1251, that would provide economic benefit to the area or to the state. The Michigan economic development corporation board and the state budget director shall determine whether or not a specific state-owned site qualifies for inclusion in the fund created under this subsection.

(2) Proceeds from the sale of any sites designated in subsection (1) shall be deposited into the fund created in subsection (1) and shall be available for site preparation expenditures, unless otherwise provided by law. The economic development sites authorized in subsection (1) are authorized for sale consistent with state law. Expenditures from the fund are authorized for site preparation activities that enhance the marketable sale value of the sites. Site preparation activities include, but are not limited to, demolition, environmental studies and abatement, utility enhancement, and site excavation.

(3) A cash advance in an amount of not more than \$25,000,000.00 is authorized from the general fund to the site preparation economic development fund.

(4) An annual report shall be transmitted to the senate and house of representatives standing committees on appropriations not later than December 31 of each year. This report shall detail both of the following:

- (a) The revenue and expenditure activity in the fund for the preceding fiscal year.
- (b) The sites identified as economic development sites under subsection (1).

Sec. 769. (1) Except as otherwise provided in subsection (3) or (4), a university shall not enter into a contract for new construction of a self-funded project estimated to cost at least \$3,000,000.00 unless the project is authorized by JCOS through approval of a use and finance statement defined by a policy adopted by JCOS. The request for authorization shall be initially submitted for review to JCOS, the senate and house fiscal agencies, and the department. The use and finance statement for a non-state-funded project shall contain the estimated total construction cost and all associated estimated operating costs, including a statement of anticipated project revenues. As used in this subsection, "new construction" includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping, equipment,

telecommunications, utilities, and parking lots and structures. Certificate of need forms may be submitted in lieu of a use and finance form where applicable.

(2) Except as otherwise provided in subsection (4), a community college shall not enter into a contract for new construction of a self-funded project estimated to cost at least \$2,000,000.00 unless the project is authorized by JCOS through approval of a use and finance statement defined by a policy adopted by JCOS. The request for legislative authorization shall be initially submitted for review to JCOS, the senate and house fiscal agencies, and the department. The use and finance statement for a non-state-funded project shall contain the estimated total construction cost and all associated estimated operating costs, including a statement of anticipated project revenues. As used in this subsection, "new construction" includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping, equipment, telecommunications, utilities, and parking lots and structures. Certificate of need forms may be submitted in lieu of a use and finance form where applicable.

(3) The University of Michigan hospital and health center is not required to obtain JCOS authorization through approval of a use and finance statement defined by a policy adopted by JCOS.

(4) If health or safety concerns warrant, a project may be completed without prior approval of a use and finance statement defined by a policy adopted by JCOS. However, a university or community college shall submit a use and finance statement as soon as possible after the project is completed and the health or safety concerns have abated.

(5) A project that is constructed in violation of this section shall not receive state appropriations for purposes of operating the project or for support for future infrastructure enhancements that are necessitated, in whole or in part, by construction of the project. In addition, a project constructed in violation of this section shall result in the loss of any state capital outlay funding for the institution for 2 years and a prohibition of doing self-funded projects of any kind, except for emergencies where health or safety concerns warrant, for 1 year.

(6) A state agency, including the department of military affairs, shall not enter into a contract, including those for a direct federally funded capital outlay construction or major maintenance or remodeling project if the total project is estimated to cost more than \$1,000,000.00 and is to be constructed on state-owned lands unless the project is approved by the department and JCOS through approval of a use and finance statement defined by a policy adopted by JCOS, unless the project is otherwise appropriated in a capital outlay appropriations act. For projects not appropriated in a capital outlay appropriations act that are over \$1,000,000.00, the state agency shall submit a use and finance statement defined by a policy adopted by JCOS. As used in this subsection, "direct federally funded" refers to a project for which federal payments are made directly to the construction vendor and not to the state of Michigan.

(7) A public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund shall not enter into a contract for new construction estimated to cost more than \$1,000,000.00 unless the project is authorized by JCOS through the approval of a use and finance statement defined by a policy adopted by JCOS. For purposes of this subsection, the use and finance statement for a project shall contain the estimated total construction cost and all associated estimated operating costs. As used in this subsection, "new construction" means land or property acquisition, remodeling or additions, lease or lease purchase, and maintenance projects for the corporate office of the public body corporate described in this subsection.

(8) By not later than April 1 and October 1, each university shall report to the JCOS chairpersons, the senate and house fiscal agencies, and the department all self-funded capital projects commenced for the immediately preceding 6-month period that cost less than \$3,000,000.00 but at least \$1,000,000.00. Community colleges shall also submit these reports for self-funded capital projects that cost less than \$2,000,000.00 but at least \$1,000,000.00.

#### **DEPARTMENT OF STATE**

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

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$7,500,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$50,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 802. All funds made available by section 3171 of the insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated and made available to the department of state to be expended only for the uses and purposes for which the funds are received as provided by sections 3171 to 3177 of the insurance code of 1956, 1956 PA 218, MCL 500.3171 to 500.3177.

Sec. 803. From the funds appropriated in part 1, the department of state shall sell copies of records including, but not limited to, records of motor vehicles, off-road vehicles, snowmobiles, watercraft, mobile homes, personal identification cardholders, drivers, and boat operators and shall charge \$7.00 per record sold only as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue received from the sale of records shall be credited to the transportation administration collection fund created under section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

Sec. 804. From the funds appropriated in part 1, the secretary of state may enter into agreements with the department of corrections for the manufacture of vehicle registration plates 15 months before the registration year in which the registration plates will be used.

Sec. 805. (1) The department of state may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic safety message, subject to departmental approval, for inclusion in the publication. The department may reject a gift, donation, contribution, or grant. The department may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

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

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

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

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

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

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

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

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

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

Sec. 805a. On October 1 of each year, the department of state shall file a report with the senate and house standing committees on appropriations and the senate and house fiscal agencies. The report shall include details on the activities and success of the department's enforcement and compliance with the help America vote act of 2002, Public Law 107-252.

Sec. 806. Funds collected by the department of state under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 807. From the funds appropriated in part 1, the department of state shall use available balances at the end of the state fiscal year to provide payment to the department of state police in the amount of \$332,000.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 808. From the funds appropriated in part 1, the department of state may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. This amount shall not exceed \$50,000.00 of the total funds available in miscellaneous revenue.

Sec. 809. (1) Commemorative and specialty license plate fee revenue collected by the department of state and deposited into the transportation administration collection fund is authorized for expenditure up to the amount of revenue collected but not to exceed the amount appropriated to the department of state in part 1 to administer commemorative and specialty license plate programs.

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

Sec. 810. (1) Collector plate and fund-raising registration plate revenues collected by the department of state are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions shall occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available for distribution to the university or agency in the next fiscal year.

(2) Funds or revenues in the Olympic education training center fund are appropriated for distribution to the Olympic education training center at Northern Michigan University. Distributions shall occur on a quarterly basis. Any undistributed revenue remaining at the end of the fiscal year shall be carried over into the next fiscal year.

Sec. 811. The department of state may produce and sell copies of a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. The price shall not exceed the cost of production and distribution. The money received from the sale of training videos shall revert to the department of state and be placed in the auto repair facility account.

Sec. 812. (1) The department of state, in collaboration with the gift of life transplantation society or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

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

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

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

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

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

Sec. 815. At least 180 days before closing or consolidating a branch office and at least 60 days before relocating a branch office, the department of state shall inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all analyses done regarding criteria for changes in the location of branch offices, including, but not limited to, branch transactions, revenue, and the impact on citizens of the affected area. The impact on citizens shall include information regarding additional distance to branch office locations resulting from the plan. The written notice provided by the department of state shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure and the same level of detail regarding costs for new leased facilities and expansions of current leased space.

Sec. 816. (1) Any service assessment collected by the department of state from the user of a credit or debit card under section 3 of 1995 PA 144, MCL 11.23, is appropriated to the department for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution. Funds are allocated for expenditure when they are received by the department of treasury.

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

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

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

Sec. 818. (1) Funds in part 1 for motorcycle safety education grants and administration are appropriated to the department of state for operation of the motorcycle safety education program previously operated by the department of education under section 811a of the Michigan vehicle code, 1949 PA 300, MCL 257.811a.

(2) Funds in part 1 for motorcycle safety education grants and administration shall be derived from original and renewal motorcycle license endorsements, annual motorcycle registration fees, and motorcycle operator driving test fees.

(3) Funds in part 1 for motorcycle safety education grants and administration shall be used to provide grants to colleges, universities, intermediate school districts, local school districts, law enforcement agencies, or other governmental agencies located in the state, to help subsidize safety training courses for individuals interested in operating motorcycles.

(4) Funds in part 1 for motorcycle safety education grants and administration may be used by the department of state for administration costs of the motorcycle safety education program, to include, but not be limited to, review and approval or disapproval of grant applications, monitoring eligibility of motorcycle safety instructors, conducting program evaluation, certifying third-party testers, and inspecting training sites.

Sec. 819. (1) From the funds appropriated in part 1 to the department of state for information technology services and projects, there is appropriated \$4,550,000.00 for the business application modernization project. Funds shall only be used for the development, implementation, and maintenance of the business application modernization project.

(2) The unexpended funds appropriated in part 1 for the business application modernization project are designated as work project appropriations and shall not lapse at the end of the fiscal year. Any unencumbered or unallotted funds shall be carried over into the succeeding fiscal year and shall continue to be available for expenditure until the project has been completed. The total cost is estimated at \$30,000,000.00, and the tentative completion date is September 30, 2010.

Sec. 821. (1) The department of state may accept nonmonetary gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The department may recognize a private or public contributor for making the contribution. The department may reject a gift, donation, or contribution.

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

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

Sec. 824. From the funds appropriated in part 1 to the department of state, branch operations, the department shall maintain a full service secretary of state branch office in Buena Vista Township.

Sec. 825. From the funds appropriated in part 1 for the department of state, the department shall first use restricted funding for expenditures, when available for that purpose, before using general fund dollars.

Sec. 827. The funds appropriated in part 1 for department of state, branch operations, are contingent upon the department complying with the following guidelines for branch office placement:

(a) The department of state shall, whenever possible, avoid leasing space for branch offices on greenfield sites or other noncentral locations that require the construction of new infrastructure to service the office or facility, except in limited circumstances when the constituency served or programs supported require the use of a noncentral or open space location.

(b) The department shall encourage public investment in this state's urban areas by locating branch offices and facilities in urban areas. As used in this section, "urban areas" means a downtown area, town centers, or central business districts.

(c) The department shall, whenever possible, locate branch offices at locations consistent with local planning and zoning and compatible with existing land uses.

(d) In selecting a site for a branch office, the department shall give priority to locations in urban areas, whenever reasonably possible and consistent with state law. In making location decisions, the department shall also give consideration to the following:

(i) Use of existing space in state-owned facilities in urban areas.

(ii) Adaptive use or rehabilitation of historic buildings or reuse of other buildings within an urban area.

(iii) Use of vacant buildings in an urban area.

(iv) Use of vacant land in an urban area.

(v) Use and rehabilitation of brownfield areas.

Sec. 828. By April 1, 2010, the department of state shall submit to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies a report stating the steps taken and improvements made by the department to address the issues identified by the auditor general report, Report Number 231-0200-08 released May of 2009, entitled performance audit of cash receipts and branch office customer service, department of state.

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

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

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000.00 for local contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

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

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

(2) From the funds appropriated in part 1, the department of treasury may contract with private collections agencies and law firms to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 22% of the collection or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of defaulted student loans due the Michigan guaranty agency is from the fund or account to which the revenues being collected are recorded or dedicated.

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

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

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

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

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

Sec. 905. (1) The department of treasury shall provide copies of the state tax manual via the department's website or provide for sale copies of the tax manuals on a compact disc or an electronically transmitted format. The revenue received

from the sale of preparation and local government assistance manuals shall revert to the department of treasury and be placed in the local government assistance manual revolving fund.

(2) In addition to the funds appropriated in part 1, revenue received from the sale of those manuals is appropriated.

Sec. 906. (1) The department of treasury shall charge for audits as permitted by state or federal law or under contractual arrangements with local units of government, other principal executive departments, or state agencies. A report detailing audits performed and audit charges for the immediately preceding fiscal year shall be submitted to the state budget director and the senate and house fiscal agencies not later than November 30.

(2) The appropriation in part 1 to the department of treasury, for state compliance audits, shall be used to cover the cost of the state audits performed by independent certified public accountants or department of treasury auditors. The scope of the state audit shall be defined by the state treasurer. The state audits shall be performed by independent certified public accountants contracted with by the state treasurer or by department of treasury auditors, if the county has agreed to contract with and pay the department for their financial single audit.

(3) The state audits shall be performed for the most current county fiscal year in conjunction with the financial single audit. The state audit may be performed either by certified public accountants contracted by the state treasurer or department of treasury staff, independent of the financial single audit, if a state audit has not been performed within the last 3 years.

Sec. 907. A revolving fund known as the assessor certification and training fund is created in the department of treasury. The assessor certification and training fund shall be used to organize and operate a property assessor certification and training program. Each participant certified and trained shall pay to the department of treasury an examination fee of \$50.00, an initial certification fee of \$50.00, an annual renewal fee of \$75.00 for levels 1 and 2, and \$125.00 for levels 3 and 4 to offset the cost of administering the certification and training program. Training courses shall be offered in assessment administration. Each participant shall pay a fee to cover the expenses incurred in offering the optional programs to certified assessing personnel and other individuals interested in an assessment career opportunity. The fees collected shall be credited to the assessor certification and training fund.

Sec. 908. The amount appropriated in part 1 to the department of treasury, home heating assistance program, is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and to administer the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

Sec. 909. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and shall be distributed under section 7a of the airport parking tax act, 1987 PA 248, MCL 207.377a.

Sec. 910. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(2) of the Initiated Law of 1976, MCL 445.573c, is appropriated.

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

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

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

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

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

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

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

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

Sec. 915. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2008. Except as otherwise provided in this section, the amount appropriated shall not revert to the general fund and shall remain in the state campaign fund. Any amounts remaining in the state campaign fund in excess of \$10,000,000.00 on December 31, 2009 shall revert to the general fund.

Sec. 916. The department of treasury may make available to interested entities otherwise unavailable customized unclaimed property listings of nonconfidential information in its possession. The charge for this information is as follows: 1 to 100,000 records at 2.5 cents per record and 100,001 or more records at .5 cents per record. The revenue received from this service shall be deposited to the appropriate revenue account or fund. The department shall submit an annual



report on or before June 1 to the state budget director and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of information.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs, but not to exceed current year authorizations that would otherwise lapse to the general fund.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the amounts appropriated for write-offs and advances under subsection (1).

Sec. 918. In addition to funds appropriated in part 1, the department of treasury may receive and expend funds for conducting tax orientation workshops and seminars. Funds received may not exceed costs incurred in conducting the workshops and seminars.

Sec. 919. (1) From funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in accordance with the Michigan uniform unclaimed property act. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections, or a lesser amount as prescribed by the contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

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

Sec. 921. The state general fund/general purpose appropriation in part 1 for renaissance zone reimbursement is allocated to reimburse public libraries as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 2009. Reimbursements shall be made in amounts to each eligible recipient not later than 60 days after the department of treasury has received all necessary information to properly determine the amounts due each eligible recipient under section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Sec. 922. The department of treasury shall submit a report for the immediately preceding fiscal year ending September 30 to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director by November 30 stating the amount of Michigan transportation fund revenue collected and the cost of collection.

Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than December 31, stating the amount of revenue appropriated for principal residence audits under subsection (1).

Sec. 925. (1) A public-private partnership investment fund is created in the department of treasury. Public-private partnership investments shall include, but are not limited to, all of the following:

- (a) Capital asset improvements including buildings, land, or structures.
- (b) Energy resource exploration, extraction, generation, and sales.
- (c) Financial and investment incentive opportunities.
- (d) Infrastructure construction, maintenance, and operation.
- (e) Public-private sector joint ventures that provide economic benefit to an area or to the state.

(2) The state treasurer and the state budget director shall determine whether or not a specific public-private partnership investment opportunity qualifies for funding from the fund created under subsection (1).

(3) Investment development revenue, including a portion of the proceeds from the sale of any public-private partnership investment designated in subsection (1) shall be deposited into the fund created in subsection (1) and shall be available for administration, development, financing, marketing, and operating expenditures associated with public-private partnerships, unless otherwise provided by law. Public-private partnership investments authorized in subsection (1) are authorized for public or private operation or sale consistent with state law. Expenditures from the fund are authorized for investment purposes as designated in subsection (1) to enhance the marketable value of each investment.

(4) An annual report shall be transmitted to the senate and house of representatives appropriations committees, the senate and house fiscal agencies, and the state budget office not later than December 31 of each year. This report shall detail both of the following:

- (a) The revenue and expenditure activity in the fund for the preceding fiscal year.
- (b) Public-private partnership investments as identified under subsection (1).

Sec. 928. The department of treasury may provide receipt, warrant and cash processing, data, collection, investment, fiscal agent, levy and warrant cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and shall

be expended for salaries and wages, fees, supplies, and equipment necessary to provide the services. Any unobligated balance of the funds received shall revert to the general fund of this state as of September 30.

Sec. 929. The department of treasury may enter into agreements to supply data or collection services to other executive principal departments or state agencies, the United States department of treasury, or local units of government within this state. The department of treasury shall charge for this tax data service and amounts received are appropriated and shall be expended for salaries and wages, fees, supplies, and equipment necessary to provide the service. Any unobligated balance of the fund shall revert to the general fund of this state as of September 30.

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies under 1927 PA 375, MCL 14.131 to 14.134. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except unrestricted general fund collections. Fees shall be credited to a restricted revenue account and appropriated to the department of treasury to pay for the cost of collections. The department of treasury shall maintain accounting records in sufficient detail to enable the respective accounts to be reimbursed periodically for fees deducted that are determined by the department of treasury to be surplus to the actual cost of collections.

(2) The department of treasury shall submit a report for the immediately preceding fiscal year to the state budget director and the senate and house fiscal agencies not later than November 30, stating the principal executive departments and state agencies served, funds collected, and costs of collection under subsection (1).

Sec. 931. (1) The appropriation in part 1 to the department of treasury for treasury fees shall be assessed against all restricted funds that receive common cash earnings or other investment income. Treasury fees include all costs, including administrative overhead, relating to the investment of each restricted fund. The fee assessed against each restricted fund will be based on the size of the restricted fund (the absolute value of the average daily cash balance plus the market value of investments in the prior fiscal year) and the level of effort necessary to maintain the restricted fund as required by each department. The department of treasury shall provide a report to the state budget director, the senate and house of representatives standing committees on appropriations subcommittees on general government, and the senate and house fiscal agencies by November 30 of each year identifying the fees assessed against each restricted fund and the methodology used for assessment.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees relating to new restricted funding sources that participate in common cash earnings or other investment income during the current fiscal year. When a new restricted fund is created starting on or after October 1, that restricted fund shall be assessed a fee using the same criteria identified in subsection (1).

Sec. 932. Revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the board of directors of the Michigan education trust for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 934. The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the hospital clients to be reimbursed periodically for fees that are determined by the department of treasury to be surplus to needs.

Sec. 935. The department of treasury may expend revenue received under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 936. The department of treasury shall establish a separate account for the funds related to the Michigan higher education facilities authority. The department of treasury may expend revenue received under the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund. The department of treasury shall maintain accounting records in sufficient detail to enable the educational institution clients to be reimbursed periodically for fees that are determined by the department to be surplus to needs.

Sec. 937. The department of treasury may expend revenues received under the Michigan public educational facilities authority, Executive Order No. 2002-3, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 938. It is the intent of the legislature that the department of treasury shall work with local units of government to improve the system for payments in lieu of taxes on purchased lands and report on their efforts by January 1.

Sec. 939. It is the intent of the legislature that the state treasurer, acting within his or her capacity as the investment fiduciary for public employee pension funds and consistent with 1965 PA 314, MCL 38.1132 to 38.1140m, give appropriate consideration to investments in early stage, university derived life science companies located in Michigan, or investments in venture capital funds that invest in those companies to the extent those investments offer the safety and rate of return comparable to other investments permitted and available at the time the investment decision is made.

Sec. 940. The department of treasury may expend revenue received under the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, for necessary salaries and wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission and state employees' retirement fund.

Sec. 942. The department shall report on the efficacy of increased personnel for field collection provided for in part 1. The report shall contain the methodology used to generate additional revenue, the amount of additional revenue received as a direct result of the increased field staff, and an evaluation of whether this program is worth sustaining within the department. The report shall be submitted to the state budget director, the senate and house appropriations subcommittees on general government, and the senate and house fiscal agencies by September 30.

Sec. 943. The department of treasury shall not include complete social security numbers in form 1099-G mailings to taxpayers.

Sec. 944. If the department hires a pension plan consultant using any of the funds appropriated in part 1, the department shall, within 30 days, forward any report provided to the department by that consultant to the senate and house of representatives standing committees on appropriations subcommittees on general government, the senate and house fiscal agencies, and the state budget director.

Sec. 945. The assessment and certification division of the department of treasury may conduct a review of local unit assessment administration practices, procedures, and records, also known as the 14-point review, in at least 1 assessment jurisdiction per county.

Sec. 946. Members of the state tax commission and management level staff of the assessment and certification division may meet with statewide assessment organizations on a quarterly basis for the purpose of coordinating assessment and training activities. Recertification and training activities may be conducted at regional locations chosen to maximize participation of local officials.

Sec. 947. (1) The department of treasury shall submit quarterly progress reports to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies, regarding personal property tax audits funded under subsection (1). The report shall include the number of audits, revenue generated, and number of complaints received by the department related to the audits.

(2) Of the funds appropriated in part 1, \$500,000.00 shall be used for the principal residence exemption compliance program. The department shall submit quarterly progress reports that include the number of exemptions denied and the revenue received under this program. The legislative auditor general shall complete a performance audit of the principal residence exemption compliance program prior to April 1, 2010. Revenue generated to the state from the principal residence exemption compliance program shall be used to reimburse the state general fund for the \$500,000.00 appropriation prior to any other allocation.

Sec. 948. By December 15, the department of treasury shall report to the senate and house of representatives standing committees on appropriations subcommittees on general government and the senate and house fiscal agencies the number of tax returns, to include state income tax returns, single business tax returns, and Michigan business tax returns filed online by Michigan residents in the immediately preceding fiscal year.

Sec. 949. The department shall explore the possibility of partnering with private entities to allow private entities to obtain machinery for applying tobacco tax stamps and to produce tobacco tax stamps. Any tobacco tax stamps purchased or otherwise acquired by the department from a partnership with a private entity shall contain a unique nonrepeating alphanumeric code that can be printed on demand and read by a scanner or similar device and that identifies the taxed product. The coded information shall be embedded in each stamp and shall be protected by encryption. Each code shall contain the name and address of the wholesaler or the entity affixing the stamp, the date the department approved the stamp order, the stamp jurisdiction, the number of cigarettes in the pack, and the dominated value of the stamp. The department shall provide a report on possible partnerships with private entities as set forth in this section to the senate and house fiscal agencies and to the senate and house appropriations subcommittees on general government appropriations by November 1, 2009. The department shall give partnering preference to Michigan-based companies.

#### **REVENUE SHARING**

Sec. 950. (1) The funds appropriated in part 1 for constitutional revenue sharing shall be distributed by the department to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

(2) The funds appropriated in part 1 for statutory revenue sharing shall be distributed to cities, villages, and townships so that the combined distribution, under section 10 of article IX of the state constitution of 1963, and statutory revenue sharing, as set forth in this subsection, shall be the lesser of 88.94%, or the percentage determined under this subsection, of the total combined distribution under section 10 of article IX of the state constitution of 1963 during the 2008-2009 state fiscal year, and the statutory distribution received under section 950 of 2008 PA 261, as amended by Executive Order No. 2009-22 and any subsequent legislation, during the 2008-2009 state fiscal year. The percentage under this subsection

shall be determined by dividing the sum of all payments under section 10 of article IX of the state constitution of 1963 for the 2009-2010 state fiscal year and \$314,169,900.00 by \$936,307,700.00 and then subtracting 0.1106. Undistributed funds shall lapse to the general fund.

Sec. 955. (1) For each county that the amount required to be distributed pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, during state fiscal year 2009-2010 exceeds the revenue credited to its revenue sharing reserve fund pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a, less the total of all amounts authorized to be expended from the fund through September 30, 2009, there is appropriated to each county 88.94% of an amount equal to the sum of the following:

(a) The amount distributed to each county during the 2008-2009 state fiscal year pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, and section 955 of 2008 PA 261.

(b) For each county authorized to make an expenditure from its revenue sharing reserve fund during the 2008-2009 state fiscal year, the amount each county was authorized to expend during the 2008-2009 state fiscal year from its revenue sharing reserve fund, pursuant to section 44a of the general property tax act, 1893 PA 206, MCL 211.44a, less any amount from subsection (1)(a).

(2) The department of treasury shall annually certify to the state budget director the amount each county is authorized to expend from its revenue sharing reserve fund.

#### **LOTTERY**

Sec. 960. In addition to the funds appropriated in part 1 to the bureau of state lottery, there is appropriated from lottery revenues the amount necessary for, and directly related to, implementing and operating lottery games. Appropriations under this section shall only be expended for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the on-line system communications network, and incentive and bonus payments to lottery retailers.

Sec. 961. The funds appropriated in part 1 to the bureau of state lottery shall not be used for any promotional efforts directed towards individuals who are less than 18 years of age.

Sec. 963. The bureau of state lottery shall inform all lottery retailers that the cash side of department of human services bridge cards cannot be used to purchase lottery tickets.

#### **CASINO GAMING**

Sec. 971. From the revenue collected by the Michigan gaming control board regarding the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.212a.

Sec. 972. In addition to the funds appropriated in part 1, funds distributed by the Michigan gaming control board to the department of treasury for oversight of casino gaming are appropriated upon receipt. These funds may be used to pay for costs incurred for casino gaming oversight activities.

Sec. 973. (1) Funds appropriated in part 1 for local government programs may be used to provide assistance to a local revenue sharing board referenced in an agreement authorized by the Indian gaming regulatory act, Public Law 100-497.

(2) A local revenue sharing board described in subsection (1) shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) A county treasurer is authorized to receive and administer funds received for and on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

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

(5) The department of treasury shall submit a report by September 30 to the senate and house of representatives standing committees on appropriations and the state budget director on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 974. If revenues collected in the state services fee fund are less than the amounts appropriated from the fund, available revenues shall be used to fully fund the appropriation in part 1 for casino gaming regulation activities before distributions are made to other state departments and agencies. If the remaining revenue in the fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall shall be distributed proportionally among those departments and agencies.

Sec. 975. From the balance in the state services fee fund as of the close of fiscal year 2008-2009, \$1,600,000.00 is appropriated and shall be transferred to the state general fund.

#### **MICHIGAN STRATEGIC FUND**

Sec. 1001. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$10,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$700,000.00 for private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this act under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 1002. (1) The appropriation in part 1 to the fund for the economic development job training program is focused on skills businesses need to compete in the twenty-first century. The purpose of this program is to develop a specific skill, for Michigan residents identified for a particular Michigan business that assists that company to compete in the global economy and to create or retain high-paying jobs for Michigan residents.

(2) Not more than \$600,000.00 of the total appropriation in part 1 may be expended for administrative costs by the fund. Not more than 10% of the total grant award may be expended by a recipient for administration costs.

(3) No funds appropriated in part 1 to the fund for the economic development job training program grants may be expended for the training of permanent striker replacement workers.

(4) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state-sponsored manufacturing technology center, a for-profit business, or a consortium consisting of any combination of the eligible entities listed in this section.

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

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

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

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

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

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

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

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

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

(b) Creation or retention of high wage and high skilled level jobs within a predetermined time period. If the employer does not create or retain the number of jobs specified within the predetermined time period, the employer shall reimburse the state for the entire direct grant awarded under this program, prorated to the number of actual jobs created or trained compared to the number in the original jobs identified in the grant application. The number of jobs created and retained will be verified by the employer via audit after the training is completed.

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

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

(9) For training delivered to incumbent workers, the employer receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

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

(11) For grants to for-profit businesses, if the employer does not create or retain the number of jobs specified in the grant agreement within the time period determined by the fund, the employer shall reimburse the fund for the entire grant awarded, reduced by the ratio of the number of jobs that were actually created or retained to the number of jobs to be created or retained under the grant agreement. The number of actual jobs created and retained will be certified by the employer and verified via audit after the training is completed.

(12) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit. Costs disallowed under subsection (7)(b) based on the employer job creation and retention requirements are not the same as the training costs that are disallowed in this subsection.

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

- (a) The amount and recipient of each grant or contract.
- (b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.
- (c) The names, county location, and total number of employees of all business organizations for whom training is or will be provided.
- (d) The matching funds, if any, to be provided by a business organization.
- (e) The number of jobs created as a result of the grant.

(14) Of the funds appropriated in part 1 for economic development job training grants, \$250,000.00 shall be allocated to the Michigan aerospace manufacturers association, a nonprofit, tax-exempt, aerospace-based manufacturing association, for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan within the global economy.

Sec. 1003. The Michigan growth capital fund shall be used to develop the technology business sector in Michigan. The Michigan growth capital fund will be used to encourage private and public investment in the technology business sector, and all of the following apply:

- (a) An applicant must match state funds on a 1:1 basis.
- (b) Eligible uses of the Michigan growth capital fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.

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

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

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

Sec. 1004. In addition to the appropriations in part 1, Travel Michigan may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product database information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product database information. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1005. In addition to the appropriations in part 1, Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times.", "The Upper Hand", and "Pure Michigan" copyrighted slogans and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

Sec. 1006. The fund shall submit on February 15 to the subcommittees, the state budget office, and the fiscal agencies a listing of all grants which have been awarded by the fund or by the Michigan economic development corporation from the funds appropriated in part 1. The list shall include all of the following:

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

Sec. 1007. (1) The fund shall provide reports to the relevant subcommittees, the state budget director, and the fiscal agencies concerning the activities of the Michigan economic development corporation grants and investment programs financed from the fund using investment or Indian gaming revenues. The report shall provide a list of individual grants and loans made from the fund. The report shall include, but not be limited to, the following programs funded in part 1:

(a) Travel Michigan, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan promotion program. The report shall include the number of commercials produced, the markets in which media buys have been made, and any web-based products that were created with these funds.

(b) Business attraction, retention, and growth, including any expenditures authorized under section 89b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2089b, to supplement the Michigan business marketing program. The report shall include the number of commercials produced, the markets in which media buys have been made, and any web-based products that were created as a result of this appropriation.

- (c) Business services.
- (d) Community development block grants.
- (e) Strategic fund administration.
- (f) Renaissance zones.
- (g) 21st century investment program.
- (h) Business and clean air ombudsman.
- (i) Economic development job training program grants.
- (j) Any other programs of the fund.

(2) The reports in subsection (1) shall be submitted by January 15. The report for each program in subsection (1)(a) through (j) shall include details on all revenue sources, actual expenditures, and number of FTEs for that program for the previous fiscal year.

Sec. 1008. As a condition of receiving funds under part 1, any interlocal agreement entered into by the fund shall include language which states that if a local unit of government has a contract or memorandum of understanding with a private economic development agency, the Michigan economic development corporation will work cooperatively with that private organization in that local area.

Sec. 1009. (1) Of the funds appropriated to the fund or through grants to the Michigan economic development corporation, no funds shall be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

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

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

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

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

Sec. 1010. The money appropriated in part 1 to the fund is subject to the condition that none is spent for premiums or advertising material involving personal effects or apparel including, but not limited to, T-shirts, hats, coffee mugs, or other promotional items, except travel Michigan.

Sec. 1011. (1) From the general fund/general purpose appropriations in part 1 to the fund and granted or transferred to the Michigan economic development corporation, any unexpended or unencumbered balance shall be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

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

Sec. 1012. (1) As a condition of receiving funds under part 1, the fund shall ensure that the MEDC and the fund comply with all of the following:

(a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(c) Annual audits of all financial records by the auditor general or his or her designee.

(d) All reports required by law to be submitted to the legislature.

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

Sec. 1013. As a condition for receiving the appropriations in part 1, any staff of the Michigan economic development corporation involved in private fund-raising activities shall not be party to any decisions regarding the awarding of grants or tax abatements from the fund, the Michigan economic development corporation, or the Michigan economic growth authority.

Sec. 1014. (1) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination of these or accrued interest originally distributed as part of the core communities fund, created by 2000 PA 291, shall be received, held, and applied by the fund for the purposes described in 2000 PA 291.

(2) The fund shall provide an annual report on the status of this fund which includes information that details the awards made. The report shall be provided to the appropriations subcommittees on general government, the fiscal agencies, and the state budget office by January 31.

Sec. 1020. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. The fund may carry forward into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. The fund shall report the amount and source of the funds to the senate appropriation subcommittee on economic development, the house appropriation subcommittee

on general government, the senate and house fiscal agencies, and the state budget office within 10 business days after receiving any additional pass-through funds.

Sec. 1023. Tourism promotion shall include, but is not limited to, the Mackinac Island state park, Michigan state historic parks, cultural, vacation, recreational, leisure, hunting-related, motor sports entertainment-related, and agriculture-related travel across this state that includes activities that promote tourism in all 4 seasons.

Sec. 1024. From the funds appropriated in part 1 for the jobs for Michigan investment program: 21st century jobs fund, \$1,400,000.00 shall be granted by the Michigan strategic fund board to the Michigan small business and technology development centers to be used for the SBIR or STTR grant or loan matching program. These funds shall only be used to provide the required match. Grants or loans under this section shall not exceed 25% of the federal funds and must leverage third-party commercialization funding at both the phase I and phase II levels.

Sec. 1027. Of the funds appropriated in part 1 for the jobs for Michigan investment program: 21st century jobs fund, \$3,000,000.00 may be allocated to Lakeshore Advantage for the same purposes as the fiscal year 2007-2008 allocation.

Sec. 1032. (1) The Michigan film office shall report to the subcommittees and the fiscal agencies by March 31 on the status of the film incentives. The department of treasury and the Michigan strategic fund shall provide the Michigan film office with the data necessary to prepare the report. Incentives included in the report shall include all of the following:

- (a) The tax credit provided under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455.
- (b) The tax credit provided under section 457 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.
- (c) The tax credit provided under section 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1459.
- (d) The amount of any tax credit claimed under section 367 of the income tax act of 1967, 1967 PA 281, MCL 206.367.
- (e) Any tax credits provided for film and digital media production under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(f) Loans to an eligible production company or film and digital media private equity fund authorized under section 88d(3), (4), and (5) of the Michigan strategic fund act, 2005 PA 225, MCL 125.2088d.

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

(a) For each tax credit, the number of contracts signed, the projected expenditures qualifying for the credit, and the estimated value of the credits. For loans, the number of loans made under each section, the interest rate of those loans, the loan amount, the percent of the projected budget of each production financed by those loans, and the estimated interest earnings from the loan.

(b) For credits authorized under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455, for productions completed by December 31, the expenditures of each production eligible for the credit that has filed a request for certificate of completion with the film office, broken down into expenditures for goods, services, or salaries and wages and showing separately expenditures in each local unit of government, including expenditures for personnel, whether or not they were made to a Michigan entity, and whether or not they were taxable under the laws of this state. For loans, the report shall include the number of loans that have been fully repaid, with principal and interest shown separately, and the number of loans that are delinquent or in default, and the amount of principal that is delinquent or is in default.

(c) For each of the tax credit incentives and loan incentives listed in subsection (1), a breakdown for each project or production showing each of the following:

- (i) The number of temporary jobs created.
- (ii) The number of permanent jobs created.
- (iii) The number of persons employed in Michigan as a result of the incentive, on a full-time equated basis.

(3) For any information not included in the report due to the provisions of sections 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, the report shall do all of the following:

(a) Indicate how the information would describe the commercial and financial operations or intellectual property of the company.

(b) Attest that the information has not been publicly disseminated at any time.

(c) Describe how disclosure of the information may put the company at a competitive disadvantage.

(4) Any information not disclosed due to the provisions of sections 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, shall be presented at the lowest level of aggregation that would no longer describe the commercial and financial operations or intellectual property of the company.

Sec. 1033. The fund shall make available to the public the minutes of the Michigan film office advisory council.

Sec. 1034. (1) From the funds appropriated in part 1 for the business incubator program, the Michigan strategic fund shall award a grant to 1 high-performance business incubator in each of the following counties or cities:

- (a) Houghton County.
- (b) Ingham County.
- (c) Isabella County.
- (d) Kalamazoo County.
- (e) Kent County.



- (f) Macomb County.
- (g) Muskegon County.
- (h) Oakland County.
- (i) Washtenaw County.

(j) A city with a population greater than 750,000.

(2) Grant funding awarded under this section may be used to fund satellite locations, as determined by the Michigan strategic fund.

(3) Eligible recipients for these awards must be operational on October 1, 2009 and submit a comprehensive business plan that demonstrates sustainable operating capacity.

(4) Of the appropriation in part 1 for the business incubator program, \$250,000.00 shall be awarded to an eligible business incubator within a city with a population greater than 750,000 and \$250,000.00 shall be awarded to an eligible business incubator within Oakland County. From the appropriation in part 1 for the business incubator program, funding shall be awarded first to these 2 incubators; any remaining funding shall be prorated and awarded in equal amounts to eligible business incubators in the remaining counties. No unit of local government listed above shall receive more than 1 award.

(5) Awards shall be announced by March 31, 2010.

Sec. 1035. (1) The Michigan council of arts and cultural affairs shall develop an arts and cultural grant program that takes into consideration the reduced level of funding while also maintaining equitable geographic distribution to the extent possible. The new program shall use the past arts and cultural grant program as a guideline for creating this program. The council shall do the following:

(a) Establish guidelines and prepare a report on the proposed guidelines to the subcommittee chairs and fiscal agencies by December 31.

(b) Be prepared to distribute awards to eligible recipients by April 1.

(2) Up to \$100,000.00 from the appropriation in part 1 may be used for the administration of this grant program.

(3) The council shall report to the legislature and the fiscal agencies a list of all grant recipients and the total award, sorted by county. The report shall be provided to each state legislator within 1 business day of the announcement of annual awards by the Michigan council of arts and cultural affairs.

**REVENUE STATEMENT**

Sec. 1101. Pursuant to section 18 of article V of the state constitution of 1963, fund balances and estimates are presented in the following statement:

**BUDGET RECOMMENDATIONS BY OPERATING FUNDS**

(Amounts in millions)  
Fiscal Year 2009-2010

	Fund	Beginning Unreserved Fund Balance	Estimated Revenue	Ending Balance
<b>OPERATING FUNDS</b>				
General fund/general purpose .....	0110	0.0	8,541.7	0.0
General fund/special purpose.....		446.6	17,451.8	482.6
Special Revenue Funds:				
Countercyclical budget and economic stabilization.....	0111	2.2	0.1	2.3
Game and fish protection.....	0112	4.1	61.4	3.3
Michigan employment security act administration.....	0113	10.2	12.5	8.2
State aeronautics.....	0114	2.2	132.6	1.9
Michigan veterans' benefit trust.....	0115	0.0	2.3	0.0
State trunkline .....	0116	(6.2)	1,808.9	(6.9)
Michigan state waterways .....	0117	1.3	28.6	0.0
Blue Water Bridge.....	0118	6.2	15.3	6.9
Michigan transportation.....	0119	0.0	1,819.9	0.0
Comprehensive transportation.....	0120	6.3	299.7	(4.3)
School aid .....	0122	0.0	12,750.9	0.0
Game and fish protection trust.....	0124	6.0	14.3	6.0
State park improvement.....	0125	0.0	41.1	0.0
Forest development .....	0126	3.4	29.7	0.7
Michigan civilian conservation corps endowment .....	0128	0.3	0.0	0.0
Michigan natural resources trust.....	0129	32.4	60.2	31.2
Michigan state parks endowment .....	0130	6.1	12.1	4.1
Safety education and training.....	0131	6.2	9.3	7.1

Bottle deposit .....	0136	0.0	12.6	0.0
State construction code.....	0138	0.9	15.0	4.3
Children's trust .....	0139	1.0	3.8	0.5
State casino gaming.....	0140	1.8	34.8	1.8
Homeowner construction lien recovery .....	0141	0.8	1.0	(1.2)
Michigan nongame fish and wildlife.....	0143	0.1	0.3	0.0
Michigan merit award trust .....	0154	0.0	191.7	0.0
Outdoor recreation legacy.....	0162	(0.2)	2.3	(0.2)
Off-road vehicle account .....	0163	1.7	3.6	0.4
Snowmobile account.....	0164	2.1	10.1	0.0
Silicosis dust disease and logging.....	0870	2.1	1.3	1.7
Utility consumer representation.....	0893	3.5	1.2	3.6
TOTALS.....		\$541.1	\$43,370.1	\$559.5

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2010; to provide for the expenditure of these appropriations; to provide for the funding of certain work projects; to provide for the imposition of certain fees; to establish or continue certain funds, programs, and categories; to transfer certain funds; to prescribe certain requirements for bidding on state contracts; to provide for disposition of year-end balances; to prescribe the powers and duties of certain principal executive departments and state agencies, officials, and employees; and to provide for the disposition of fees and other income received by the various principal executive departments and state agencies.

John Pappageorge  
 Mark Jansen  
 Conferees for the Senate

George Cushingberry, Jr.  
 Bill Rogers  
 Conferees for the House

The Speaker announced that under Joint Rule 9 the conference report would lie over one day.

**Notices**

I hereby give notice that on the next legislative session day I will move to discharge the Committee on Appropriations from further consideration of **Senate Bill No. 831**.

Rep. Angerer

I hereby give notice that on the next legislative session day I will move to discharge the Committee on Appropriations from further consideration of **Senate Bill No. 252**.

Rep. Angerer

Rep. Haase moved that the House adjourn.  
 The motion prevailed, the time being 11:45 p.m.

The Speaker Pro Tempore declared the House adjourned until Wednesday, September 30, at 8:00 a.m.

RICHARD J. BROWN  
 Clerk of the House of Representatives