

SENATE BILL No. 252

EXECUTIVE BUDGET BILL

February 21, 2007, Introduced by Senators ANDERSON and SCHAUER and referred to the Committee on Appropriations.

A bill to make, supplement, and adjust appropriations for the departments of attorney general, civil rights, civil service, information technology, management and budget, state, and treasury, the executive office, and the legislative branch for the fiscal year ending September 30, 2008; 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

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LINE-ITEM APPROPRIATIONS

TOTAL GENERAL GOVERNMENT

Full-time equated unclassified positions.....	49.0	
Full-time equated classified positions.....	7,331.9	
ROSS APPROPRIATION.....		\$ 3,172,936,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental		
transfers		631,919,000
ADJUSTED GROSS APPROPRIATION.....		\$ 2,541,017,600
Federal revenues:		
Total federal revenues.....		108,144,700
Special revenue funds:		
Total local revenues.....		2,800,700
Total private revenues.....		1,262,900

1	Total other state restricted revenues	1,747,799,800
2	State general fund/general purpose	\$ 681,009,500
3	Sec. 102. DEPARTMENT OF ATTORNEY GENERAL	
4	(1) APPROPRIATION SUMMARY	
5	Full-time equated unclassified positions	6.0
6	Full-time equated classified positions.....	556.0
7	GROSS APPROPRIATION.....	\$ 76,232,400
8	Interdepartmental grant revenues:	
9	Total interdepartmental grants and intradepartmental	
10	transfers	25,839,900
11	ADJUSTED GROSS APPROPRIATION.....	\$ 50,392,500
12	Federal revenues:	
13	Total federal revenues.....	7,913,900
14	Special revenue funds:	
15	Total local revenues.....	0
16	Total private revenues.....	0
17	Total other state restricted revenues	9,613,100
18	State general fund/general purpose	\$ 32,865,500
19	(2) ATTORNEY GENERAL OPERATIONS	
20	Full-time equated unclassified positions	6.0
21	Full-time equated classified positions.....	556.0
22	Attorney general.....	124,900
23	Unclassified positions--5.0 FTE positions	476,300
24	Attorney general operations--519.0 FTE positions	69,876,100
25	Child support enforcement--25.0 FTE positions	2,967,900
26	Prosecuting attorneys coordinating council--12.0 FTE	
27	positions	<u>2,019,300</u>

1	GROSS APPROPRIATION.....	\$	75,464,400
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from MDCH, health services.....		1,840,200
5	IDG from MDCH, Medicaid.....		300,000
6	IDG from MDCH, WIC.....		70,000
7	IDG from DOC - Joshua project.....		500,000
8	IDG from DOC.....		279,100
9	IDG from MDE.....		50,000
10	IDG from MDEQ.....		1,740,000
11	IDG from MDHS.....		3,329,300
12	IDG from MDLEG, career development services.....		186,100
13	IDG from MDLEG, children's protection registry.....		36,200
14	IDG from MDLEG, financial and insurance services.....		1,032,100
15	IDG from MDLEG, homeowners lien recovery fund.....		304,900
16	IDG from MDLEG, licensing and regulation fees.....		175,700
17	IDG from MDLEG, liquor control commission.....		330,800
18	IDG from MDLEG, public utility assessments.....		1,721,300
19	IDG from MDLEG, remonumentation fees.....		77,500
20	IDG from MDLEG, unemployment insurance agency.....		3,791,500
21	IDG from MDMB, risk management revolving fund.....		1,086,700
22	IDG from DMVA.....		118,900
23	IDG from MDOT, comprehensive transportation fund.....		159,000
24	IDG from MDOT, state aeronautics fund.....		156,900
25	IDG from MDOT, state trunkline fund.....		2,807,200
26	IDG from MDSP.....		279,100
27	IDG from MDSP, Michigan justice training fund.....		325,000

1	IDG from Michigan gaming control board.....	1,085,300
2	IDG from treasury.....	3,927,900
3	IDG from treasury, strategic fund.....	129,200
4	Federal revenues:	
5	DAG, state administrative match grant/food stamps....	387,700
6	DOL-OSHA, occupational safety and health.....	97,900
7	Federal funds.....	2,485,800
8	HHS, medical assistance, medigant.....	649,200
9	HHS-OS, state Medicaid fraud control units.....	4,293,300
10	Special revenue funds:	
11	Antitrust enforcement collections.....	650,000
12	Attorney general's operations fund.....	873,400
13	Auto repair facilities fees.....	233,600
14	Franchise fees.....	299,200
15	Game and fish protection fund.....	767,800
16	Liquor purchase revolving fund.....	1,059,600
17	Manufactured housing fees.....	196,300
18	Merit award trust fund.....	406,700
19	Michigan state housing development authority fees....	516,800
20	Prisoner reimbursement.....	460,800
21	Prosecuting attorneys training fees.....	375,000
22	Real estate enforcement fund.....	51,700
23	Retirement funds.....	754,600
24	Second injury fund.....	999,800
25	Self-insurers security fund.....	174,400
26	Silicosis and dust disease fund.....	533,700
27	State building authority revenue.....	98,200

1	State lottery fund.....	248,700
2	Utility consumers fund.....	559,700
3	Waterways fund.....	100,200
4	Worker's compensation administrative revolving fund..	252,900
5	State general fund/general purpose.....	\$ 32,097,600
6	(3) INFORMATION TECHNOLOGY	
7	Information technology services and projects.....	\$ <u>767,900</u>
8	GROSS APPROPRIATION.....	\$ 767,900
9	Appropriated from:	
10	Special revenue funds:	
11	State general fund/general purpose.....	\$ 767,900
12	Sec. 103. DEPARTMENT OF CIVIL RIGHTS	
13	(1) APPROPRIATION SUMMARY	
14	Full-time equated unclassified positions	5.0
15	Full-time equated classified positions.....	136.0
16	GROSS APPROPRIATION.....	\$ 14,490,700
17	Interdepartmental grant revenues:	
18	Total interdepartmental grants and intradepartmental	
19	transfers	0
20	ADJUSTED GROSS APPROPRIATION.....	\$ 14,490,700
21	Federal revenues:	
22	Total federal revenues.....	2,054,100
23	Special revenue funds:	
24	Total local revenues.....	0
25	Total private revenues.....	0
26	Total other state restricted revenues.....	0

1	State general fund/general purpose	\$	12,436,600
2	(2) CIVIL RIGHTS OPERATIONS		
3	Full-time equated unclassified positions	5.0	
4	Full-time equated classified positions.....	136.0	
5	Unclassified positions--5.0 FTE positions		264,100
6	Civil rights operations--136.0 FTE positions		13,433,100
7	Human resources optimization user charges		<u>8,700</u>
8	GROSS APPROPRIATION.....	\$	13,705,900
9	Appropriated from:		
10	Federal revenues:		
11	EEOC, state and local antidiscrimination agency		
12	contracts		1,283,500
13	HUD, grant.....		770,600
14	Special revenue funds:		
15	State general fund/general purpose	\$	11,651,800
16	(3) INFORMATION TECHNOLOGY		
17	Information technology services and projects	\$	<u>784,800</u>
18	GROSS APPROPRIATION.....	\$	784,800
19	Appropriated from:		
20	Special revenue funds:		
21	State general fund/general purpose	\$	784,800
22	Sec. 104. DEPARTMENT OF CIVIL SERVICE		
23	(1) APPROPRIATION SUMMARY		
24	Full-time equated classified positions.....	240.5	
25	GROSS APPROPRIATION.....	\$	36,985,400
26	Interdepartmental grant revenues:		

1	Total interdepartmental grants and intradepartmental	
2	transfers	5,875,900
3	ADJUSTED GROSS APPROPRIATION.....	\$ 31,109,500
4	Federal revenues:	
5	Total federal revenues.....	4,779,100
6	Special revenue funds:	
7	Total local revenues.....	1,700,000
8	Total private revenues.....	150,000
9	Total other state restricted revenues.....	17,671,800
10	State general fund/general purpose.....	\$ 6,808,600
11	(2) CIVIL SERVICE OPERATIONS	
12	Full-time equated classified positions.....	240.5
13	Agency services--118.5 FTE positions.....	13,255,400
14	Executive direction --45.0FTE positions.....	8,330,000
15	Employee benefits--31.0 FTE positions.....	5,873,200
16	Audit and compliance--16.0 FTE positions.....	2,168,900
17	Training.....	1,300,000
18	Human resources optimization--30.0 FTE positions.....	<u>2,205,000</u>
19	GROSS APPROPRIATION.....	\$ 33,132,500
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG, training charges.....	1,300,000
23	IDG, 1% special funds.....	1,300,000
24	IDG, human resources optimization user charges.....	2,205,000
25	Federal revenues:	
26	Federal funds 1%.....	3,637,100
27	Special revenue funds:	

1	Local funds 1%.....		1,700,000
2	Private funds 1%.....		150,000
3	Freedom of information fees.....		1,100
4	State restricted funds 1%.....		8,134,900
5	State sponsored group insurance.....		2,650,000
6	State sponsored group insurance, flexible spending		
7	accounts and COBRA		5,873,200
8	State general fund/general purpose.....	\$	6,181,200
9	(3) INFORMATION TECHNOLOGY		
10	Information technology services and projects	\$	<u>3,852,900</u>
11	GROSS APPROPRIATION.....	\$	3,852,900
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDG, human resources optimization user charges		1,070,900
15	Federal revenues:		
16	Federal funds 1%.....		1,142,000
17	Special revenue funds:		
18	State restricted funds 1%.....		872,300
19	State sponsored group insurance, flexible spending		
20	accounts and COBRA		140,300
21	State general fund/general purpose.....	\$	627,400
22	Sec. 105. EXECUTIVE OFFICE		
23	(1) APPROPRIATION SUMMARY		
24	Full-time equated unclassified positions.....	10.0	
25	Full-time equated classified positions.....	74.2	
26	GROSS APPROPRIATION.....	\$	5,509,900

1	Interdepartmental grant revenues:		
2	Total interdepartmental grants and intradepartmental		
3	transfers		0
4	ADJUSTED GROSS APPROPRIATION.....	\$	5,509,900
5	Federal revenues:		
6	Total federal revenues.....		0
7	Special revenue funds:		
8	Total local revenues.....		0
9	Total private revenues.....		0
10	Total other state restricted revenues.....		0
11	State general fund/general purpose.....	\$	5,509,900
12	(2) EXECUTIVE OFFICE OPERATIONS		
13	Full-time equated unclassified positions.....	10.0	
14	Full-time equated classified positions.....	74.2	
15	Governor.....		177,000
16	Lieutenant governor.....		123,900
17	Executive office--74.2 FTE positions.....		4,359,200
18	Unclassified positions--8.0 FTE positions.....		<u>849,800</u>
19	GROSS APPROPRIATION.....	\$	5,509,900
20	Appropriated from:		
21	Special revenue funds:		
22	State general fund/general purpose.....	\$	5,509,900
23	Sec. 106. DEPARTMENT OF INFORMATION TECHNOLOGY		
24	(1) APPROPRIATION SUMMARY		
25	Full-time equated unclassified positions	6.0	
26	Full-time equated classified positions.....	1,774.4	

1	GROSS APPROPRIATION.....	\$	409,960,100
2	Interdepartmental grant revenues:		
3	Total interdepartmental grants and intradepartmental		
4	transfers		409,960,100
5	ADJUSTED GROSS APPROPRIATION.....	\$	0
6	Federal revenues:		
7	Total federal revenues.....		0
8	Special revenue funds:		
9	Total local revenues.....		0
10	Total private revenues.....		0
11	Total other state restricted revenues.....		0
12	State general fund/general purpose.....	\$	0
13	(2) ADMINISTRATION		
14	Full-time equated unclassified positions		6.0
15	Full-time equated classified positions.....		1,774.4
16	Unclassified positions--6.0 FTE positions.....		300,000
17	Enterprisewide services--75.0 FTE positions.....		22,980,300
18	Health and human services--773.6 FTE positions.....		229,046,100
19	Education services--38.9 FTE positions.....		3,572,300
20	Public protection--302.0 FTE positions.....		48,495,400
21	Resources services--171.1 FTE positions.....		17,716,800
22	Transportation services--107.0 FTE positions.....		28,145,500
23	General services--306.8 FTE positions.....		<u>59,703,700</u>
24	GROSS APPROPRIATION.....	\$	409,960,100
25	Appropriated from:		
26	Interdepartmental grant revenues:		
27	IDG from department of agriculture.....		1,571,500

1	IDG from department of attorney general	767,900
2	IDG from department of civil rights	784,800
3	IDG from department of civil service	3,852,900
4	IDG from department of community health	33,075,600
5	IDG from department of corrections	17,639,900
6	IDG from department of education	2,829,700
7	IDG from department of environmental quality	7,466,300
8	IDG from Michigan gaming control board	1,320,000
9	IDG from department of history, arts, and libraries ..	1,099,200
10	IDG from department of human services	154,450,500
11	IDG from department of labor and economic growth	42,899,100
12	IDG from bureau of state lottery	4,549,600
13	IDG from department of management and budget	28,912,800
14	IDG from department of military and veterans affairs .	1,187,500
15	IDG from department of natural resources	9,206,200
16	IDG from department of state	24,415,600
17	IDG from department of state police	28,546,700
18	IDG from department of transportation	28,483,300
19	IDG from department of treasury	16,901,000
20	Special revenue funds:	
21	State general fund/general purpose	\$ 0

22 **Sec. 107. LEGISLATURE**

23 **(1) APPROPRIATION SUMMARY**

24	GROSS APPROPRIATION	\$ 116,576,400
25	Interdepartmental grant revenues:	
26	Total interdepartmental grants and intradepartmental	

1	transfers		0
2	ADJUSTED GROSS APPROPRIATION	\$	116,576,400
3	Federal revenues:		
4	Total federal revenues		0
5	Special revenue funds:		
6	Total local revenues		0
7	Total private revenues		400,000
8	Total other state restricted revenues		1,109,800
9	State general fund/general purpose	\$	115,066,600
10	(2) LEGISLATURE		
11	Senate	\$	30,285,900
12	Senate automated data processing		2,683,800
13	Senate fiscal agency		3,223,500
14	House of representatives		46,893,200
15	House automated data processing		2,131,500
16	House fiscal agency		<u>3,119,100</u>
17	GROSS APPROPRIATION	\$	88,337,000
18	Appropriated from:		
19	Special revenue funds:		
20	State general fund/general purpose	\$	88,337,000
21	(3) LEGISLATIVE COUNCIL		
22	Legislative council	\$	10,520,100
23	Legislative service bureau automated data processing .		1,447,200
24	Worker's compensation		140,000
25	National association dues		<u>103,000</u>
26	GROSS APPROPRIATION	\$	12,210,300
27	Appropriated from:		

1	Special revenue funds:	
2	Private - gifts and bequests revenues	400,000
3	State general fund/general purpose	\$ 11,810,300
4	(4) LEGISLATIVE RETIREMENT SYSTEM	
5	General nonretirement expenses	\$ 4,533,900
6	GROSS APPROPRIATION	\$ 4,533,900
7	Appropriated from:	
8	Special revenue funds:	
9	Court fees	1,109,800
10	State general fund/general purpose	\$ 3,424,100
11	(5) PROPERTY MANAGEMENT	
12	Capitol building	\$ 2,363,700
13	Cora Anderson building	8,163,600
14	Farnum building and other properties	967,900
15	GROSS APPROPRIATION	\$ 11,495,200
16	Appropriated from:	
17	Special revenue funds:	
18	State general fund/general purpose	\$ 11,495,200
19	Sec. 108 LESIGLATIVE AUDITOR GENERAL	
20	(1) APPROPRIATION SUMMARY	
21	GROSS APPROPRIATION	\$ 16,347,500
22	Interdepartmental grant revenues:	
23	Total interdepartmental grants and intradepartmental	
24	transfers	1,801,500
25	ADJUSTED GROSS APPROPRIATION	\$ 14,546,000
26	Federal revenues:	

1	Total federal revenues.....	0
2	Special revenue funds:	
3	Total local revenues.....	0
4	Total private revenues.....	0
5	Total other state restricted revenues.....	1,539,900
6	State general fund/general purpose.....	\$ 13,006,100
7	(2) OFFICE OF THE AUDITOR GENERAL	
8	Unclassified positions.....	\$ 313,500
9	Field operations.....	<u>16,034,000</u>
10	GROSS APPROPRIATION.....	\$ 16,347,500
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG from MDCS.....	107,900
14	IDG form MDLEG, liquor purchase revolving fund.....	11,300
15	IDG from MDOT, comprehensive transportation fund.....	25,200
16	IDG from MDOT, Michigan transportation fund.....	204,300
17	IDG from MDOT, state aeronautics fund.....	19,600
18	IDG from MDOT, state trunkline fund.....	474,600
19	IDG, single audit act.....	958,600
20	Special revenue funds:	
21	Cadillac local development finance authority.....	12,000
22	Clean Michigan initiative implementation bond.....	37,500
23	Commercial mobile radio system emergency telephone fund	37,500
24	Construction lien fund.....	7,200
25	Contract audit administration fees.....	52,700
26	Correctional industries revolving fund.....	31,300
27	Fee adequacy, air quality delegated authority.....	9,400

1	Game and fish protection fund.....	21,400
2	Legislative retirement system.....	18,700
3	Marine safety fund.....	1,900
4	Michigan economic development corporation.....	41,200
5	Michigan education trust fund.....	30,000
6	Michigan justice training commission fund.....	28,100
7	Michigan state fair revolving fund.....	33,000
8	Michigan state housing development authority fees....	22,100
9	Michigan strategic fund.....	87,500
10	Michigan tobacco settlement authority.....	75,000
11	Michigan veterans trust fund.....	24,400
12	Motor transport revolving fund.....	4,700
13	Office services revolving fund.....	6,800
14	State disbursement unit, office of child support.....	25,000
15	State services fee fund.....	926,900
16	Waterways fund.....	5,600
17	State general fund/general purpose.....	\$ 13,006,100

18 **Sec. 109. DEPARTMENT OF MANAGEMENT AND BUDGET**

19 **(1) APPROPRIATION SUMMARY**

20	Full-time equated unclassified positions	7.0
21	Full-time equated classified positions.....	747.5
22	GROSS APPROPRIATION.....	\$ 474,821,000
23	Interdepartmental grant revenues:	
24	Total interdepartmental grants and intradepartmental	
25	transfers	156,810,200
26	ADJUSTED GROSS APPROPRIATION.....	\$ 318,010,800

1	Federal revenues:	
2	Total federal revenues	0
3	Special revenue funds:	
4	Total local revenues	0
5	Total private revenues	0
6	Total other state restricted revenues	50,152,200
7	State general fund/general purpose	\$ 267,858,600
8	(2) MANAGEMENT AND BUDGET SERVICES	
9	Full-time equated unclassified positions	6.0
10	Full-time equated classified positions	584.0
11	Unclassified positions--6.0 FTE positions	621,800
12	Executive operations--20.5 FTE positions	2,449,100
13	Administrative services--60.5 FTE positions	6,472,500
14	Budget and financial management--112.5 FTE positions .	10,632,000
15	Office of the state employer--23.0 FTE positions	2,810,100
16	Design and construction services--40.0 FTE positions .	5,337,400
17	Business support services--86.5 FTE positions	8,029,800
18	Building operation services--241.0 FTE positions	88,294,800
19	Building occupancy charges, rent, and utilities	4,203,000
20	Human resources optimization user charges	66,000
21	Motor vehicle fleet	<u>56,861,600</u>
22	GROSS APPROPRIATION	\$ 185,778,100
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	IDG from building occupancy and parking charges	91,136,800
26	IDG from department of labor and economic growth	100,000
27	IDG from MDCH	433,300

1	IDG from MDHS.....	170,500
2	IDG from MDOT, comprehensive transportation fund.....	60,000
3	IDG from MDOT, state aeronautics fund.....	37,600
4	IDG from MDOT, state trunkline fund.....	1,454,700
5	IDG from motor transport fund.....	56,861,600
6	IDG from user fees.....	5,335,100
7	Special revenue funds:	
8	Game and fish protection fund.....	268,800
9	Health management funds.....	1,719,600
10	Marine safety fund.....	23,300
11	Special revenue, internal service, and pension trust	
12	funds	9,013,600
13	State building authority revenue.....	621,200
14	State lottery fund.....	110,700
15	State services fee fund.....	74,000
16	Waterways fund.....	61,600
17	State general fund/general purpose.....	\$ 18,295,700
18	(3) STATEWIDE APPROPRIATIONS	
19	Professional development fund - MPES.....	\$ 50,000
20	Professional development fund - AFSCME.....	125,000
21	Professional development fund - NERE.....	38,000
22	Professional development fund - MSC.....	<u>116,000</u>
23	GROSS APPROPRIATION.....	\$ 329,000
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	IDG from employer contributions.....	329,000
27	Special revenue funds:	

1	State general fund/general purpose	\$	0
2	(4) SPECIAL PROGRAMS		
3	Full-time equated classified positions.....	154.5	
4	Building occupancy charges - property management		
5	services for executive/legislative building		
6	occupancy	1,854,100	
7	Retirement services--140.5 FTE positions	16,793,100	
8	Office of children's ombudsman--14.0 FTE positions ...	<u>1,431,500</u>	
9	GROSS APPROPRIATION.....	\$	20,078,700
10	Appropriated from:		
11	Special revenue funds:		
12	Deferred compensation.....	1,542,400	
13	Pension trust funds.....	15,250,700	
14	State general fund/general purpose	\$	3,285,600
15	(5) STATE FAIR		
16	Full-time equated unclassified positions	1.0	
17	Full-time equated classified positions	9.0	
18	Unclassified positions--1.0 FTE position.....	101,000	
19	Michigan state fair operations--9.0 FTE positions	6,399,300	
20	Michigan state fair information technology.....	<u>88,800</u>	
21	GROSS APPROPRIATION.....	\$	6,589,100
22	Appropriated from:		
23	Special revenue funds:		
24	State exposition and fairgrounds fund.....	6,589,100	
25	State general fund/general purpose	\$	0
26	(6) INFORMATION TECHNOLOGY		
27	Information technology services and projects	<u>\$</u>	<u>28,824,000</u>

1	GROSS APPROPRIATION.....	\$	28,824,000
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from building occupancy and parking charges		654,100
5	IDG from MDOT, comprehensive transportation fund		2,100
6	IDG from MDOT, state aeronautics fund		1,100
7	IDG from MDOT, state trunkline fund		47,500
8	IDG from user fees		186,800
9	Special revenue funds:		
10	Deferred compensation		2,600
11	Game and fish protection fund		9,800
12	Health management funds		41,700
13	Marine safety fund		900
14	MAIN user charges		3,929,200
15	Pension trust funds		6,802,100
16	Special revenue, internal service, and pension trust		
17	funds		2,554,600
18	State building authority revenue		9,700
19	State lottery fund		4,600
20	Waterways fund		2,000
21	State general fund/general purpose	\$	14,575,200
22	(7) STATE BUILDING AUTHORITY RENT		
23	State building authority rent - state agencies	\$	67,071,300
24	State building authority rent - department of		
25	corrections		46,900,900
26	State building authority rent - universities		100,039,400
27	State building authority rent - community colleges ...		<u>19,210,500</u>

1	GROSS APPROPRIATION.....	\$	233,222,100
2	Appropriated from:		
3	Special revenue funds:		
4	State lottery fund.....		1,520,000
5	State general fund/general purpose.....	\$	231,702,100
6	Sec. 110. DEPARTMENT OF STATE		
7	(1) APPROPRIATION SUMMARY		
8	Full-time equated unclassified positions	6.0	
9	Full-time equated classified positions.....	1,853.8	
10	GROSS APPROPRIATION.....	\$	207,871,200
11	Interdepartmental grant revenues:		
12	Total interdepartmental grants and intradepartmental		
13	transfers		20,000,000
14	ADJUSTED GROSS APPROPRIATION.....	\$	187,871,200
15	Federal revenues:		
16	Total federal revenues.....		1,561,200
17	Special revenue funds:		
18	Total local revenues.....		0
19	Total private revenues.....		100
20	Total other state restricted revenues.....		156,972,900
21	State general fund/general purpose.....	\$	29,337,000
22	(2) EXECUTIVE DIRECTION		
23	Full-time equated unclassified positions	6.0	
24	Full-time equated classified positions.....	30.2	
25	Secretary of state.....		124,900
26	Unclassified positions--5.0 FTE positions.....		459,200

1	Operations--30.2 FTE positions.....	<u>2,832,600</u>
2	GROSS APPROPRIATION.....	\$ 3,416,700
3	Appropriated from:	
4	Special revenue funds:	
5	Auto repair facilities fees.....	60,500
6	Driver fees.....	127,200
7	Expedient service fees.....	54,100
8	Parking ticket court fines.....	8,300
9	Personal identification card fees.....	12,700
10	Reinstatement fees - operator licenses.....	137,300
11	Transportation administration collection fund.....	2,069,100
12	Vehicle theft prevention fees.....	35,600
13	State general fund/general purpose.....	\$ 911,900
14	(3) DEPARTMENT SERVICES	
15	Full-time equated classified positions..... 166.3	
16	Operations--159.8 FTE positions.....	23,785,100
17	Assigned claims assessments--6.5 FTE positions.....	<u>771,300</u>
18	GROSS APPROPRIATION.....	\$ 24,556,400
19	Appropriated from:	
20	Federal revenues:	
21	Federal funds.....	1,200
22	Special revenue funds:	
23	Abandoned vehicle fees.....	468,600
24	Assigned claims assessments.....	771,300
25	Auto repair facilities fees.....	415,000
26	Child support clearance fees.....	34,300
27	Driver fees.....	427,900

1	Expedient service fees.....	253,200
2	Marine safety fund.....	76,000
3	Off-road vehicle title fees.....	7,800
4	Parking ticket court fines.....	52,700
5	Personal identification card fees.....	84,600
6	Reinstatement fees - operator licenses.....	547,800
7	Scrap tire fund.....	69,900
8	Snowmobile registration fee revenue.....	18,100
9	Transportation administration collection fund.....	19,138,400
10	Vehicle theft prevention fees.....	243,400
11	State general fund/general purpose.....	\$ 1,946,200
12	(4) REGULATORY SERVICES	
13	Full-time equated classified positions.....	245.6
14	Operations--243.6 FTE positions.....	22,268,800
15	County clerk education and training fund.....	100,000
16	Motorcycle safety education administration--2.0	
17	FTE positions	360,000
18	Motorcycle safety grants.....	<u>1,430,000</u>
19	GROSS APPROPRIATION.....	\$ 24,158,800
20	Appropriated from:	
21	Federal revenues:	
22	Federal funds.....	3,500
23	Special revenue funds:	
24	Auto repair facilities fees.....	4,144,800
25	Commercial driver training school fees.....	72,900
26	Driver fees.....	1,970,300
27	Expedient service fees.....	34,400

1	Motorcycle safety funds.....	1,790,000
2	Notary fee fund.....	314,000
3	Notary education and training fund.....	100,000
4	Parking ticket court fines.....	20,700
5	Personal identification card fees.....	49,300
6	Reinstatement fees - operator licenses.....	1,762,500
7	Transportation administration collection fund.....	11,024,300
8	Vehicle theft prevention fees.....	1,330,900
9	State general fund/general purpose.....	\$ 1,541,200
10	(5) CUSTOMER DELIVERY SERVICES	
11	Full-time equated classified positions.....	1,383.2
12	Branch operations--933.9 FTE positions.....	72,538,200
13	Central operations--433.1 FTE positions.....	38,616,900
14	Commemorative license plates--16.2 FTE positions.....	2,147,300
15	Specialty license plates.....	1,922,000
16	Olympic center plate.....	75,700
17	Organ donor program.....	<u>104,100</u>
18	GROSS APPROPRIATION.....	\$ 115,404,200
19	Appropriated from:	
20	Interdepartmental grant revenues:	
21	IDG from MDOT, Michigan transportation fund.....	20,000,000
22	Federal revenues:	
23	Federal funds.....	1,556,500
24	Special revenue funds:	
25	Private funds.....	100
26	Abandoned vehicle fees.....	197,600
27	Auto repair facilities fees.....	93,100

1	Child support clearance fees.....	295,500
2	Driver fees.....	14,325,700
3	Expedient service fees.....	2,421,700
4	Marine safety fund.....	1,187,300
5	Michigan state police auto theft fund.....	118,900
6	Mobile home commission fees.....	476,000
7	Off-road vehicle title fees.....	127,300
8	Parking ticket court fines.....	1,490,500
9	Personal identification card fees.....	1,583,600
10	Reinstatement fees - operator licenses.....	1,192,400
11	Snowmobile registration fee revenue.....	348,100
12	Transportation administration collection fund.....	57,848,200
13	Vehicle theft prevention fees.....	209,500
14	State general fund/general purpose.....	\$ 11,932,200
15	(6) ELECTION REGULATION	
16	Full-time equated classified positions.....	28.5
17	Election administration and services--28.5 FTE	
18	positions	4,780,500
19	Fees to local units.....	<u>109,800</u>
20	GROSS APPROPRIATION.....	\$ 4,890,300
21	Appropriated from:	
22	Special revenue funds:	
23	State general fund/general purpose.....	\$ 4,890,300
24	(7) DEPARTMENTWIDE APPROPRIATIONS	
25	Building occupancy charges/rent.....	\$ 10,600,200
26	Worker's compensation.....	<u>429,000</u>
27	GROSS APPROPRIATION.....	\$ 11,029,200

1 Appropriated from:

2 Special revenue funds:

3	Auto repair facilities fees	142,000
4	Driver fees	466,300
5	Expedient service fees	26,300
6	Parking ticket court fines	467,100
7	Transportation administration collection fund	6,020,900
8	State general fund/general purpose	\$ 3,906,600

9 **(8) INFORMATION TECHNOLOGY**

10	Information technology services and projects	\$ 24,415,600
11	GROSS APPROPRIATION	\$ 24,415,600

12 Appropriated from:

13 Special revenue funds:

14	Administrative order processing fee	11,100
15	Auto repair facilities fees	179,400
16	Child support clearance fees	16,200
17	Driver fees	1,346,100
18	Expedient service fees	959,500
19	Parking ticket court fines	82,700
20	Personal identification card fees	881,200
21	Reinstatement fees - operator licenses	471,900
22	Transportation administration collection fund	16,088,000
23	Vehicle theft prevention fees	170,900
24	State general fund/general purpose	\$ 4,208,600

25 **Sec. 111. DEPARTMENT OF TREASURY**

26 **(1) APPROPRIATION SUMMARY**

1	Full-time equated unclassified positions.....	9.0	
2	Full-time equated classified positions.....	1,849.5	
3	GROSS APPROPRIATION.....		\$ 1,814,142,000
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and intradepartmental		
6	transfers		11,631,400
7	ADJUSTED GROSS APPROPRIATION.....		\$ 1,802,510,600
8	Federal revenues:		
9	Total federal revenues.....		91,836,400
10	Special revenue funds:		
11	Total local revenues.....		1,100,700
12	Total private revenues.....		712,800
13	Total other state restricted revenues.....		1,510,740,100
14	State general fund/general purpose.....		\$ 198,120,600
15	(2) EXECUTIVE DIRECTION		
16	Full-time equated unclassified positions.....	9.0	
17	Full-time equated classified positions.....	5.0	
18	Unclassified positions--9.0 FTE positions.....		812,600
19	Office of the director--5.0 FTE positions.....		<u>833,800</u>
20	GROSS APPROPRIATION.....		\$ 1,646,400
21	Appropriated from:		
22	Special revenue funds:		
23	State lottery fund.....		159,000
24	State services fee fund.....		196,700
25	State general fund/general purpose.....		\$ 1,290,700
26	(3) DEPARTMENTWIDE APPROPRIATIONS		
27	Travel.....		\$ 1,415,900

1	Rent and building occupancy charges-property	
2	management services	5,294,600
3	Workers' compensation insurance premium.....	<u>247,000</u>
4	GROSS APPROPRIATION.....	\$ 6,957,500
5	Appropriated from:	
6	Special revenue funds:	
7	Delinquent tax collection revenue.....	3,483,600
8	State general fund/general purpose.....	\$ 3,473,900
9	(4) LOCAL GOVERNMENT PROGRAMS	
10	Full-time equated classified positions..... 107.0	
11	Supervision of the general property tax	
12	law--84.0 FTE positions	\$ 10,849,600
13	Property tax assessor training--4.0 FTE positions	423,100
14	Local government operations--19.0 FTE positions	<u>2,432,100</u>
15	GROSS APPROPRIATION.....	\$ 13,704,800
16	Appropriated from:	
17	Special revenue funds:	
18	Local - assessor training fees.....	423,100
19	Local - audit charges.....	587,600
20	Local - equalization study charge-backs	40,000
21	Local - revenue from local government.....	50,000
22	Land reutilization fund.....	3,979,100
23	Municipal finance fees.....	477,700
24	State education tax collections.....	50,000
25	State general fund/general purpose.....	\$ 8,097,300
26	(4) TAX PROGRAMS	
27	Full-time equated classified positions..... 770.5	

1	Customer contact--186.0 FTE positions	13,729,500
2	Tax compliance--335.0 FTE positions	31,671,300
3	Tax and economic policy--53.5 FTE positions	6,079,800
4	Revenue enhancement program--45.0 FTE positions	5,267,400
5	Tax processing--147.0 FTE positions	15,013,600
6	Home heating assistance	2,159,800
7	Bottle bill implementation	250,000
8	Tobacco tax collection--4.0 FTE positions	348,500
9	GROSS APPROPRIATION	\$ 74,519,900
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG, data/collection services fees	50,900
13	IDG from MDOT, Michigan transportation fund	7,549,700
14	IDG from MDOT, state aeronautics fund	67,300
15	Federal revenues:	
16	HHS-SSA, low-income energy assistance	2,159,800
17	Special revenue funds:	
18	Bottle deposit fund	250,000
19	Delinquent tax collection revenue	56,923,900
20	Tobacco tax collection and enforcement	348,500
21	Tobacco tax revenue	388,800
22	Waterways fund	78,900
23	State general fund/general purpose	\$ 6,702,100
24	(5) BANKING AND MANAGEMENT SERVICES	
25	Full-time equated classified positions	321.0
26	Program management--13.0 FTE positions	1,570,000
27	Human resources optimization	85,200

1	Human resources purchasing--27.0 FTE positions	2,841,300
2	Mail operations--20.0 FTE positions	2,060,600
3	Unclaimed property--21.0 FTE positions	3,494,800
4	Collections--168.0 FTE positions	17,107,300
5	Finance and accounting--32.0 FTE positions	1,733,200
6	Receipts processing--40.0 FTE positions	<u>2,967,700</u>
7	GROSS APPROPRIATION	\$ 31,860,100
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG, levy/warrant cost assessment fees	1,848,800
11	IDG, state agency collection fees	590,100
12	IDG, FIA title IV-D	617,600
13	IDG, data/collection service fees	204,400
14	Special revenue funds:	
15	Delinquent tax collection revenue	17,337,600
16	Escheats revenue	3,494,800
17	Justice system fund	636,500
18	Garnishment fees	531,600
19	Treasury fees	188,300
20	State general fund/general purpose	\$ 6,410,400
21	(6) FINANCIAL PROGRAMS	
22	Full-time equated classified positions..... 213.0	
23	Investments--78.0 FTE positions	15,084,600
24	Michigan merit award administration--5.0 FTE positions	1,468,900
25	Michigan education savings program	800,000
26	Common cash and debt management--11.5 FTE positions ..	1,247,000
27	Student financial assistance programs--118.5 FTE	

1	positions	<u>35,747,900</u>
2	GROSS APPROPRIATION.....	\$ 54,348,400
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG, fiscal agent service fees.....	167,700
6	Federal revenues:	
7	DED-OPSE, federal lenders allowance.....	10,437,300
8	DED-OPSE, higher education act of 1965, insured loans	23,264,700
9	Special revenue funds:	
10	Defined contribution administrative fee revenue.....	100,000
11	College work study.....	46,300
12	Michigan merit award trust fund.....	2,693,300
13	Retirement funds.....	14,061,000
14	School bond fees.....	626,100
15	Treasury fees.....	1,080,000
16	State general fund/general purpose.....	\$ 1,872,000
17	(7) DEBT SERVICE	
18	Water pollution control bond and interest redemption.	\$ 2,386,400
19	Quality of life bond.....	60,900,000
20	Clean Michigan initiative.....	50,000,000
21	Great lakes water quality bond.....	<u>6,700,000</u>
22	GROSS APPROPRIATION.....	\$ 119,986,400
23	Appropriated from:	
24	Special revenue funds:	
25	Refined petroleum fund.....	23,914,500
26	State general fund/general purpose	96,071,900
27	(8) GRANTS	

1	Grants to counties in lieu of taxes	\$	5,000
2	Convention facility development distribution		58,850,000
3	Senior citizen cooperative housing tax exemption		
4	program		18,800,000
5	Commercial mobile radio service payments		17,900,000
6	Health and safety fund grants		25,000,000
7	Local public safety grants		14,381,000
8	Renaissance zone reimbursement		<u>3,095,000</u>
9	GROSS APPROPRIATION	\$	138,031,000
10	Appropriated from:		
11	Special revenue funds:		
12	Commercial mobile radio service fees		17,900,000
13	Convention facility development fund		58,850,000
14	Health and safety fund		25,000,000
15	Liquor license revenue		14,381,000
16	State general fund/general purpose	\$	21,900,000
17	(9) STATE LOTTERY		
18	Full-time equated classified positions	175.0	
19	Lottery operations--175.0 FTE positions		20,252,500
20	Human resources optimization user charges		10,900
21	Promotion and advertising		18,622,000
22	Lottery information technology services and projects .		<u>4,549,600</u>
23	GROSS APPROPRIATION	\$	43,435,000
24	Appropriated from:		
25	Special revenue funds:		
26	State lottery fund		43,435,000
27	State general fund/general purpose	\$	0

1	(10) CASINO GAMING		
2	Full-time equated classified positions.....	106.0	
3	Michigan gaming control board.....		50,000
4	Casino gaming control administration--106.0 FTE		
5	positions		18,885,800
6	Human resources optimization user charges		7,200
7	Information technology services and projects		<u>1,320,000</u>
8	GROSS APPROPRIATION.....	\$	20,263,000
9	Appropriated from:		
10	Special revenue funds:		
11	Casino gambling agreements		383,500
12	State services fee fund.....		19,879,500
13	State general fund/general purpose	\$	0
14	(11) MICHIGAN STRATEGIC FUND		
15	Full-time equated classified positions.....	152.0	
16	Administration--22.0 FTE positions	\$	2,529,900
17	Human resources optimization user charges		17,800
18	Job creation services--130.0 FTE positions		17,188,200
19	Jobs for Michigan investment program: 21 st century jobs		
20	Fund		75,000,000
21	Michigan promotion program.....		15,717,500
22	Upper hand training program.....		8,197,500
23	Alternative energy initiative.....		7,000,000
24	Community development block grants		<u>53,000,000</u>
25	GROSS APPROPRIATION.....	\$	178,650,900
26	Appropriated from:		
27	Interdepartmental grant revenues:		

1	IDG-MDEQ, air quality fees.....	80,000
2	Federal revenues:	
3	HUD-CPD, community development block grant.....	55,430,700
4	Special revenue funds:	
5	Private - special project advances.....	712,800
6	Industry support fees.....	5,200
7	21 st century jobs trust fund	75,000,000
8	State general fund/general purpose.....	\$ 47,422,200
9	(12) REVENUE SHARING	
10	Constitutional state general revenue sharing grants ..	\$ 685,467,000
11	Statutory state general revenue sharing grants	400,885,000
12	County revenue sharing payments.....	113,600
13	Local government collaborative efforts.....	27,160,000
14	Special grants.....	<u>212,000</u>
15	GROSS APPROPRIATION.....	\$ 1,113,837,600
16	Appropriated from:	
17	Sales tax.....	1,113,512,000
18	State general fund/general purpose.....	\$ 325,600
19	(13) INFORMATION TECHNOLOGY	
20	Treasury operations information technology services	
21	and projects	<u>\$ 16,901,000</u>
22	GROSS APPROPRIATION.....	\$ 16,901,000
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	IDG from MDOT, Michigan transportation fund.....	454,900
26	Federal revenues:	
27	DED-OPSE, higher education act of 1965, insured loans	543,900

1 Special revenue funds:

2	Delinquent tax collection revenue.....	10,273,300
3	Michigan merit award trust fund.....	415,300
4	Retirement funds.....	659,100
5	State general fund/general purpose.....	\$ 4,554,500

6 PART 2

7 PROVISIONS CONCERNING APPROPRIATIONS

8 GENERAL SECTIONS

9 Sec. 201. (1) Pursuant to section 30 of article IX of the
 10 state constitution of 1963, total state spending from state
 11 resources under part 1 for fiscal year 2007-2008 is
 12 \$2,428,809,300.00 and state spending from state resources to be
 13 paid to local units of government for fiscal year 2007-2008 is
 14 \$1,266,010,300.00. The itemized statement below identifies
 15 appropriations from which spending to local units of government
 16 will occur:

17 DEPARTMENT OF STATE

18	Fees to local units.....	\$ 109,800
19	Motorcycle safety education grants.....	1,115,400
20	Subtotal.....	\$ 1,225,200

21 DEPARTMENT OF TREASURY

22	Senior citizen cooperative housing tax exemption.....	18,800,000
23	Grants to counties in lieu of taxes.....	5,000
24	Health and safety fund grants.....	25,000,000
25	Constitutional state general revenue sharing grants..	685,467,000

1	Statutory state general revenue sharing grants	400,885,000
2	Convention facility development fund distribution	58,850,000
3	Commercial mobile radio service payments	9,116,500
4	Renaissance zone reimbursements	3,095,000
5	Special grants	212,000
6	Upper hand training program	4,500,000
7	Local public safety grants	14,381,000
8	County revenue sharing payment	113,600
9	Local government collaborative effort	27,160,000
10	Airport parking distribution	\$ 17,200,000
11	Subtotal	\$ 1,264,785,100
12	TOTAL GENERAL GOVERNMENT	\$ 1,266,010,300

13 (2) Pursuant to section 30 of article IX of the state
14 constitution of 1963, total state spending from state sources for
15 fiscal year 2007-2008 is estimated at \$28,506,007,100.00 in the
16 2007-2008 appropriations acts and total state spending from state
17 sources paid to local units of government for fiscal year 2007-2008
18 is estimated at \$16,455,455,183.00. The state-local proportion is
19 estimated at 57.73% of total state spending from state resources.

20 (3) If payments to local units of government and state
21 spending from state sources for fiscal year 2007-2008 are less than
22 the minimum required by section 30 of article IX of the state
23 constitution of 1963, the state budget director shall notify the
24 senate and house of representatives standing committees on
25 appropriations within 30 days after the final book-closing for
26 fiscal year 2007-2008.

27 Sec. 202. The appropriations authorized under this bill are

1 subject to the management and budget act, 1984 PA 431, MCL 18.1101
2 to 18.1594.

3 Sec. 203. As used in this bill:

4 (a) "AFSCME" means American federation of state, county, and
5 municipal employees.

6 (b) "COBRA" means the consolidated omnibus budget
7 reconciliation act of 1985, Public Law 99-272, 100 Stat. 82.

8 (c) "CPI" means consumer price index.

9 (d) "DAG" means the United States department of agriculture.

10 (e) "DED-OPSE" means the United States department of
11 education, office of postsecondary education.

12 (f) "DOL-ETA" means the United States department of labor,
13 employment and training administration.

14 (g) "DOL-OSHA" means the United States department of labor,
15 occupational safety and health administration.

16 (h) "EEOC" means the United States equal employment
17 opportunity commission.

18 (i) "EPA" means the United States environmental protection
19 agency.

20 (j) "FTE" means full-time equated.

21 (k) "Fund" means the Michigan Strategic Fund.

22 (l) "GF/GP" means general fund/general purpose.

23 (m) "HHS" means the United States department of health and
24 human services.

25 (n) "HHS-OS" means the HHS office of the secretary.

26 (o) "HHS-SSA" means the HHS social security administration.

27 (p) "HUD" means the United States department of housing and

1 urban development.

2 (q) "HUD-CPD" means the United States department of housing
3 and urban development - community planning and development.

4 (r) "IDG" means interdepartmental grant.

5 (s) "MAIN" means the Michigan administrative information
6 network.

7 (t) "MCL" means the Michigan Compiled Laws.

8 (u) "MDCH" means the Michigan department of community health.

9 (v) "MDCS" means the Michigan department of civil service.

10 (w) "MDEQ" means the Michigan department of environmental
11 quality.

12 (x) "MDHS" means the Michigan department of human services.

13 (y) "MDLEG" means the Michigan department of labor and
14 economic growth.

15 (z) "MDMB" means the Michigan department of management and
16 budget.

17 (aa) "MDOT" means the Michigan department of transportation.

18 (bb) "MDSP" means the Michigan department of state police.

19 (cc) "MEDC" means the Michigan economic development
20 corporation, which is the public body corporate created under
21 section 28 of article VII of the state constitution of 1963 and the
22 urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
23 124.512, by contractual interlocal agreement effective April 5,
24 1999, between local participating economic development corporations
25 formed under the economic development corporations act, 1974 PA
26 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

27 (dd) "MPES" means the Michigan professional employees society.

1 (ee) "PA" means public act.

2 (ff) "PACC" means the prosecuting attorneys coordinating
3 council.

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

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

16 (2) The attorney general and secretary of state may grant
17 exceptions to the hiring freeze for their respective departments
18 pursuant to the same criteria that the state budget director is
19 able to grant exceptions under this subsection. The state budget
20 director may grant exceptions to this hiring freeze when the state
21 budget director believes that the hiring freeze will result in
22 rendering a state department or agency unable to deliver basic
23 services, cause loss of revenue to the state, result in the
24 inability of the state to receive federal funds, or necessitate
25 additional expenditures that exceed any savings from maintaining a
26 vacancy. The state budget director shall report quarterly to the
27 chairpersons of the senate and house of representatives standing

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

4 Sec. 208. The departments and agencies receiving
5 appropriations in part 1 shall use the Internet to fulfill the
6 reporting requirements of this bill. This requirement may include
7 transmission of reports via electronic mail to the recipients
8 identified for each reporting requirement, or it may include
9 placement of reports on an Internet or Intranet site.

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

17 Sec. 210. The director of each department and the chair of the
18 fund receiving appropriations in part 1 shall take all reasonable
19 steps to ensure businesses in deprived and depressed communities
20 compete for and perform contracts to provide services or supplies,
21 or both. Each director shall strongly encourage firms with which
22 the department contracts to subcontract with certified businesses
23 in depressed and deprived communities for services, supplies, or
24 both.

25 Sec. 211. Pursuant to section 352 of the management and budget
26 act, 1984 PA 431, MCL 18.1352, that provides for a transfer of
27 state general funds into the countercyclical budget and economic

stabilization fund, there is appropriated into 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:

	2006	2007
Michigan personal income (millions)	\$342,900	\$352,501
less: transfer payments	<u>54,901</u>	<u>58,403</u>
Subtotal	287,999	294,098
Divided by: Detroit CPI for 12 months		
ending June 30	1.948	1.980
Equals: Real adjusted Michigan personal		
income	\$147,881	\$148,534
Percentage change		0.4%
Percentage change in excess of 2%	0.0%	0.0%
Multiplied by: estimated GF/GP revenue in		
FY 2005-2006 (millions)		8,230.0
Equals: countercyclical budget and		
economic stabilization fund calculation		
for the fiscal year ending September 30,		
2007	\$0.0	\$0.0

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

1 information technology, departments and agencies shall pay user
2 fees to the department of information technology for technology-
3 related services and projects. Such user fees shall be subject to
4 provisions of an interagency agreement between the departments and
5 agencies and the department of information technology.

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

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

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

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

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

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

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

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

1 appropriations.

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

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

13 (b) The destination of each travel occurrence.

14 (c) The dates of each travel occurrence.

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

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

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

24 Sec. 218. Amounts appropriated in part 1 for information
25 technology may be designated as work projects and carried forward
26 to support technology projects under the direction of the
27 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.

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 bill 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 bill 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 bill 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 bill

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

3 Sec. 302. (1) The attorney general shall perform all legal
4 services, including representation before courts and administrative
5 agencies rendering legal opinions and providing legal advice to a
6 principal executive department or state agency. A principal
7 executive department or state agency shall not employ or enter into
8 a contract with any other person for services described in this
9 section.

10 (2) The attorney general shall defend judges of all state
11 courts if a claim is made or a civil action is commenced for
12 injuries to persons or property caused by the judge through the
13 performance of the judge's duties while acting within the scope of
14 his or her authority as a judge.

15 (3) The attorney general shall perform the duties specified in
16 1846 RS 12, MCL 14.28 to 14.35, and 1919 PA 232, MCL 14.101 to
17 14.102, and as otherwise provided by law.

18 Sec. 303. The attorney general may sell copies of the biennial
19 report in excess of the 350 copies that the attorney general may
20 distribute on a gratis basis. Gratis copies shall not be provided
21 to members of the legislature. Electronic copies of biennial
22 reports shall be made available on the department of attorney
23 general's website. The attorney general shall sell copies of the
24 report at not less than the actual cost of the report and shall
25 deposit the money received into the general fund.

26 Sec. 304. The department of attorney general is responsible
27 for the legal representation for state of Michigan state employee

1 worker's disability compensation cases. The risk management
2 revolving fund revenue appropriation in part 1 is to be satisfied
3 by billings from the department of attorney general for the actual
4 costs of legal representation, including salaries and support
5 costs.

6 Sec. 305. In addition to the funds appropriated in part 1, not
7 more than \$400,000.00 shall be reimbursed per fiscal year for food
8 stamp fraud cases heard by the third circuit court of Wayne County
9 that were initiated by the department of attorney general pursuant
10 to the existing contract between the department of human services,
11 the prosecuting attorneys association of Michigan, and the
12 department of attorney general. The source of this funding is money
13 earned by the department of attorney general under the agreement
14 after the allowance for reimbursement to the department of attorney
15 general for costs associated with the prosecution of food stamp
16 fraud cases. It is recognized that the federal funds are earned by
17 the department of attorney general for its documented progress on
18 the prosecution of food stamp fraud cases according to the United
19 States department of agriculture regulations and that once earned
20 by this state, the funds become state funds.

21 Sec. 306. Any proceeds from a lawsuit initiated by or
22 settlement agreement entered into on behalf of this state against a
23 manufacturer of tobacco products by the attorney general are state
24 funds and are subject to appropriation as provided by law.

25 Sec. 307. (1) All money or other proceeds received by the
26 department of attorney general for debts due or penalties forfeited
27 to the people of this state, or deriving from the settlement of any

lawsuit entered into by the attorney general on behalf of a state agency, department, division, bureau, board, commission, council, authority, or other body in the executive branch of state government or an individual acting on behalf of the executive branch of state government against a private individual or business or any other private organization, shall be immediately deposited in conformity with MCL 14.33 and shall not be available for expenditure or disbursement until appropriated.

(2) Except as may otherwise be provided by law, the department of attorney general shall not agree as part of the settlement of a lawsuit or administrative enforcement action on behalf of this state, the people of this state, a state entity, or a individual or officer acting on behalf of this state against a private individual, business, or other private organization, to accept the payment of money, goods, services, or other benefits to a third party or parties in lieu of a debt or obligation otherwise due to this state or the people of this state. Any money paid to settle a debt or obligation owed this state or the people of this state, or paid in lieu of a debt or obligation otherwise due to this state or the people of this state, or goods or services offered to settle claims on behalf of the state or people of the state of Michigan, shall be deposited with the state treasury immediately after receipt and shall not be available for expenditure or disbursement until appropriated. This section does not apply to settlement money or goods disbursed by a court-approved claims administrator directly to consumer members of a class action lawsuit brought by the attorney general in his parens patriae capacity, provided the

1 disbursement is judicially authorized and is made following a
2 notice period and a fairness hearing.

3 (3) On a quarterly basis, the attorney general shall report to
4 the budget office and the appropriations committees for both the
5 house and senate the case names and corresponding attorney general
6 case file numbers, court docket numbers, and presiding courts for
7 every matter that the attorney general settled during the preceding
8 quarter. The attorney general shall report the total settlement
9 value for each case reported. The attorney general shall itemize
10 each settlement to additionally reflect:

11 (a) The aggregate Michigan consumer recovery;

12 (b) The value of restitution paid on behalf of the state or
13 any state or federal department or agency whose interest was
14 resolved in the case;

15 (c) Amounts recovered for civil penalties;

16 (d) Amounts recovered for attorneys fees; and

17 (e) Amounts recovered as reimbursement for the costs of
18 investigation. If the attorney general settled a case in the prior
19 quarter for non-monetary proceeds, he shall indicate the identity
20 and value of proceeds so received for each case as provided in this
21 section.

22 (4) Funds appropriated to the department of attorney general
23 under part 1 are appropriated contingent upon compliance with this
24 section.

25 Sec. 308. (1) In addition to the funds appropriated in part 1,
26 there is appropriated up to \$500,000.00 from litigation expense
27 reimbursements awarded to the state.

1 (2) The funds may be expended for the payment of court
2 judgments or settlements; attorney fees; and litigation expenses,
3 not including salaries and support costs, assessed against the
4 office of the governor, the department of the attorney general, the
5 governor, or the attorney general when acting in an official
6 capacity as the named party in litigation against the state. The
7 funds may also be expended for the payment of state costs incurred
8 under section 16 of chapter X of the code of criminal procedure,
9 1927 PA 175, MCL 770.16.

10 (3) Unexpended funds at the end of the fiscal year may be
11 carried forward for expenditure in the following year, up to a
12 maximum authorization of \$500,000.00.

13 Sec. 309. From the prisoner reimbursement funds appropriated
14 in part 1, the department may spend up to \$460,800.00 on activities
15 related to the state correctional facilities reimbursement act,
16 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds
17 appropriated in part 1, if the department collects in excess of
18 \$1,131,000.00 in gross annual prisoner reimbursement receipts
19 provided to the general fund, the excess, up to a maximum of
20 \$1,000,000.00, is appropriated to the department of attorney
21 general and may be spent on the representation of the department of
22 corrections and its officers, employees, and agents, including, but
23 not limited to, the defense of litigation against the state, its
24 departments, officers, employees, or agents in civil actions filed
25 by prisoners.

26 Sec. 310. The department of attorney general may not receive
27 an expend funds in addition to those authorized in part 1 for legal

1 services provided specifically to other state departments or
2 agencies except for costs for expert witnesses, court costs or
3 other non-salary litigation expenses associated with a pending
4 legal action.

5 **DEPARTMENT OF CIVIL RIGHTS**

6 Sec. 401. In addition to the funds appropriated in part 1,
7 there is appropriated an amount not to exceed \$2,000,000.00 for
8 federal contingency funds. These funds are not available for
9 expenditure until they have been transferred to another line item
10 in this bill under section 393(2) of the department of management
11 and budget act, 1984 PA 431, MCL 18.1393.

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

15 (a) Developing and presenting training for employers on equal
16 employment opportunity law and procedures.

17 (b) The publication and sale of civil rights related
18 informational material.

19 (c) The provision of copy material made available under
20 freedom of information requests.

21 (d) Other copy fees, subpoena fees, and witness fees.

22 (e) Developing, presenting, and participating in mediation
23 processes for certain civil rights cases.

24 (f) Workshops, seminars, and recognition or award programs
25 consistent with the programmatic mission of the individual unit
26 sponsoring or coordinating the programs.

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

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

11 DEPARTMENT OF CIVIL SERVICE

12 Sec. 501. (1) In addition to the funds appropriated in part 1,
13 there is appropriated an amount not to exceed \$2,000,000.00 for
14 federal contingency funds. These funds are not available for
15 expenditure until they have been transferred to another line item
16 in this bill under section 393(2) of the department of management
17 and budget act, 1984 PA 431, MCL 18.1393.

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

24 (3) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$100,000.00 for local
26 contingency funds. These funds are not available for expenditure

1 until they have been transferred to another line item in this bill
2 under section 393(2) of the department of management and budget
3 act, 1984 PA 431, MCL 18.1393.

4 (4) In addition to the funds appropriated in part 1, there is
5 appropriated an amount not to exceed \$100,000.00 for private
6 contingency funds. These funds are not available for expenditure
7 until they have been transferred to another line item in this bill
8 under section 393(2) of the department of management and budget
9 act, 1984 PA 431, MCL 18.1393.

10 Sec. 502. (1) All restricted funds shall be assessed a sum not
11 less than 1% of the total aggregate payroll paid from those funds
12 for financing the department of civil service on the basis of
13 actual 1% restricted sources total aggregate payroll of the
14 classified service for fiscal year 2007 in accordance with section
15 5 of article XI of the state constitution of 1963. This includes,
16 but is not limited to, restricted funds appropriated in part 1 of
17 any appropriations act. Unexpended 1% appropriated funds shall be
18 returned to each 1% fund source at the end of the fiscal year.

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

26 (3) The 1% financing from restricted sources shall be credited
27 to the department of civil service by the end of the second fiscal

1 quarter.

2 Sec. 503. Except where specifically appropriated for this
3 purpose, 1% of the financing from restricted sources shall be
4 credited to the department of civil service. For restricted sources
5 of funding within the general fund that have the legislative
6 authority for carryover, if current spending authorization or
7 revenues are insufficient to accept the charge, the shortage shall
8 be taken from carryforward balances of that funding source.
9 Restricted revenue sources that do not have carryforward authority
10 shall be utilized to satisfy departmental operating deducts first
11 and civil service obligations second. General fund dollars are
12 appropriated for any shortfall, pursuant to approval by the state
13 budget director.

14 Sec. 504. The appropriation in part 1 to the department of
15 civil service, for state-sponsored group insurance, flexible
16 spending accounts, and COBRA, represents amounts, in part, included
17 within the various appropriations throughout state government for
18 the current fiscal year to fund the flexible spending account
19 program included within the department of civil service. Deposits
20 against state-sponsored group insurance, flexible spending
21 accounts, and COBRA for the flexible spending account program shall
22 be made from assessments levied during the current fiscal year in a
23 manner prescribed by the department of civil service. Unspent
24 employee contributions to the flexible spending accounts may be
25 used to offset administrative costs for the flexible spending
26 account program, with any remaining balance of unspent employee
27 contributions to be lapsed to the general fund.

1 **INFORMATION TECHNOLOGY**

2 Sec. 573. (1) The department of information technology may
3 sell and accept paid advertising for placement on any state website
4 under its jurisdiction. The department shall review and approve
5 the content of each advertisement. The department may refuse to
6 accept advertising from any person or organization or require
7 modification to advertisements based upon criteria determined by
8 the department. Revenue received under this subsection shall be
9 used for operating costs of the department and for future
10 technology enhancements to state of Michigan e-government
11 initiatives.

12 (2) The department of information technology may accept gifts,
13 donations, contributions, bequests, and grants of money from any
14 public or private source to assist with the underwriting or
15 sponsorship of state web pages or services offered on those web
16 pages. A private or public funding source may receive recognition
17 in the web page. The department of information technology may
18 reject any gift, donation, contribution, bequest, or grant.

19 (3) Funds accepted by the department of information technology
20 under subsections (1) and (2) are appropriated and allotted when
21 received and may be expended upon approval of the state budget
22 director. The state budget office shall notify the senate and
23 house of representatives standing committees on appropriations
24 subcommittees on general government and the senate and house fiscal
25 agencies within 10 days after the approval.

26 (4) By April 1, the department of information technology shall

1 report to the senate and house of representatives standing
2 committees on appropriations and the senate and house fiscal
3 agencies that a statement of the total revenue received from the
4 sale of paid advertising accepted under this section and a
5 statement of the total number of advertising transactions are
6 available on the department's website.

7 (5) Any unexpended revenue under this section may be carried
8 forward at the end of the fiscal year and be available for future
9 appropriation.

10 Sec. 574. The department of information technology may enter
11 into agreements to supply spatial information and technical
12 services to other principal executive departments, state agencies,
13 local units of government, and other organizations. The department
14 of information technology may receive and expend funds in addition
15 to those authorized in part 1 for providing information and
16 technical services, publications, maps, and other products. The
17 department of information technology may expend amounts received
18 for salaries, supplies, and equipment necessary to provide
19 informational products and technical services.

20 Sec. 575. The legislature shall have access to all historical
21 and current data contained within MAIN pertaining to state
22 departments. State departments shall have access to all historical
23 and current data contained within MAIN.

24 Sec. 576. When used in this act, "information technology
25 services" means services involving all aspects of managing and
26 processing information including, but not limited to, all of the
27 following:

1 (a) Application development and maintenance.

2 (b) Desktop computer support and management.

3 (c) Mainframe computer support and management.

4 (d) Server support and management.

5 (e) Local area network support and management.

6 (f) Information technology contract, project, and procurement
7 management.

8 (g) Information technology planning and budget management.

9 (h) Telecommunication services, security, infrastructure, and
10 support.

11 (i) Software and software licensing.

12 Sec. 577. (1) Funds appropriated in part 1 for the Michigan
13 public safety communications system shall be expended upon approval
14 of an expenditure plan by the state budget director.

15 (2) The department of information technology shall assess all
16 subscribers of the Michigan public safety communications system
17 reasonable access and maintenance fees.

18 (3) All money received by the department of information
19 technology under this section shall be expended for the support and
20 maintenance of the Michigan public safety communications system.

21 (4) The department of information technology shall provide a
22 report to the senate and house of representatives standing
23 committees on appropriations, the senate and house fiscal agencies,
24 and the state budget director on April 15 and on October 15,
25 indicating the amount of revenue collected under this section and
26 expended for support and maintenance of the Michigan public safety
27 communications system for the immediately preceding 6-month period.

1 Any deposits made under this section and unencumbered funds are
2 restricted revenues and may be carried over into succeeding fiscal
3 years.

4 Sec. 580. (1) From the funds appropriated in part 1 to general
5 services, for the department of state, there is appropriated
6 \$4,450,000.00 for the business application modernization project.
7 Funds shall only be used for the development, implementation, and
8 maintenance of the business application modernization project.

9 (2) The unexpended funds appropriated in part 1 for the
10 business application modernization project are designated as work
11 project appropriations and shall not lapse at the end of the fiscal
12 year. Any unencumbered or unallotted funds shall be carried over
13 into the succeeding fiscal year and shall continue to be available
14 for expenditure until the project has been completed. The total
15 cost is estimated at \$30,000,000.00, and the tentative completion
16 date is September 30, 2010.

17 Sec. 581. From the funds appropriated in part 1, the
18 department of information technology shall assess the state's
19 information technology assets, including hardware, software, and
20 networks to determine any benefits and economies that can be
21 achieved through, but not limited to, hardware and software
22 consolidation and standardization, process improvements, project
23 management improvements, and increased standards-based information
24 sharing between agencies.

25 Sec. 586. If during the course of the fiscal year a transfer
26 or supplemental to or from the information technology line item
27 within an agency budget is made under section 393 of the department

1 of management and budget act, 1984, PA 431, MCL 18.1393, there is
2 appropriated an equal amount of user fees in the department of
3 information technology budget to accommodate an increase or
4 decrease in spending authorization.

5 **LEGISLATURE**

6 Sec. 600. The senate, the house of representatives, or an
7 agency within the legislative branch may receive, expend, and
8 transfer funds in addition to those authorized in part 1.

9 Sec. 601. (1) Funds appropriated in part 1 to an entity within
10 the legislative branch shall not be expended or transferred to
11 another account without written approval of the authorized agent of
12 the legislative entity. If the authorized agent of the legislative
13 entity notifies the state budget director of its approval of an
14 expenditure or transfer before the year-end book-closing date for
15 that legislative entity, the state budget director shall
16 immediately make the expenditure or transfer. The authorized
17 legislative entity agency shall be designated by the speaker of the
18 house of representatives for house entities, the senate majority
19 leader for senate entities, and the legislative council for
20 legislative council entities.

21 (2) Funds appropriated within the legislative branch, to a
22 legislative council component, shall not be expended by any agency
23 or other subgroup included in that component without the approval
24 of the legislative council.

25 Sec. 602. The senate may charge rent and assess charges for
26 utility costs. The amounts received for rent charges and utility

1 assessments are appropriated to the senate for the renovation,
2 operation, and maintenance of the Farnum building and other
3 properties.

4 Sec. 603. The appropriation contained in part 1 for national
5 association dues is to be distributed by the legislative council.

6 Sec. 604. (1) The appropriation in part 1 to the legislative
7 council includes funds to operate the legislative parking
8 facilities in the capitol area. The legislative council shall
9 establish rules regarding the operation of the legislative parking
10 facilities.

11 (2) The legislative council shall collect a fee from state
12 employees and the general public using certain legislative parking
13 facilities. The revenues received from the parking fees shall be
14 allocated by the legislative council.

15 Sec. 605. The appropriation in part 1 to the legislative
16 council for publication of the Michigan manual is a work project
17 account. The unexpended portion remaining on September 30 shall not
18 lapse and shall be carried forward into the subsequent fiscal year
19 for use in paying the associated biennial costs of publication of
20 the Michigan manual.

21 Sec. 606. The appropriations in part 1 to the legislative
22 branch, for property management, shall be used to purchase
23 equipment and services for building maintenance in order to ensure
24 a safe and productive work environment. These funds are designated
25 as work project appropriations and shall not lapse at the end of
26 the fiscal year, and shall continue to be available for expenditure
27 until the project has been completed. The total cost is estimated

1 at \$500,000.00, and the tentative completion date is September 30,
2 2011.

3 Sec. 607. The appropriations in part 1 to the legislative
4 branch, for automated data processing, shall be used to purchase
5 equipment, software, and services in order to support and implement
6 data processing requirements and technology improvements. These
7 funds are designated as work project appropriations and shall not
8 lapse at the end of the fiscal year, and shall continue to be
9 available for expenditure until the project has been completed. The
10 total cost is estimated at \$500,000.00, and the tentative
11 completion date is September 30, 2011.

12 Sec. 608. In addition to funds appropriated in part 1, the
13 Michigan capitol committee publications save the flags fund account
14 may accept contributions, gifts, bequests, devises, grants, and
15 donations. Those funds that are not expended in the fiscal year
16 ending September 30 shall not lapse at the close of the fiscal
17 year, and shall be carried forward for expenditure in the following
18 fiscal years.

19 Sec. 610. The funds appropriated in part 1 shall not be used
20 to pay for health insurance benefits for unmarried domestic
21 partners of legislators or legislative employees.

22 **OFFICE OF THE AUDITOR GENERAL**

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

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

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

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

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

27 Sec. 623. Any audits, reviews, or investigations requested of

1 the auditor general by the legislature or by legislative
2 leadership, legislative committees, or individual legislators shall
3 include an estimate of the additional costs involved and, when
4 those costs exceed \$50,000.00, should provide supplemental funding.
5 The auditor general shall determine whether to perform those
6 activities in keeping with Audit Directive No. 29, which describes
7 the office of auditor general policy on responding to legislative
8 requests.

9 **DEPARTMENT OF MANAGEMENT AND BUDGET**

10 Sec. 701 (1) In addition to the funds appropriated in part 1,
11 there is appropriated an amount not to exceed \$2,000,000.00 for
12 federal contingency funds. These funds are not available for
13 expenditure until they have been transferred to another line item
14 in this bill under section 393(2) of the management and budget act,
15 1984 PA 431, MCL 18.1393.

16 (2) In addition to the funds appropriated in part 1, there is
17 appropriated an amount not to exceed \$3,000,000.00 for state
18 restricted contingency funds. These funds are not available for
19 expenditure until they have been transferred to another line item
20 in this bill under section 393(2) of the management and budget act,
21 1984 PA 431, MCL 18.1393.

22 (3) In addition to the funds appropriated in part 1, there is
23 appropriated an amount not to exceed \$50,000.00 for local
24 contingency funds. These funds are not available for expenditure
25 until they have been transferred to another line item in this bill

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

3 Sec. 702. Proceeds in excess of necessary costs incurred in
4 the conduct of transfers or auctions of state surplus, salvage, or
5 scrap property made pursuant to section 267 of the management and
6 budget act, 1984 PA 431, MCL 18.1267, are appropriated to the
7 department of management and budget to offset costs incurred in the
8 acquisition and distribution of federal surplus property.

9 Sec. 703. (1) The department of management and budget may
10 receive and expend funds in addition to those authorized by part 1
11 for maintenance and operation services provided specifically to
12 other principal executive departments or state agencies, the
13 legislative branch, the judicial branch, or private tenants, or
14 provided in connection with facilities transferred to the
15 operational jurisdiction of the department of management and
16 budget.

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

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

27 (4) The department of management and budget may receive and

1 expend funds in addition to those authorized in part 1 for
2 purchasing services provided specifically to other principal
3 executive departments and state agencies, the legislative branch,
4 or the judicial branch.

5 Sec. 704. (1) The source of financing in part 1 for statewide
6 appropriations shall be funded by assessments against longevity and
7 insurance appropriations throughout state government in a manner
8 prescribed by the department of management and budget. Funds shall
9 be used as specified in joint labor/management agreements or
10 through the coordinated compensation hearings process. Any deposits
11 made under this subsection and any unencumbered funds are
12 restricted revenues, may be carried over into the succeeding fiscal
13 years, and are appropriated.

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

20 Sec. 705. To the extent a specific appropriation is required
21 for a detail source of financing included in part 1 for the
22 department of management and budget appropriations financed from
23 special revenue and internal service and pension trust funds, or
24 MAIN user charges, the specific amounts are appropriated within the
25 special revenue internal service and pension trust funds in
26 portions not to exceed the aggregate amount appropriated in part 1.

27 Sec. 706. In addition to the funds appropriated in part 1 to

1 the department of management and budget, the department may receive
2 and expend funds from other principal executive departments and
3 state agencies to implement donated annual leave and administrative
4 leave bank transfer provisions as may be specified in joint
5 labor/management agreements. The amounts may also be transferred to
6 other principal executive departments and state agencies under the
7 joint agreement and any amounts transferred under the joint
8 agreement are authorized for receipt and expenditure by the
9 receiving principal executive department or state agency. Any
10 amounts received by the department of management and budget under
11 this section and intended, under the joint labor/management
12 agreements, to be available for use beyond the close of the fiscal
13 year and any unencumbered funds may be carried over into the
14 succeeding fiscal year.

15 Sec. 707. The source of financing in part 1 for the Michigan
16 administrative information network shall be funded by proportionate
17 charges assessed against the respective state funds benefiting from
18 this project in the amounts determined by the department.

19 Sec. 708. (1) Deposits against the interdepartmental grant
20 from building occupancy and parking charges appropriated in part 1
21 shall be collected, in part, from state agencies, the legislative
22 branch, and the judicial branch based on estimated costs associated
23 with maintenance and operation of buildings managed by the
24 department of management and budget. To the extent excess revenues
25 are collected due to estimates of building occupancy charges
26 exceeding actual costs, the excess revenues may be carried forward
27 into succeeding fiscal years for the purpose of returning funds to

1 state agencies.

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

6 Sec. 709. The department of management and budget shall
7 maintain an Internet website that contains notice of all
8 invitations for bids and requests for proposals over \$50,000.00
9 issued by the department or by any state agency operating under
10 delegated authority. The department shall not accept an invitation
11 for bid or request for proposal in less than 14 days after the
12 notice is made available on the Internet website, except in
13 situations where it would be in the best interest of the state and
14 documented by the department. In addition to the requirements of
15 this section, the department may advertise the invitations for bids
16 and requests for proposals in any manner the department determines
17 appropriate, in order to give the greatest number of individuals
18 and businesses the opportunity to make bids or requests for
19 proposals.

20 Sec. 710. The department of management and budget may receive
21 and expend funds from the Vietnam veterans memorial monument fund
22 as provided in the Michigan Vietnam veterans memorial act, 1988 PA
23 234, MCL 35.1051 to 35.1057. Funds are appropriated and allocated
24 when received and may be expended upon receipt.

25 Sec. 711. The Michigan veterans' memorial park commission may
26 receive and expend money from any source, public or private,
27 including, but not limited to, gifts, grants, donations of money,

1 and government appropriations, for the purposes described in
2 Executive Order No. 2001-10. Funds are appropriated and allocated
3 when received and may be expended upon receipt. Any deposits made
4 under this section and unencumbered funds are restricted revenues
5 and may be carried over into succeeding fiscal years.

6 Sec. 712. (1) Funds in part 1 for motor vehicle fleet are
7 appropriated to the department of management and budget for
8 administration and for the acquisition, lease, operation,
9 maintenance, repair, replacement, and disposal of state motor
10 vehicles.

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

18 (3) The department of management and budget may charge state
19 agencies for fuel cost increases that exceed \$2.27 per gallon of
20 unleaded gasoline. The department shall notify state agencies, in
21 writing or by electronic mail, at least 30 days before implementing
22 additional charges for fuel cost increases. Revenues received from
23 such charges are appropriated upon receipt.

24 Sec. 713. In addition to the funds appropriated in part 1, the
25 department of management and budget may receive and expend money
26 from the Michigan law enforcement officers memorial monument fund
27 as provided in the Michigan law enforcement officers memorial act,

1 2004 PA 177, MCL 28.781 to 28.787.

2 Sec. 714. In addition to the funds appropriated in part 1, the
3 department of management and budget may receive and expend money
4 from the Ronald Wilson Reagan memorial monument fund as provided in
5 the Ronald Wilson Reagan memorial monument fund commission act,
6 2004 PA 489, MCL 399.261 to 399.266.

7 Sec. 715. Of the \$16,793,100 included in part 1 for the
8 department of management and budget, retirement services,
9 \$300,000.00 shall be used for a project to implement amendments to
10 the public school employees retirement act of 1979, 1980 PA 300,
11 MCL 38.1301 to 38.1467, to allow public school retirees to add a
12 new spouse as a pension beneficiary when a previous spouse dies or
13 if the retiree was not married at the time of retirement.

14 Unexpended appropriations are designated as work project
15 appropriations and shall not lapse at the end of the fiscal year
16 and shall continue to be available for expenditure until the
17 project has been completed. The following is in compliance with
18 section 451a of the management and budget act, 1984 PA 431, MCL
19 18.1451a:

20 (a) The purpose of the project is to implement amendments to
21 the public school employees retirement act to allow public school
22 retirees to add a new spouse as a pension beneficiary when a
23 previous spouse dies or if the retiree was not married at the time
24 of retirement.

25 (b) The project will be accomplished by state employees and
26 contract.

27 (c) The total estimated cost of the project is \$300,000.00.

(d) The tentative completion date is September 30, 2009.

STATE BUILDING AUTHORITY

Sec. 725. (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, 2008 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, 2008. 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

1 this section.

2 (3) For state building authority projects for which bonds or
3 notes have been issued and upon the request of the state building
4 authority, the state treasurer shall make advances without interest
5 from the general fund as necessary to meet cash flow requirements
6 for the projects, which advances shall be reimbursed by the state
7 building authority when the investments earmarked for the financing
8 of the projects mature.

9 (4) In the event that a project identified in part 1 is
10 terminated after final design is complete, advances made on behalf
11 of the state building authority for the costs of final design shall
12 be repaid to the general fund in a manner recommended by the
13 director and approved by the JCOS.

14 Sec. 726. (1) State building authority funding to finance
15 construction or renovation of a facility that collects revenue in
16 excess of money required for the operation of that facility shall
17 not be released to a university or community college unless the
18 institution agrees to reimburse that excess revenue to the state
19 building authority. The excess revenue shall be credited to the
20 general fund to offset rent obligations associated with the
21 retirement of bonds issued for that facility. The auditor general
22 shall annually identify and present an audit of those facilities
23 that are subject to this section. Costs associated with the
24 administration of the audit shall be charged against money
25 recovered pursuant to this section.

26 (2) As used in this section, "revenue" includes state
27 appropriations, facility opening money, other state aid, indirect

1 cost reimbursement, and other revenue generated by the activities
2 of the facility.

3 Sec. 727. (1) The state building authority rent appropriations
4 in part 1 may also be expended for the payment of required premiums
5 for insurance on facilities owned by the state building authority
6 or payment of costs that may be incurred as the result of any
7 deductible provisions in such insurance policies.

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

14 Sec. 728. The department of management and budget shall
15 provide the JCOS and the fiscal agencies a report relative to the
16 status of construction projects associated with state building
17 authority bonds for fiscal year ending September 30th by October 15th
18 of the following fiscal year, or not more than 30 days after a
19 refinancing or restructuring bond issue is sold. The report shall
20 include, but is not limited to, the following:

21 (a) A list of all completed construction projects for which
22 state building authority bonds have been sold, and which bonds are
23 currently active.

24 (b) A list of all projects under construction for which sale
25 of state building authority bonds are pending.

26 (c) A list of all projects authorized for construction or
27 identified in an appropriations act for which approval of

1 schematic/preliminary plans or total authorized cost is pending
2 that have state building authority bonds identified as a source of
3 financing.

4 **DEPARTMENT OF STATE**

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

11 (2) In addition to the funds appropriated in part 1, there is
12 appropriated an amount not to exceed \$7,500,000.00 for state
13 restricted contingency funds. These funds are not available for
14 expenditure until they have been transferred to another line item
15 in this bill under section 393(2) of the department of management
16 and budget act, 1984 PA 431, MCL 18.1393.

17 (3) In addition to the funds appropriated in part 1, there is
18 appropriated an amount not to exceed \$50,000.00 for local
19 contingency funds. These funds are not available for expenditure
20 until they have been transferred to another line item in this bill
21 under section 393(2) of the department of management and budget
22 act, 1984 PA 431, MCL 18.1393.

23 (4) In addition to the funds appropriated in part 1, there is
24 appropriated an amount not to exceed \$100,000.00 for private
25 contingency funds. These funds are not available for expenditure
26 until they have been transferred to another line item in this bill

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

3 Sec. 802. All funds made available by section 3171 of the
4 insurance code of 1956, 1956 PA 218, MCL 500.3171, are appropriated
5 and made available to the department of state to be expended only
6 for the uses and purposes for which the funds are received as
7 provided by sections 3171 to 3177 of the insurance code of 1956,
8 1956 PA 218, MCL 500.3171 to 500.3177.

9 Sec. 803. From the funds appropriated in part 1, the
10 department of state shall sell copies of records including, but not
11 limited to, records of motor vehicles, off-road vehicles,
12 snowmobiles, watercraft, mobile homes, personal identification
13 cardholders, drivers, and boat operators and shall charge \$7.00 per
14 record sold only as authorized in section 208b of the Michigan
15 vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222,
16 MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the
17 natural resources and environmental protection act, 1994 PA 451,
18 MCL 324.80130, 324.80315, 324.81114, and 324.82156. The revenue
19 received from the sale of records shall be credited to the
20 transportation administration collection fund created under section
21 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b.

22 Sec. 804. From the funds appropriated in part 1, the secretary
23 of state may enter into agreements with the department of
24 corrections for the manufacture of vehicle registration plates 15
25 months before the registration year in which the registration
26 plates will be used.

27 Sec. 805. (1) The department of state may accept gifts,

1 donations, contributions, and grants of money and other property
2 from any private or public source to underwrite, in whole or in
3 part, the cost of a departmental publication that is prepared and
4 disseminated under the Michigan vehicle code, 1949 PA 300, MCL
5 257.1 to 257.923. A private or public funding source may receive
6 written recognition in the publication and may furnish a traffic
7 safety message, subject to departmental approval, for inclusion in
8 the publication. The department may reject a gift, donation,
9 contribution, or grant. The department may furnish copies of a
10 publication underwritten, in whole or in part, by a private source
11 to the underwriter at no charge.

12 (2) The department of state may sell and accept paid
13 advertising for placement in a departmental publication that is
14 prepared and disseminated under the Michigan vehicle code, 1949 PA
15 300, MCL 257.1 to 257.923. The department may charge and receive a
16 fee for any advertisement appearing in a departmental publication
17 and shall review and approve the content of each advertisement. The
18 department may refuse to accept advertising from any person or
19 organization. The department may furnish a reasonable number of
20 copies of a publication to an advertiser at no charge.

21 (3) Pending expenditure, the funds received under this section
22 shall be deposited in the Michigan department of state publications
23 fund created by section 211 of the Michigan vehicle code, 1949 PA
24 300, MCL 257.211. Funds given, donated, or contributed to the
25 department from a private source are appropriated and allocated for
26 the purpose for which the revenue is furnished. Funds granted to
27 the department from a public source are allocated and may be

1 expended upon receipt. The department shall not accept a gift,
2 donation, contribution, or grant if receipt is conditioned upon a
3 commitment of state funding at a future date. Revenue received from
4 the sale of advertising is appropriated and may be expended upon
5 receipt.

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

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

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

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

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

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

25 (6) In addition to copies delivered without charge as the
26 secretary of state considers necessary, the department of state may
27 sell copies of manuals and other publications regarding the sale,

1 ownership, or operation or regulation of motor vehicles, with
2 amendments, at prices to be established by the secretary of state.
3 As used in this subsection, the term "manuals and other
4 publications" includes videos and proprietary electronic
5 publications. All funds received from sales of these manuals and
6 other publications shall be credited to the Michigan department of
7 state publications fund.

8 Sec. 806. Funds collected by the department of state under
9 section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211,
10 are appropriated for all expenses necessary to provide for the
11 costs of the publication. Funds are allotted for expenditure when
12 they are received by the department of treasury and shall not lapse
13 to the general fund at the end of the fiscal year.

14 Sec. 807. From the funds appropriated in part 1, the
15 department of state shall use available balances at the end of the
16 state fiscal year to provide payment to the department of state
17 police in the amount of \$331,400.00 for the services provided by
18 the traffic accident records program as first appropriated in 1990
19 PA 196 and 1990 PA 208.

20 Sec. 808. From the funds appropriated in part 1, the
21 department of state may restrict funds from miscellaneous revenue
22 to cover cash shortages created from normal branch office
23 operations. This amount shall not exceed \$50,000.00 of the total
24 funds available in miscellaneous revenue.

25 Sec. 809. (1) Commemorative and specialty license plate fee
26 revenue collected by the department of state and deposited into the
27 transportation administration collection fund is authorized for

1 expenditure up to the amount of revenue collected but not to exceed
2 the amount appropriated to the department of state in part 1 to
3 administer commemorative and specialty license plate programs.

4 (2) Commemorative and specialty license plate fee revenue
5 collected by the department of state and deposited in the
6 transportation administration collection fund, in addition to the
7 amount appropriated in part 1 to the department of state, shall
8 remain in the transportation administration collection fund and be
9 available for future appropriation.

10 Sec. 810. (1) Collector plate and fund-raising registration
11 plate revenues collected by the department of state are
12 appropriated and allotted for distribution to the recipient
13 university or public or private agency overseeing a state-sponsored
14 goal when received. Distributions shall occur on a quarterly basis
15 or as otherwise authorized by law. Any revenues remaining at the
16 end of the fiscal year shall not lapse to the general fund but
17 shall remain available for distribution to the university or agency
18 in the next fiscal year.

19 (2) Funds or revenues in the Olympic education training center
20 fund are appropriated for distribution to the Olympic education
21 training center at Northern Michigan University. Distributions
22 shall occur on a quarterly basis. Any undistributed revenue
23 remaining at the end of the fiscal year shall be carried over into
24 the next fiscal year.

25 Sec. 811. The department of state may produce and sell copies
26 of a training video designed to inform registered automotive repair
27 facilities of their obligations under Michigan law. The price shall

1 not exceed the cost of production and distribution. The money
2 received from the sale of training videos shall revert to the
3 department of state and be placed in the auto repair facility
4 account.

5 Sec. 812. (1) The department of state, in collaboration with
6 the gift of life transplantation society or its successor federally
7 designated organ procurement organization, may develop and
8 administer a public information campaign concerning the Michigan
9 organ donor program.

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

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

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

1 identification card applications.

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

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

9 Sec. 816. (1) Any service assessment collected by the
10 department of state from the user of a credit or debit card under
11 section 3 of 1995 PA 144, MCL 11.23, is appropriated to the
12 department for necessary expenses related to that service and may
13 be remitted to a credit or debit card company, bank, or other
14 financial institution. Funds are allocated for expenditure when
15 they are received by the department of treasury.

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

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

26 (4) As used in this section, "service assessment" means and
27 includes costs associated with service fees imposed by credit and

1 debit card companies and processing fees imposed by banks and other
2 financial institutions.

3
4 **DEPARTMENT OF TREASURY**

5 **OPERATIONS**

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

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

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

24 (4) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$40,000.00 for private
26 contingency funds. These funds are not available for expenditure
27 until they have been transferred to another line item in this bill

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

3 Sec. 902. (1) Amounts needed to pay for interest, fees,
4 principal, arbitrage rebates as required by federal law, and costs
5 associated with the payment, registration, trustee services, credit
6 enhancements, and issuing costs in excess of the amount
7 appropriated to the department of treasury in part 1 for debt
8 service on notes and bonds that are issued by the state under
9 sections 14, 15, and 16 of article IX of the state constitution of
10 1963 as implemented by 1967 PA 266, MCL 17.451 to 17.455, are
11 appropriated.

12 (2) In addition to the amount appropriated to the department
13 of treasury for debt service in part 1, there is appropriated an
14 amount for fiscal year cash-flow borrowing costs to pay for
15 interest on interfund borrowing made under 1967 PA 55, MCL 12.51 to
16 12.53.

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

1 constitutionally dedicated for a specific purpose, the
2 appropriation of collection costs and fees are from the general
3 purpose account of the general fund.

4 (2) From the funds appropriated in part 1, the department of
5 treasury may contract with private collections agencies and law
6 firms to collect defaulted student loans and other accounts due the
7 Michigan guaranty agency. In addition to the amounts appropriated
8 in part 1 to the department of treasury, there are appropriated
9 amounts necessary to fund collection costs and fees not to exceed
10 22% of the collection or a lesser amount as prescribed by the
11 contract. The appropriation to fund collection costs and fees for
12 the auditing and collection of defaulted student loans due the
13 Michigan guaranty agency is from the fund or account to which the
14 revenues being collected are recorded or dedicated.

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

23 Sec. 904. (1) The department of treasury, through its bureau
24 of investments, may charge an investment service fee against the
25 applicable retirement funds. The fees may be expended for necessary
26 salaries, wages, contractual services, supplies, materials,
27 equipment, travel, worker's compensation insurance premiums, and

1 grants to the civil service commission and state employees'
2 retirement funds. Service fees shall not exceed the aggregate
3 amount appropriated in part 1. The department of treasury shall
4 maintain accounting records in sufficient detail to enable the
5 retirement funds to be reimbursed periodically for fee revenue that
6 is determined by the department of treasury to be surplus.

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

17 Sec. 905. (1) There is appropriated an amount sufficient to
18 recognize and pay expenditures for financial services provided by
19 financial institutions as provided under section 1 of 1861 PA 111,
20 MCL 21.181.

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

25 Sec. 906. (1) The department of treasury shall sell copies of
26 the state tax manual, uniform accounting procedures manual, general
27 property tax law manual, and other local government assistance

1 manuals with amendments, at a price not to exceed the cost of
2 production. The revenue received from the sale of preparation and
3 local government assistance manuals shall revert to the department
4 of treasury and be placed in the local government assistance manual
5 revolving fund.

6 (2) In addition to the funds appropriated in part 1, revenue
7 received from the sale of those manuals is appropriated.

8 Sec. 907. (1) The department of treasury shall charge for
9 audits as permitted by state or federal law or under contractual
10 arrangements with local units of government, other principal
11 executive departments, or state agencies. A report detailing audits
12 performed and audit charges for the immediately preceding fiscal
13 year shall be submitted to the state budget director and the senate
14 and house fiscal agencies not later than November 30.

15 (2) The appropriation in part 1 to the department of treasury,
16 for state compliance audits, shall be used to cover the cost of the
17 state audits performed by independent certified public accountants
18 or department of treasury auditors. The scope of the state audit
19 shall be defined by the state treasurer. The state audits shall be
20 performed by independent certified public accountants contracted
21 with by the state treasurer or by department of treasury auditors,
22 if the county has agreed to contract with and pay the department
23 for their financial single audit.

24 (3) The state audits shall be performed for the most current
25 county fiscal year in conjunction with the financial single audit.
26 The state audit may be performed either by certified public
27 accountants contracted by the state treasurer or department of

1 treasury staff, independent of the financial single audit, if a
2 state audit has not been performed within the last 3 years.

3 Sec. 908. A revolving fund known as the assessor certification
4 and training fund is created in the department of treasury. The
5 assessor certification and training fund shall be used to organize
6 and operate a property assessor certification and training program.
7 Each participant certified and trained shall pay to the department
8 of treasury an examination fee of \$50.00, an initial certification
9 fee of \$50.00, an annual renewal fee of \$75.00 for levels 1 and 2,
10 and \$125.00 for levels 3 and 4 to offset the cost of administering
11 the certification and training program. Training courses shall be
12 offered in assessment administration. Each participant shall pay a
13 fee to cover the expenses incurred in offering the optional
14 programs to certified assessing personnel and other individuals
15 interested in an assessment career opportunity. The fees collected
16 shall be credited to the assessor certification and training fund.

17 Sec. 909. The amount appropriated in part 1 to the department
18 of treasury, home heating assistance program, is to cover the
19 costs, including data processing, of administering federal home
20 heating credits to eligible claimants and to administer the
21 supplemental fuel cost payment program for eligible tax credit and
22 welfare recipients.

23 Sec. 910. Revenue from the airport parking tax act, 1987 PA
24 248, MCL 207.371 to 207.383, is appropriated and shall be
25 distributed under section 7a of the airport parking tax act, 1987
26 PA 248, MCL 207.377a.

27 Sec. 911. The disbursement by the department of treasury from

1 the bottle deposit fund to dealers as required by section 3c(2) of
2 the Initiated Law of 1976, MCL 445.573c, is appropriated.

3 Sec. 912. (1) There is appropriated an amount sufficient to
4 recognize and pay refundable income tax credits as provided by the
5 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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

9 Sec. 913. A plaintiff in a garnishment action involving this
10 state shall pay to the state treasurer 1 of the following:

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

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

19 Sec. 914. (1) The department of treasury may contract with
20 private firms to appraise and, if necessary, appeal the assessments
21 of senior citizen cooperative housing units. Payment for this
22 service shall be from savings resulting from the appraisal or
23 appeal process.

24 (2) Of the funds appropriated in part 1 to the department of
25 treasury for the senior citizens' cooperative housing tax exemption
26 program, a portion is to be utilized for a program audit of the
27 program. The department of treasury shall forward copies of the

1 audit report to the senate and house of representatives standing
2 committees on appropriations subcommittees on general government
3 and to the state budget office. The department of treasury may
4 utilize up to 1% of the funds for program administration and
5 auditing.

6 Sec. 915. The department of treasury may provide a \$200.00
7 annual prize from the Ehlers internship award account in the gifts,
8 bequests, and deposit fund to the runner-up of the Rosenthal prize
9 for interns. The Ehlers internship award account is interest
10 bearing.

11 Sec. 916. Pursuant to section 61 of the Michigan campaign
12 finance act, 1976 PA 388, MCL 169.261, there is appropriated from
13 the general fund to the state campaign fund an amount equal to the
14 amounts designated for tax year 2006. Except as otherwise provided
15 in this section, the amount appropriated shall not revert to the
16 general fund and shall remain in the state campaign fund. Any
17 amounts remaining in the state campaign fund in excess of
18 \$10,000,000.00 on December 31, 2007 shall revert to the general
19 fund.

20 Sec. 917. The department of treasury may make available to
21 interested entities otherwise unavailable customized unclaimed
22 property listings of nonconfidential information in its possession.
23 The charge for this information is as follows: 1 to 100,000 records
24 at 2.5 cents per record and 100,001 or more records at .5 cents per
25 record. The revenue received from this service shall be deposited
26 to the appropriate revenue account or fund. The department shall
27 submit an annual report on or before June 1 to the state budget

1 director and the senate and house of representatives standing
2 committees on appropriations that states the amount of revenue
3 received from the sale of information.

4 Sec. 918. (1) There is appropriated for write-offs and
5 advances an amount equal to total write-offs and advances for
6 departmental programs, but not to exceed current year
7 authorizations that would otherwise lapse to the general fund.

8 (2) The department of treasury shall submit a report for the
9 immediately preceding fiscal year to the state budget director and
10 the senate and house fiscal agencies not later than November 30,
11 stating the amounts appropriated for write-offs and advances under
12 subsection (1).

13 Sec. 919. In addition to funds appropriated in part 1, the
14 department of treasury may receive and expend funds for conducting
15 tax orientation workshops and seminars. Funds received may not
16 exceed costs incurred in conducting the workshops and seminars.

17 Sec. 920. Payments from the appropriation in part 1 to the
18 department of treasury for grants to counties in lieu of taxes for
19 lands transferred to the federal government include a payment for
20 Sleeping Bear Dunes national lakeshore under 1974 PA 359, MCL 3.901
21 to 3.910.

22 Sec. 921. (1) From funds appropriated in part 1, the
23 department of treasury may contract with private auditing firms to
24 audit for and collect unclaimed property due this state in
25 accordance with the Michigan uniform unclaimed property act. In
26 addition to the amounts appropriated in part 1 to the department of
27 treasury, there are appropriated amounts necessary to fund auditing

1 and collection costs and fees not to exceed 12% of the collections,
2 or a lesser amount as prescribed by the contract. The appropriation
3 to fund collection costs and fees for the auditing and collection
4 of unclaimed property due this state is from the fund or account to
5 which the revenues being collected are recorded or dedicated.

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

13 Sec. 922. The state general fund/general purpose appropriation
14 in part 1 for renaissance zone reimbursement is allocated to
15 reimburse public libraries as provided by section 12 of the
16 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for
17 property taxes levied in 2006. Reimbursements shall be made in
18 amounts to each eligible recipient not later than 60 days after the
19 department of treasury certifies that it has received all necessary
20 information to properly determine the amounts due each eligible
21 recipient under section 12(4) of the Michigan renaissance zone act,
22 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to
23 the general fund.

24 Sec. 923. The department of treasury shall submit a report for
25 the immediately preceding fiscal year ending September 30 to the
26 senate and house of representatives standing committees on
27 appropriations subcommittees on general government, the senate and

1 house fiscal agencies, and the state budget director by November 30
2 stating the amount of Michigan transportation fund revenue
3 collected and the cost of collection.

4 Sec. 924. (1) In addition to the funds appropriated in part 1,
5 the department of treasury may receive and expend principal
6 residence audit fund revenue for administration of principal
7 residence audits under the general property tax act, 1893 PA 206,
8 MCL 211.1 to 211.157.

9 (2) The department of treasury shall submit a report for the
10 immediately preceding fiscal year to the state budget director and
11 the senate and house fiscal agencies not later than December 31,
12 stating the amount of revenue appropriated for principal residence
13 audits under subsection (1).

14 Sec. 928. The department of treasury may provide receipt,
15 warrant and cash processing, data, collection, investment, fiscal
16 agent, levy and warrant cost assessment, writ of garnishment, and
17 other user services on a contractual basis for other principal
18 executive departments and state agencies. Funds for the services
19 provided are appropriated and shall be expended for salaries and
20 wages, fees, supplies, and equipment necessary to provide the
21 services. Any unobligated balance of the funds received shall
22 revert to the general fund of this state as of September 30.

23 Sec. 929. The department of treasury may enter into agreements
24 to supply data or collection services to other executive principal
25 departments or state agencies, the United States department of
26 treasury, or local units of government within this state. The
27 department of treasury shall charge for this tax data service and

1 amounts received are appropriated and shall be expended for
2 salaries and wages, fees, supplies, and equipment necessary to
3 provide the service. Any unobligated balance of the fund shall
4 revert to the general fund of this state as of September 30.

5 Sec. 930. (1) The department of treasury shall provide
6 accounts receivable collections services to other principal
7 executive departments and state agencies under 1927 PA 375, MCL
8 14.131 to 14.134. The department of treasury shall deduct a fee
9 equal to the cost of collections from all receipts except
10 unrestricted general fund collections. Fees shall be credited to a
11 restricted revenue account and appropriated to the department of
12 treasury to pay for the cost of collections. The department of
13 treasury shall maintain accounting records in sufficient detail to
14 enable the respective accounts to be reimbursed periodically for
15 fees deducted that are determined by the department of treasury to
16 be surplus to the actual cost of collections.

17 (2) The department of treasury shall submit a report for the
18 immediately preceding fiscal year to the state budget director and
19 the senate and house fiscal agencies not later than November 30,
20 stating the principal executive departments and state agencies
21 served, funds collected, and costs of collection under subsection
22 (1).

23 Sec. 931. (1) The appropriation in part 1 to the department of
24 treasury for treasury fees shall be assessed against all restricted
25 funds that receive common cash earnings. Treasury fees include all
26 costs, including administrative overhead, relating to the
27 investment of each restricted fund. The fee assessed against each

1 restricted fund will be based on the size of the restricted fund
2 (the absolute value of the average daily cash balance plus the
3 market value of investments in the prior fiscal year) and the level
4 of effort necessary to maintain the restricted fund as required by
5 each department. The department of treasury shall provide a report
6 to the state budget director, the senate and house of
7 representatives standing committees on appropriations subcommittees
8 on general government, and the senate and house fiscal agencies by
9 November 30 of each year identifying the fees assessed against each
10 restricted fund.

11 (2) In addition to the funds appropriated in part 1, the
12 department of treasury may receive and expend investment fees
13 relating to new restricted funding sources that participate in
14 common cash earnings during the current fiscal year. When a new
15 restricted fund is created starting on or after October 1, that
16 restricted fund shall be assessed a fee using the same criteria
17 identified in subsection (1).

18 Sec. 932. Revenue received under the Michigan education trust
19 act, 1986 PA 316, MCL 390.1421 to 390.1442, may be expended by the
20 board of directors of the Michigan education trust for necessary
21 salaries, wages, supplies, contractual services, equipment,
22 worker's compensation insurance premiums, and grants to the civil
23 service commission and state employees' retirement fund.

24 Sec. 933. (1) The \$800,000.00 appropriated in part 1 for the
25 Michigan education savings program is from the Michigan merit award
26 trust fund to fund an incentive program for the Michigan education
27 savings program created under the Michigan education savings

1 program act, 2000 PA 161, MCL 390.1471 to 390.1486.

2 (2) The funds appropriated for the Michigan education savings
3 program shall be used to provide a state match to dollars invested
4 on behalf of each child named as a designated beneficiary in the
5 Michigan education savings program who is 6 years of age or less,
6 who is a Michigan resident, and whose family's income is \$80,000.00
7 or less.

8 (3) During the current fiscal year, the state shall provide
9 \$1.00 of matching funds for each \$3.00 of individual contributions
10 to the educational savings accounts. The maximum state match for
11 each designated beneficiary shall be \$200.00.

12 (4) The state match shall be available only in the first year
13 the child is enrolled in the Michigan education savings program.

14 Sec. 934. The department of treasury may expend revenues
15 received under the hospital finance authority act, 1969 PA 38, MCL
16 331.31 to 331.84, for necessary salaries, wages, supplies,
17 contractual services, equipment, worker's compensation insurance
18 premiums, and grants to the civil service commission and state
19 employees' retirement fund. The department of treasury shall
20 maintain accounting records in sufficient detail to enable the
21 hospital clients to be reimbursed periodically for fees that are
22 determined by the department of treasury to be surplus to needs.

23 Sec. 935. The department of treasury may expend revenue
24 received under the shared credit rating act, 1985 PA 227, MCL
25 141.1051 to 141.1076, for necessary salaries, wages, supplies,
26 contractual services, equipment, worker's compensation insurance
27 premiums, and grants to the civil service commission and state

1 employees' retirement fund.

2 Sec. 936. The department of treasury shall establish a
3 separate account for the funds related to the Michigan higher
4 education facilities authority. The department of treasury may
5 expend revenue received under the higher education facilities
6 authority act, 1969 PA 295, MCL 390.921 to 390.934, for necessary
7 salaries, wages, supplies, contractual services, equipment,
8 worker's compensation insurance premiums, and grants to the civil
9 service commission and state employees' retirement fund. The
10 department of treasury shall maintain accounting records in
11 sufficient detail to enable the educational institution clients to
12 be reimbursed periodically for fees that are determined by the
13 department to be surplus to needs.

14 Sec. 937. The department of treasury may expend revenues
15 received under the Michigan public educational facilities
16 authority, Executive Order No. 2002-3, for necessary salaries,
17 wages, supplies, contractual services, equipment, worker's
18 compensation insurance premiums, and grants to the civil service
19 commission and state employees' retirement fund.

20 Sec. 939. The state treasurer, acting within his or her
21 capacity as the investment fiduciary for public employee pension
22 funds and consistent with 1965 PA 314, MCL 38.1132 to 38.1140m, may
23 give appropriate consideration to investments in early stage,
24 university derived life science companies located in Michigan, or
25 investments in venture capital funds that invest in those companies
26 to the extent those investments offer the safety and rate of return
27 comparable to other investments permitted and available at the time

1 the investment decision is made.

2 Sec. 940. (1) Of the \$5,267,400.00 included in part 1 for the
3 revenue enhancement program, \$4,767,400.00 shall be used for
4 revenue collection enhancement activities including auditing
5 functions.

6 (2) The \$500,000.00 balance of the \$5,267,400.00 shall be used
7 for the principal residence exemption compliance program. Revenue
8 generated to the state from the principal residence exemption
9 compliance program shall be used to reimburse the state general
10 fund for the \$500,000.00 appropriation prior to any other
11 allocation. Additional funds from the revenue enhancement program
12 and carryforward appropriations may be used to support costs in
13 excess of \$500,000.00.

14 (3) Unexpended appropriations of the revenue enhancement
15 program are designated as work project appropriations and shall not
16 lapse at the end of the fiscal year and shall continue to be
17 available for expenditure until the project has been completed. The
18 following is in compliance with section 451a of the management and
19 budget act, 1984 PA 431, MCL 18.1451a:

20 (a) The purpose of the project is to enhance revenue
21 collection activities.

22 (b) The project will be accomplished by contract.

23 (c) The total estimated cost of the project is \$24,600,000.00.

24 (d) The tentative completion date is September 30, 2009.

25 Sec. 941. (1) The funds appropriated in part 1 for local
26 public safety grants shall be distributed to cities, villages, and
27 townships eligible under this section for state financial support

1 of local law enforcement and fire protection services.

2 (2) Funds appropriated in part 1 for local public safety
3 grants shall not be expended unless bill request number ____ is
4 enacted into law to increase liquor license fees under section 543
5 of the Michigan liquor control code, 1968 PA 58, MCL 436.1543.

6 (3) Funding shall be distributed to cities, villages, and
7 townships based on the most recently available annual prison intake
8 data from the department of corrections and the number of prisoners
9 residing in a city, village, or township prior to incarceration.

10 (4) A grant award under this section shall be a minimum of
11 \$100,000.00.

12 REVENUE SHARING

13 Sec. 950. (1) Revenue collected in accordance with section 10
14 of article IX of the state constitution of 1963 in excess of the
15 amount appropriated in part 1 for constitutional revenue sharing is
16 appropriated for distribution to townships, cities, and villages on
17 a population basis as specified by law. The appropriation in part 1
18 for statutory state general revenue sharing grants to townships,
19 cities, and villages shall be reduced by an amount equal to any
20 additional constitutional revenue sharing appropriations authorized
21 in this section.

22 (2) The appropriation in part 1 for statutory state general
23 revenue sharing grants shall be distributed according to the Glenn
24 Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901
25 to 141.921. Undistributed funds shall lapse to the general fund.

26 Sec. 952. The appropriation in part 1 for special grants to

1 cities shall be used to restore revenue sharing reductions
2 contained in Executive Order No. 2003-23 to a city that had an
3 emergency financial manager appointed pursuant to the local
4 government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to
5 141.1291, continuously from December 10, 2003 through September 30,
6 2008.

7 Sec. 955. (1) There is appropriated to each county an amount
8 equal to the amount distributed to each county for the fiscal year
9 ending September 30, 2004, pursuant to the Glenn Steil state
10 revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921,
11 adjusted by the inflation rate as defined in section 34d of the
12 general property tax act, 1893 PA 206, MCL 211.34d, and reduced by
13 the amount each county is authorized to annually expend in that
14 county's fiscal year beginning after September 30, 2004, from its
15 revenue sharing reserve fund pursuant to section 44a of the general
16 property tax act, 1893 PA 206, MCL 211.44a.

17 (2) The department of treasury shall annually certify to the
18 state budget director the amount each county is authorized to
19 expend from its revenue sharing reserve fund.

20 Sec. 956. (1) The funds appropriated in part 1 for local
21 government collaborative efforts shall be distributed to cities,
22 villages, and townships that achieve greater efficiencies in the
23 delivery of essential public services.

24 (2) Not more than \$250,000.00 of the amount appropriated in
25 part 1 for local government collaborative efforts shall be expended
26 for community partnership grants awarded through the centers for
27 regional excellence program.

1 (3) In order to be eligible for funding under this section, a
2 city, village, or township shall participate in activities that
3 result in shared services, mergers, or consolidation with other
4 governmental entities.

5 (4) The governing body of a city, village, or township shall
6 be awarded funding upon demonstration to the department of treasury
7 that regional cooperative agreements have been implemented in a
8 form and in a manner approved by the department.

9 (5) The department shall calculate an amount for each city,
10 village, or township based on the formulas under section 13 (8),
11 (9) and (10) of the Glenn Steil state revenue sharing act of 1971,
12 1971 PA 140, MCL 141.913.

13 (6) Any unexpended and unencumbered funds remaining for the
14 fiscal year ending September 30, 2008, shall be deposited to the
15 state general fund.

16
17 **LOTTERY**

18 Sec. 960. In addition to the funds appropriated in part 1 to
19 the bureau of state lottery, there is appropriated from lottery
20 revenues the amount necessary for, and directly related to,
21 implementing and operating lottery games. Appropriations under this
22 section shall only be expended for contractually mandated payments
23 for vendor commissions, contractually mandated payments for instant
24 tickets intended for resale, the contractual costs of providing and
25 maintaining the on-line system communications network, and
26 incentive and bonus payments to lottery retailers.

27 Sec. 961. The funds appropriated in part 1 to the bureau of

1 state lottery shall not be used for any promotional efforts
2 directed towards individuals who are less than 18 years of age.

3 CASINO GAMING

4 Sec. 971. From the revenue collected by the Michigan gaming
5 control board regarding the total annual assessment of each casino
6 licensee, \$2,000,000.00 is appropriated and shall be deposited in
7 the compulsive gaming prevention fund as described in section
8 12a(5) of the Michigan gaming control and revenue act, the
9 Initiated Law of 1996, MCL 432.212a.

10 Sec. 972. In addition to the funds appropriated in part 1,
11 funds distributed by the Michigan gaming control board to the
12 department of treasury for oversight of casino gaming are
13 appropriated upon receipt. These funds may be used to pay for costs
14 incurred for casino gaming oversight activities.

15 Sec. 973. (1) Funds appropriated in part 1 for local
16 government programs may be used to provide assistance to a local
17 revenue sharing board referenced in an agreement authorized by the
18 Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467.

19 (2) A local revenue sharing board described in subsection (1)
20 shall comply with the open meetings act, 1976 PA 267, MCL 15.261 to
21 15.275, and the freedom of information act, 1976 PA 442, MCL 15.231
22 to 15.246.

23 (3) A county treasurer is authorized to receive and administer
24 funds received for and on behalf of a local revenue sharing board.
25 Funds appropriated in part 1 for local government programs may be
26 used to audit local revenue sharing board funds held by a county

1 treasurer. This section does not limit the ability of local units
2 of government to enter into agreements with federally recognized
3 Indian tribes to provide financial assistance to local units of
4 government or to jointly provide public services.

5 (4) The director of the department of state police and the
6 executive director of the Michigan gaming control board are
7 authorized to assist the local revenue sharing boards in
8 determining allocations to be made to local public safety
9 organizations.

10 (5) The department of treasury shall submit a report by
11 September 30 to the senate and house of representatives standing
12 committees on appropriations and the state budget director on the
13 receipts and distribution of revenues by local revenue sharing
14 boards.

15 Sec. 974. If revenues collected in the state services fee fund
16 are less than the amounts appropriated from the fund, available
17 revenues shall be used to fully fund the appropriation in part 1 of
18 this act for casino gaming regulation activities before
19 distributions are made to other state departments and agencies. If
20 the remaining revenue in the fund is insufficient to fully fund
21 appropriations to other state departments or agencies, the
22 shortfall shall be distributed proportionally among those
23 departments and agencies.

24 MICHIGAN STRATEGIC FUND

25 Sec. 1001. (1) In addition to the funds appropriated in part
26 1, there is appropriated an amount not to exceed \$10,000,000.00 for

1 federal contingency funds. These funds are not available for
2 expenditure until they have been transferred to another line item
3 in this bill under section 393(2) of the department of management
4 and budget act, 1984 PA 431, MCL 18.1393.

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

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

17 Sec. 1002. (1) The appropriation in part 1 to the fund for the
18 upper hand training program is focused on skills businesses need to
19 compete in the 21st century. The majority of the funding is
20 intended to address needs for specific business sectors: life
21 sciences; advanced automotive, manufacturing and materials
22 technology; homeland security; alternative energy; and any other
23 high technology business defined in public act 24 of 1995, as
24 amended. The purpose of this program is to develop a specific
25 skill, identified for a particular business that assists that
26 company to compete in the global economy and to create or retain
27 high-paying jobs for Michigan residents.

1 (2) Not more than \$800,000.00 of the total appropriation in
2 part 1 may be expended for administrative costs by the fund. Not
3 more than 10% of the total grant award may be expended by a
4 recipient for administration costs.

5 (3) No funds appropriated in part 1 to the fund for the upper
6 hand training program grants may be expended for the training of
7 permanent striker replacement workers, unless a strike exceeds 3
8 years and good faith negotiations are ongoing.

9 (4) Of the total funds appropriated in part 1 for the upper
10 hand training program grants, \$4,500,000.00 of the funds shall be
11 awarded to community colleges or a consortium of community colleges
12 and other eligible applicants pursuant to subsection (5). Remaining
13 funds may be awarded to any of the entities listed in subsection
14 (5), or businesses which create at least 100 new jobs at a single
15 location in a period not to exceed two years from the date of the
16 grant award.

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

1 businesses which meet the criteria set in subsection (4).

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

7 (7) The award process will include a simple notice of intent
8 to be reviewed to see if the application merits further
9 consideration. If so, a full application may be submitted.

10 Applications for all grants shall be submitted to the fund, and
11 each application shall contain at least all of the following:

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

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

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

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

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

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

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

25 (b) Creation and/or retention of high wage and high skilled
26 level jobs within a predetermined time period. If the employer does
27 not create or retain the number of jobs specified within the

1 predetermined time period, the employer shall reimburse the state
2 for the entire grant awarded under this program. The number of jobs
3 created and retained will be verified by the employer via audit
4 after the training is completed.

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

6 (9) Participants in the upper hand training program shall be
7 16 years or older and not enrolled and counted in membership in a
8 school district, intermediate school district, or community
9 college, or any other program funded with state funding. Any
10 training provider that receives state appropriated funds shall not
11 include in the enrollment data reported for determining state aid
12 any student credit hours or student contact hours for a student who
13 is a participant in the upper hand training program. Exclusions of
14 these students is intended to avoid payment of state aid for the
15 same individuals for whom training costs are paid for through the
16 upper hand training program.

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

24 (11) For training delivered to incumbent workers the employer
25 receiving the benefit of the training shall provide a minimum of
26 30% of the program costs in matching funds as necessitated by the
27 program.

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

3 (13) A recipient of a grant under this section shall allow the
4 fund or the agency's designee to audit all records related to the
5 grant for all entities that receive money, either directly or
6 indirectly through a contract, from the grant funds. A grant
7 recipient or contractor shall reimburse the state for all
8 disallowances found in the audit. Costs disallowed under subsection
9 (8)(b) based on the employer job creation and retention
10 requirements are not the same as the training costs that are
11 disallowed in this subsection.

12 (14) The fund shall provide to the state budget director and
13 the fiscal agencies by November 1 of each year a report on the
14 upper hand training program grants. The report shall provide this
15 information for each grant or contract awarded during the preceding
16 full fiscal year. The report shall contain all of the following:

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

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

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

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

24 (15) As a condition of receiving funds under part 1 of this
25 bill, the fund shall not expend any of the upper hand training
26 program funds to train any employee who is an officer of a
27 corporation in a corporation employing more than 250 employees.

1 Sec. 1003. The Michigan growth capital fund shall be used to
2 develop the technology business sector in Michigan. The Michigan
3 growth capital fund will be used to encourage private and public
4 investment in the technology business sector, and all of the
5 following apply:

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

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

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

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

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

1 Sec. 1004. Travel Michigan may establish and collect a fee to
2 cover the cost of materials and processing of photographic prints,
3 slides, videotapes, and travel product database information that
4 are requested by the media and other segments of the public and
5 private sectors. The fees collected shall be appropriated for all
6 expenses necessary to purchase and distribute these photographic
7 prints, slides, videotapes, and travel product database
8 information. The funds are available for expenditure when they are
9 received by the department of treasury.

10 Sec. 1005. Travel Michigan may receive and expend private
11 revenue related to the use of the "Michigan Great Lakes. Great
12 Times.", "The Upper Hand", and "Pure Michigan" copyrighted slogans
13 and images. This revenue may come from the direct licensing of the
14 name and image or from the royalty payments from various
15 merchandise sales. Revenue collected is appropriated for the
16 marketing of the state as a travel destination. The funds are
17 available for expenditure when they are received by the department
18 of treasury.

19 Sec. 1006. The fund shall submit on February 15 to the
20 subcommittees, state budget office, and the fiscal agencies a
21 listing of all grants which have been awarded by the fund or by the
22 Michigan economic development corporation from the funds
23 appropriated in part 1. The list shall include all of the
24 following:

25 (a) The name of the recipient.

26 (b) The amount awarded to the recipient.

27 (c) The purpose of the grant.

1 Sec. 1007. (1) The fund shall provide reports to the relevant
2 subcommittees, the state budget director, and the fiscal agencies
3 concerning the activities of the Michigan economic development
4 corporation grants and investment programs financed from the fund
5 using investment or Indian gaming revenues. The report shall
6 provide a list of individual grants and loans made from the fund.
7 The report shall include, but not be limited to, the following
8 programs funded in part 1:

9 (a) Travel Michigan.

10 (b) Business attraction, retention, and growth.

11 (c) Business services.

12 (d) Community development block grants.

13 (e) Strategic fund administration.

14 (f) Renaissance zones.

15 (g) 21st Century investment program.

16 (h) Business and clean air ombudsman.

17 (i) Upper hand training grants.

18 (j) Any other programs of the fund.

19 (2) The reports in subsection (1) shall be submitted by
20 January 15. The report for each program in subsection (1) (a)
21 through (j) shall include details on the actual spending and number
22 of FTEs for that program for the previous fiscal year.

23 Sec. 1008. As a condition of receiving funds under part 1, any
24 interlocal agreement entered into by the fund shall include
25 language which states that if a local unit of government has a
26 contract or memorandum of understanding with a private economic
27 development agency, the Michigan economic development corporation

1 will work cooperatively with that private organization in that
2 local area.

3 Sec. 1009. (1) Of the funds appropriated to the fund or
4 through grants to the Michigan economic development corporation, no
5 funds shall be expended for the purchase of options on land or the
6 purchase of land unless at least 1 of the following conditions
7 applies:

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

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

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

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

23 Sec. 1010. The money appropriated in part 1 to the fund is
24 subject to the condition that none is spent for premiums or
25 advertising material involving personal effects or apparel
26 including, but not limited to, T-shirts, hats, coffee mugs, or
27 other promotional items, except travel Michigan.

1 Sec. 1011. (1) From the general fund/general purpose
2 appropriations in part 1 to the fund and granted or transferred to
3 the Michigan economic development corporation, any unexpended or
4 unencumbered balance shall be disposed of in accordance with the
5 requirements in the management and budget act, 1984 PA 431, MCL
6 18.1101 to 18.1594, unless carryforward authorization has been
7 otherwise provided for.

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

10 Sec. 1012. (1) As a condition of receiving funds under part 1,
11 the fund shall ensure that the MEDC and the fund comply with all of
12 the following:

13 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to
14 15.246.

15 (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

16 (c) Annual audits of all financial records by the auditor
17 general or his or her designee.

18 (d) All reports required by law to be submitted to the
19 legislature.

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

22 Sec. 1013. As a condition for receiving the appropriations in
23 part 1, any staff of the Michigan economic development corporation
24 involved in private fund-raising activities shall not be party to
25 any decisions regarding the awarding of grants or tax abatements
26 from the fund, the Michigan economic development corporation, or
27 the Michigan economic growth authority.

1 Sec. 1014. (1) The funding appropriated in part 1 of 2000 PA
2 291 for the Michigan core communities fund may be used to create an
3 urban revitalization infrastructure program in the fund for
4 economic development awards to create new jobs or contribute to
5 redevelopment and encourage private investment in core communities.

6 (2) Awards may be provided to qualified local governmental
7 units as defined in the obsolete property rehabilitation act, 2000
8 PA 146, MCL 125.2781 to 125.2797, or certified technology parks, as
9 defined in the local development financing act, 1986 PA 281, MCL
10 125.2151 to 125.2174.

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

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

26 (5) The Michigan economic development corporation shall have
27 all administrative responsibility for the Michigan core communities

1 fund and shall establish application and application scoring
2 criteria and approve awards. The Michigan economic development
3 corporation may utilize up to 1/2 of 1% of the fund for
4 administrative purposes.

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

14 (7) No single applicant shall be awarded more than
15 \$10,000,000.00 per project.

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

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

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

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

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

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

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

10 Sec. 1020. Federal pass-through funds to local institutions
11 and governments that are received in amounts in addition to those
12 included in part 1 and that do not require additional state
13 matching funds are appropriated for the purposes intended. The fund
14 may carry forward into the succeeding fiscal year unexpended
15 federal pass-through funds to local institutions and governments
16 that do not require additional state matching funds.

17 Sec. 1021. (1) From the funds appropriated in part 1 for the
18 Michigan promotion program, \$10,000,000.00 shall be used to
19 accelerate efforts to promote the State's tourism industry and
20 business marketing activities.

21 (2) the funds are considered work project appropriations and
22 any unencumbered or unallotted funds at year-end shall be carried
23 forward into the succeeding fiscal year. The following is in
24 compliance with section 451a of the management and budget act, 1984
25 PA 431, MCL 18.1451a:

26 (a) The purpose of the funding is to promote the State's
27 tourism industry and business marketing activities.

(b) The project shall be accomplished by contract or employees employed by the Michigan strategic fund or the Michigan economic development corporation.

(c) The total estimated cost of the project is \$10,000,000.00.

(d) The expected completion date is September 30, 2010.

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 2007-2008

		Beginning			
	Fund	Unreserved			
	Fund	Estimated	Ending		
	Balance	Revenue	Balance		
OPERATING FUNDS					
General fund/general purpose	0110	2.1	9,657.1	46.2	
General fund/special purpose		516.6	15,600.2	1,197.0	
Special Revenue Funds:					
Countercyclical budget and					
economic stabilization	0111	2.1	0.0	2.2	
Game and fish protection	0112	22.5	63.2	0.0	
Michigan employment security act					
administration	0113	0.0	14.0	8.6	

1	State aeronautics	0114	1.7	181.4	0.3
2	Michigan veterans' benefit				
3	trust	0115	0.0	5.0	0.0
4	State trunkline	0116	0.0	2,074.5	0.0
5	Michigan state waterways	0117	0.8	26.1	1.3
6	Blue Water Bridge	0118	0.0	15.7	0.0
7	Michigan transportation	0119	0.0	2,002.6	0.0
8	Comprehensive transportation	0120	0.0	320.9	0.0
9	School aid	0122	0.0	13,431.9	0.0
10	Marine safety	0123	0.1	5.3	0.0
11	Game and fish protection trust	0124	6.6	12.0	6.0
12	State park improvement	0125	1.3	40.8	0.0
13	Forest development	0126	0.0	27.3	0.0
14	Michigan civilian conservation				
15	corps endowment	0128	0.1	0.7	0.0
16	Michigan natural resources				
17	trust	0129	33.6	53.2	37.4
18	Michigan state parks endowment	0130	8.8	16.6	6.7
19	Safety education and training	0131	2.1	7.0	1.1
20	Bottle deposit	0136	0.0	15.1	0.0
21	State construction code	0138	2.9	12.7	0.0
22	Children's trust	0139	1.8	3.8	2.2
23	State casino gaming	0140	12.5	32.8	0.0
24	Homeowner construction lien				
25	recovery	0141	2.9	0.6	1.8
26	Michigan nongame fish and				
27	wildlife	0143	0.2	0.6	0.0

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1	Michigan merit award trust	0154	0.0	289.1	0.1
2	TOTALS		\$618.7	\$43,910.2	\$1,311.0