SUBSTITUTE FOR

HOUSE BILL NO. 4706

A bill to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, and the legislative branch for the fiscal year ending September 30, 2026; to provide for certain conditions on appropriations; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

ARTICLE 1

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	485.5		
GROSS APPROPRIATION		**$**	**102,895,200**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			336,600
ADJUSTED GROSS APPROPRIATION		**$**	**102,558,600**
Federal revenues:			
Total federal revenues			13,715,500
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			42,736,300
State general fund/general purpose		**$**	**46,106,800**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	29.0		
Unclassified salaries--FTEs	6.0	$	1,033,200
Accounting service center			1,118,500
Emergency management--FTEs	6.0		2,303,100
Emerging contaminants in food and agriculture--FTEs	3.0		527,500
Executive direction--FTEs	20.0		2,354,600
Property management			745,700
GROSS APPROPRIATION		**$**	**8,082,600**

Appropriated from:		
Federal revenues:		
Deferred federal revenue funding		15,000
HHS, multiple grants		439,000
USDA, multiple grants		600,000
Special revenue funds:		
Agriculture licensing and inspection fees		143,100
Dairy and food safety fund		219,600
Feed control fund		8,100
Fertilizer control fund		10,600
Freshwater protection fund		202,100
Industry support funds		57,000
Michigan craft beverage council fund		8,800
Private forestland enhancement fund		16,300
Refined petroleum fund		21,000
Weights and measures regulation fees		5,000
State general fund/general purpose	**$**	**6,337,000**
Sec. 103. INFORMATION TECHNOLOGY		
Information technology services and projects	$	1,774,800
GROSS APPROPRIATION	**$**	**1,774,800**
Appropriated from:		
Special revenue funds:		
Agriculture licensing and inspection fees		31,300
Dairy and food safety fund		76,400
Feed control fund		15,000
Fertilizer control fund		15,000
Freshwater protection fund		15,000
Gasoline inspection and testing fund		32,400

State general fund/general purpose		**$**	**1,589,700**
Sec. 104. FOOD SAFETY AND ANIMAL HEALTH			
Full-time equated classified positions	198.0		
Animal disease prevention and response--FTEs	52.0	$	7,316,300
Animal feed safety--FTEs	10.0		2,100,800
Food safety and quality assurance--FTEs	100.0		16,942,000
Indemnification - livestock depredation			15,000
Milk safety and quality assurance--FTEs	36.0		4,601,700
GROSS APPROPRIATION		**$**	**30,975,800**
Appropriated from:			
Federal revenues:			
HHS, multiple grants			2,929,800
USDA, multiple grants			1,211,100
Special revenue funds:			
Agriculture licensing and inspection fees			73,300
Animal welfare fund			150,000
Consumer and industry food safety education fund			242,500
Dairy and food safety fund			5,780,700
Feed control fund			1,451,500
Industry food safety education fund			114,100
Marihuana regulatory fund			50,600
State general fund/general purpose		**$**	**18,972,200**
Sec. 105. ENVIRONMENT AND SUSTAINABILITY			
Full-time equated classified positions	104.5		
Environmental stewardship - MAEAP--FTEs	26.0	$	10,825,300
Local conservation districts			3,000,000
Pesticide and plant pest management--FTEs	72.0		7,253,500

Right-to-farm--FTEs	6.5		1,042,100
GROSS APPROPRIATION		**$**	**22,120,900**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDEGLE, biosolids			97,800
Federal revenues:			
Department of Interior			96,300
EPA, multiple grants			1,142,700
USDA, multiple grants			2,048,100
Special revenue funds:			
Agriculture licensing and inspection fees			411,700
Fertilizer control fund			1,372,700
Freshwater protection fund			8,528,400
Horticulture fund			70,000
Industrial hemp fund			685,700
Industry support funds			228,100
State general fund/general purpose		**$**	**7,439,400**
Sec. 106. AGRICULTURE DEVELOPMENT			
Full-time equated classified positions	55.0		
Agricultural preservation easement grants		$	1,900,000
Agriculture development--FTEs	12.0		3,186,500
Fair food network - double up food bucks			1,250,000
Farmland and open space preservation--FTEs	10.0		1,638,000
Food and agriculture investment program			2,000,000
Fruit and vegetable inspections--FTEs	8.0		1,308,100
Intercounty drain--FTEs	5.0		500,000
Migrant labor housing--FTEs	9.0		1,389,500
Producer security/grain dealers--FTEs	6.0		1,033,400

Qualified forest program--FTEs	4.0			1,080,100
Rural development fund grant program--FTE	1.0			2,008,200
GROSS APPROPRIATION			**$**	**17,293,800**
Appropriated from:				
Federal revenues:				
USDA, multiple grants				1,731,600
Special revenue funds:				
Agricultural preservation fund				3,538,000
Agriculture licensing and inspection fees				5,100
Commodity inspection fees				700,300
Grain dealers fee fund				874,600
Industry support funds				193,600
Migratory labor housing fund				145,100
Private forestland enhancement fund				1,080,100
Rural development fund				2,008,200
State general fund/general purpose			**$**	**7,017,200**
Sec. 107. LABORATORY AND CONSUMER PROTECTION				
Full-time equated classified positions	99.0			
Central licensing and customer call center--FTEs	13.0	$		1,031,500
Consumer protection program--FTEs	37.0			6,410,700
Laboratory services--FTEs	38.0			6,447,900
USDA monitoring--FTEs	11.0			1,725,100
GROSS APPROPRIATION			**$**	**15,615,200**
Appropriated from:				
Interdepartmental grant revenues:				
IDG from LARA (LCC), liquor quality testing fees				238,800

Federal revenues:		
EPA, multiple grants		180,600
HHS, multiple grants		1,576,300
USDA, multiple grants		1,745,000
Special revenue funds:		
Agriculture licensing and inspection fees		356,400
Dairy and food safety fund		532,500
Feed control fund		194,900
Fertilizer control fund		25,500
Freshwater protection fund		48,500
Gasoline inspection and testing fund		1,879,600
Grain dealers fee fund		8,200
Industrial hemp fund		323,200
Migratory labor housing fund		31,200
Refined petroleum fund		3,109,200
Testing fees		358,700
Weights and measures regulation fees		755,300
State general fund/general purpose	**$**	**4,251,300**
Sec. 108. FAIRS AND EXPOSITIONS		
County fairs, shows, and expositions	$	500,000
Fairs and racing		258,600
Horse racing advisory commission		125,000
Purses and supplements - fairs/licensed tracks		2,793,600
Standardbred breeders' awards		454,900
Standardbred purses and supplements - licensed tracks		2,100,000
Standardbred sire stakes		800,000
GROSS APPROPRIATION	**$**	**7,032,100**

Appropriated from:		
Special revenue funds:		
Agriculture equine industry development fund		6,532,100
State general fund/general purpose	**$**	**500,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $88,843,100.00 and total state spending under part 1 from state sources to be paid to local units of government is $8,480,100.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT		
Agriculture preservation easement grants	$	1,900,000
Environmental stewardship/MAEAP		1,100,000
Local conservation districts		3,000,000
Qualified forest program		1,080,100
Rural development fund grant program		1,400,000
TOTAL	**$**	**8,480,100**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in part 1 and this part:

(a) "Department" means the department of agriculture and rural

development.

(b) "Director" means the director of the department.

(c) "Fiscal agencies" means the Michigan house fiscal agency and the Michigan senate fiscal agency.

(d) "FTE" means full-time equated.

(e) "IDG" means interdepartmental grant.

(f) "MAEAP" means the Michigan agriculture environmental assurance program.

(g) "MDEGLE" means the Michigan department of environment, Great Lakes, and energy.

(h) "Standard report recipients" means the senate and house appropriations subcommittees on agriculture and rural development the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(i) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

(j) "TB" means tuberculosis.

(k) "USDA" means the United States Department of Agriculture.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of

comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside the state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $3,000,000.00 for federal contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 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 $2,000,000.00 for state restricted contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 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 authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 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 authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 215. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds

appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 218. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 221. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 222. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 223. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the

particular department, board, commission, officer, or institution.

Sec. 224. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act number. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 225. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits earned during the course of employment or generally applicable

retirement benefits.

Sec. 226. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize working in-person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must report to the office before beginning field work. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 227. (1) Funds appropriated in part 1 that are used for grants or grant programs are subject to the following conditions:

(a) Grant funds must be provided only to an entity that has been established or is operating in this state or another state for at least 36 months before approval or disbursement of grant funds.

(b) Grant funds must be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if

any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving of or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant

funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that confirms the department reviewed and affirmed compliance by each grant recipient to program scope and expenditure of grant funding.

(b) A statement that confirms the department reviewed applicable program reports and requests for reimbursement.

Sec. 228. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients by March 1 of each year that describes the processes it has developed and implemented under provisions of this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States or known foreign adversaries. Foreign adversaries include

all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 229. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 234. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $8,872,800.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $8,002,700.00. Total appropriations for retiree

health care legacy costs for the department are estimated at $870,100.00.

Sec. 235. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department shall notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 236. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 237. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 238. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs or as outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. (1) The department may establish a fee schedule and collect fees for the following work activities and services:

(a) Pesticide and plant pest management propagation and certification of virus-free foundation stock.

(b) Fruit and vegetable inspection and grading services at shipping and termination points and processing plants.

(c) Laboratory support analyses of food, livestock, and agricultural products for disease, foreign products for disease, toxic materials, foreign substances, and quality standards.

(d) Laboratory support test samples for other state and local agencies and public or private organizations.

(2) The department may receive and expend revenue from the fees authorized under subsection (1), subject to appropriation, to recover expenses associated with the work activities and services described in subsection (1). Fee revenue collected by the department under subsection (1) does not lapse to the state general fund at the end of the fiscal year but carries forward for appropriation by the legislature in the subsequent fiscal year.

(3) The department shall notify the subcommittees, the fiscal agencies, and the state budget office 30 days before proposing changes in fees authorized under this section or under section 5 of 1915 PA 91, MCL 285.35.

(4) On or before February 1 of each year, the department shall provide a report to the subcommittees, the fiscal agencies, and the state budget office detailing all the fees charged by the department under the authorization provided in this section, including, but not limited to, rates, number of individuals paying each fee, and the revenue generated by each fee in the previous fiscal year.

Sec. 302. (1) The department may contract with or provide grants to local units of government, institutions of higher education, or nonprofit organizations to support activities authorized by appropriations in part 1.

(2) The department shall provide notice of contracts or grants authorized under this section to the subcommittees, the fiscal agencies, and the state budget office not later than 7 days before the department notifies contract or grant recipients.

(3) As used in this section:

(a) "Contracts" includes, but is not limited to, contracts for delivery of groundwater/freshwater programs, MAEAP technical assistance, forest management, invasive species monitoring, and wildlife risk mitigation.

(b) "Grants" includes, but is not limited to, grants promoting proper pesticide disposal and research grants for the purpose of enhancing the agricultural industries in this state.

Sec. 303. From the funds appropriated in part 1 for emerging contaminants in food and agriculture the department shall support

efforts to identify and respond to the impacts of emerging contaminants to the food and agriculture sector, help address and mitigate current issues caused by emerging contaminants, and work to prevent and minimize future impacts. The department shall coordinate these efforts with other state agencies, federal agencies, tribal governments, local governments, institutions of higher learning, and the food and agriculture sector. Emerging contaminants include, but are not limited to, pesticides, dioxins, and per- and polyfluoroalkyl substances.

BUREAU OF FOOD SAFETY AND ANIMAL HEALTH

Sec. 401. (1) The department shall report on the previous calendar year's activities of the bureau of food safety and animal health. The report must include information on activities and outcomes of the dairy safety and inspection program, the food safety inspection program, the foodborne illness and emergency response program, and the food service program.

(2) The report must include information on significant foodborne outbreaks and emergencies, including any significant enforcement actions taken related to food safety during the prior calendar year.

(3) The department shall include in the report all indemnification payments for livestock depredation made in the previous calendar year and shall include all of the following:

(a) The reason for the indemnification.

(b) The amount of the indemnification.

(c) The person for whom the indemnification was paid.

(4) The report must be transmitted on or before April 1 of each year.

Sec. 402. From the funds appropriated in part 1, the department shall pay for all whole herd bovine TB testing costs and individual animal testing costs in the modified accredited zone and buffer counties as referenced in the current memorandum of understanding between the department and the USDA to maintain split-state status requirements. These costs include indemnity and compensation for injury causing death or downer to animals.

Sec. 403. The department shall use its resources to collaborate with the USDA to monitor bovine TB, consistent with the current required memorandum of understanding between the department and the USDA.

Sec. 404. From the funds appropriated in part 1 for animal disease prevention and response, the department shall use $200,000.00 to cover costs associated with testing of registered privately owned cervid facilities as follows:

(a) Required surveillance testing for chronic wasting disease.

(b) Infected herd bovine TB testing.

Sec. 405. (1) On or before October 15 of each year, the department shall provide to the subcommittees, the fiscal agencies, and the state budget office a report on bovine TB status and department activities.

(2) For each fiscal quarter following the report required in subsection (1), the department shall provide an update. The quarterly update reports must identify significant impacts to the program, including new incidence of bovine TB in this state, department activity associated with specific new incidence of bovine TB, any changes in USDA requirements or movement orders, and information and data on wildlife risk mitigation plan implementation in the modified accredited zone; implementation of a

movement certificate process; progress toward annual surveillance test requirements; efforts to work with slaughter facilities in this state, as well as those that slaughter a significant number of animals from this state; and educational programs and information for this state's livestock community.

BUREAU OF ENVIRONMENT AND SUSTAINABILITY

Sec. 501. The department shall report on the previous calendar year's activities of the bureau of environment and sustainability on or before April 1 of each year.

Sec. 505. The funds appropriated in part 1 for environmental stewardship/MAEAP must be used to support department agriculture pollution prevention programs, including groundwater and freshwater protection programs under part 87 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.8701 to 324.8717, and technical assistance in implementing conservation grants available under the federal farm bill.

Sec. 506. The department may receive and expend federal revenues up to a total of $1,000,000.00 in excess of the federal revenue appropriated in part 1 for environmental stewardship and MAEAP activities. The department shall notify the subcommittees, the fiscal agencies, and the state budget office prior to expending federal revenues authorized under this section.

Sec. 507. From the appropriations in part 1 for local conservation districts, $3,000,000.00 must be distributed equally through a grant program to local conservation districts in this state that were in operation in the previous fiscal year.

LABORATORY AND CONSUMER PROTECTION BUREAU

Sec. 601. The department shall report by April 1 on the previous calendar year's activities of the laboratory bureau.

Sec. 602. No funds from the appropriations in part 1 may be used for the purpose of consolidating state-run laboratories.

AGRICULTURE DEVELOPMENT BUREAU

Sec. 701. (1) From the funds appropriated in part 1 for the food and agriculture investment program, the department shall operate a food and agriculture investment program.

(2) The food and agriculture investment program shall do all of the following:

(a) Expand the Michigan food and agriculture sector.

(b) Promote food security.

(c) Develop local and regional food systems.

(d) Grow Michigan exports.

(e) Promote the development of value-added agricultural production.

(f) Support urban farms, food hubs, food incubators, and community-based processing facilities with a focus on new and expanding protein processors.

(g) Promote the expansion of farm markets, flower markets, and urban agriculture, including hoop houses.

(h) Increase food processing activities within this state by accelerating investment projects and infrastructure development that support growth in production agriculture and food and agriculture processing, expand opportunity to new agricultural producers and processors, promote agriculture tourism and agricultural heritage, and develop agricultural education and interpretation activities.

(3) In addition to the funds appropriated in part 1, the department may receive and expend funds received from outside sources for the food and agriculture investment program.

(4) Before the allocation of funding, all projects must receive approval from the Michigan commission of agriculture and rural development, except for projects selected through a competitive process by a joint evaluation committee selected by the director and consisting of representatives that have agriculture, food security, local and regional food systems, business, and economic development expertise. Projects funded through the food and agriculture investment program will be required to have a grant agreement that outlines milestones and activities that must be met in order to receive a disbursement of funds. Projects must also identify measurable project outcomes.

(5) The department shall include, in the agriculture development annual report, a report on the food and agriculture investment program for the previous fiscal year that includes a listing of the grantees, award amounts, match funding, project locations, and project outcomes.

(6) The unexpended funds appropriated in part 1 for the food and agriculture investment program are designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to promote and expand the Michigan food and agriculture sector, grow Michigan exports, and

increase food processing activities within the state.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The estimated cost of this project is identified in the appropriation line item.

(d) The tentative completion date for the work project is September 30, 2027.

(7) The department may expend money from the funds appropriated in part 1 for the food and agriculture investment program, including all of the following activities:

(a) Grants.

(b) Loans or loan guarantees.

(c) Infrastructure development.

(d) Other economic assistance.

(e) Program administration.

(f) Export assistance.

(8) The department shall expend no more than 3% from the funds appropriated in part 1 for the food and agriculture investment program for administrative purposes.

Sec. 703. (1) From the funds appropriated in part 1 for fair food network – double up food bucks, the department shall work with the fair food network to ensure that at least 95% of the funds allocated to the double up food bucks program are directly used for the payments to participating vendors.

(2) The department shall work with the department of health and human services to do all of the following:

(a) Notify recipients of food assistance program benefits that food assistance program benefits can be accessed at many farmer's markets in this state with bridge cards.

(b) Notify recipients of food assistance program benefits about the double up food bucks program and that it is administered by the fair food network. Food assistance program recipients shall receive information about the double up food bucks program.

(3) The department shall work with the fair food network to expand access to the double up food bucks program in each of the state's counties with grocery stores or farmer's markets that meet the program's eligibility requirements.

(4) On or before June 1, the department shall submit a report on activities and outcomes of the double up food bucks program. The report must contain all of the following:

(a) Counties in this state with participating double up food bucks vendors, the number of vendors by county, and the name and location of vendors, as of May 1, 2023.

(b) Counties in this state with participating double up food bucks vendors, the number of vendors by county, and the name of location of vendors, as of May 1, 2024. The report must highlight counties and vendors added to the program since May 1, 2023.

(c) Number of individuals participating in the program, by county.

Sec. 706. (1) By not later than April 1, the department shall report on the previous calendar year's activities of the agriculture development bureau.

(2) The report described in subsection (1) must include the following information on any grants awarded during the prior fiscal year:

(a) The name of the grantee.

(b) The amount of the grant.

(c) The purpose of the grant, including measurable outcomes.

(d) Additional state, federal, private, or local funds contributed to the grant project.

(e) The completion date of grant-funded activities.

(3) The report must include the following information on the Michigan craft beverage council established under section 303 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:

(a) Council activities and accomplishments for the previous fiscal year.

(b) Council expenditures for the previous fiscal year by category of administration, industry support, research and education grants, and promotion and consumer education.

(c) Grants awarded during the previous fiscal year and the results of research grant projects completed during the previous fiscal year.

Sec. 707. Unexpended industry support fund revenues at the end of the fiscal year may be carried forward into the industry support fund in the succeeding fiscal year and do not lapse to the general fund.

Sec. 708. (1) The appropriations in part 1 for the qualified forest program are for the purpose of increasing the knowledge of nonindustrial private forestland owners regarding sound forest management practices and increasing the amount of commercial timber production from those lands.

(2) The department shall work in partnership with stakeholder groups and other state and federal agencies to increase the active management of nonindustrial private forestland to foster the growth of this state's timber product industry.

Sec. 709. From the funds appropriated in part 1, the department shall maintain coordination with the department of

treasury to improve the timely processing and issuance of tax credits under section 36109 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36109, for the Michigan's farmland and open space preservation program under parts 361 and 362 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.36116 and 324.36201 to 324.36207. The improvement of timely processing and issuance, as described in this section, includes, but is not limited to:

(a) Timely review of mailed applications and paperwork.

(b) Timely and proactive communications to applicants on the status of their application.

(c) The provision of a clear and understood timeline for the issuance of any tax credits.

Sec. 710. The department shall collaborate with the department of labor and economic opportunity's office of rural prosperity on the rural development fund grant program as part of the state's coordinated strategy for achieving rural prosperity across the state. In awarding grants from the rural development fund, the department shall give priority to projects promoting land-based industries and supporting infrastructure in this state's prosperity region 1.

FAIRS AND EXPOSITIONS

Sec. 801. All appropriations from the agriculture equine industry development fund must be spent on equine-related purposes. No funds from the agriculture equine industry development fund may be expended for non-equine-related purposes without prior approval of the legislature.

Sec. 802. From the funds appropriated in part 1 from

agriculture equine industry development funds, available revenue must be allocated in the following priority order:

(a) To support all administrative, contractual, and regulatory costs incurred by the department and the Michigan gaming control board.

(b) Any remaining funds collected through September 30, 2025, after the obligations in subdivision (a) have been met, must be prorated among the county fairs, supplements, breeders' awards, and sire stakes awards to eligible race meeting licensees in accordance with section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

Sec. 803. From the funds appropriated in part 1 from purses and supplements - fairs/licensed tracks, $720,000.00 may be spent only if there is no standardbred race meeting in this state that is licensed under the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336, by January 1, 2026.

Sec. 805. (1) From the funds appropriated in part 1 for county fairs, shows, and expositions, the department shall establish and administer a county fairs, shows, and expositions grant program. The program must have the following objectives:

(a) Assist in the financing of building improvements or other capital improvements at county fairgrounds of this state.

(b) Provide financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions in this state.

(2) The department shall award grants on a competitive basis to county fairs or other organizations from the funds appropriated in part 1 for county fairs, shows, and expositions grants. Grantees will be required to provide a 50% cash match with grant awards and

identify measurable project outcomes. A county fair organization that received a county fair capital improvement grant in the prior fiscal year must not receive a grant from the appropriation in part 1.

(3) From the amount appropriated in part 1 for county fairs, shows, and expositions, up to $25,000.00 must be expended for the purpose of financial support, promotion, prizes, and premiums of equine, livestock, and other agricultural commodity expositions and festivals in this state.

(4) All fairs receiving grants under this section must provide a report to the department on the financial impact resulting from the capital improvement project on both fair and nonfair events. These reports are due for 3 years immediately following the completion of the capital improvement project.

(5) The department shall identify criteria, evaluate applications, and provide recommendations to the director for final approval of grant awards.

(6) The department may expend money from the funds appropriated in part 1 for the county fairs, shows, and expositions for administering the program.

(7) The unexpended portion of the appropriation in part 1 for county fairs, shows, and expositions grants are designated as a work project appropriation and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to support building

improvements or other capital improvements at county fairgrounds of this state.

(b) All grants will be distributed in accordance with this section and the grant guidelines published prior to the request for proposals.

(c) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(d) The estimated cost of the project is $500,000.00.

(e) The tentative completion date for the work project is September 30, 2028.

(8) The department shall provide a year-end report on the county fairs, shows, and expositions grants no later than December 1, 2026 that includes a listing of the grantees, award amounts, match funding, project outcomes, and department costs of grant administration.

ARTICLE 2

DEPARTMENT OF CORRECTIONS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of corrections for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF CORRECTIONS		
APPROPRIATION SUMMARY		
Full-time equated unclassified positions	16.0	
Full-time equated classified positions	12,436.0	
GROSS APPROPRIATION		**$ 2,118,858,500**
Interdepartmental grant revenues:		

Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**2,118,858,500**
Federal revenues:			
Total federal revenues			5,192,100
Special revenue funds:			
Total local revenues			275,000
Total private revenues			0
Total other state restricted revenues			30,064,000
State general fund/general purpose		**$**	**2,083,327,400**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	16.0		
Full-time equated classified positions	345.0		
Unclassified salaries--FTEs	16.0	$	2,058,500
Administrative hearings officers			4,029,100
Budget and operations administration--FTEs	255.0		37,842,600
County jail reimbursement program			14,814,600
Employee wellness programming--FTEs	8.0		2,386,900
Executive direction--FTEs	22.0		4,637,800
Judicial data warehouse user fees			50,600
New custody staff training			23,514,500
Pay increases for corrections officers			50,000,000
Prison industries operations--FTEs	60.0		10,249,000
Property management			2,558,600
Prosecutorial and detainer expenses			2,801,000
Worker's compensation			8,770,900
GROSS APPROPRIATION		**$**	**163,714,100**

Appropriated from:			
Federal revenues:			
DOJ, prison rape elimination act grant			674,700
Special revenue funds:			
Correctional industries revolving fund			10,249,000
Correctional industries revolving fund 110			721,600
Jail reimbursement program fund			5,900,000
State general fund/general purpose		**$**	**146,168,800**
Sec. 103. OFFENDER SUCCESS ADMINISTRATION			
Full-time equated classified positions	343.9		
Community corrections comprehensive plans and services		$	14,198,100
Education/skilled trades/career readiness programs--FTEs	259.9		39,089,800
Enhanced food technology program--FTEs	11.0		1,696,000
Higher education in prison			1,250,000
Offender success community partners			19,175,000
Offender success federal grants			751,000
Offender success programming			15,742,200
Offender success services--FTEs	73.0		15,829,600
Probation residential services			14,575,500
GROSS APPROPRIATION		**$**	**122,307,200**
Appropriated from:			
Federal revenues:			
DOJ, prisoner reintegration			751,000
Federal education revenues			1,627,200
State general fund/general purpose		**$**	**119,929,000**
Sec. 104. FIELD OPERATIONS ADMINISTRATION			

Full-time equated classified positions	1,530.5		
Field operations--FTEs	1,499.5	$	188,223,700
Parole board operations--FTEs	31.0		4,032,400
Parole/probation services			940,000
GROSS APPROPRIATION		**$**	**193,196,100**
Appropriated from:			
Special revenue funds:			
Community tether program reimbursement			275,000
Reentry center offender reimbursements			10,000
Supervision fees			6,630,500
Supervision fees set-aside			940,000
State general fund/general purpose		**$**	**185,340,600**
Sec. 105. CORRECTIONAL FACILITIES ADMINISTRATION			
Full-time equated classified positions	656.0		
Body-worn cameras--FTEs	8.0	$	3,811,700
Central records--FTEs	43.0		5,078,100
Contraband prevention			1,000,000
Correctional facilities administration--FTEs	35.0		6,642,200
Housing inmates in federal institutions			511,000
Intelligence unit--FTEs	30.0		4,045,100
Prison food service--FTEs	299.0		73,484,400
Prison store operations--FTEs	32.0		3,606,600
Transportation--FTEs	209.0		32,889,900
GROSS APPROPRIATION		**$**	**131,069,000**
Appropriated from:			
Federal revenues:			
DOJ-BOP, federal prisoner reimbursement			411,000
SSA-SSI, incentive payment			272,000

Special revenue funds:			
Correctional industries revolving fund 110			880,500
Resident stores			3,606,600
State general fund/general purpose		**$**	**125,898,900**
Sec. 106. HEALTH CARE			
Full-time equated classified positions	1,425.3		
Clinical complexes--FTEs	933.3	$	161,311,400
Health care administration--FTEs	18.0		3,746,800
Healthy Michigan plan administration--FTEs	12.0		1,057,100
Hepatitis C treatment			10,499,100
Interdepartmental grant to health and human services, eligibility specialists			120,200
Mental health and substance use disorder treatment services--FTEs	462.0		67,446,200
Prisoner health care services			117,540,700
Vaccination program			691,200
GROSS APPROPRIATION		**$**	**362,412,700**
Appropriated from:			
Federal revenues:			
Federal revenues and reimbursements			421,400
Special revenue funds:			
Prisoner health care co-payments			257,200
State general fund/general purpose		**$**	**361,734,100**
Sec. 107. CORRECTIONAL FACILITIES			
Full-time equated classified positions	8,135.3		
Alger Correctional Facility - Munising--FTEs	259.0	$	34,505,300
Baraga Correctional Facility - Baraga--FTEs	295.8		40,611,700

Bellamy Creek Correctional Facility - Ionia--FTEs	403.9	52,607,100
Carson City Correctional Facility - Carson City--FTEs	411.9	54,403,300
Central Michigan Correctional Facility - St. Louis--FTEs	385.1	52,789,100
Charles E. Egeler Correctional Facility - Jackson--FTEs	372.8	49,980,900
Chippewa Correctional Facility - Kincheloe--FTEs	427.8	56,252,900
Cooper Street Correctional Facility - Jackson--FTEs	245.2	32,088,900
Earnest C. Brooks Correctional Facility - Muskegon--FTEs	246.0	34,588,000
G. Robert Cotton Correctional Facility - Jackson--FTEs	378.0	48,768,000
Gus Harrison Correctional Facility - Adrian--FTEs	296.9	40,343,100
Ionia Correctional Facility - Ionia--FTEs	288.8	39,015,400
Kinross Correctional Facility - Kincheloe--FTEs	240.5	34,663,100
Lakeland Correctional Facility - Coldwater--FTEs	267.6	36,817,700
Macomb Correctional Facility - New Haven--FTEs	307.2	42,160,600
Marquette Branch Prison - Marquette--FTEs	319.7	42,617,500
Muskegon Correctional Facility - Muskegon--FTEs	216.3	31,162,600
Newberry Correctional Facility - Newberry--FTEs	197.4	27,681,200
Oaks Correctional Facility - Eastlake--FTEs	287.5	40,037,800
Parnall Correctional Facility - Jackson--FTEs	258.5	33,289,700

Richard A. Handlon Correctional Facility - Ionia--FTEs	262.4	35,963,800
Saginaw Correctional Facility - Freeland--FTEs	273.3	37,686,200
Special Alternative Incarceration Program - Jackson--FTEs	26.2	4,104,300
St. Louis Correctional Facility - St. Louis--FTEs	304.0	43,069,200
Thumb Correctional Facility - Lapeer--FTEs	291.5	40,633,700
Women's Huron Valley Correctional Complex - Ypsilanti--FTEs	486.0	64,482,600
Woodland Correctional Facility - Whitmore Lake--FTEs	293.7	41,797,100
Northern region administration and support--FTEs	41.4	4,476,100
Southern region administration and support--FTEs	50.9	19,273,800
GROSS APPROPRIATION		**$ 1,115,870,700**
Appropriated from:		
Federal revenues:		
DOJ, state criminal assistance program		1,034,800
Special revenue funds:		
State restricted fees, revenues, and reimbursements		102,100
State general fund/general purpose		**$ 1,114,733,800**
Sec. 108. INFORMATION TECHNOLOGY		
Information technology services and projects		$ 26,842,300
GROSS APPROPRIATION		**$ 26,842,300**
Appropriated from:		

Special revenue funds:		
Correctional industries revolving fund 110		155,500
Supervision fees set-aside		611,000
State general fund/general purpose	**$**	**26,075,800**
Sec. 109. ONE-TIME APPROPRIATIONS		
Correctional facility count and callout process automation	$	3,446,400
GROSS APPROPRIATION	**$**	**3,446,400**
Appropriated from:		
State general fund/general purpose	**$**	**3,446,400**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $2,113,391,400.00 and total state spending under part 1 from state sources to be paid to local units of government is $119,542,400.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF CORRECTIONS		
Community corrections comprehensive plans and services	$	14,198,100
County jail reimbursement program		14,814,600
Field Operations		73,153,200
Probation residential services		14,575,500

Prosecutorial and detainer expenses	2,801,000
TOTAL	**$ 119,542,400**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

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

(b) "Department" means the department of corrections.

(c) "Director" means the director of the department.

(d) "DOJ" means the United States Department of Justice.

(e) "DOJ-BOP" means the DOJ Bureau of Prisons.

(f) "Evidence-based" means a decision-making process that integrates the best available research, clinician expertise, and client characteristics.

(g) "FTE" means full-time equated position in the classified service of this state.

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

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

(j) "OCC" means the office of community corrections.

(k) "Offender success" means that an offender has, with the

support of the community, intervention of the field agent, and benefit of any participation in programs and treatment, made an adjustment while at liberty in the community such that the offender has not been sentenced to or returned to prison for the conviction of a new crime or the revocation of probation or parole.

(*l*) "Recidivism" means that term as defined in section 1 of 2017 PA 5, MCL 798.31.

(m) "Serious emotional disturbance" means that term as defined in section 100d(3) of the mental health code, 1974 PA 258, MCL 330.1100d.

(n) "Serious mental illness" means that term as defined in section 100d(4) of the mental health code, 1974 PA 258, MCL 330.1100d.

(o) "SSA" means the United States Social Security Administration.

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

(q) "Standard report recipients" means the senate and house appropriations subcommittees on corrections and judiciary, the senate and house fiscal agencies, the senate and house policy offices, the legislative corrections ombudsman, and the state budget office.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department or a prisoner because the employee or prisoner communicates with a member of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general

fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 208. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 209. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,500,000.00 for federal contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 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 $2,000,000.00 for local contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 210. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 211. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 212. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $165,581,500.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $149,344,200.00. Total appropriations for retiree health care legacy costs for the department are estimated at $16,237,300.00.

Sec. 213. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department shall notify the standard report recipients when the quarterly updates to the department scorecard are

available on a publicly accessible website.

Sec. 214. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 215. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 216. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 217. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, the joint committee on administrative rules, the senate standing committee on civil rights, judiciary,

and public safety, and the house standing committee on judiciary.

Sec. 218. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 219. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 220. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the previous fiscal year and the total number of former department employees that were remitted severance pay during the previous

fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 221. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must report to the office before beginning field work. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and a process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 222. (1) Funds appropriated in part 1 that are used for grants or grant programs are subject to all of the following conditions:

(a) Grant funds must be provided only to an entity that has been established or is operating in this state or another state for at least 36 months before approval or disbursement of grant funds.

(b) Grant funds must be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or

indirect responsibility for approving or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that confirms the department reviewed and affirmed compliance by each grant recipient to program scope and expenditure of grant funding.

(b) A statement that confirms the department reviewed applicable program reports and requests for reimbursement.

Sec. 223. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may

require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 224. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining

individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 225. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 226. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 227. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs or as outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth

to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

DEPARTMENTAL ADMINISTRATION AND SUPPORT

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

Sec. 302. (1) From the unexpended and unencumbered funds appropriated in 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 that were designated as work project appropriations, the department shall work with the state budget director to lapse a total of $50,000,000.00. The $50,000,000.00 in work project lapse funds must be made available for expenditure by the department to support the pay increases for corrections officers appropriation included in section 102 of part 1.

(2) Pay increases for corrections officers must be in addition to pay step increases approved by the civil service commission and effective October 1, 2025, and pay rate structure changes approved by the civil service commission and effective October 1, 2024. The civil service commission must approve a letter of understanding between the office of the state employer and the Michigan corrections organization that specifies the terms of the agreement

to increase pay for corrections officers.

Sec. 303. From the funds appropriated in part 1, the department shall submit a report not later than March 1 on the department's staff retention strategies. The report must include, but not be limited to, all of the following:

(a) The department's strategies on how to improve employee engagement, how to improve employee wellness, and how to offer additional training and professional development for employees, including metrics the department is using to measure success of employee wellness programming.

(b) Mechanisms by which the department receives employee feedback in areas under subdivision (a) and how the department considers suggestions made by employees.

(c) Steps the department has taken, and future plans and goals the department has for retention and improving employee wellness.

Sec. 304. (1) From the funds appropriated in part 1, the department shall submit a report not later than March 1 on the number of employee departures. The report must include all of the following:

(a) The number of corrections officers that departed from employment at a state correctional facility in the previous fiscal year and the number of years they worked for the department.

(b) A chart that shows the normal distribution of employee departures in the positions described under subdivision (a) based on years of service. Years of service must be grouped into the following ranges: 1 to 3 years, 3 to 5 years, 5 to 10 years, 10 to 15 years, 15 to 20 years, and 20 and more years.

(c) A section that shows the distinction between all of the following:

(*i*) Recruits who are in training at the academy that depart employment.

(*ii*) Recruits who are in training at a facility that depart employment.

(*iii*) Employees who have been on the job that depart employment.

(2) The department shall review all reasons for employee departures and summarize in the report required under this section the primary reasons for departure for each of the ranges of years of service described under subdivision (1)(b) based on the available responses.

Sec. 305. Funds appropriated in part 1 for prosecutorial and detainer expenses must be used to reimburse counties for housing and custody of parole violators and offenders being returned by the department from community placement who are available for return to institutional status and for prisoners who volunteer for placement in a county jail.

Sec. 306. The department shall provide fiduciary oversight of funds received under the local corrections officers training act, 2003 PA 125, MCL 791.531 to 791.546.

Sec. 307. From the funds appropriated in part 1, the department shall issue a report not later than March 1 for all vendor contracts. The report must cover service contracts with a value of $500,000.00 or more and include all of the following:

(a) The original start date and the current expiration date of each contract.

(b) The number of available option years.

(c) The number, if any, of contract compliance monitoring site visits completed by the department for each vendor.

(d) The number and amount of fines, if any, for service-level

agreement noncompliance for each vendor broken down by area of noncompliance.

Sec. 308. The department must ensure that a prisoner telephone system is maintained. The prisoner telephone system must meet ongoing operational needs of the department while maintaining the lowest per-minute rate possible. The department must provide notice at least 45 days in advance of each of the following taking effect:

(a) Changes to telephone rates.

(b) Extending the telephone contract, including the department exercising the option to extend the contract.

(c) Rebidding the telephone contract.

Sec. 309. From the funds appropriated in part 1, the department shall provide for the training of all custody staff in effective and safe ways of handling prisoners with mental illness and referring prisoners to mental health treatment programs. Mental health awareness training must be incorporated into the training of new custody staff.

Sec. 310. From the funds appropriated in part 1, the department shall issue a report for all correctional facilities not later than January 1 that includes all of the following information for each facility:

(a) The name, street address, and date of construction.

(b) The current maintenance costs.

(c) Any maintenance planned.

(d) The current utility costs.

(e) The expected future capital improvement costs.

(f) The current unspent balance of any authorized capital outlay projects, including the original authorized amount.

(g) The expected future useful life.

Sec. 311. From the funds appropriated in part 1, the department shall provide a report on the Michigan state industries program not later than December 1. The report must include, but is not limited to, all of the following information:

(a) The locations of the programs.

(b) The total number of participants at each location.

(c) A description of job duties and typical inmate schedules, and the products that are produced.

(d) How the program provides marketable skills that lead to employable outcomes after release from a department facility.

Sec. 312. (1) Funds appropriated in part 1 for employee wellness programming must be used for post-traumatic stress outreach, treating mental health issues, peer support programs, and providing mental health programming for all department staff, including former employees.

(2) Not later than December 15, the department shall submit a report on programs the department has established, the level of employee involvement, and expenditures made by the department for employee wellness programming.

Sec. 313. (1) From the funds appropriated in part 1 for new custody staff, the department shall work to hire and train new corrections officers to address attrition of corrections officers and to decrease overtime costs. The department shall submit quarterly reports on new employee schools. The reports must include all of the following information for the immediately preceding fiscal quarter, and as much of the information as possible for the current and next fiscal year:

(a) The number of new employee schools that took place and the location of each.

(b) The number of recruits that started in each employee school.

(c) The number of recruits that graduated from each employee school and continued employment with the department.

(2) Third quarter reports must outline steps the department has taken to obtain the highest number of recruits possible for each new employee school. A report prepared under this subsection must include, but is not limited to, all of the following information:

(a) Internal sources of recruitment, including transfers and promotions.

(b) External sources of recruitment, including advertisements.

(c) Job portals, social networking platforms, placement agencies, job fairs, campus placements, or professional entities used for recruitment.

(d) Whether the department's website was used to advertise vacancies.

Sec. 314. From the funds appropriated in part 1, the department shall submit a quarterly report on the number of overtime hours worked by all custody staff, by facility. The report must include, for each facility, the reasons for overtime hours worked and the average number of overtime hours worked by active employees.

Sec. 315. From the funds appropriated in part 1, the department may establish agreements and exchange offender data with local, state, and federal agencies, law enforcement, community service and treatment providers, and research partners in order to improve offender success, reduce recidivism risk, and enhance public safety. This data sharing may include, but is not limited

to, efforts to support all of the following:

(a) Providing continuing access to behavioral health, physical health, and medication needs through community-based providers.

(b) Establishing assistance program eligibility and participation.

(c) Collaborating with community service providers for continued care and access to services for offenders.

(d) Providing ongoing cognitive and behavioral treatment programming in the community.

(e) Providing substance abuse testing and referrals for counseling services and treatment.

(f) Providing vocational skill training, job placement support, and monitoring employment attainment.

(g) Determining educational attainment and needs.

(h) Establishing accurate offender identification, criminal histories, and monitoring new criminal activity.

(i) Measuring and evaluating treatment programs and services in support of evidence-based practices.

Sec. 316. From the funds appropriated in part 1, the department shall submit 3-year and 5-year prison population projection updates not later than April 1, including explanations of the methodology and assumptions used in developing the projection updates.

Sec. 317. From the funds appropriated in part 1, the department shall place the statistical report from the immediately preceding calendar year on the department's website not later than June 30. The statistical report must include, but not be limited to, the information as provided in the 2004 statistical report.

Sec. 318. From the funds appropriated in part 1, the

department shall report the reincarceration recidivism rates of offenders based on available data.

Sec. 319. (1) The department shall administer a county jail reimbursement program from the funds appropriated in part 1 for the purpose of reimbursing counties for housing in jails certain felons who otherwise would have been sentenced to prison.

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

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

(b) The felon's minimum sentencing guidelines range minimum is more than 12 months under the sentencing guidelines described in subdivision (a).

(c) The felon was sentenced to jail for a felony committed while the felon was on parole and under the jurisdiction of the parole board and for which the sentencing guidelines recommended range for the minimum sentence has an upper limit of more than 18 months.

(3) State reimbursement under this section must be $70.00 per diem per diverted offender for offenders with a presumptive prison guideline score, $60.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 1 crime, and

$45.00 per diem per diverted offender for offenders with a straddle cell guideline for a group 2 crime. Reimbursements must be paid for sentences up to a 1-year total.

(4) County jail reimbursement program expenditures must not exceed the amount appropriated in part 1 for the county jail reimbursement program. Payments to counties under the county jail reimbursement program must be made in the order in which properly documented requests for reimbursements are received. A request is properly documented if it meets departmental requirements for documentation. Not later than October 15, the department shall distribute the documentation requirements to all counties.

(5) Any county that receives funding under this section for the purpose of housing in jails certain felons who otherwise would have been sentenced to prison shall, as a condition of receiving the funding, report not later than September 30 an annual average jail capacity and annual average jail occupancy for the previous fiscal year.

(6) Not later than February 1, the department shall report all of the following information:

(a) The number of inmates sentenced to the custody of the sheriff and eligible for the county jail reimbursement program.

(b) The total amount paid to counties under the county jail reimbursement program.

(c) The total number of days inmates were in the custody of the sheriff and eligible for the county jail reimbursement program.

(d) The number of inmates sentenced to the custody of the sheriff under each of the 3 categories: presumptive prison, group 1 crime, and group 2 crime in subsection (3).

(e) The total amount paid to counties under each of the 3

categories: presumptive prison, group 1 crime, and group 2 crime in subsection (3).

(f) The total number of days inmates were in the custody of the sheriff under each of the 3 categories: presumptive prison, group 1 crime, and group 2 crime in subsection (3).

(g) The estimated cost of housing inmates sentenced to the custody of the sheriff and eligible for the county jail reimbursement program as inmates of a state prison.

(7) As used in this section:

(a) "Group 1 crime" means a crime in 1 or more of the following offense categories: arson, assault, assaultive other, burglary, criminal sexual conduct, homicide or resulting in death, other sex offenses, robbery, and weapon possession as determined by the department based on specific crimes for which counties received reimbursement under the county jail reimbursement program in fiscal year 2007 and fiscal year 2008, and listed in the county jail reimbursement program document titled "FY 2007 and FY 2008 Group One Crimes Reimbursed", dated March 31, 2009.

(b) "Group 2 crime" means a crime that is not a group 1 crime, including larceny, fraud, forgery, embezzlement, motor vehicle offenses, malicious destruction of property, controlled substance offense, felony drunk driving, and other nonassaultive offenses.

(c) "In the custody of the sheriff" means that the convicted felon has been sentenced to the county jail and either is housed in a county jail, is in custody but is being housed at a hospital or medical facility for a medical or mental health purpose or has been released from jail and is being monitored through the use of the sheriff's electronic monitoring system.

Sec. 320. (1) From the funds appropriated in part 1, the

department shall provide all of the following information on the offender population in a monthly report:

(a) Prison population by facility and security level, including the population of prisoners under the department's jurisdiction housed in county jails.

(b) Net operating capacity according to the most recent certification report.

(c) Electronic monitoring populations.

(d) Parole populations.

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

(2) From the funds appropriated in part 1, the department shall provide all of the following information on the offender population in a quarterly report:

(a) The number of closed housing units and beds in those units, including the security level of closed beds.

(b) The number of prisoners serving life sentences.

(c) The number of prisoners classified as past their earliest release date.

(d) The number of prisoner intakes during the previous quarter.

(e) The number of prisoner exits, including paroles, maximum discharges, and other exits during the previous quarter.

(3) If the department knows it will not meet the reporting requirements under this section, the department shall immediately issue a report that states that fact and that lists the reasons for not meeting the reporting requirements.

Sec. 321. (1) On a quarterly basis, the department shall report on all of the following:

(a) A detailed accounting of all vacant positions that exist within the department.

(b) A detailed accounting of all correction officer positions at each correctional facility, including positions that are filled and positions that are vacant by facility.

(c) A detailed accounting of all vacant positions that are health care related.

(d) A detailed accounting of vacant positions that are being held open for temporarily nonactive employees.

(2) As used in this section, "vacant position" means any position that has not been filled at any time during the past 6 calendar months.

Sec. 322. The department may charge fees and collect revenues in excess of appropriations in part 1 not to exceed the cost of offender services and programming, employee meals, parolee loans, academic/vocational services, custody escorts, compassionate visits, union steward activities, and public works programs and services provided to local units of government or private nonprofit organizations. The revenues and fees collected are appropriated for all expenses associated with these services and activities.

Sec. 323. It is the intent of the legislature that the department establish and maintain a management-to-staff ratio of not more than 1 supervisor for each 8 employees at the department's central office in Lansing and at both the northern and southern region administration offices.

OFFENDER SUCCESS ADMINISTRATION

Sec. 401. (1) From the funds appropriated in part 1, the department shall provide a report not later than March 1 on

offender success expenditures, allocations, and performance. The report must include, but not be limited to, details on prior-year expenditures, including amounts spent on each project funded, itemized by service provided and service provider. Reported performance factors must be reported by region and must include, but not be limited to, all of the following:

(a) The number of individuals who received transitional housing services.

(b) The average length of stay in transitional housing.

(c) The number of individuals who received a referral for economic stability assistance and the number of referred individuals who secured employment or enrolled in education/training to increase economic stability.

(d) The number of referred individuals who maintained employment for 12 months or more.

(e) The total amount of leveraged services secured by the contractor.

(2) As used in this section, "leveraged services" means services that benefit clients that are not directly paid for by the department, such as educational scholarships or grants, workforce training grants, or housing choice vouchers.

(3) The department may accept cash or in-kind donations to supplement funds for prison education training, supplies, and materials necessary to complete the academic and jobs skills related programs. All funds received are appropriated and may be expended by the department. Any unexpended or unencumbered donations at the end of the fiscal year shall not lapse to the general fund but shall be carried forward to the subsequent fiscal year.

Sec. 402. From the funds appropriated in part 1 for offender success services, the department, when reasonably possible, shall ensure that inmates have potential employer matches in the communities to which they will return prior to each inmate's initial parole hearing.

Sec. 403. (1) From the funds appropriated in part 1, the department shall design services for offender success and vocational education programs, collaborating with the department of labor and economic opportunity and local entities to the extent deemed necessary by the director. The department shall ensure the program provides relevant professional development opportunities to prisoners that are high quality, demand driven, locally receptive, and responsive to the needs of communities where the prisoners are expected to reside after their release from correctional facilities.

(2) Not later than March 1, the department shall provide a report detailing the results of the workforce development program.

Sec. 404. Funds awarded for probation residential services in part 1 must provide for all of the following:

(a) An initial client assessment reimbursement of $200.00.

(b) A per diem reimbursement of not more than $70.00.

Sec. 405. Allowable uses of community corrections comprehensive plans and services funds must include reimbursing counties for transportation, treatment costs, and housing drunk drivers during a period of assessment for treatment and case planning, in accordance with an approved comprehensive plan. Reimbursements for housing during the assessment process must be at the rate of $43.50 per day per offender, up to a maximum of 5 days per offender.

Sec. 406. (1) From the funds appropriated in part 1, the department shall submit the following information for each county and counties consolidated for community corrections comprehensive plans:

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

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

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

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

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

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

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

Sec. 407. From the funds appropriated in part 1, the department shall establish and maintain policies and procedures that assist prisoners with obtaining a birth certificate, duplicate Social Security card, if eligible, DD Form 214 or other military

documentation, state identification card, and operator's license before parole or discharge.

Sec. 408. (1) Funds appropriated in part 1 for higher education in prison must be used by the department in collaboration with accredited universities or colleges to provide incarcerated individuals the opportunity to participate in comprehensive bachelor's degree programs at no cost to the incarcerated individual. The funds must be used for eligible expenses including staffing, supplies, and tuition.

(2) Universities and colleges that receive funding under this section must report not later than July 1 on all of the following:

(a) Expenditure of funds.

(b) Number of participants served.

(c) Enrollments, by race and gender.

(d) Number of participants who completed the program.

Sec. 409. From the funds appropriated in part 1 for enhanced food technology program, the department shall maintain a program that provides on-the-job training in prison kitchens that provides prisoners the opportunity to earn food service training credentials recognized by the restaurant industry. The department shall use the funds appropriated in part 1 for enhanced food technology program to collaborate with the Michigan Restaurant and Lodging Association and other restaurant industry stakeholders to provide job placement assistance to individuals on probation or parole.

Sec. 410. (1) From the funds appropriated in part 1 for offender success programming, the department shall establish medication-assisted treatment offender success pilot programs. A medication-assisted treatment offender success pilot program must provide prerelease treatment and postrelease referral for opioid-

or alcohol-addicted offenders who voluntarily participate in a medication-assisted treatment offender success pilot program. The department shall collaborate with residential and nonresidential substance use disorder treatment providers and with community-based clinics to provide postrelease assessment and treatment. The programs shall employ a multifaceted approach to treatment, including various forms of medication-assisted treatment approved by the Food and Drug Administration for the treatment of opioid use disorder or alcohol use disorder, counseling, and postrelease referral to community-based providers. If clinically appropriate, the department shall consider the use of long-acting injectable formulations of FDA-approved medication-assisted treatment for alcohol and opioid use disorder when developing an offender's release plan.

(2) The department shall submit a report not later than December 1 on all of the following:

(a) The number of offenders who received an injectable treatment for alcohol use disorder.

(b) The number of offenders who received an injectable treatment for opioid use disorder before release.

(c) The number of offenders who subsequently received treatment in the community for a duration of not less than 3 months.

(d) The number of offenders who received injections and were subsequently returned to prison during the previous fiscal year.

Sec. 411. From the funds appropriated in part 1, the department shall ensure that any inmate with a diagnosed mental illness is referred to a local mental health care provider that is able and willing to treat the inmate upon parole or discharge. Upon

referral, the department shall ensure that the provider is informed of the inmate's current treatment plan including any medications that are currently prescribed to the inmate.

Sec. 412. From the funds appropriated in part 1, the department shall report not later than March 1 on academic and vocational programs, including, but not limited to, all of the following:

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

(b) The number of prisoners enrolled in each program, the number of prisoners completing each program, the number of prisoners who do not complete each program, and the number of prisoners on waiting lists for each program.

(c) The racial demographics of prisoners enrolled in each program.

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

(e) The number of prisoners paroled without a high school diploma or a high school equivalency.

(f) The number of prisoners not paroled at their earliest release date because of a lack of a high school equivalency and the reason those prisoners have not obtained a high school equivalency.

Sec. 413. From the funds appropriated in part 1, priority may be given to funding reentry or rehabilitation programs, including faith-based initiatives, that have been demonstrated to reduce prison violence and recidivism.

Sec. 414. Revenues appropriated and collected for program and special equipment funds must be considered state restricted

revenue. Funding must be used for prisoner programming, special equipment, and security projects. Not less than 75% of funding must be used for prisoner programming. Unexpended funds remaining at the close of the fiscal year must not lapse to the general fund but must be carried forward and made available for appropriation in subsequent fiscal years.

Sec. 415. From the funds appropriated in part 1, the department shall report on the department's plans to eliminate programming for prisoners. The report must be provided not less than 30 days before program elimination. As used in this section, "programming for prisoners" means a department core program or career and technical education program funded in part 1.

FIELD OPERATIONS ADMINISTRATION

Sec. 501. From the funds appropriated in part 1, the department shall prepare individual reports not later than March 1 for the residential reentry program, the electronic monitoring program, and the special alternative to incarceration program. Each program's report must include information on all of the following:

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

(b) Monthly participant unsuccessful terminations, including cause.

(c) Number of successful terminations.

(d) End-of-month population by facility and program.

(e) Average length of placement.

(f) Return to prison statistics.

(g) Description of each program location or locations, capacity, and staffing.

(h) Sentencing guideline scores and actual sentence statistics for participants, if applicable.

(i) Comparison with previous year statistics.

(j) Analysis of the impact on prison admissions, jail utilization, and the cost effectiveness of the program.

Sec. 502. (1) From the funds appropriated in part 1, the department shall review and revise as necessary policy proposals that provide alternatives to prison for offenders being sentenced to prison as a result of technical probation violations and technical parole violations. To the extent the department has insufficient policies or resources to affect the continued increase in prison commitments among these offender populations, from the funds appropriated in part 1, the department shall explore other policy options to allow for program alternatives, including department or OCC-funded programs, local level programs, and programs available through private agencies that may be used as prison alternatives for these offenders.

(2) Not later than April 1, the department shall provide a report on the number of all parolees returned to prison and probationers sentenced to prison for either a technical violation or new sentence during the previous fiscal year. The report must include the following information for probationers, for parolees after their first parole, and for parolees who have been paroled more than once:

(a) The numbers of parole and probation violators returned to

or sent to prison for a new crime with a comparison of original versus new offenses by major offense type: assaultive, nonassaultive, drug, and sex.

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

(c) The educational history of those offenders, including the number of offenders that had a high school equivalency or high school diploma before incarceration in prison, the number of offenders that received a high school equivalency while in prison, and the number of offenders that received a vocational certificate while in prison.

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

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

Sec. 503. From the funds appropriated in part 1, the department shall issue quarterly reports for the previous 4 quarters detailing outcomes of prisoners who have been reviewed for parole. The report must include all of the following:

(a) The number of prisoners in each quarter that were reviewed.

(b) The number of prisoners that were granted parole.

(c) The number of prisoners that were denied parole.

(d) The number of parole decisions that were deferred.

(e) The distribution of the total number of prisoners reviewed during that quarter grouped by whether the prisoner had been interviewed for the first, second, third, fourth, fifth, sixth, or more than sixth time.

(f) The number of paroles granted, denied, or deferred for each of the parole guideline scores of low, average, and high.

(g) The reason for denying or deferring parole.

HEALTH CARE

Sec. 601. Not later than April 1, the department shall provide a report on all of the following:

(a) Physical and mental health care, pharmaceutical services, and durable medical equipment for prisoners. A report under this section must detail previous fiscal year expenditures itemized by vendor, allocations, status of payments from contractors to vendors, and projected year-end expenditures from accounts. A report under this section must include a breakdown of all payments to the integrated care provider and to other providers itemized by physical health care, mental health care, pharmaceutical services, and durable medical equipment expenditures.

(b) Pharmaceutical prescribing practices, including a detailed accounting of expenditures on antipsychotic medications, and any changes that have been made to the prescription drug formularies.

(c) A status report on efforts to develop measurable data and outcomes for physical and mental health care within the prisoner population.

Sec. 602. (1) From the funds appropriated in part 1, the department shall provide prisoners with a brochure that explains

the purpose and importance of signing a medical release of information form. The department shall ensure that all prisoners, upon any health care treatment funded from appropriations in part 1, are given the opportunity to sign a medical release of information form designating a family member or other individual to whom the department shall release records and information regarding the prisoner upon the request of the prisoner. The prisoner may elect to withdraw or amend the medical release of information form at any time.

(2) The department shall ensure that a signed medical release of information form follows a prisoner upon transfer to another department facility or to the supervision of a parole officer.

(3) The medical release of information form must be placed online, on a public website managed by the department.

Sec. 603. From the funds appropriated in part 1, the department shall provide a report not later than April 1 on prisoner health care utilization in the previous fiscal year, by facility, that includes all of the following:

(a) The number of inpatient hospital days.

(b) The number of outpatient visits.

(c) The number of emergency room visits.

(d) The number of prisoners receiving off-site inpatient medical care.

(e) The top 10 most common chronic care conditions.

Sec. 604. Funds appropriated in part 1 for Hepatitis C treatment must be used only to purchase specialty medication for Hepatitis C treatment in the prison population. In addition to the above appropriation, any rebates received from the medications used must be used only to purchase specialty medication for Hepatitis C

treatment. Not later than February 15, the department shall issue a report for the previous fiscal year that includes all of the following:

(a) The total amount spent on specialty medication for the treatment of Hepatitis C.

(b) The number of prisoners who were treated for Hepatitis C.

(c) The amount of any rebates that were received from the purchase of specialty medication, and what, if any, outstanding rebates are expected to be received.

(d) The Hepatitis C status of all incoming prisoners and the number of prisoners who are reinfected while incarcerated and require retreatment for Hepatitis C.

(e) The number of those treated and released and then retreated upon reincarceration.

Sec. 605. Not later than March 1, the department shall provide an annual report on the utilization of Medicaid benefits for prisoners.

Sec. 606. Not later than March 1, the department shall report on the number of prisoners who received medication-assisted therapies. The report must include, but not be limited to, all of the following:

(a) The length of time each prisoner received those therapies.

(b) The number of prisoners who have discontinued treatment while incarcerated.

(c) A listing of the medications used in medication-assisted therapies.

(d) The number of prisoners prescribed each medication listed in subdivision (c).

Sec. 607. (1) From the funds appropriated in part 1 for mental

health and substance use disorder treatment, the department must maintain not less than 3 medication-assisted treatment clinics at correctional facilities that allow the department to treat the highest number of prisoners with opioid use disorder as possible. Funding must be used by the department to support costs of staff, including nurses, qualified mental health professionals, recovery coaches, and corrections officers, and costs of medication and supplies. Participating prisoners must be provided with the option of receiving 1 injection of a nonaddictive opioid blocker medication immediately before being released from prison into the community.

(2) The department shall submit quarterly reports on the establishment and operation of medication-assisted treatment clinics. A report under this subsection must include, but not be limited to, all of the following:

(a) Clinic site locations.

(b) Staffing levels.

(c) Expenditures on staffing and supplies, including oral and injectable medications.

(d) Number of prisoners treated.

(e) Number of prisoners requiring treatment but not yet receiving treatment.

Sec. 608. The department shall not use funds appropriated in part 1 for any costs associated with gender reassignment surgery for any prisoner of this state.

CORRECTIONAL FACILITIES AND ADMINISTRATION

Sec. 701. From the funds appropriated in part 1 for prison food service, the department shall report not later than January 15

on the following:

(a) Average per-meal cost for prisoner food service. Per-meal cost includes all costs directly related to the provision of food for the prisoner population, including, but not limited to, actual food costs, total compensation for all food service workers, including benefits and legacy costs, and inspection and compliance costs for food service.

(b) Food service-related contracts, including goods or services to be provided and the vendor.

(c) Major sanitation violations.

Sec. 702. From the funds appropriated in part 1, the department shall calculate the cost per prisoner per day for each security custody level. This calculation must include all actual direct and indirect costs for the previous fiscal year. To calculate the cost per prisoner per day, the department shall divide the prisoner-related costs by the total number of prisoner days for each custody level and correctional facility. For multilevel facilities, costs that cannot be accurately allocated to each custody level may be included in the calculation on a per-prisoner basis for each facility. A report summarizing these calculations must be submitted not later than January 15. Prisoner-related costs included in the cost per prisoner per day calculation must include all expenditures for the following, from all fund sources:

(a) New custody staff training.

(b) Prison industries operations.

(c) Education/skilled trades/career readiness programs.

(d) Enhanced food technology program.

(e) Higher education in prison.

(f) Offender success programming.

(g) Central records.

(h) Correctional facilities administration.

(i) Housing inmates in federal institutions.

(j) Prison food service.

(k) Prison store operations.

(*l*) Transportation.

(m) Health care.

(n) Correctional facilities.

(o) Northern and southern region administration and support.

Sec. 703. Any local unit of government or private nonprofit organization that contracts with the department for public works services is responsible for financing the entire cost of such an agreement.

Sec. 704. (1) From the funds appropriated in part 1, the department shall report all of the following regarding critical incidents by facility:

(a) Within 72 hours of occurrence, any critical incident occurring at a correctional facility. The report must identify the facility at which the incident occurred.

(b) Not later than March 1, the number of critical incidents occurring each month at each facility during the previous calendar year, categorized by type and severity of each incident.

(2) As used in this section, "critical incident" includes a prisoner assault on staff that results in a serious physical injury to staff, an escape or attempted escape, a prisoner disturbance that causes facility operation concerns, a drug overdose or suspected overdose that results in inpatient hospitalization, and an unexpected death of a prisoner.

Sec. 705. From the funds appropriated in part 1, the department shall report not later than March 1 on all of the following ratios for each correctional facility:

(a) Corrections officers to prisoners.

(b) Shift command staff to line custody staff.

(c) Noncustody institutional staff to prisoners.

Sec. 706. (1) From the funds appropriated in part 1, the department shall focus on providing required programming to prisoners who are past their earliest release date and have not been paroled because of not having received the required programming. Programming includes, but is not limited to, violence prevention programming, sexual abuse prevention programming, substance use disorder programming, thinking for a change programming, and any other programming that is required as a condition of parole.

(2) To the extent feasible, the department shall consistently provide prisoner programming with the goal of having prisoners complete recommended cognitive programming as early as possible during the prisoner's sentence to impact the prisoner's behavior while incarcerated. Nothing in this section makes parole denial appealable in court.

(3) The department shall submit a quarterly report detailing enrollment in sex abuse prevention programming, violence prevention programming, and thinking for a change programming. At a minimum, the report must include all of the following:

(a) A full accounting, from the date of entrance to prison, of the number of individuals who are required to complete the programming but have not yet done so.

(b) The number of individuals who have reached their earliest

release date, but who have not completed required programming.

(c) A plan of action for addressing any waiting lists or backlogs for programming that may exist.

Sec. 707. If a pregnant prisoner in a facility funded from appropriations in part 1 consents to a visitor being present, the department shall allow that 1 person to be present during the prisoner's labor and delivery, in addition to a doula being present if the pregnant prisoner wants to work with a doula. The person allowed to accompany the prisoner must be an immediate family member, legal guardian, spouse, or domestic partner. The department is authorized to deny access to a visitor if the department has a safety concern with that visitor's access. The department is authorized to conduct a criminal background check on the visitor.

Sec. 708. From the funds appropriated in part 1, the department shall evaluate all prisoners at intake for substance use disorders, serious developmental disorders, serious mental illness, and other mental health disorders. Prisoners with serious mental illness or serious developmental disorders must not be removed from the general population as a punitive response to behavior caused by their serious mental illness or serious developmental disorder. A prisoner with serious mental illness or serious developmental disorder that is unresponsive to treatment who presents a persistent high violence risk or engages in severe disruptive behavior may be placed in secure residential housing programs that facilitate access to institutional programming and ongoing mental health services funded from appropriations in part 1. A prisoner with serious mental illness or serious developmental disorder who is confined in these specialized housing programs must be evaluated or monitored by a medical professional at a frequency of not less

than every 12 hours.

Sec. 709. (1) From the funds appropriated in part 1, the department shall report not later than March 1 on the annual number of prisoners during the previous fiscal year in administrative segregation and, of those, the number who at any time during the current or previous prison term were diagnosed with serious mental illness or have a developmental disorder and the number of days each of the prisoners with serious mental illness or a developmental disorder have been confined to administrative segregation.

(2) The report required in subsection (1) must include a chart listing the number of prisoners housed in administrative segregation for each of the following time periods:

(a) A continuous period exceeding 3 months but less than 6 months.

(b) A continuous period exceeding 6 months but less than 12 months.

(c) A continuous period exceeding 12 months or longer.

(3) For any prisoner housed in administrative segregation for 12 months or longer, an explanation of the circumstances surrounding the prisoner's placement in administrative segregation.

Sec. 710. From the funds appropriated in part 1, the department shall do all of the following:

(a) Ensure that any inmate care and control staff in contact with prisoners less than 18 years of age are adequately trained with regard to the developmental and mental health needs of prisoners less than 18 years of age. Not later than April 1, the department shall report on the training curriculum used and the number and types of staff receiving annual training under that

curriculum.

(b) Provide appropriate placement for prisoners less than 18 years of age who have serious mental illness, serious emotional disturbance, or a serious developmental disorder and need to be housed separately from the general population. Prisoners less than 18 years of age who have serious mental illness, serious emotional disturbance, or a serious developmental disorder must not be removed from an existing placement as a punitive response to behavior caused by their serious mental illness, serious emotional disturbance, or a serious developmental disorder. A prisoner who is less than 18 years of age with serious mental illness or a serious developmental disorder that is unresponsive to treatment who presents a persistent high violence risk or engages in severe disruptive behavior may be placed in secure residential housing programs that facilitate services. A prisoner less than 18 years of age with serious mental illness, serious emotional disturbance, or a serious developmental disorder who is confined in these specialized housing programs must be evaluated or monitored by a medical professional at a frequency of not less than every 12 hours.

(c) Implement a specialized offender success program that recognizes the needs of prisoners less than 18 years of age for supervised offender success.

Sec. 711. From the funds appropriated in part 1, the department shall submit quarterly reports on the number of youth in prison. The report must include, but not be limited to, all of the following information:

(a) The total number of inmates under age 18 who are not on Holmes youthful trainee act status.

(b) The total number of inmates under age 18 who are on Holmes youthful trainee act status.

(c) The total number of inmates aged 18 to 23 who are on Holmes youthful trainee act status.

Sec. 712. Funds appropriated in part 1 for intelligence unit must be used by the department to maintain an intelligence unit to conduct investigatory and intelligence operations for the department. Intelligence operations must include, but not be limited to, intelligence operations for prisoner phone services. Savings that result from transferring responsibility for intelligence operations from the contractor to the department must be passed on to prisoners and prisoners' families as the department continues to negotiate lower phone call rates in all future contracts. The department must continue to pursue all opportunities for reducing further the cost of phone calls for prisoners and prisoners' families.

Sec. 713. (1) From the funds appropriated in part 1, the department must submit a preliminary report on the department's plans to close, consolidate, or relocate any correctional facility in the state. The preliminary report must be provided not less than 30 days before the effective date of the closure, consolidation, or relocation. The preliminary report must include the projected savings to the state from closure, consolidation, or relocation of the facility and must include a projection of the potential impact on staff positions.

(2) After a prison closure, consolidation, or relocation, the department must submit a report on the actual savings achieved by the department and the impact on staff positions. Savings amounts and impact on staff positions must be itemized by facility. The

report required under this subsection must be submitted 6 months after the prison closure, consolidation, or relocation.

(3) If the department is planning to close a correctional facility, the department must complete an analysis of the potential economic impact of the correctional facility closure on the local community where the facility is located. The analysis must be submitted within 30 days of the department's announcement regarding closure of the facility.

Sec. 714. From the funds appropriated in part 1, the department shall make an information packet for the families of incoming prisoners available on the department's website. The information packet must be reviewed not later than February 1 and updated as necessary. The department may partner with external advocacy groups and actual families of prisoners in the packet-writing process to ensure that the information is useful and complete. The packet must provide information on topics including, but not limited to, all of the following:

(a) How to put money into prisoner accounts.

(b) How to make telephone calls or create Jpay email accounts.

(c) How to visit in person.

(d) Proper procedures for filing complaints or grievances.

(e) The rights of prisoners to physical and mental health care.

(f) The purpose and importance of prisoners signing a medical release of information form.

(g) How to utilize the offender tracking information system (OTIS).

(h) Truth in sentencing and how it applies to minimum sentences.

(i) The parole process.

(j) Guidance on the importance of the role of families in the reentry process.

Sec. 715. From the funds appropriated in part 1, the department must pursue all opportunities to reduce costs for prisoners and prisoners' families for financial deposit fees and commissary fees when the department negotiates or renews any contract to provide these services.

Sec. 716. (1) Funds appropriated in part 1 for contraband prevention must be used by the department to enhance a multifaceted approach that combines technology, rigorous policies, vigilant staff, intelligence gathering, and a commitment to addressing the root causes of contraband, all of which are necessary for preventing the introduction of contraband and maintaining safe and secure correctional facilities.

(2) Funds appropriated in part 1 for contraband prevention must be used by the department to address prevention of contraband in correctional facilities, including increasing the frequency and enhancing the methods of screening all individuals, including all department employees, and all items entering into correctional facilities.

(3) From the funds appropriated in part 1 for contraband prevention, the department must submit a report not later than March 1 on contraband prevention efforts in correctional facilities. The report must include, but not be limited to, all of the following:

(a) Contraband incidents.

(b) Prevention efforts and strategies utilized by the department.

(c) An assessment of the effectiveness of all prevention efforts and strategies.

(d) Challenges faced by correctional facility staff and other staff in addressing contraband.

(e) Ideas and recommendations on how the legislature can better assist the department with contraband prevention efforts and strategies.

Sec. 717. The department shall allow the Michigan Braille transcribing fund program to operate at designated locations. The department shall continue to encourage the Michigan Braille transcribing fund program to produce high-quality materials for use by the visually impaired.

ARTICLE 4

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of environment, Great Lakes, and energy for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY		
APPROPRIATION SUMMARY		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	1,397.0	
GROSS APPROPRIATION		**$ 839,082,600**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		4,085,900

ADJUSTED GROSS APPROPRIATION		**$**	**834,996,700**
Federal revenues:			
Total federal revenues			397,788,900
Special revenue funds:			
Total local revenues			0
Total private revenues			1,364,200
Total other state restricted revenues			324,300,300
State general fund/general purpose		**$**	**111,543,300**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	69.0		
Unclassified salaries--FTEs	6.0	$	964,100
Accounting service center			1,412,800
Administrative hearings officers			906,600
Environmental investigations--FTEs	12.0		2,419,800
Environmental support--FTEs	25.0		4,645,800
Executive direction--FTEs	18.0		4,159,500
Facilities management			1,000,000
Financial support--FTEs	14.0		9,747,100
Michigan geological survey			3,000,000
Property management			7,322,500
GROSS APPROPRIATION		**$**	**35,578,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of state police			82,700
IDG from state transportation department			108,300
Federal revenues:			

Federal funds	766,700
Special revenue funds:	
Private funds	711,600
Air emissions fees	1,050,700
Aquatic nuisance control fund	79,400
Campground fund	25,900
Cleanup and redevelopment fund	2,800,700
Coal ash care fund	17,100
Electronic waste recycling fund	36,200
Environmental education fund	184,100
Environmental pollution prevention fund	553,900
Fees and collections	19,800
Financial instruments	7,559,500
Great Lakes protection fund	545,400
Groundwater discharge permit fees	123,600
Infrastructure construction fund	2,700
Laboratory services fees	665,500
Land and water permit fees	198,500
Medical waste emergency response fund	36,200
Metallic mining surveillance fee revenue	5,800
Mineral well regulatory fee revenue	17,100
Nonferrous metallic mineral surveillance	16,200
NPDES fees	356,900
Oil and gas regulatory fund	463,400
Orphan well fund	71,100
Public swimming pool fund	50,200
Public utility assessments	743,400
Public water supply fees	382,100

Refined petroleum fund			2,996,600
Renew Michigan fund			3,384,600
Sand extraction fee revenue			2,700
Scrap tire regulatory fund			185,800
Septage waste program fund			48,400
Settlement funds			1,500,000
Sewage sludge land application fees			74,300
Soil erosion and sedimentation control training fund			11,700
Solid waste management fund - staff account			768,800
Stormwater permit fees			185,400
Technologically enhanced naturally occurring radioactive material			34,500
Underground storage tank cleanup fund			255,400
Wastewater operator training fees			44,800
Water quality protection fund			8,700
Water use reporting fees			19,900
State general fund/general purpose		**$**	**8,381,900**
Sec. 103. WATER RESOURCES DIVISION			
Full-time equated classified positions	302.0		
Aquatic nuisance control program--FTEs	6.0	$	992,300
Dam and flood mitigation grants			20,000,000
Federal - Great Lakes remedial action plan grants			583,800
Fish contaminant monitoring			316,100
Great Lakes restoration initiative--FTEs	9.0		11,267,700
Groundwater data collection--FTEs	3.0		2,013,600

Nonpoint source pollution prevention and control project program			4,083,300
Technology advancements for water monitoring			500,000
Water quality programs--FTEs	116.0		20,006,400
Water quality protection grants			100,000
Water resource programs--FTEs	168.0		28,132,900
GROSS APPROPRIATION		**$**	**87,996,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from state transportation department			2,037,300
Federal revenues:			
Federal funds			34,924,900
Special revenue funds:			
Aquatic nuisance control fund			992,300
Aquifer protection revolving fund			520,000
Environmental response fund			590,000
Groundwater discharge permit fees			2,235,600
Infrastructure construction fund			52,000
Land and water permit fees			2,450,500
Refined petroleum fund			456,000
Sewage sludge land application fees			918,900
Soil erosion and sedimentation control training fund			143,500
Stormwater permit fees			669,500
Wastewater operator training fees			317,400
Water pollution control revolving fund			152,500
Water quality protection fund			100,000
Water use reporting fees			350,000

State general fund/general purpose		**$**	**41,085,700**
Sec. 104. AIR QUALITY DIVISION			
Full-time equated classified positions	200.0		
Air quality programs--FTEs	200.0	$	34,442,200
GROSS APPROPRIATION		**$**	**34,442,200**
Appropriated from:			
Federal revenues:			
Federal funds			7,680,100
Special revenue funds:			
Air emissions fees			10,952,600
Asbestos inspection fund			2,000,000
Fees and collections			214,300
Oil and gas regulatory fund			148,700
Public utility assessments			150,000
Refined petroleum fund			2,138,500
State general fund/general purpose		**$**	**11,158,000**
Sec. 105. REMEDIATION AND REDEVELOPMENT DIVISION			
Full-time equated classified positions	297.0		
Contaminated site remediation and redevelopment programs--FTEs	297.0	$	68,802,700
Emergency cleanup actions			2,000,000
Environmental cleanup and redevelopment program			27,600,000
Superfund cleanup			9,000,000
GROSS APPROPRIATION		**$**	**107,402,700**
Appropriated from:			
Federal revenues:			
Federal funds			15,752,600
Special revenue funds:			

Cleanup and redevelopment fund				46,916,900
Environmental response fund				1,442,100
Laboratory services fees				8,293,100
Public water supply fees				328,500
Refined petroleum fund				33,569,500
State brownfield redevelopment fund				1,100,000
State general fund/general purpose			**$**	**0**
Sec. 106. UNDERGROUND STORAGE TANK AUTHORITY				
Full-time equated classified positions	10.0			
Underground storage tank cleanup program--FTEs	10.0	$		19,817,300
GROSS APPROPRIATION			**$**	**19,817,300**
Appropriated from:				
Special revenue funds:				
Underground storage tank cleanup fund				19,817,300
State general fund/general purpose			**$**	**0**
Sec. 107. RENEWING MICHIGAN'S ENVIRONMENT				
Full-time equated classified positions	158.0			
Information management--FTEs	18.0	$		4,539,300
Renew Michigan program--FTEs	140.0			69,595,800
GROSS APPROPRIATION			**$**	**74,135,100**
Appropriated from:				
Interdepartmental grant revenues:				
IDG from department of state police				6,800
IDG from state transportation department				6,300
Federal revenues:				
Federal funds				5,800
Special revenue funds:				
Air emissions fees				65,900

Aquatic nuisance control fund	4,600
Campground fund	1,200
Cleanup and redevelopment fund	182,400
Coal ash care fund	1,000
Electronic waste recycling fund	1,100
Environmental pollution prevention fund	39,800
Fees and collections	120,200
Financial instruments	277,300
Great Lakes protection fund	1,200
Groundwater discharge permit fees	10,700
Laboratory services fees	45,000
Land and water permit fees	14,400
Medical waste emergency response fund	1,100
Mineral well regulatory fee revenue	500
Nonferrous metallic mineral surveillance	1,300
NPDES fees	24,900
Oil and gas regulatory fund	33,300
Orphan well fund	5,500
Public swimming pool fund	1,400
Public water supply fees	26,900
Refined petroleum fund	228,500
Renew Michigan fund	69,907,500
Scrap tire regulatory fund	13,200
Septage waste program fund	1,600
Sewage sludge land application fees	4,600
Soil erosion and sedimentation control training fund	200
Solid waste management fund - staff account	57,100

Stormwater permit fees			12,300
Technologically enhanced naturally occurring radioactive material			2,000
Underground storage tank cleanup fund			17,000
Wastewater operator training fees			2,800
Water quality protection fund			500
Water use reporting fees			1,100
State general fund/general purpose	**$**	**3,008,100**
Sec. 108. INFORMATION TECHNOLOGY		
Information technology services and projects	$	7,775,300
GROSS APPROPRIATION	**$**	**7,775,300**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of state police		23,700
IDG from state transportation department		31,100
Federal revenues:		
Federal funds		2,062,300
Special revenue funds:		
Air emissions fees		246,800
Aquatic nuisance control fund		22,900
Campground fund		7,300
Cleanup and redevelopment fund		807,100
Coal ash care fund		5,000
Electronic waste recycling fund		10,600
Environmental pollution prevention fund		158,500
Fees and collections		5,700
Financial instruments		1,084,000
Great Lakes protection fund		11,400

Groundwater discharge permit fees	35,200
Infrastructure construction fund	800
Laboratory services fees	189,600
Land and water permit fees	56,400
Medical waste emergency response fund	10,600
Metallic mining surveillance fee revenue	1,700
Mineral well regulatory fee revenue	5,000
Nonferrous metallic mineral surveillance	5,000
NPDES fees	101,400
Oil and gas regulatory fund	131,600
Orphan well fund	20,400
Public swimming pool fund	14,800
Public utility assessments	19,600
Public water supply fees	108,600
Refined petroleum fund	961,200
Renew Michigan fund	1,142,100
Sand extraction fee revenue	800
Scrap tire regulatory fund	53,100
Septage waste program fund	13,900
Sewage sludge land application fees	21,200
Soil erosion and sedimentation control training fund	3,300
Solid waste management fund - staff account	211,700
Stormwater permit fees	53,100
Technologically enhanced naturally occurring radioactive material	9,800
Underground storage tank cleanup fund	73,600
Wastewater operator training fees	13,100

Water pollution control revolving fund			33,200
Water quality protection fund			2,400
Water use reporting fees			5,700
State general fund/general purpose		**$**	**0**
Sec. 109. DRINKING WATER AND ENVIRONMENTAL HEALTH			
Full-time equated classified positions	145.0		
Drinking water and environmental health--FTEs	145.0	$	35,577,200
GROSS APPROPRIATION		**$**	**35,577,200**
Appropriated from:			
Federal revenues:			
Federal funds			13,702,900
Special revenue funds:			
Campground fund			377,500
Fees and collections			34,500
Public swimming pool fund			751,500
Public water supply fees			5,034,000
Refined petroleum fund			761,100
Septage waste program fund			618,000
Wastewater operator training fees			267,700
State general fund/general purpose		**$**	**14,030,000**
Sec. 110. MATERIALS MANAGEMENT DIVISION			
Full-time equated classified positions	126.0		
Energy programs--FTEs	13.0	$	6,278,500
Material management programs--FTEs	113.0		23,521,800
GROSS APPROPRIATION		**$**	**29,800,300**
Appropriated from:			
Interdepartmental grant revenues:			

IDG from department of state police			1,566,600
Federal revenues:			
Federal funds			7,281,100
Special revenue funds:			
Private funds			652,600
Cleanup and redevelopment fund			1,072,600
Coal ash care fund			268,100
Community pollution prevention fund			250,000
Electronic waste recycling fund			333,700
Energy efficiency and renewable energy revolving loan fund			250,100
Environmental pollution prevention fund			4,110,100
Medical waste emergency response fund			454,500
Public utility assessments			1,806,200
Retired engineers technical assistance program fund			491,200
Scrap tire regulatory fund			5,008,300
Small business pollution prevention revolving loan fund			134,400
Solid waste management fund - staff account			5,662,000
Technologically enhanced naturally occurring radioactive material			458,800
State general fund/general purpose		**$**	**0**
Sec. 111. OIL, GAS, AND MINERALS DIVISION			
Full-time equated classified positions	60.0		
Oil, gas, and mineral services--FTEs	60.0	$	22,261,600
GROSS APPROPRIATION		**$**	**22,261,600**
Appropriated from:			

Interdepartmental grant revenues:			
IDG from department of licensing and regulatory affairs			223,100
Federal revenues:			
Federal funds			153,100
Infrastructure investment and jobs act fund			5,155,400
Special revenue funds:			
Metallic mining surveillance fee revenue			92,500
Mineral well regulatory fee revenue			216,000
Native copper mine fund			50,000
Nonferrous metallic mineral surveillance			385,800
Oil and gas regulatory fund			3,881,800
Orphan well fund			2,351,500
Sand extraction fee revenue			91,100
State general fund/general purpose		**$**	**9,661,300**
Sec. 112. WATER INFRASTRUCTURE			
Full-time equated classified positions	30.0		
Lead service line replacement		$	13,601,300
Municipal assistance--FTEs	30.0		6,695,300
Sewer and water infrastructure upgrade grants			10,000,000
Water state revolving funds			354,000,000
GROSS APPROPRIATION		**$**	**384,296,600**
Appropriated from:			
Federal revenues:			
Federal funds			40,304,000
Infrastructure investment and jobs act fund			270,000,000
Special revenue funds:			
Make it in Michigan competitiveness fund			39,000,000

Revolving loan revenue bonds		10,000,000
Water pollution control revolving fund		774,300
State general fund/general purpose	**$**	**24,218,300**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state resources is $435,843,600.00 and total state spending under part 1 from state sources to be paid to local units of government is $55,933,300.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY		
Brownfield grants	$	1,000,000
Drinking water and environmental health		8,786,000
Emergency cleanup actions		116,000
Energy programs		460,000
Lead service line replacement		13,601,300
Material management programs		1,270,000
Renew Michigan program		20,000,000
Sewer and water infrastructure upgrade grants		10,000,000
Technology advancements for water monitoring		500,000
Water quality programs		200,000
TOTAL	**$**	**55,933,300**

Sec. 202. The appropriations under this part and part 1 are

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

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of environment, Great Lakes, and energy.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated.

(d) "IDG" means interdepartmental grant.

(e) "NPDES" means the national pollutant discharge elimination system.

(f) "Standard report recipients" means the senate appropriations subcommittee on environment, Great Lakes, and energy; the house appropriations subcommittee on environment, Great Lakes, and energy; the senate and house fiscal agencies; the senate and house policy offices; and the state budget office.

Sec. 204. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this part, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 206. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 207. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the required recipients by email and posting the reports on an internet site.

Sec. 208. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state laws and regulations.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house

appropriations committees.

Sec. 210. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) The number of in-person hours and remote hours worked by employees, by job classification. In-person and remote work hours must be listed by month and the fourth quarter report must include a cumulative total for the fiscal year.

(f) Job specifications and wage rates.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list travel outside of this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, and other revenues.

Sec. 213. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and the senate and house appropriations committees.

Sec. 214. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act number. The department shall submit the report to the standard report recipients, the senate and house appropriations committees,

and the joint committee on administrative rules.

Sec. 215. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than by February 1, report on the total amount of severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 216. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in-person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must report to the office before beginning field work. Field service employees include, but are not limited to, protective services

workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 217. (1) Funds appropriated in part 1 that are used for grants or grant programs are subject to the following conditions:

(a) Grant funds must be provided only to an entity that is established or operating in this state or another state for more than 3 years before approval or disbursement of grant funds.

(b) Grant funds must be provided only to an entity that has an office in this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity shall submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of the program.

(3) The report under subsection (2) must include the following

statements made by the department:

(a) A statement that confirms the department reviewed and affirmed the compliance of each grant recipient to program scope and expenditure of grant funding.

(b) A statement that confirms the department reviewed applicable program reports and requests for reimbursement.

Sec. 218. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 219. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien under 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 221. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $3,000,000.00 for state restricted contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 222. To the extent possible, the department shall not expend appropriations in part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts including amounts

expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $25,310,000.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $22,828,000.00. Total department appropriations for retiree health care legacy costs are estimated at $2,482,000.00.

Sec. 225. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department must notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 226. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the

wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 227. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount and source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 228. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs or as outlined in federal Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 229. (1) The department may expend amounts remaining from the current and prior fiscal year appropriations to meet funding needs of the environmental cleanup and redevelopment program, environmental cleanup support, contaminated site remediation and redevelopment programs, contaminated site cleanup, contaminated site cleanup contingency reserve, premcor remediation activities, PFAS remediation grant program, the renew Michigan program, the refined petroleum product cleanup program, brownfield grants and loans, waterfront grants, and the environmental bond site reclamation program.

(2) Unexpended and unencumbered amounts remaining from appropriations from the clean Michigan initiative fund - response activities contained in 2011 PA 63, 2013 PA 59, 2014 PA 252, 2015 PA 84, 2016 PA 268, and 2017 PA 107, are appropriated for expenditure.

(3) Unexpended and unencumbered amounts remaining from appropriations from the refined petroleum fund activities contained in 2013 PA 59, 2014 PA 252, 2015 PA 84, 2016 PA 268, 2017 PA 107, 2018 PA 207, 2019 PA 57, 2020 PA 166, 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 are appropriated for expenditure.

(4) Unexpended and unencumbered amounts remaining from the appropriations from the strategic water quality initiatives fund contained in 2011 PA 50, 2011 PA 63, 2012 PA 200, 2013 PA 59, 2014 PA 252, 2015 PA 84, 2016 PA 268, and 2017 PA 107, and 2018 PA 207, are appropriated for expenditure.

(5) For the strategic water quality initiatives fund, funds not yet disbursed are appropriated for expenditure for the same program under sections 5201, 5202, and 5204e of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5201, 324.5202, and 324.5204e.

(6) Unexpended and unencumbered amounts remaining from the appropriations from the renew Michigan fund contained in 2018 PA 207, 2019 PA 57, 2020 PA 166, 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121, are appropriated for expenditure.

(7) Unexpended and unencumbered amounts remaining from the appropriations from the contaminated site cleanup contingency fund contained in 2021 PA 87 and 2022 PA 166, are appropriated for expenditure.

(8) Unexpended and unencumbered amounts remaining from the

appropriations from the cleanup and redevelopment fund contained in 2022 PA 166, and 2023 PA 119 are appropriated for expenditure.

Sec. 230. Revenues that remain in the settlements fund at the end of the fiscal year carry forward into the succeeding fiscal year.

Sec. 231. (1) Not later than 10 days after the effective date of this act, the department shall provide a report to the standard report recipients that contains the following information:

(a) A list of any sections in this act that the department determines to be unenforceable, with a detailed legal rationale for those determinations, as applicable.

(b) If a determination under subdivision (a) would affect the operations of a program or programs within the department, the department must report the estimated difference in cost between the policy outlined in the section determined to be unenforceable and the policy the department intends to pursue.

(2) The department may coordinate with the executive office of the governor or other state departments or agencies to compile a statewide report for any departments or agencies required to submit a report substantially similar to the report described under subsection (1).

Sec. 235. (1) Semiannually, the department shall prepare a report that contains information regarding all remediation and redevelopment efforts funded from part 1.

(2) The report must contain the following information:

(a) List of sites where work is planned to occur, including the county for each site.

(b) The type of site, whether refined petroleum cleanup, nonrefined petroleum cleanup, brownfield, or a combination of

types.

(c) A brief description of how the issue will be addressed, including whether contractors will be utilized.

(d) The estimated date for project completion.

(e) The amount and funding source or sources allocated to the site.

(3) The report must be submitted to the senate and house subcommittees on the environment, Great Lakes, and energy and the state budget director.

Sec. 236. The department shall provide a report to the standard report recipients and to the senate and house appropriations committees that details the expenditure of departmental funds appropriated in 2015 PA 143, 2016 PA 3, 2016 PA 268, and 2016 PA 340. The report must include the following:

(a) The names and locations of entities receiving funds.

(b) The purpose for each expenditure.

(c) The status of programs supported by this funding.

(d) A brief description of how related problems have been or will be resolved if expenditures are made for immediate response.

(e) The job titles and number of departmental FTEs engaged in the Flint declaration of emergency response effort.

Sec. 238. The department shall submit a report to the senate and house standing committees and appropriations subcommittees with primary responsibility for issues under the jurisdiction of the department that details departmental activities of the most recent fiscal year in administering permitting programs. The report must include, at a minimum, all of the following:

(a) The number of FTEs assigned to each permitting program and the number of unfilled positions at the beginning and end of the

most recent fiscal year.

(b) The number of permit applications received by the department in the preceding year, including applications for new and increased uses and reissuances.

(c) The number of permits for each program approved.

(d) The number of permits for each program denied.

(e) The percentage and number of permit applications that were reviewed for administrative completeness within statutory time frames.

(f) The percentage and number of permit applications for which a final action was taken by the department within statutory time frames for new and increased uses and reissuances.

(g) Activities to reduce any backlog of permits that exceed the statutory time frames and the average time frame for permit approvals for each program.

(h) Activities to reduce the percentage of permit applications submitted as incomplete, in need of modification, or additional information before final determination.

(i) Under conditions in which the department states a permit is incomplete or denied, the department shall provide an explanation as to the reason or reasons the permit is insufficient and how the permit can be strengthened or made complete.

Sec. 242. If the department responds to a significant incident to protect life or property, within 12 hours after the department response to a significant incident at a site in this state, the department shall notify the senate and house members whose district includes the site in writing.

Sec. 247. Before January 1 the department shall report to the standard report recipients any need to reallocate FTE positions

between or among appropriations.

Sec. 248. The department must issue permits in accordance with each permit's statutory timeline and shall report progress under this section to the standard report recipients on a quarterly basis.

Sec. 249. (1) Funds appropriated in part 1 must not be used by the department to promulgate a rule that will apply to small businesses and have a disproportionate economic impact on small businesses because of the size of those businesses if the department fails to reduce the disproportionate economic impact of the rule on small businesses as provided under section 40 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

(2) As used in this section:

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

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

Sec. 250. To the extent allowed under state and federal law, the department must provide written justification for any modifications to permit standards. Justifications must cite relevant statute or administrative rules. Scientific justification must be cited in the absence of statutory or administrative rules citations.

Sec. 251. (1) To the extent allowed under state and federal law, applicants shall receive a 10% discount on permit fees for every 30 days a permit review process remains incomplete beyond the permit application review time frame as defined in statute or administrative rules.

(2) The department shall report quarterly on the fiscal impact of discounts given under this section to the standard report recipients.

Sec. 252. The department shall collaborate with qualified technical experts to develop and distribute permitting guidebooks. Qualified technical experts shall contribute subject-specific guidance relevant to the experts' respective fields. The guidebooks' areas of focus must include groundwater discharge permitting for large livestock operations, meat processors, and fruit and vegetable processors.

REMEDIATION AND REDEVELOPMENT DIVISION

Sec. 301. Revenues remaining in the laboratory services fees fund at the end of the fiscal year carry forward into the succeeding fiscal year.

Sec. 302. The unexpended funds appropriated in part 1 for contaminated site remediation and redevelopment programs, emergency cleanup actions, and environmental cleanup and redevelopment programs are designated as work project appropriations, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the projects is to provide contaminated site cleanup.

(b) The projects will be accomplished by utilizing contracts with service providers.

(c) The total estimated cost of all projects is identified in

each line-item appropriation.

(d) The tentative completion date is September 30, 2030.

Sec. 304. (1) In addition to the money appropriated in part 1, the department may receive and expend money from the subaccounts of the cleanup and redevelopment fund as described under section 20108 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20108, including the environmental response fund or the natural resource damages fund, to provide funding for actions by the department that are authorized by a court of competent jurisdiction and set forth in a final court order or judgment in an action to which the department is a party.

(2) By January 30, the department shall submit a report to the appropriations subcommittees, the fiscal agencies, and the state budget office that provides a summary of the expenditures incurred under this section during the preceding fiscal year.

Sec. 305. It is the intent of the legislature to repay the refined petroleum fund for the $70,000,000.00 that was transferred to the environmental protection fund created in section 503a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.503a, as part of the resolution for the fiscal year 2006-2007 budget.

Sec. 306. From the funds appropriated in part 1 for contaminated site remediation and redevelopment programs, an amount equivalent to the average annual revenue generated by unclaimed bottle deposits between October 1, 2015 to September 30, 2022, is designated for the establishment of local recycling centers.

WATER RESOURCES DIVISION

Sec. 401. (1) Funds appropriated in part 1 under section 103

for the water resources division must not be expended until the department establishes and publishes testing standards that are not more stringent than federal standards for per- and polyfluoroalkyl substances based on the water quality certification determinations made under the federal water pollution control act, 33 USC 1341.

(2) The department shall report progress made under this section to the standard report recipients not later than January 1.

Sec. 402. Funds appropriated in part 1 under section 103 for the water resources division must not be expended until the department reports the following to the standard report recipients:

(a) The number of permit application decision appeals filed in the previous fiscal year.

(b) The number of permit applications approved within 30 days, 60 days, 90 days, 6 months, and 1 year after an application is determined to be administratively complete.

Sec. 403. Funds appropriated in part 1 for dam and flood mitigation grants must be awarded for dam construction, flood control, flood mitigation, and flood prevention. Priority must be given to projects that prioritize preventative measures.

Sec. 410. From the funds appropriated in part 1, the department shall compile a report by November 1 of every fiscal year ending in an odd number on the status of the implementation plan for the western Lake Erie basin collaborative agreement. In an effort to learn more about the presence and timing of harmful algal blooms, the report shall contain all of the following:

(a) An estimated cost of removal of total phosphorus per pound at the 4 major wastewater treatment plants.

(b) A description of the grants that have been awarded.

(c) A description of the work that has commenced on the issue

of dissolved reactive phosphorus, the expected objectives and outcomes of that work, and a list of the parties involved in that effort.

(d) A description of the efforts and outcomes aimed at the total phosphorus reduction for the River Raisin watershed.

Sec. 411. From funds appropriated in part 1 for water quality programs, $150,000.00 is allocated to the continuation of the department's contract for the cooperative lakes monitoring program and the voluntary stream monitoring program to ensure the continued operation of these programs.

UNDERGROUND STORAGE TANK AUTHORITY

Sec. 701. The unexpended funds appropriated in part 1 for underground storage tank cleanup program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide underground storage tank cleanup.

(b) The project will be accomplished by utilizing contracts with service providers.

(c) The total estimated cost of the project is $20,000,000.00.

(d) The tentative completion date is September 30, 2030.

RENEWING MICHIGAN'S ENVIRONMENT

Sec. 801. The unexpended funds appropriated in part 1 for

renewing Michigan's environment program are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is for environmental cleanup and redevelopment, waste management, and recycling.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is $70,495,800.00.

(d) The tentative completion date is September 30, 2030.

MATERIALS MANAGEMENT DIVISION

Sec. 901. In addition to the money appropriated in part 1, the department may receive and expend money from the Volkswagen Environmental Mitigation Trust Agreement to provide funding for activities as outlined within the State's Mitigation Plan. The department shall prepare a report to the appropriations subcommittees, the fiscal agencies, and the state budget office by February 1, 2026 of the expenditures incurred under this section during the fiscal year ending September 30, 2025.

WATER INFRASTRUCTURE

Sec. 951. The funds appropriated in part 1 for lead service line replacement must be used to support lead service line replacement and associated activities, including, but not limited to, water main replacement to promote coordinated water

infrastructure work in overburdened and significantly overburdened communities, as those terms are defined by the department in accordance with the requirements under parts 53 and 54 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5301 to 324.5316 and 324.5401 to 324.5418.

Sec. 952. From the funds appropriated in part 1 for water state revolving funds, a minimum of 25% of the funds must be awarded to communities with populations of less than 20,000.

Sec. 953. Funds appropriated in part 1 for sewer and water infrastructure upgrade grants must be awarded to counties, municipalities, or utility authorities to upgrade aging sewer and water infrastructure, including transmission and treatment.

ARTICLE 5

GENERAL GOVERNMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the legislature, the executive, the department of the attorney general, the department of state, the department of treasury, the department of technology, management, and budget, the department of civil rights, and certain state purposes related to those branches and departments for the fiscal year ending September 30, 2026, from the following funds:

TOTAL GENERAL GOVERNMENT		
APPROPRIATION SUMMARY		
Full-time equated unclassified positions	34.0	
Full-time equated classified positions	6,735.9	
GROSS APPROPRIATION		**$ 4,691,024,000**
Interdepartmental grant revenues:		

Total interdepartmental grants and intradepartmental transfers			1,027,439,300
ADJUSTED GROSS APPROPRIATION		**$**	**3,663,584,700**
Federal revenues:			
Total federal revenues			37,439,300
Special revenue funds:			
Total local revenues			11,192,600
Total private revenues			739,600
Total other state restricted revenues			2,599,568,900
State general fund/general purpose		**$**	**1,014,644,300**
Sec. 102. DEPARTMENT OF ATTORNEY GENERAL			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	1.0		
Full-time equated classified positions	530.4		
GROSS APPROPRIATION		**$**	**91,368,600**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			32,929,500
ADJUSTED GROSS APPROPRIATION		**$**	**58,439,100**
Federal revenues:			
Total federal revenues			8,811,200
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			19,883,400
State general fund/general purpose		**$**	**29,744,500**
(2) ATTORNEY GENERAL OPERATIONS			
Full-time equated classified positions	530.4		

Attorney general		$	112,500
Alcohol and gambling enforcement--FTEs	15.0		2,554,900
Assistance with convictions and expungements--FTEs	10.0		1,667,500
Child elder family financial crimes--FTEs	15.0		2,639,700
Child support enforcement--FTEs	25.0		3,419,600
Children and Youth Services --FTEs	24.0		4,110,800
Civil rights and elections--FTEs	13.0		2,275,700
Collections--FTEs	13.0		2,148,500
Corporate oversight--FTEs	31.0		5,299,300
Corrections--FTEs	31.0		5,325,800
Criminal appellate and parole appeals--FTEs	14.0		2,383,100
Criminal investigations--FTEs	12.0		2,057,900
Criminal trials--FTEs	27.0		4,639,700
Department of attorney general--FTEs	19.0		3,621,500
Departmentwide--FTEs	4.0		665,500
Environment, natural resources and agriculture --FTEs	26.0		4,477,200
Executive office--FTEs	6.0		845,800
Finance--FTEs	10.0		1,771,400
Fiscal management--FTEs	6.0		973,300
Health care fraud--FTEs	31.0		5,175,500
Health education and family services--FTEs	27.0		4,625,500
Human resources--FTEs	5.0		812,700
Labor--FTEs	25.0		4,292,300
Licensing and regulation --FTEs	23.0		3,974,800
Office of communications--FTEs	5.0		855,200
Office of legislative affairs--FTEs	1.4		161,800

Opinions review board--FTEs	2.0	229,200
Prosecuting attorneys coordinating council--FTEs	14.0	2,757,600
Public administration --FTEs	2.0	323,000
Public service commission--FTEs	10.0	1,782,200
Revenue and tax --FTEs	22.0	3,806,000
Solicitor general--FTEs	5.0	796,500
Special lawsuits		100
Special litigation--FTEs	11.0	1,829,400
State operations --FTEs	35.0	5,928,100
Transportation --FTEs	10.0	1,682,900
Victim rights/victim services--FTE	1.0	82,900
GROSS APPROPRIATION	**$**	**90,105,400**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOC		657,000
IDG from MDE		733,700
IDG from EGLE		2,183,000
IDG from MDHHS, health policy		294,100
IDG from MDHHS, human services		6,161,900
IDG from MDHHS, medical services administration		688,000
IDG from MDHHS, WIC		330,400
IDG from MDIFS, financial and insurance services		1,143,000
IDG from LEO, Michigan occupational safety and health administration		166,300
IDG from LEO, workforce development		89,300

IDG from MDLARA, bureau of marijuana regulatory agency	2,252,300
IDG from MDLARA, fireworks safety fund	80,700
IDG from MDLARA, health professions	1,618,900
IDG from MDLARA, licensing and regulation fees	709,400
IDG from MDLARA, remonumentation fees	104,900
IDG from MDLARA, securities fees	698,000
IDG from MDLARA, unlicensed builders	1,063,100
IDG from MDMVA	161,500
IDG from MDOS, children's protection registry	40,500
IDG from MDOT, comprehensive transportation fund	99,800
IDG from MDOT, state aeronautics fund	175,100
IDG from MDOT, state trunkline fund	1,989,100
IDG from MDSP	226,600
IDG from MDTMB	1,203,700
IDG from MDTMB, civil service commission	304,700
IDG from MDTMB, risk management revolving fund	1,257,400
IDG from MILEAP	523,500
IDG from Michigan state housing development authority	1,147,300
IDG from Michigan strategic fund	180,400
IDG from treasury	6,645,900
Federal revenues:	
DAG, state administrative match grant/food stamps	123,300
Federal funds	2,787,800
HHS, medical assistance, medigrant	372,200

HHS-OS, state Medicaid fraud control units	5,527,900
National criminal history improvement program	109,800
Special revenue funds:	
Antitrust enforcement collections	759,200
Attorney general's operations fund	4,006,600
Auto repair facilities fees	329,900
Franchise fees	380,700
Game and fish protection fund	614,200
Human trafficking commission fund	153,000
Liquor purchase revolving fund	1,464,700
Michigan employment security act - administrative fund	2,241,800
Michigan merit award trust fund	481,400
Michigan opioid healing and recovery	177,300
Michigan state waterways fund	136,700
Mobile home code fund	246,200
Prisoner reimbursement	702,600
Prosecuting attorneys training fees	409,600
Public utility assessments	1,952,400
Reinstatement fees	256,300
Retirement funds	1,043,300
Second injury fund	595,800
Self-insurers security fund	364,500
Silicosis and dust disease fund	105,000
State building authority revenue	119,300
State casino gaming fund	1,769,500
State lottery fund	348,600
Utility consumer representation fund	860,200

Worker's compensation administrative revolving fund			364,600
State general fund/general purpose		**$**	**28,371,500**
(3) INFORMATION TECHNOLOGY			
Information technology services and projects		$	1,263,200
GROSS APPROPRIATION		**$**	**1,263,200**
Appropriated from:			
State general fund/general purpose		**$**	**1,263,200**
Sec. 103. DEPARTMENT OF CIVIL RIGHTS			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	95.8		
GROSS APPROPRIATION		**$**	**13,592,000**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**13,592,000**
Federal revenues:			
Total federal revenues			2,599,500
Special revenue funds:			
Total local revenues			0
Total private revenues			18,700
Total other state restricted revenues			52,600
State general fund/general purpose		**$**	**10,921,200**
(2) CIVIL RIGHTS OPERATIONS			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	95.8		
Unclassified salaries--FTEs	6.0	$	844,500

Complaint investigation and enforcement--FTEs	70.0		9,121,600
Division on deaf, deafblind, and hard of hearing--FTEs	2.0		210,700
Executive office--FTEs	16.8		1,910,100
Public affairs--FTEs	7.0		923,200
GROSS APPROPRIATION		**$**	**13,010,100**
Appropriated from:			
Federal revenues:			
EEOC, state and local antidiscrimination agency contracts			1,128,300
HUD, grant			1,460,000
Special revenue funds:			
Private revenues			18,700
State restricted indirect funds			52,600
State general fund/general purpose		**$**	**10,350,500**
(3) INFORMATION TECHNOLOGY			
Information technology services and projects		$	581,900
GROSS APPROPRIATION		**$**	**581,900**
Appropriated from:			
Federal revenues:			
EEOC, state and local antidiscrimination agency contracts			11,200
State general fund/general purpose		**$**	**570,700**
Sec. 104. EXECUTIVE OFFICE			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	86.2		
GROSS APPROPRIATION		**$**	**9,609,200**

Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**9,609,200**
Federal revenues:			
Total federal revenues			0
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			0
State general fund/general purpose		**$**	**9,609,200**
(2) EXECUTIVE OFFICE OPERATIONS			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	86.2		
Unclassified salaries--FTEs	8.0	$	1,670,500
Governor			159,300
Lieutenant governor			111,600
Executive office--FTEs	86.2		7,667,800
GROSS APPROPRIATION		**$**	**9,609,200**
Appropriated from:			
State general fund/general purpose		**$**	**9,609,200**
Sec. 105. LEGISLATURE			
(1) APPROPRIATION SUMMARY			
GROSS APPROPRIATION		**$**	**235,734,000**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			7,555,600
ADJUSTED GROSS APPROPRIATION		**$**	**228,178,400**

Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		481,700
Total other state restricted revenues		4,054,600
State general fund/general purpose	**$**	**223,642,100**
(2) LEGISLATURE		
Senate	$	52,057,000
Senate automated data processing		3,290,000
Senate fiscal agency		4,978,400
House of representatives		76,450,500
House automated data processing		3,290,000
House fiscal agency		4,978,400
GROSS APPROPRIATION	**$**	**145,044,300**
Appropriated from:		
State general fund/general purpose	**$**	**145,044,300**
(3) LEGISLATIVE COUNCIL		
Legislative corrections ombudsman	$	1,633,400
Legislative council		17,218,600
Legislative service bureau automated data processing		3,823,500
Michigan veterans' facility ombudsman		379,700
Office of tribal legislative liasion		515,000
Worker's compensation		182,400
GROSS APPROPRIATION	**$**	**23,752,600**
Appropriated from:		
State general fund/general purpose	**$**	**23,752,600**

(4) LEGISLATIVE RETIREMENT SYSTEM		
General nonretirement expenses	$	6,468,500
GROSS APPROPRIATION	**$**	**6,468,500**
Appropriated from:		
Special revenue funds:		
Court fees		1,505,200
State general fund/general purpose	**$**	**4,963,300**
(5) PROPERTY MANAGEMENT		
Binsfeld Office Building and other properties	$	10,161,000
Cora Anderson Building		7,029,800
GROSS APPROPRIATION	**$**	**17,190,800**
Appropriated from:		
State general fund/general purpose	**$**	**17,190,800**
(6) STATE CAPITOL HISTORIC SITE		
General operations	$	6,771,300
Restoration, renewal, and maintenance		4,079,900
GROSS APPROPRIATION	**$**	**10,851,200**
Appropriated from:		
Special revenue funds:		
Private - gifts and bequests		481,700
State general fund/general purpose	**$**	**10,369,500**
(7) OFFICE OF THE AUDITOR GENERAL		
Unclassified positions	$	446,500
Field operations		31,980,100
GROSS APPROPRIATION	**$**	**32,426,600**
Appropriated from:		
Interdepartmental grant revenues:		

IDG, commercial mobile radio system emergency telephone fund	46,200
IDG, contract audit administration fees	90,000
IDG, deferred compensation funds	120,000
IDG, emp ben div postemployment life insurance benefit	23,700
IDG from LEO, self-insurers security fund	99,900
IDG from DHHS, human services	40,000
IDG from MDLARA, liquor purchase revolving fund	150,400
IDG from MDMVA, Michigan veterans' facility authority	108,200
IDG from MDOT, comprehensive transportation fund	48,500
IDG from MDOT, Michigan transportation fund	393,900
IDG from MDOT, state aeronautics fund	38,100
IDG from MDOT, state trunkline fund	914,900
IDG, legislative retirement system	31,900
IDG, Michigan economic development corporation	157,400
IDG, Michigan education trust fund	82,000
IDG, Michigan finance authority	306,900
IDG, Michigan justice training commission fund	70,000
IDG, Michigan strategic fund	269,000
IDG, office of retirement services	802,200
IDG, other restricted funding sources	27,200
IDG, pension schedules of employer allocations funds	248,000
IDG, single audit act	3,400,000
IDG, state sponsored group insurance fund	87,200

Special revenue funds:			
21st century jobs trust fund			120,300
Brownfield development fund			35,200
Game and fish protection account			39,100
MDTMB, civil service commission			221,900
Michigan state housing development authority fees			141,700
Michigan veterans' trust fund			2,000
Michigan veterans' trust fund income and assessments			23,000
Motor transport revolving fund			9,200
Office services revolving fund			12,700
State disbursement unit, office of child support			71,500
State services fee fund			1,858,700
Waterways account			14,100
State general fund/general purpose		**$**	**22,321,600**
Sec. 106. DEPARTMENT OF STATE			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	1.0		
Full-time equated classified positions	1,394.1		
GROSS APPROPRIATION		**$**	**222,496,100**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			20,000,000
ADJUSTED GROSS APPROPRIATION		**$**	**202,496,100**
Federal revenues:			
Total federal revenues			1,160,000

Special revenue funds:			
Total local revenues			0
Total private revenues			25,000
Total other state restricted revenues			198,551,300
State general fund/general purpose		**$**	**2,759,800**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	1.0		
Full-time equated classified positions	109.0		
Secretary of state		$	112,500
Executive direction--FTEs	25.0		3,751,500
Operations--FTEs	84.0		24,190,700
Property management			10,729,500
Worker's compensation			148,500
GROSS APPROPRIATION		**$**	**38,932,700**
Appropriated from:			
Special revenue funds:			
Abandoned vehicle fees			239,800
Auto repair facilities fees			130,400
Children's protection registry fund			270,700
Driver fees			2,601,700
Enhanced driver license and enhanced official state personal identification card fund			2,191,200
Parking ticket court fines			13,600
Personal identification card fees			101,900
Scrap tire fund			78,600
Transportation administration collection fund			33,087,300
State general fund/general purpose		**$**	**217,500**
(3) LEGAL SERVICES			

Full-time equated classified positions	134.0		
Operations--FTEs	134.0	$	16,397,000
GROSS APPROPRIATION		**$**	**16,397,000**
Appropriated from:			
Special revenue funds:			
Auto repair facilities fees			3,197,200
Driver education provider and instructor fund			150,000
Driver fees			1,658,500
Enhanced driver license and enhanced official state personal identification card fund			2,853,800
Reinstatement fees - operator licenses			590,200
Transportation administration collection fund			7,205,400
Vehicle theft prevention fees			741,900
State general fund/general purpose		**$**	**0**
(4) CUSTOMER DELIVERY SERVICES			
Full-time equated classified positions	1,093.6		
Branch operations--FTEs	811.4	$	76,196,300
Central operations--FTEs	280.2		41,869,300
Motorcycle safety education administration--FTEs	2.0		652,500
Motorcycle safety education grants			1,800,000
Organ donor program			64,500
GROSS APPROPRIATION		**$**	**120,582,600**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOT, Michigan transportation fund			20,000,000
Federal revenues:			
DOT			860,000

OHSP			300,000
Special revenue funds:			
Thomas Daley gift of life fund			25,000
Abandoned vehicle fees			450,900
Auto repair facilities fees			763,700
Child support clearance fees			100,000
Driver fees			22,881,500
Driver improvement course fund			800,000
Enhanced driver license and enhanced official state personal identification card fund			13,752,900
Expedient service fees			2,975,900
Marine safety fund			1,579,000
Michigan state police auto theft fund			123,000
Mobile home commission fees			509,700
Motorcycle safety and education awareness fund			350,000
Motorcycle safety fund			2,102,500
Off-road vehicle title fees			170,700
Parking ticket court fines			518,400
Personal identification card fees			2,372,600
Recreation passport fee revenue			1,000,000
Reinstatement fees - operator licenses			1,021,500
Snowmobile registration fee revenue			390,000
Transportation administration collection fund			46,709,800
Vehicle theft prevention fees			786,000
State general fund/general purpose		**$**	**39,500**
(5) ELECTION REGULATION			
Full-time equated classified positions	57.5		
County clerk education and training fund		$	100,000

Election administration and services--FTEs	57.5		12,492,000
Fees to local units			109,800
GROSS APPROPRIATION		**$**	**12,701,800**
Appropriated from:			
Special revenue funds:			
Election administration support fund			9,755,500
Notary education and training fund			100,000
Notary fee fund			343,500
State general fund/general purpose		**$**	**2,502,800**
(6) INFORMATION TECHNOLOGY			
Information technology services and projects		$	100
Michigan technology transparency fund			33,881,900
GROSS APPROPRIATION		**$**	**33,882,000**
Appropriated from:			
Special revenue funds:			
Administrative order processing fee			11,800
Auto repair facilities fees			129,800
Driver fees			789,600
Enhanced driver license and enhanced official state personal identification card fund			673,800
Expedient service fees			1,100,000
Personal identification card fees			174,000
Transportation administration collection fund			30,821,300
Vehicle theft prevention fees			181,700
State general fund/general purpose		**$**	**0**

Sec. 107. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

(1) APPROPRIATION SUMMARY

Full-time equated unclassified positions	6.0		
Full-time equated classified positions	3,050.4		
GROSS APPROPRIATION		**$**	**1,531,977,000**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			958,544,600
ADJUSTED GROSS APPROPRIATION		**$**	**573,432,400**
Federal revenues:			
Total federal revenues			3,216,000
Special revenue funds:			
Total local revenues			2,229,300
Total private revenues			173,900
Total other state restricted revenues			112,622,000
State general fund/general purpose		**$**	**455,191,200**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	826.1		
Unclassified salaries--FTEs	6.0	$	1,101,600
Administrative services--FTEs	161.1		22,560,500
Budget and financial management--FTEs	169.6		28,656,400
Building operation services--FTEs	259.2		94,464,800
Business support services--FTEs	82.7		9,811,700
Design and construction services--FTEs	37.6		6,017,700
Executive operations--FTEs	10.0		1,969,000
Michigan center for data and analytics--FTEs	32.9		4,169,400
Michigan digital service office--FTEs	15.0		5,000,000
Motor vehicle fleet--FTEs	35.5		85,727,900
Office of the state employer--FTEs	8.0		756,100

Property management			7,787,400
State archives--FTEs	14.5		1,723,800
GROSS APPROPRIATION		**$**	**269,746,300**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from accounting service centers user charges			5,711,100
IDG from building occupancy and parking charges			96,722,500
IDG from MDHHS, community health			425,800
IDG from MDHHS, human services			214,400
IDG from MDLARA			75,700
IDG from motor transport fund			85,727,900
IDG from technology user fees			9,578,900
IDG from user fees			6,115,500
Federal revenues:			
Federal funds			3,216,000
Special revenue funds:			
Local funds			25,200
Local - MPSCS subscriber and maintenance fees			21,100
Private funds			173,900
Health management funds			220,200
Legal services fund			100
Other agency charges			1,103,700
SIGMA user fees			1,988,400
Special revenue, internal service, and pension trust funds			13,275,200
State restricted indirect funds			2,831,000
State general fund/general purpose		**$**	**42,319,700**

(3) TECHNOLOGY SERVICES			
Full-time equated classified positions	1,604.7		
Enterprise user experience--FTEs	14.0	$	3,958,700
Homeland security initiative/cyber security--FTEs	29.0		18,154,700
Information technology services--FTEs	1,440.5		748,233,200
Michigan public safety communication system--FTEs	121.2		47,319,100
GROSS APPROPRIATION		**$**	**817,665,700**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from technology user fees			748,233,200
Special revenue funds:			
Local - MPSCS subscriber and maintenance fees			2,183,000
State general fund/general purpose		**$**	**67,249,500**
(4) STATEWIDE APPROPRIATIONS			
Professional development fund - AFSCME		$	50,000
Professional development fund - MPE, SEIU, scientific and engineering unit			100,000
Professional development fund - MPE, SEIU, technical unit			50,000
Professional development fund - NEREs			200,000
Professional development fund - UAW			700,000
GROSS APPROPRIATION		**$**	**1,100,000**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from employer contributions			1,100,000
State general fund/general purpose		**$**	**0**

(5) SPECIAL PROGRAMS			
Full-time equated classified positions	182.5		
Office of the child advocate--FTEs	22.0	$	3,834,000
Property management executive/legislative			1,424,800
Retirement services--FTEs	160.5		23,269,000
GROSS APPROPRIATION		**$**	**28,527,800**
Appropriated from:			
Special revenue funds:			
Deferred compensation			4,311,900
Pension trust funds			18,879,400
State general fund/general purpose		**$**	**5,336,500**
(6) STATE BUILDING AUTHORITY RENT			
State building authority rent - community colleges		$	38,032,600
State building authority rent - state agencies			81,465,200
State building authority rent - universities			142,153,900
GROSS APPROPRIATION		**$**	**261,651,700**
Appropriated from:			
State general fund/general purpose		**$**	**261,651,700**
(7) CIVIL SERVICE COMMISSION			
Full-time equated classified positions	437.1		
Agency services--FTEs	108.2	$	15,668,700
Employee benefits--FTEs	26.5		6,229,700
Executive direction--FTEs	32.0		8,019,200
Human resources operations--FTEs	270.4		32,377,500
Information technology services and projects			4,235,500
GROSS APPROPRIATION		**$**	**66,530,600**
Appropriated from:			

Special revenue funds:		
State restricted funds 1%		27,211,700
State restricted indirect funds		7,264,000
State sponsored group insurance		9,148,100
State general fund/general purpose	**$**	**22,906,800**
(8) CAPITAL OUTLAY		
Enterprisewide special maintenance for state facilities	$	14,000,000
Major special maintenance, remodeling, and addition for state agencies		3,800,000
GROSS APPROPRIATION	**$**	**17,800,000**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from building occupancy charges		3,800,000
State general fund/general purpose	**$**	**14,000,000**
(9) ONE-TIME APPROPRIATIONS		
Information technology investment fund	$	25,000,000
Information technology services and projects		43,954,900
GROSS APPROPRIATION	**$**	**68,954,900**
Appropriated from:		
IDG from building occupancy and parking charges		629,900
IDG from user fees		209,700
Deferred compensation		2,600
Pension trust funds		11,306,700
SIGMA user fees		2,533,800
Special revenue, internal service, and pension trust funds		461,300
State restricted funds 1%		10,000,000

State restricted indirect funds			2,083,900
State general fund/general purpose		**$**	**41,727,000**
Sec. 108. DEPARTMENT OF TREASURY			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	1,579.0		
GROSS APPROPRIATION		**$**	**2,586,247,100**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			8,409,600
ADJUSTED GROSS APPROPRIATION		**$**	**2,577,837,500**
Federal revenues:			
Total federal revenues			21,652,600
Special revenue funds:			
Total local revenues			8,963,300
Total private revenues			40,300
Total other state restricted revenues			2,264,405,000
State general fund/general purpose		**$**	**282,776,300**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	371.3		
Unclassified salaries--FTEs	10.0	$	1,272,900
Bureau of accounting and financial services--FTEs	58.2		6,751,300
Collections services bureau--FTEs	170.4		22,381,100
Department services--FTEs	57.7		6,023,900
Executive direction and operations--FTEs	43.2		5,228,100

Office of security and data risk management-- FTEs	15.0		2,018,400
Property management			6,675,100
Unclaimed property--FTEs	26.8		4,422,300
Worker's compensation			44,400
GROSS APPROPRIATION		**$**	**54,817,500**
Appropriated from:			
Interdepartmental grant revenues:			
IDG, data/collection services fees			277,600
IDG from accounting service center user charges			291,900
IDG from MDHHS, title IV-D			651,600
IDG, levy/warrant cost assessment fees			2,932,100
IDG, state agency collection fees			1,527,800
Federal revenues:			
DED-OPSE, federal lenders allowance			365,200
DED-OPSE, higher education act of 1965, insured loans			400,500
Special revenue funds:			
Delinquent tax collection revenue			28,922,100
Escheats revenue			4,422,300
Garnishment fees			2,139,000
Justice system fund			324,200
Marihuana regulation fund			1,009,900
Marihuana regulatory fund			151,600
MFA, bond and loan program revenue			472,400
State lottery fund			282,600
State restricted indirect funds			228,000
State services fee fund			323,700

Treasury fees			37,300
State general fund/general purpose		**$**	**10,057,700**
(3) LOCAL GOVERNMENT PROGRAMS			
Full-time equated classified positions	73.5		
Flint settlement payment		$	35,000,000
Local finance--FTEs	12.9		1,399,500
Michigan infrastructure council--FTEs	3.0		3,858,800
Property tax assessor training--FTE	1.0		947,900
Supervision of the general property tax law--FTEs	56.6		11,664,400
GROSS APPROPRIATION		**$**	**52,870,600**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOT, Michigan transportation fund			252,700
Special revenue funds:			
Local - assessor training fees			947,900
Local - audit charges			411,300
Local - equalization study charge-backs			29,500
Local - revenue from local government			73,900
Delinquent tax collection revenue			1,216,000
Land reutilization fund			1,530,700
Municipal finance fees			394,200
State general fund/general purpose		**$**	**48,014,400**
(4) TAX PROGRAMS			
Full-time equated classified positions	650.3		
Bottle act implementation		$	250,000
Home heating assistance			3,101,300
Insurance provider assessment program--FTEs	5.0		1,358,500

Living donor tax credit			750,000
Office of revenue and tax analysis--FTEs	19.7		3,508,000
Tax and economic policy--FTEs	41.4		8,570,000
Tax compliance--FTEs	263.3		35,941,200
Tax processing--FTEs	309.9		35,498,500
Tobacco tax enforcement--FTEs	11.0		1,448,700
GROSS APPROPRIATION		**$**	**90,426,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOT, Michigan transportation fund			1,975,500
IDG from MDOT, state aeronautics fund			58,200
Federal revenues:			
HHS-SSA, low-income energy assistance			3,101,300
Special revenue funds:			
Bottle deposit fund			250,000
Brownfield redevelopment fund			180,300
Delinquent tax collection revenue			59,981,100
Insurance provider fund			1,358,500
Marihuana regulation fund			2,087,700
Marihuana regulatory fund			96,200
Qualified heavy equipment rental personal property exemption reimbursement fund			344,700
Tobacco tax revenue			3,433,000
Waterways account			86,400
State general fund/general purpose		**$**	**17,473,300**
(5) FINANCIAL PROGRAMS			
Full-time equated classified positions	106.9		
Investments--FTEs	81.0	$	22,682,400

State and authority finance--FTEs	10.1		3,111,100
Student financial assistance programs--FTEs	15.8		17,254,400
GROSS APPROPRIATION		**$**	**43,047,900**
Appropriated from:			
Interdepartmental grant revenues:			
IDG, fiscal agent service fees			146,200
Federal revenues:			
DED-OPSE, federal lenders allowance			3,391,000
DED-OPSE, higher education act of 1965, insured loans			13,863,400
Special revenue funds:			
Defined contribution administrative fee revenue			300,000
Michigan finance authority bond and loan program revenue			1,931,100
Retirement funds			17,743,700
School bond fees			630,000
Treasury fees			4,794,000
State general fund/general purpose		**$**	**248,500**
(6) DEBT SERVICE			
Clean Michigan initiative		$	24,203,000
Great Lakes water quality bond			67,560,000
Quality of life bond			3,118,000
GROSS APPROPRIATION		**$**	**94,881,000**
Appropriated from:			
State general fund/general purpose		**$**	**94,881,000**
(7) GRANTS			
Convention facility development distribution		$	128,730,700
Election administration support fund			9,755,500

Emergency 911 payments			49,118,600
Health and safety fund grants			1,500,000
Local election administration grants			10,500,000
Qualified heavy equipment rental personal property exemption reimbursement distribution			3,000,000
Recreational marihuana grants			96,380,000
Senior citizen cooperative housing tax exemption program			11,512,300
Wrongful imprisonment compensation fund			5,000,000
GROSS APPROPRIATION		**$**	**315,497,100**
Appropriated from:			
Special revenue funds:			
Convention facility development fund			128,730,700
Emergency 911 fund			49,118,600
Health and safety fund			1,500,000
Marihuana regulation fund			96,380,000
Qualified heavy equipment rental personal property exemption reimbursement fund			3,000,000
State general fund/general purpose		**$**	**36,767,800**
(8) BUREAU OF STATE LOTTERY			
Full-time equated classified positions	186.1		
Lottery information technology services and projects		$	3,457,400
Lottery operations--FTEs	186.1		24,711,000
GROSS APPROPRIATION		**$**	**28,168,400**
Appropriated from:			
Special revenue funds:			
State lottery fund			28,168,400

State general fund/general purpose		**$**	**0**
(9) CASINO GAMING			
Full-time equated classified positions	144.3		
Casino gaming control operations--FTEs	120.8	$	23,995,500
Gaming information technology services and projects			2,646,400
Horse racing--FTEs	3.5		1,307,100
Michigan gaming control board			113,700
Millionaire party regulation--FTEs	20.0		2,902,800
GROSS APPROPRIATION		**$**	**30,965,500**
Appropriated from:			
Special revenue funds:			
Casino gambling agreements			532,400
Equine development fund			1,354,200
Fantasy contest fund			608,500
Internet gaming fund			10,357,400
Internet sports betting fund			1,742,900
State services fee fund			16,370,100
State general fund/general purpose		**$**	**0**
(10) PAYMENTS IN LIEU OF TAXES			
Commercial forest reserve		$	3,603,900
Purchased lands			12,910,600
Swamp and tax reverted lands			21,798,000
GROSS APPROPRIATION		**$**	**38,312,500**
Appropriated from:			
Special revenue funds:			
Private funds			40,300
Game and fish protection fund			4,374,900

Michigan natural resources trust account			3,289,700
Waterways account			379,700
State general fund/general purpose		**$**	**30,227,900**
(11) REVENUE SHARING			
City, village, and township revenue sharing		$	293,535,200
Constitutional state general revenue sharing grants			1,103,082,900
County revenue sharing			256,199,100
Public safety violence and prevention fund			112,000,000
GROSS APPROPRIATION		**$**	**1,764,817,200**
Appropriated from:			
Special revenue funds:			
Sales tax			1,652,817,200
Public safety and violence prevention fund			112,000,000
State general fund/general purpose		**$**	**0**
(12) STATE BUILDING AUTHORITY			
Full-time equated classified positions	4.0		
State building authority--FTEs	4.0	$	1,018,900
GROSS APPROPRIATION		**$**	**1,018,900**
Appropriated from:			
Special revenue funds:			
State building authority revenue			1,018,900
State general fund/general purpose		**$**	**0**
(13) CITY INCOME TAX ADMINISTRATION PROGRAM			
Full-time equated classified positions	42.6		
City income tax administration program--FTEs	42.6	$	6,453,700
GROSS APPROPRIATION		**$**	**6,453,700**
Appropriated from:			

Special revenue funds:		
Local - city income tax fund		6,453,700
State general fund/general purpose	**$**	**0**
(14) INFORMATION TECHNOLOGY		
Treasury operations information technology services and projects	$	39,970,600
GROSS APPROPRIATION	**$**	**39,970,600**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund		296,000
Federal revenues:		
DED-OPSE, federal lenders allowance		531,200
Special revenue funds:		
Local - city income tax fund		1,047,000
Delinquent tax collection revenue		16,434,700
Marihuana regulation fund		700,400
Retirement funds		734,800
Tobacco tax revenue		120,800
State general fund/general purpose	**$**	**20,105,700**
(15) ONE-TIME APPROPRIATIONS		
Local prosecutor support grants	$	25,000,000
GROSS APPROPRIATION	**$**	**25,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**25,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. (1) In accordance with section 30 of article IX of the state constitution of 1963 for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $3,614,213,200.00 and state spending under part 1 from state sources to be paid to local units of government is $2,127,753,600.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE	
Fees to local units	$ 500
Motorcycle safety education grants	1,415,400
Subtotal	1,415,900
DEPARTMENT OF TREASURY	
Airport parking distribution pursuant to section 909	34,000,000
City, village, and township revenue sharing	293,535,200
Commercial forest reserve	3,603,900
Constitutional state general revenue sharing grants	1,103,082,400
Convention facility development fund distribution	128,730,700
County revenue sharing	256,199,100
Emergency 9-1-1 payments	26,085,000
Health and safety fund grants	1,500,000
Local prosecutor support grants	25,000,000
Recreational marihuana grants	96,380,000
Public safety and violence prevention fund	112,000,000
Purchased lands	12,910,600

Senior citizen cooperative housing tax exemption		11,512,300
Swamp and tax reverted lands		21,798,000
Subtotal	$	2,126,337,700
TOTAL	**$**	**2,127,753,600**

(2) In accordance with section 30 of article IX of the state constitution of 1963, in the appropriations acts for the fiscal year ending September 30, 2026, total state spending from state sources is estimated at $45,562,283,800.00 and total state spending from state sources to be paid to local units of government is estimated at $27,939,381,000.00. The proportion of total state spending from state sources to be paid to local units is estimated at 61.3%.

(3) If payments to local units of government and state spending from state sources for the fiscal year ending September 30, 2026 are different than the amounts estimated in subsection (2), the state budget director shall report the payments to local units of government and state spending from state sources that were made for the fiscal year ending September 30, 2026 to the standard report recipients and to the senate and house of representatives standing committees on appropriations not later than 30 days after the final book-closing for the fiscal year ending September 30, 2026.

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "COBRA" means the consolidated omnibus budget reconciliation act of 1985, Public Law 99-272.

(b) "DAG" means the United States Department of Agriculture.

(c) "DED" means the United States Department of Education.

(d) "DED-OPSE" means the DED Office of Postsecondary Education.

(f) "EEOC" means the United States Equal Employment Opportunity Commission.

(g) "FTE" means full-time equated.

(h) "GF/GP" means general fund/general purpose.

(i) "HHS" means the United States Department of Health and Human Services.

(j) "HHS-OS" means the HHS Office of the Secretary.

(k) "HHS-SSA" means the Social Security Administration.

(*l*) "HUD" means the United States Department of Housing and Urban Development.

(m) "IDG" means interdepartmental grant.

(n) "JCOS" means the joint capital outlay subcommittee.

(o) "MCL" means the Michigan Compiled Laws.

(p) "MDE" means the Michigan department of education.

(q) "MDHHS" means the Michigan department of health and human services.

(r) "MDIFS" means the Michigan department of insurance and financial services.

(s) "MDLARA" means the Michigan department of licensing and regulatory affairs.

(t) "MDMVA" means the Michigan department of military and veterans affairs.

(u) "MDOC" means the Michigan department of corrections.

(v) "MDOS" means the Michigan department of state.

(w) "MDOT" means the Michigan department of transportation.

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

(y) "MDTMB" means the Michigan department of technology, management, and budget.

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

(aa) "MEGA" means the Michigan economic growth authority.

(bb) "MFA" means the Michigan finance authority.

(cc) "MPE" means the Michigan public employees.

(dd) "MPSCS" means the Michigan public safety communications system.

(ee) "MSF" means the Michigan strategic fund.

(ff) "NERE" means nonexclusively represented employees.

(gg) "PA" means public act.

(hh) "RFP" means a request for a proposal.

(ii) "SEIU" means Service Employees International Union.

(jj) "SIGMA" means statewide integrated governmental management applications.

(kk) "Standard report recipients" means the senate and house appropriations subcommittees on general government, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(*ll*) "WIC" means women, infants, and children.

Sec. 204. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount

appropriated under this part or part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within this part or part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. A department or agency shall not take disciplinary action against an employee of a department or an agency within a department for communicating with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department or agency is exercising its authority as provided by law.

Sec. 206. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 207. A department or agency shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on

an internet site.

Sec. 208. A department or agency receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. A department or agency shall follow federal and state guidelines for short-term and long-term retention of records. A department or agency may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides for estimates of the total GF/GP appropriation lapses at the close of the immediately preceding fiscal year. The report must summarize the projected year-end GF/GP appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. Not later than 14 days after the release of the executive budget recommendation, a department or agency receiving appropriations in part 1 shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and the chairpersons of the senate and house of representatives appropriations committees.

Sec. 211. A department or agency shall cooperate with the MDTMB to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for each department or agency:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active employees by job classification.

(e) The number of in-person hours and remote hours worked by employees, by job classification. In-person and remote work hours must be listed by month and the fourth quarter report must include a cumulative total for the fiscal year.

(f) Job specifications and wage rates.

Sec. 212. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, each department and agency receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's or agency's budget. The department or agency shall submit the report to the standard report recipients and to the house of representatives and senate appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each travel occurrence and the proportions funded with state GF/GP revenues, state restricted revenues, federal revenues, and other revenues, including specific sources of state restricted, federal, and other revenues.

Sec. 213. On a quarterly basis, a department or agency

receiving appropriations in part 1 and the office of the auditor general shall report on the number of FTEs in pay status by type of staff and civil service classification, including comparison by line item of the number of FTEs authorized from the funds appropriated in part 1 to the actual number of FTE positions employed by the department or agency or the office of the auditor general at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and to the standard report recipients.

Sec. 214. Not later than April 1, a department or agency receiving appropriations in part 1 shall report on each specific policy change made to implement a PA affecting the department or agency that took effect during the immediately preceding calendar year. The report must include reference to the public act number. The department or agency shall submit the report to the standard report recipients, the senate and house of representatives appropriations committees, and the joint committee on administrative rules.

Sec. 215. (1) From the funds appropriated in part 1, a department or agency receiving appropriations in part 1 shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the immediately preceding fiscal year and the total number of former department employees that were remitted severance pay during the immediately preceding fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 216. (1) A department or agency receiving appropriations in part 1 must maximize the efficiency of the state workforce and prioritize in-person work for all divisions and areas of the department. A department or agency receiving appropriations in part 1 must post its in-person, remote, or hybrid work policy on its website for all divisions and areas of the department.

(2) Not later than January 1, a department or agency receiving appropriations in part 1 must submit a report that includes all of the following for each division or area of the department or agency:

(a) The number of employees authorized to work remotely.

(b) The number of employees working remotely.

(c) The number of hours worked remotely.

(d) The number of hours worked in person.

(e) The estimated cost savings achieved by remote work.

(f) The reduced use of office space associated with remote work.

(3) A department or agency shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 217. (1) Funds appropriated in part 1 that are used for grants or grant programs are subject to the following conditions:

(a) Grant funds must be provided only to an entity that has been established or is operating in this state or another state for more than 3 years before approval or disbursement of grant funds.

(b) Grant funds must be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 3% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active.

(f) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving or auditing grant funds awarded or disbursed by any department or agency.

(g) Full and complete audits of grant funds issued by the

department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include a statement made by the department that confirms the department reviewed and affirmed compliance by each grant recipient to program scope and expenditure of grant funding.

Sec. 218. (1) A department or agency shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) A department or agency may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. A department or agency shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) A department or agency shall not contract with any foreign

entities that are known or suspected to be enemies of the United States or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 219. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 222. To the extent possible, a department or agency shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are

exhausted.

Sec. 223. A department or agency shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 225. (1) Each department or agency shall maintain, on a publicly accessible website, a department or agency scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's or agency's performance.

(2) A department or agency shall notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 226. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim.

(2) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 227. Not later than November 15, departments and agencies

shall disclose on a publicly accessible website private and other third-party funds received by the department in the immediately preceding fiscal year. The report must include the amount and source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and the chairpersons of the senate and house appropriations committees.

Sec. 228. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs or as outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 229. General fund appropriations in part 1 shall not be expended for items in cases where federal funding or private grant funding is available for the same expenditures.

Sec. 230. Funds appropriated in part 1 must not be used by this state or a department, agency, or 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, 1996 IL 1, MCL 432.201 to 432.226.

Sec. 231. A department or agency required to submit a report under this part shall make each report readily accessible to the public and conspicuously post each required report on the department's or agency's Michigan.gov website not later than the due date required for each report. In addition to placing all

reports required in the current fiscal year on the department or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous fiscal years.

Sec. 232. (1) In accordance with section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, which provides for a transfer of state general fund revenue into or out of the countercyclical budget and economic stabilization fund, the calculations required by section 352 of the management and budget act, 1984 PA 431, MCL 18.1352, are determined as follows:

	2024	2025	2026
Michigan personal income (millions)	$641,085	$664,164	$688,074
less: transfer payments	139,341	146,082	151,986
Subtotal	$501,744	$518,082	$536,088
Divided by: Detroit Consumer Price Index for 12 months ending December 31	2.933	2.989	3.100
Equals: real adjusted Michigan personal income	$171,095	$173,309	$172,952
Percentage change	0.8%	1.3%	(0.2%)
Growth rate in excess of 2%	N/A	N/A	N/A
Equals: calculated transfer to countercyclical budget and economic stabilization fund for the fiscal year ending September 30, 2026 (millions)	N/A	$0.0	
Growth rate less than 0%	N/A	N/A	(0.2%)
Appropriation from countercyclical budget and economic stabilization fund allowed for the fiscal year ending			

September 30, 2026 N/A NO

(2) Notwithstanding subsection (1), there is appropriated to the countercyclical budget and economic stabilization fund for the fiscal year ending September 30, 2026, from GF/GP $0.00 of the fiscal year ending September 30, 2025 GF/GP unassigned fund balance recorded as part of the state book-closing process for the fiscal year ending September 30, 2025.

Sec. 233. (1) A department or agency that receives an appropriation in part 1 shall assign a product owner for each information technology project that the department or agency undertakes.

(2) Beginning January 1, a product owner assigned to an information technology project with a budget of $5,000,000.00 or more must possess valid certification as a scrum master and be assigned full time to the information technology project.

(3) As used in this section, "product owner" means an individual from the sponsoring department or agency who is responsible for maximizing the value of the product to be developed by the project and who is responsible for effective product backlog management. Responsibilities of a product owner include, but are not limited to, all of the following:

(a) Developing and explicitly communicating the product goal.

(b) Creating and clearly communicating product backlog items.

(c) Prioritizing product backlog items.

(d) Ensuring that the product backlog is transparent, visible, and understood.

(e) Ensuring that there is frequent and effective communication among the project manager, vendor, and product owner to ensure collaboration in addressing all risks and issues as they

arise.

(f) Ensuring product users are regularly engaged in the development process for testing and input on development of the product.

Sec. 234. A department or agency that is appropriated funds in part 1 shall delegate the responsibility for the procurement, development, and maintenance of all information technology services to the MDTMB unless the department or agency is otherwise delegated the responsibility by law.

DEPARTMENT OF ATTORNEY GENERAL

Sec. 301. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $750,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $750,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $50,000.00 for local contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $50,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

Sec. 303. The attorney general may provide not more than 350 copies of the report required under section 30 of 1846 RS 12, MCL 14.30, on a gratis basis. If the attorney general provides 350 copies of the report on a gratis basis, the attorney general may sell additional copies of the report. The attorney general shall not provide gratis copies of the report to members of the legislature. Electronic copies of biennial reports must be made available on the department of attorney general's website. The

attorney general shall sell copies of the report at not less than the actual cost of the report and deposit the money received from the sales into the general fund.

Sec. 304. The department of attorney general is responsible for the legal representation of the law of this state and the legal representation for state of Michigan state employee worker's disability compensation cases. The risk management revolving fund revenue appropriation in part 1 must be satisfied by billings from the department of attorney general for the actual costs of legal representation, including salaries and support costs.

Sec. 307. (1) In addition to the antitrust enforcement collections revenues in part 1, not more than $350,000.00 in antitrust revenues, securities fraud revenues, consumer protection or class action enforcement revenues, or attorney fees recovered by the department of attorney general are appropriated to the department of attorney general for antitrust, securities fraud, and consumer protection or class action enforcement cases.

(2) Not more than $1,000,000.00 of the unexpended funds from antitrust revenues, securities fraud revenues, or consumer protection or class action enforcement revenues at the end of the fiscal year, including antitrust funds in part 1, may be carried forward for expenditure in the following fiscal year.

(3) On request, the department of attorney general shall make available information detailing the amount of revenue described in subsection (1) recovered by the attorney general and a description of the source of the revenue and the carryforward amount.

Sec. 308. (1) In addition to the funds appropriated in part 1, not more than $1,000,000.00 is appropriated from litigation expense reimbursements awarded to this state.

(2) The funds described in subsection (1) may be expended for the payment of court judgments, settlements, arbitration awards or other administrative and litigation decisions, attorney fees, and litigation costs, assessed against the office of the governor, the department of attorney general, the governor, or the attorney general when acting in an official capacity as the named party in litigation against this state. The funds described in subsection (1) may also be expended for the payment of state costs incurred under section 16 of chapter X of the code of criminal procedure, 1927 PA 175, MCL 770.16.

(3) Unexpended funds at the end of the fiscal year may be carried forward for expenditure in the following year, but not more than a maximum authorization of $250,000.00.

Sec. 309. (1) From the prisoner reimbursement funds appropriated in part 1, the department of attorney general may expend not more than $702,600.00 on activities related to the state correctional facility reimbursement act, 1935 PA 253, MCL 800.401 to 800.406. In addition to the funds appropriated in part 1, if the department of attorney general collects more than $1,131,000.00 in gross annual prisoner reimbursement receipts provided to the general fund, not more than $1,000,000.00 of the excess is appropriated to the department of attorney general and may be spent on the representation of the MDOC and its officers, employees, and agents, including, but not limited to, the defense of litigation in civil actions filed by prisoners against this state, its departments, officers, employees, or agents.

(2) Not later than March 1, the department of attorney general shall submit a report to the standard report recipients and the house of representatives and senate appropriations subcommittees

with jurisdiction over the budget of the MDOC. The report must include all of the following:

(a) The total amount of reimbursements received under section 6 of the state correctional facility reimbursement act, 1935 PA 253, MCL 800.406.

(b) A description of each expenditure made from the reimbursements.

(c) The amount paid to conduct the investigations from the reimbursements.

(d) The amount credited to the general fund from the reimbursements.

Sec. 310. (1) For the purposes of providing title IV-D child support enforcement funding, the attorney general shall maintain a cooperative agreement with the MDHHS, as the state IV-D agency, for federal IV-D funding to support the child support enforcement activities within the department of attorney general.

(2) The attorney general or the attorney general's designee shall, to the extent allowed under federal law, have access to any information used by this state to locate parents who fail to pay court-ordered child support.

Sec. 312. The department of attorney general shall not receive or expend funds, other than those authorized in part 1, for legal services provided specifically to other state departments or agencies except for expert witness costs, court costs, or other nonsalary litigation costs associated with a pending legal action.

Sec. 313. The department of attorney general shall submit a quarterly report on the lawsuit settlement proceeds fund described in section 33 of 1846 RS 12, MCL 14.33, to the standard report recipients. Each report must include all of the following:

(a) The total amount of revenue deposited in the lawsuit settlement proceeds fund in the current fiscal year delineated by case.

(b) The total amount appropriated from the lawsuit settlement proceeds fund in the current fiscal year delineated by appropriation.

(c) Earned settlement proceeds that are anticipated but not yet deposited in the fund delineated by case.

(d) Any known potential settlement amounts from cases that have not been decided, delineated by case.

Sec. 315. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are $13,154,800.00. From this amount, total department of attorney general appropriations for pension-related legacy costs are estimated at $11,864,800.00. Total department of attorney general appropriations for retiree health care legacy costs are estimated at $1,290,000.00.

Sec. 317. (1) The department of attorney general shall submit a report to the standard report recipients and the state budget director. The report must include all legal costs and associated expenses related to the declaration of emergency due to drinking water contamination and the investigations and any resulting prosecutions. The state budget director shall include the report in the Flint water emergency-financial and activities tracking and reporting document that is posted by the state budget director on the public website, https://www.michigan.gov/budget/fiscal-pages/reports/flint. The tracking and reporting documents must include the budget line item source for each expenditure.

(2) At the conclusion of all attorney general investigations

related to the declaration of emergency due to drinking water contamination, all materials related to any investigations shall be preserved pursuant to applicable document retention policies.

Sec. 319. From the funds appropriated in part 1, the attorney general shall submit a quarterly report on the wrongful imprisonment compensation fund that includes at least all of the following:

(a) All payments made from the wrongful imprisonment compensation fund in each prior quarter of the fiscal year, and the total of those payments, including if each payment is part of a new settlement or part of an installment plan.

(b) Total payments made from each prior fiscal year and the total of all payments to date.

(c) Any settlements that have been decided but have yet to receive a payment.

(d) The number of known cases seeking a settlement, but do not have a final judgment, and the dollar amount of each potential payment for these known cases, and the total of these payments.

(e) The balance of the wrongful imprisonment compensation fund at the end of the previous quarter.

(f) The percentage of claims received in the immediately preceding fiscal quarter that were awarded compensation.

(g) The percentage of claims received in the immediately preceding fiscal year that were awarded compensation.

(h) For claims that did not receive the full amount of compensation sought, both of the following:

(*i*) The amount of compensation that was sought.

(*ii*) The amount of compensation that was received.

Sec. 320. (1) From the funds appropriated in part 1, the

department of attorney general shall do all of the following:

(a) Not later than 14 days after the settlement of a lawsuit with a fiscal impact of $200,000.00 or more, submit a report on the settlement to the standard report recipients.

(b) Enforce the laws of this state.

(2) Any proceeds from a lawsuit initiated by or settlement agreement entered into on behalf of this state against a manufacturer of tobacco products or manufacturer or distributor of opioid products by the attorney general are state funds, unless otherwise directed by a court or legal agreement, and are subject to appropriation as provided by law.

Sec. 321. From the funds appropriated in part 1, the department of attorney general shall maintain a publicly accessible website dedicated to opioid settlement distributions. The website must include estimated future amounts payable to local units of government and estimated amounts received by local units of government, delineated by case settlement agreement.

Sec. 322. (1) Not later than February 1, the department of attorney general shall submit a report to the standard report recipients on the cumulative dollar expenditure amount related to each of the following initiatives and activities of the department of attorney general for the immediately preceding fiscal year:

(a) Catholic church investigation.

(b) Elder abuse task force.

(c) Conviction integrity unit.

(d) Opioid litigation.

(e) Hate crimes unit and domestic terrorism unit.

(f) Payroll fraud enforcement unit.

(g) PFAS contamination. As used in this subdivision, "PFAS"

means perfluoroalkyl and polyfluoroalkyl substances.

(h) Human trafficking.

(i) Robocall enforcement.

(j) Job court.

(k) Organized retail crime unit.

(*l*) Reducing utility rate increases.

(m) Boy Scouts of America investigation.

(n) Address confidentiality program.

(2) For each expenditure required to be reported under subsection (1), the report must include the dollar amount spent by fund source.

(3) For each initiative required to be reported under subsection (1), the department of attorney general shall provide performance metrics and initiative outcomes corresponding to the performance metrics.

Sec. 324. (1) Not later than September 30, the department of attorney general must make available to the public on its website a report on the activities and findings, since April 1, 2019, of the payroll fraud enforcement unit. The report must include all of the following:

(a) A list of each complaint received by the unit.

(b) For each complaint listed under subdivision (a), whether the attorney general took enforcement action on the complaint and, if applicable, a description of the enforcement action.

(2) If the payroll fraud enforcement unit requests that another department or agency investigate the validity of a report received by the unit, or if the unit refers a complaint to another department or agency, the department of attorney general shall request the department or agency to report back on the department's

or agency's findings to enable the department of attorney general to comply with this section.

Sec. 325. It is the intent of the legislature that from the funds appropriated in part 1, the department of attorney general shall not take any legal action or join or take part in any multistate lawsuit, lawsuit against the federal government, or lawsuit against any oil or gas entity except on appropriation or legislative transfer that is made for those purposes in accordance with section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 326. From the funds appropriated in part 1, the department of attorney general shall not contract for legal services or for the appointment of a special assistant attorney general with a person in which compensation and the repayment of costs to the person are contingent on the successful recovery of funds obtained in the litigation or services pursued under the terms of the contract.

DEPARTMENT OF CIVIL RIGHTS

Sec. 401. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $375,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been

transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 402. (1) In addition to the appropriations contained in part 1, the department of civil rights may receive and expend not more than $600,000.00 in funds from local sources, private sources, or both, for all of the following purposes:

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

(b) Publishing and selling civil rights related informational material.

(c) Providing copies of material made available in response to requests under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(d) Paying other copy fees, subpoena fees, and witness fees.

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

(f) Providing workshops, seminars, and recognition or award programs consistent with the programmatic mission of the individual unit sponsoring or coordinating the programs.

(g) Paying staffing costs for all activities included in this subsection.

(2) Not later than November 30, the department of civil rights shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations on the amount of funds received and expended for purposes authorized under this section.

Sec. 403. (1) The department of civil rights may contract with local units of government to review equal employment opportunity compliance of potential and existing contractors and may charge for

and expend amounts received from local units of government for the purpose of developing and providing these contractual services.

(2) Not later than November 30, the department of civil rights shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations on the amount of funds received and expended for purposes authorized under this section.

Sec. 404. The department of civil rights shall submit quarterly reports to the standard report recipients that include, but are not limited to, all of the following information for the immediately preceding fiscal quarter:

(a) The number of all complaints received by the department by basis of complaint.

(b) The number of certified complaint cases initiated by basis of complaint.

(c) The number of certified complaint cases completed.

(d) The final disposition of certified complaint case investigations.

(e) The average number of days for a case to be completed after certification.

(f) The number of FTE positions filled from the FTE authorization for complaint investigations and enforcement.

(g) The number of open cases that have been open for more than 1 year.

(h) The quotient of the number of certified cases completed divided by the number of filled FTE positions.

(i) A listing of amounts awarded to claimants.

Sec. 405. On submitting a report or complaint to the United States Commission on Civil Rights or any other federal department,

the department of civil rights shall submit a copy of the report or complaint to the standard report recipients not later than the next business day.

Sec. 406. From the funds appropriated in part 1, not later than January 31, the department of civil rights shall submit a report to the standard report recipients on the Native American boarding school study. The report must include all of the following:

(a) Information on the activities conducted for the study by the department of civil rights and any contracted university or entity.

(b) Total expenditures to date.

(c) The estimated date for publication of the final report.

Sec. 410. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are $2,656,800.00. From this amount, total department of civil rights appropriations for pension-related legacy costs are estimated at $2,396,300.00. Total department of civil rights appropriations for retiree health care legacy costs are estimated at $260,500.00.

Sec. 411. From the funds appropriated in part 1, the department of civil rights may provide grants to cultural museums. Any grant funding provided must be equally divided between grant recipients.

LEGISLATURE

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

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

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

Sec. 602. The senate may charge rent and assess charges for utility costs. The amounts received for rent charges and utility assessments are appropriated to the senate for the renovation, operation, and maintenance of the Binsfeld Office Building.

Sec. 604. (1) The appropriation in part 1 to the Michigan state capitol historic site includes funds to operate the legislative parking facilities in the capitol area. The Michigan state capitol commission shall establish rules regarding the operation of the legislative parking facilities.

(2) The Michigan state capitol commission may collect a fee from state employees and the general public using certain legislative parking facilities. The revenues received from the parking fees are appropriated on receipt and must be allocated by

the Michigan state capitol commission.

(3) As used in this section, "Michigan state capitol commission" means the Michigan state capitol commission established in the Michigan state capitol historic site act, 2013 PA 240, MCL 4.1945.

Sec. 606. The unexpended funds appropriated in part 1 for Binsfeld Office Building and other properties are designated as a work project appropriation, and any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to purchase equipment and services for building maintenance to ensure a safe and productive work environment.

(b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.

(c) The total estimated cost of the project is $2,000,000.00.

(d) The tentative completion date is September 30, 2029.

Sec. 608. In addition to funds appropriated in part 1, the Michigan capitol committee publications save the flags fund account may accept contributions, gifts, bequests, devises, grants, and donations. Those funds that are not expended in the fiscal year ending September 30, 2025 do not lapse at the close of the fiscal year, and must be carried forward for expenditure in the following fiscal years.

Sec. 611. (1) From the funds appropriated in part 1 for senate, $250,000.00 must be allocated for an internship program.

(2) From the funds appropriated in part 1 for house of representatives, $250,000.00 must be allocated for an internship program.

Sec. 612. It is the intent of the legislature that, from the funds appropriated in part 1, the Michigan state capitol commission established in section 5 of the Michigan state capitol historic site act, 2013 PA 240, MCL 4.1945, ensure that the Capitol Building is open for not less than 3 hours on Saturdays that are not state holidays.

Sec. 615. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $18,218,100.00. From this amount, total legislature appropriations for pension-related legacy costs are estimated at $16,431,700.00. Total legislature appropriations for retiree health care legacy costs are estimated at $1,786,400.00.

LEGISLATIVE AUDITOR GENERAL

Sec. 620. In accordance with section 53 of article IV of the state constitution of 1963, the auditor general shall conduct audits of the executive, judicial, and legislative branches.

Sec. 622. From the funds appropriated in part 1 to the office of the auditor general, the auditor general's salary and the salaries of the remaining 2.0 FTE unclassified positions must be set by the speaker of the house of representatives, the senate majority leader, the house of representatives minority leader, and the senate minority leader.

Sec. 623. Any audits, reviews, or investigations requested of the auditor general by the legislature or by legislative leadership, legislative committees, or individual legislators must

include an estimate of the additional costs involved and, if those costs exceed $50,000.00, must provide supplemental funding. The auditor general shall determine whether to perform those activities in accordance with Operations Manual Policy No. 2-26.

Sec. 625. A branch, department, office, board, commission, agency, authority, or institution of this state shall not deny the auditor general access to examine its confidential information. The auditor general is subject to the same duty of confidentiality imposed by law on the entity providing the confidential information.

Sec. 628. On a quarterly basis, the auditor general shall submit a report to the standard report recipients, the chairpersons of the senate and house of representatives appropriations committees, and the senate and house of representatives oversight committees that includes all of the following information related to projects initiated during the immediately preceding quarter:

(a) Audit title.

(b) Audit type.

(c) Audit period.

(d) Audit objectives.

(e) Branch of government being audited.

(f) Whether the auditor general or a contracted auditor is conducting the audit and, if a contracted auditor is conducting the audit, the identity of the contracted auditor.

(g) Details regarding the reason for initiating the audit, including whether it was discretionary or required by statute.

(h) Details regarding any similar audit the auditor general has completed in the past.

(i) Estimated time frame for completion of the audit.

(j) Estimated total auditor general resources necessary to complete the audit and release a report.

Sec. 629. On a quarterly basis, the auditor general shall submit a report to the standard report recipients, the chairpersons of the senate and house of representatives appropriations committees, and the senate and house of representatives oversight committees that includes all of the following information for each project in progress during the immediately preceding quarter:

(a) Audit title.

(b) Date the audit was initiated.

(c) Audit status.

(d) Estimated time frame for completion of the audit.

(e) Details regarding the resources spent on the audit to date.

(f) Estimated total auditor general resources necessary to complete the audit and release a report.

Sec. 630. On a quarterly basis, the auditor general shall submit a report to the standard report recipients, the chairpersons of the senate and house of representatives appropriations committees, and the senate and house of representatives oversight committees that contains all of the following information for each project completed during the immediately preceding quarter:

(a) Audit title.

(b) Date the audit was initiated.

(c) Date the audit report was released.

(d) Results of the audit, including the number and type of findings.

(e) Details regarding total auditor general resources spent on the audit.

(f) To the extent authorized by law, details regarding any inquiry, tip, or request related to the audit that the auditor general received before initiating the audit.

Sec. 631. From the funds appropriated in part 1 for field operations, the office of the auditor general shall conduct an audit of the secretary of state's systematic review of the voter rolls based on requirements under section 728 of this part. The office of the auditor general shall conduct the audit at least 1 time every 2 years beginning not later than the fiscal year ending September 30, 2026. The audit must include, but not be limited to, the review of the proper procedures, process followed, notifications, and verification that voter notification has been completed as required.

DEPARTMENT OF STATE

Sec. 701. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $500,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $500,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $25,000.00 for local

contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $50,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 703. From the funds appropriated in part 1, the MDOS shall submit quarterly reports on record lookup fees to the standard report recipients. Each report must include the number of records sold and the revenues collected as authorized in section 208b of the Michigan vehicle code, 1949 PA 300, MCL 257.208b, section 7 of 1972 PA 222, MCL 28.297, and sections 80130, 80315, 81114, and 82156 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80130, 324.80315, 324.81114, and 324.82156.

Sec. 704. Funds appropriated in part 1 must not be used to advertise or promote department of state activities through radio, audiorecorded messages, billboards, or other signage to the public.

Sec. 705. (1) The MDOS may accept gifts, donations, contributions, and grants of money and other property from any private or public source to underwrite, in whole or in part, the cost of a departmental publication that is prepared and disseminated under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. A private or public funding source may receive written recognition in the publication and may furnish a traffic

safety message, subject to approval of the MDOS, for inclusion in the publication. The MDOS may reject a gift, donation, contribution, or grant. The MDOS may furnish copies of a publication underwritten, in whole or in part, by a private source to the underwriter at no charge.

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

(3) Pending expenditure, the funds received under this section must be deposited in the Michigan department of state publications fund created in section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211. Funds given, donated, or contributed to the MDOS from a private source are appropriated and allocated for the purpose for which the revenue is furnished. Funds granted to the MDOS from a public source are allocated and may be expended on receipt by the MDOS. The MDOS shall not accept a gift, donation, contribution, or grant if receipt is conditioned on a commitment of state funding at a future date. Revenue received from the sale of advertising is appropriated and may be expended on receipt by the MDOS.

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

(5) Not later than March 1, the MDOS shall submit a report to the standard report recipients that includes all of the following information for the immediately preceding fiscal year:

(a) The amount of gifts, contributions, donations, and grants of money received by the MDOS under section 705 of article 5 of 2024 PA 121.

(b) A list of the expenditures made from the amounts received by the MDOS as reported in subdivision (a).

(c) A list of any gift, donation, contribution, or grant of property other than funding received by the MDOS under section 705 of article 5 of 2024 PA 121.

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

(6) In addition to copies delivered without charge as the secretary of state considers necessary, the MDOS may sell copies of manuals and other publications regarding the sale, ownership, or operation or regulation of motor vehicles, with amendments, at prices to be established by the secretary of state. As used in this subsection, the term "manuals and other publications" includes videos and proprietary electronic publications. All funds received from sales of these manuals and other publications must be credited to the Michigan department of state publications fund created in section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211.

Sec. 707. Funds collected by the MDOS under section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211, are appropriated for all expenses necessary to provide for the costs of the publication described in section 211 of the Michigan vehicle code, 1949 PA 300, MCL 257.211. Funds are allocated for expenditure when

they are received by the department of treasury and do not lapse to the general fund at the end of the fiscal year.

Sec. 708. From the funds appropriated in part 1, the MDOS shall use available balances at the end of the state fiscal year to provide payment to the MDSP in the amount of $332,000.00 for the services provided by the traffic accident records program as first appropriated in 1990 PA 196 and 1990 PA 208.

Sec. 709. From the funds appropriated in part 1, the MDOS may restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. The restricted amount must not exceed $50,000.00 of the total funds available in miscellaneous revenue.

Sec. 711. Collector plate and fund-raising registration plate revenues collected by the MDOS are appropriated and allotted for distribution to the recipient university or public or private agency overseeing a state-sponsored goal when received. Distributions must occur on a quarterly basis or as otherwise authorized by law. Any revenues remaining at the end of the fiscal year do not lapse to the general fund and remain available for distribution to the university or agency in the next fiscal year.

Sec. 713. (1) The MDOS, in collaboration with the Gift of Life Michigan or its successor federally designated organ procurement organization, may develop and administer a public information campaign concerning the Michigan organ donor program.

(2) The MDOS may solicit funds from any private or public source to underwrite, in whole or in part, the public information campaign authorized by this section. The MDOS may accept gifts, donations, contributions, and grants of money and other property from private and public sources for this purpose. A private or

public funding source underwriting the public information campaign, in whole or in substantial part, shall receive sponsorship credit for its financial backing.

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

(4) Funding appropriated in part 1 for the organ donor program must be used to produce a pamphlet regarding organ donations and to distribute the pamphlet with driver licenses and personal identification cards. The pamphlet must do both of the following:

(a) Explain the organ donor program and encourage people to become donors by marking a checkoff on driver license and personal identification card applications.

(b) Include a return reply form addressed to the gift of life organization.

(5) Funding appropriated in part 1 for the organ donor program must be used to pay for return postage costs of the return reply form described in subsection (4)(b).

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

(7) Not later than March 1, the department shall submit a report to the standard report recipients. The report must include all of the following:

(a) The amount of revenue collected by the MDOS under this section.

(b) The purpose of each expenditure.

(c) The amount of revenue carried forward.

Sec. 714. (1) Except as otherwise provided under subsection (2), not less than 180 days before closing a branch office or consolidating a branch office and not less than 60 days before relocating a branch office, the MDOS shall submit a report to the standard report recipients, the members of the senate and house of representatives standing committees on appropriations, and legislators who represent affected areas. The report must include all of the following:

(a) All analyses done regarding criteria for changes in the location of branch offices, including, but not limited to, all of the following:

(*i*) Branch transactions.

(*ii*) Revenue.

(*iii*) The impact on citizens of the affected area, including information regarding additional distance to branch office locations resulting from the changes.

(b) Detailed estimates of costs and savings that will result from the overall changes made to the branch office structure.

(c) Detailed estimates of costs for new leased facilities and expansions of current leased space.

(2) If the consolidation of a branch office is with another branch office that is located within the same local unit of government or the relocation of a branch office is to another location that is located within the same local unit of government, the MDOS is not required to submit a report under subsection (1).

(3) As used in this section, "local unit of government" means a city, village, township, or county.

Sec. 715. (1) Any service assessment collected by the MDOS from the user of a credit or debit card under section 3 of 1995 PA

144, MCL 11.23, may be used by the MDOS for necessary expenses related to that service and may be remitted to a credit or debit card company, bank, or other financial institution.

(2) The service assessment imposed by the MDOS for credit and debit card services may be based on a percentage of each individual credit or debit card transaction or a flat rate per transaction, or both, scaled to the amount of the transaction. However, the department shall not charge any amount for a service assessment that exceeds the costs billable to the MDOS for the service assessment.

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

(4) As used in this section, "service assessment" means costs associated with service fees imposed by credit and debit card companies and processing fees imposed by banks and other financial institutions.

Sec. 716. With funds appropriated in part 1 for branch operations, the department of state shall provide adequate in-person services as defined in section 1a of the Michigan vehicle code, 1949 PA 300, MCL 257.1a.

Sec. 717. (1) The MDOS may accept gifts, donations, or contributions of property from any private or public source to support, in whole or in part, the operation of a departmental function relating to licensing, regulation, or safety. The MDOS may recognize a private or public contributor for making the contribution. The MDOS may reject a gift, donation, or contribution. Any revenues received under this subsection may be

expended for the departmental functions relating to licensing, regulation, or safety.

(2) The MDOS shall not accept a gift, donation, or contribution under subsection (1) if receipt of the gift, donation, or contribution is conditioned on a commitment of future state funding.

(3) Not later than March 1, the MDOS shall submit a report to the standard report recipients. The report must include a list of each gift, donation, or contribution received by the department under subsection (1) for the immediately preceding calendar year.

Sec. 718. From the funds appropriated in part 1 for election regulation, all money must be spent in accordance with the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, and the instructions, orders, and guidance of the secretary of state regarding the proper method for the conduct and administration of elections.

Sec. 720. Not later than February 1, the secretary of state shall submit a report to the standard report recipients that includes all of the following information:

(a) The total number of notices sent by the clerk under section 509aa(2) or (3) of the Michigan election law, 1954 PA 116, MCL 168.509aa, that were returned as undeliverable as described in section 509aa(4) of the Michigan election law, 1954 PA 116, MCL 168.509aa.

(b) The total number of electors to whom the secretary of state mailed a notice under section 509aa(5) of the Michigan election law, 1954 PA 116, MCL 168.509aa.

(c) The total number of each of the following:

(*i*) Electors who changed residence and moved out of state.

(*ii*) Electors who changed residence and moved in state.

(*iii*) In-state duplicate voter registration records.

(*iv*) Electors who are determined to be deceased.

(d) The total number of electors who corrected their voter registration records after being mailed a notice by the secretary of state under section 509aa(5) of the Michigan election law, 1954 PA 116, MCL 168.509aa.

(e) The number of possible improper votes cast by an elector at the preceding primary election referred to law enforcement by the secretary of state.

(f) The number of possible improper votes cast by an elector at the immediately preceding general election referred to law enforcement by the secretary of state.

Sec. 722. (1) From the funds appropriated in part 1, not later than February 1, the MDOS shall submit an expense report related to CARS to the standard report recipients and the senate and house of representatives standing committees on appropriations. The report must include itemized expenditures made on behalf of CARS by fund source in the immediately preceding fiscal year and projected expenditures to be made on behalf of CARS in the current fiscal year and the next fiscal year.

(2) As used in this section, "CARS" means the customer and automotive records system.

Sec. 724. The MDOS shall reimburse a county, city, or township for allowable expenses not later than 60 days after the MDOS receives a bill for allowable expenses and all necessary documentation from the county, city, or township.

Sec. 725. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September

30, 2026 are estimated at $18,648,000.00. From this amount, total department of state appropriations for pension-related legacy costs are estimated at $16,819,300.00. Total department of state appropriations for retiree health care legacy costs are estimated at $1,828,700.00.

Sec. 726. (1) The Michigan technology transparency fund is created within the state treasury.

(2) Funds may be spent from the Michigan technology transparency fund only on appropriation, or legislative transfer in accordance with section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(3) Subject to subsection (2), funds appropriated in part 1 for Michigan technology transparency fund are available for information technology services and projects for the department of state.

Sec. 727. (1) From the funds appropriated in part 1 for election administration and services, the department of state shall not contract or spend funds appropriated in part 1 for third-party services related to multistate sharing of voter registration information that requires or allows for use of any voter related information to be shared, sold, or used in any way other than to provide a cross-check verification of voter registration information and status with the department of state.

(2) The department of state shall send a copy of any multistate cross check agreement, contract, membership, memorandum of understanding, or the like to the house of representatives and senate standing committees on elections, the house of representatives and senate appropriations subcommittees on general government, and the house of representatives and senate

appropriations committees.

(3) The legislature may terminate any agreement, contract, membership, or memorandum of understanding described in this section if any requirements of this section are violated.

(4) The department of state shall provide a semiannual report on the activities and voter records information sent and received or exchanged between or through the interstate compact to the chair of the house of representatives and senate standing committees on elections and the house of representatives and senate appropriations subcommittees on general government.

Sec. 728. (1) The department of state shall conduct a systematic review of the qualified voter file by comparing to the department of state's driver license and state personal identification card databases, legal presence documents received during identification transactions, information from the Systematic Alien Verification for Entitlements Program of the United States Citizenship and Immigration Services under the United States Department of Homeland Security or any other relevant program to verify the citizenship status and voter eligibility of registered electors in the qualified voter file.

(2) The department of state shall conduct a systematic review to determine if any individuals currently included in the qualified voter file have been identified by the help America vote verification system as nonmatching with United States Social Security Administration records. The department of state shall make reasonable efforts to determine the eligibility of these individuals, including, but not limited to, sending a notice to a nonmatching individual, using available data provided by the federal government or other sources, seeking the assistance of

appropriate federal, state, or local officials or agencies, and any other efforts the department of state determines are appropriate.

(3) The department of state shall conduct a systematic review to identify individuals who have moved to another state or country and whose primary residence is no longer be in Michigan. To conduct the review, the department of state shall use, in addition to current processes employed by the department of state, resources, including but not limited to, the national change of address program operated by the United States Postal Service and the qualified voter files of other states

(4) The department of state shall notify each individual in the qualified voter file identified by the department of state's systematic reviews as potentially noneligible that the individual's voter registration is in question and provide the individual the opportunity to respond before the individual's voter registration is cancelled or scheduled for cancellation after 2 federal elections as appropriate.

(5) Not later than April 1, the department of state shall submit a report to the standard report recipients, the house of representatives and senate standing committees on elections, and the house of representatives and senate appropriations committees on the reviews conducted under this section and the findings. The report must include all of the following:

(a) A summary of the systematic review process.

(b) Any databases or resources used.

(c) The number of noncitizen individuals with presence in the United States who have obtained a driver license or personal state identification card.

(d) The number of individuals who are in the qualified voter

file but have been identified as nonmatching to the Untied States Social Security Administration records.

(e) The total number individuals by each category, count of registration, date of registration, and source of registration.

(6) This review must be conducted not less than every 2 years beginning not later than 2026 and not later than January 31 in every subsequent even-numbered year.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

Sec. 801. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $4,000,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $75,000.00 for local contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $50,000.00 for private

contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 802. Any proceeds that exceed necessary costs incurred in conducting transfers, auctions, direct sales, or scrapping of state surplus property under section 267 of the management and budget act, 1984 PA 431, MCL 18.1267, are appropriated to the MDTMB to offset any costs incurred in the acquisition and distribution of surplus property. The MDTMB shall provide consolidated internet auction services through this state's contractors for all local units of government.

Sec. 803. (1) The MDTMB may receive and expend funds in addition to those authorized by part 1 for maintenance and operation services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, or private tenants, or provided in connection with facilities transferred to the operational jurisdiction of the MDTMB.

(2) The MDTMB may receive and expend funds in addition to those authorized by part 1 for real estate, architectural, design, engineering, and project oversight services provided specifically to other principal executive departments or state agencies, the legislative branch, the judicial branch, universities, community colleges, or private tenants.

(3) The MDTMB may receive and expend funds in addition to those authorized in part 1 for mail pickup and delivery services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

(4) The MDTMB may receive and expend funds in addition to those authorized in part 1 for purchasing services provided specifically to other principal executive departments and state agencies, the legislative branch, or the judicial branch.

(5) Any revenue collected by the MDTMB from user fees under subsections (1) to (4) must be carried forward and does not lapse to the general fund at the close of the fiscal year.

Sec. 805. To the extent a specific appropriation is required for a detailed source of financing included in part 1 for the MDTMB appropriations financed from special revenue and internal service and pension trust funds, or SIGMA user charges, the specific amounts are appropriated within the special revenue internal service and pension trust funds in portions not to exceed the aggregate amount appropriated in part 1.

Sec. 807. Funding in part 1 for SIGMA must be funded by proportionate charges assessed against the respective state funds benefiting from the SIGMA project in the amounts determined by MDTMB.

Sec. 808. (1) A deposit against the IDG from building occupancy and parking charges appropriated in part 1 must be collected, in part, from state agencies, the legislative branch, and the judicial branch based on estimated costs associated with maintenance and operation of buildings managed by MDTMB. To the extent excess revenue is collected due to estimates of building occupancy charges exceeding actual costs, the excess revenue may be carried forward into subsequent fiscal years for the purpose of returning funds to state agencies.

(2) An appropriation in part 1 for building occupancy and parking charges may be increased to return excess revenue collected

to state agencies.

Sec. 809. On a biannual basis, the MDTMB shall submit a report to the standard report recipients on any revisions either individually or in the aggregate that increase or decrease current contracts by more than $250,000.00 for computer software development, hardware acquisition, or quality assurance.

Sec. 810. (1) From the funds appropriated in part 1, the MDTMB shall maintain an internet website that contains notice of all solicitations, invitations for bids, and requests for proposals over $50,000.00 that are issued by the MDTMB or by any state agency operating under delegated authority, except for solicitations up to $500,000.00 in accordance with the MDTMB policy regarding providing opportunities to Michigan small businesses, geographically disadvantaged business enterprises, Michigan veteran-owned business, Michigan service disabled veteran-owned businesses, or Michigan recognized community rehabilitation organizations, or if the MDTMB determines and documents that it is in the best interest of this state. This information must appear on the first page of each department or state agency dashboard.

(2) The MDTMB shall set the due date for acceptance of an invitation for bid or request for proposal to not less than 14 days after the notice is made available on the internet website described in subsection (1), unless the MDTMB determines and documents that a different due date is in the best interest of this state.

(3) In addition to the requirements of this section, the MDTMB may advertise the solicitations, invitations for bids, and requests for proposals in any manner that the MDTMB determines is appropriate to give the greatest number of persons the opportunity

to respond or make bids or requests for proposals.

(4) A new request for a proposal that is publicly displayed on the internet website must include the proposal's corresponding department or agency. The internet website must allow for the searching of requests for proposals by department or agency.

Sec. 811. From the funds appropriated in part 1, the MDTMB shall maintain a system that interfaces with other departments and agencies to track the performance of vendors in fulfilling contract obligations. The performance of these vendors must be recorded and used as a factor to determine future contracts awarded in the procurement process.

Sec. 812. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $51,306,300.00. From this amount, total MDTMB appropriations for pension-related legacy costs are estimated at $46,275,100.00. Total MDTMB appropriations for retiree health care legacy costs are estimated at $5,031,200.00.

Sec. 813. (1) Funds in part 1 for motor vehicle fleet are appropriated to the MDTMB for administration and the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles.

(2) The funds described in subsection (1) must be funded by revenue from rates charged to principal executive departments and agencies for utilizing vehicle travel services provided by the MDTMB. Any revenue in excess of the amount appropriated in part 1 from the motor transport fund and any unencumbered funds are restricted revenues and may be carried over into the succeeding fiscal year.

(3) The MDTMB shall, not later than 90 days after the close of

the fiscal year, submit an annual report to the standard report recipients regarding the operation of the motor vehicle fleet. The report must include all of the following:

(a) The number of vehicles assigned to, or authorized for use by, state departments and agencies.

(b) The number of vehicles in the motor vehicle fleet.

(c) The number of miles driven by fleet vehicles.

(d) The number of gallons of fuel consumed by fleet vehicles.

(e) A description of fleet garage operations.

(f) The goods sold and services provided by the fleet garage.

(g) The number of employees assigned to each fleet garage.

(4) The information provided under subsection (3) may be adjusted during the fiscal year based on needs and cost savings to achieve the maximum value and efficiency from the state motor fleet.

(5) The MDTMB may charge state agencies for fuel cost increases that exceed 10% of the budgeted price per gallon of motor vehicle fuels. The MDTMB shall notify state agencies, in writing or by email, not less than 30 days before implementing additional charges for fuel cost increases. Any revenue received from these charges is appropriated on receipt.

(6) The state budget director, on notification to the senate and house of representatives standing committees on appropriations, may adjust spending authorization and the IDG from motor transport fund in the MDTMB to ensure that the appropriations for motor vehicle fleet in the MDTMB budget equal the expenditures for motor vehicle fleet in the budgets for all executive branch agencies.

Sec. 814. Funds appropriated in part 1 must not be spent for the lease or purchase of electric or hybrid electric vehicles in

the state fleet. All leases and purchases of state fleet vehicles must be for vehicles powered exclusively by internal combustion engines.

Sec. 815. (1) The legal services fund is created within the state treasury.

(2) Funds may be spent from the legal services fund only on appropriation, or legislative transfer pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393

(3) Funds in the legal services fund at the close of the fiscal year remain in the legal services fund and do not lapse to the general fund.

(4) Subject to subsection (2), funds appropriated in this part for deposit into the legal services fund are available to provide support for major litigation involving the governor and attorney general in their official capacity, and for securing outside legal advice, as identified by the attorney general, on major statewide issues not unique to a single department or agency.

(5) The unexpended and unencumbered funds appropriated in 2021 PA 87 for legal services funding and carried forward under work project account number 17458, titled "legal services", are appropriated for deposit into the legal services fund created in subsection (1).

(6) The MDTMB shall report quarterly to the standard report recipients on legal services fund expenditures. The report must itemize expenditures by case, purpose, and department involved and must include expenditures related to all previously appropriated funds.

Sec. 820. The MDTMB shall post on its website and make available to the public a list of all parcels of real property

owned by this state that are available for purchase.

Sec. 821. (1) From the funds appropriated in part 1, the office of retirement services within the MDTMB shall prepare a report by September 30 on the judges' retirement system, the military retirement system, the Michigan public school employees' retirement system, the state employees' retirement system, and the state police retirement system. The report must be submitted to the standard report recipients.

(2) The report must include, but is not limited to, all of the following information for each of the retirement systems described in subsection (1):

(a) A chart and table detailing annual required contribution flow per year for fiscal year 2024-2025 and the subsequent 24 fiscal years.

(b) Separate annual required contribution payment charts and tables for pension and other postemployment benefits.

(c) Separate annual required contribution payment charts and tables for the current annualized rate of return, an annualized rate of return 50 basis points less than the current annualized rate of return, and an annualized rate of return 100 basis points less than the current annualized rate of return.

(d) Separate annual required contribution payment charts and tables by normal cost and unfunded actuarial accrued liability.

(e) A justification if the payroll growth assumption is maintained at or above 0% for any pension or OPEB plan. The report must include an analysis of active employee plan member forecasts.

(3) The report must include the following items specific to the Michigan public school employees' retirement system:

(a) A copy of the retirement plan election guide that is

provided to new Michigan public school employees' retirement system hires as of the due date of the report.

(b) The number of new Michigan public school employees' retirement system employees who entered the defined contribution plan and pension plus II plan not later than 14 days after the end of the current fiscal year.

(c) An explanation of how the retirement plan election guide explains that pension plus II members must pay 50% of any future unfunded actuarial accrued liability payments.

(d) An explanation of how the retirement plan election guide explains that defined contribution plan members have annuity options that allow for guaranteed retirement income available through a private insurance company.

(e) If any calculations are provided to plan members for expected retirement income, then the following items must be included:

(*i*) An explanation of how the retirement plan election guide demonstrates a range of potential outcomes.

(*ii*) The underlying assumptions the retirement plan election guide uses to calculate expected future retirement income.

(*iii*) How underlying assumptions are disclosed in the guide.

(4) The report must include the amount of money that each school district received, on a per pupil basis, in foundation allowances that was spent on Michigan public school employees' retirement system costs in the immediately preceding fiscal year.

(5) The office of retirement services must post the most recent year's comprehensive annual financial report for each plan described in subsection (1) not later than 90 days after the end of the fiscal year.

Sec. 822. Not later than January 1, the MDTMB shall submit a report to the standard report recipients related to the salaries of unclassified employees and gubernatorial appointees within all state departments and agencies. The report must enumerate each unclassified employee and gubernatorial appointee and the employee's or appointee's annual salary rounded to the nearest thousand dollars.

Sec. 822c. The funds appropriated in part 1 must not be used to support any staff effort, projects, consultant expenses, or any other activity related to the development, financing, construction, operation, or implementation of the Gordie Howe International Crossing or any successor project unless the approval of the project is enacted into law.

Sec. 822d. Not later than December 31, the MDTMB shall submit a report to the standard report recipients that includes all of the following:

(a) The fee and rate schedules to be used by state departments and agencies for services, including information technology, provided by the MDTMB during the current fiscal year.

(b) The changes from fees and rates charged in the immediately preceding fiscal year.

(c) An explanation of the factors that justify each fee and rate increase described in subdivision (b).

Sec. 822e. (1) In addition to the funds appropriated in part 1, the funds collected by the MDTMB for supplying census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products are appropriated for all expenses necessary to provide the required services. These funds are available for

expenditure when they are received and may be carried forward into the next fiscal year.

(2) Not later than March 1, the MDTMB shall submit a report to the standard report recipients that provides the amount of revenue collected by the MDTMB from the authorization in subsection (1) and the amount of revenue carried forward.

Sec. 822f. From the funds appropriated in part 1 for business support services, not more than an additional $200,000.00 may be used to continue a comprehensive supplier risk and information subscription used for the precontract risk assessment program.

Sec. 822g. (1) The emergency services contracted providers fund is created within the department of treasury. The MDTMB shall administer the emergency services contracted providers fund.

(2) From the unexpended and unencumbered funds appropriated in 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 that were designated as work project appropriations, the MDTMB shall work with the state budget director to lapse a total of $6,000,000.00. The $6,000,000.00 in work project lapse funds must be made available for expenditure for reimbursement payments to be made to ambulance providers that are in full compliance with section 20921 of the public health code, 1978 PA 368, MCL 333.20921, and that can verify they are owed payments by a provider of health care services that had a contract with the MDOC to provide services after December 31, 2022 and before January 1, 2025.

(3) Not later than 30 days after the effective date of this act, the MDTMB shall collaborate with the MDOC to develop a grant program to provide monetary awards to ambulance providers for reimbursement of payments owed as described in subsection (2). The MDTMB shall create a grant application that includes, but is not

limited to, all of the following:

(a) The name of the ambulance provider applying for a grant.

(b) The location of the principal office of the ambulance provider.

(c) The grant amount sought by the ambulance provider.

(d) Documentation supporting the grant amount sought by the ambulance provider.

(4) The MDTMB shall publish the grant application developed under subsection (3) on the MDTMB's publicly accessible website immediately upon development.

(5) The MDTMB shall accept applications for a period of 30 days beginning on the date that the MDTMB publishes the application under subsection (4).

(6) The MDTMB shall distribute grant funding not later than 30 days after the period described in subsection (5) ends.

(7) If a recipient of grant funding under this section receives reimbursement of money owed as described in subsection (2) through a litigation judgment or settlement, the recipient shall pay the money reimbursed to this state.

MEMORIALS

Sec. 822k. The MDTMB may receive and expend funds from the Vietnam veterans memorial monument fund in accordance with the Michigan Vietnam veterans memorial act, 1988 PA 234, MCL 35.1051 to 35.1057. The funds are appropriated and allocated when received by the MDTMB and may be expended on receipt.

Sec. 822*l*. The Michigan veterans' memorial park commission may receive and expend money from any source, public or private, including, but not limited to, gifts, grants, donations of money,

and government appropriations, for the purposes described in Executive Order No. 2001-10. The funds are appropriated and allocated when received by the Michigan veterans' memorial park commission and may be expended on receipt. Any deposit made under this section and any unencumbered funds are restricted revenues and may be carried over into subsequent fiscal years.

Sec. 822m. In addition to the funds appropriated in part 1, the MDTMB may receive and expend money from the Michigan law enforcement officers memorial monument fund in accordance with the Michigan law enforcement officers memorial act, 2004 PA 177, MCL 28.781 to 28.786. Any deposit made into the fund is restricted revenues and must be carried over into succeeding fiscal years.

Sec. 822n. (1) A new request for proposals or other arrangements for the installation of solar energy projects, or the purchase of solar energy through utility voluntary green pricing programs authorized by the Michigan public service commission, for use at state-owned or state-leased facilities may consider the value of the life cycle carbon emissions in the manufacturing of the solar equipment as part of the selection process. Information requested through bidding processes and standards for the independent measurement and verification of life cycle carbon emissions, such as the Global Electronics Council's Electronic Product Environmental Assessment Tool, may be used in the selection process.

(2) Not later than June 30, the MDTMB shall submit a report to the standard report recipients on the implementation of this section.

INFORMATION TECHNOLOGY

Sec. 824. The MDTMB may enter into agreements to provide spatial information and technical services to other principal executive departments, state agencies, local units of government, and other organizations. The MDTMB may receive and expend funds in addition to those authorized in part 1 for providing information and technical services, publications, maps, and other products. The MDTMB may expend amounts received for salaries, supplies, and equipment necessary to provide informational products and technical services.

Sec. 825. (1) The legislature shall have access to all historical and current data contained within SIGMA, or its predecessor, pertaining to state departments and to the judicial branch.

(2) State departments shall have access to all historical and current data contained within SIGMA or its predecessor.

Sec. 826. As used in this part and part 1, "information technology services" means services that involve all aspects of managing and processing information, including, but not limited to, all of the following:

(a) Application and mobile development and maintenance.

(b) Desktop computer support and management.

(c) Cybersecurity.

(d) Social media.

(e) Mainframe computer support and management.

(f) Cloud services support and management, including, but not limited to, infrastructure as a service, platform as a service, and software as a service.

(g) Local area network support and management, including, but not limited to, wired and wireless network build-out, support, and

management.

(h) Information technology project management.

(i) Information technology procurement and contract management.

(j) Telecommunication services, security, infrastructure, and support.

(k) Server support and management.

(*l*) Information technology planning and budget management.

Sec. 827. (1) Funds appropriated in part 1 for the Michigan public safety communications system must be expended on approval of an expenditure plan by the state budget director.

(2) The MDTMB shall assess all subscribers of the Michigan public safety communications system reasonable access and maintenance fees and deposit the fees in the Michigan public safety communications systems fees fund.

(3) All money received by the MDTMB under this section must be expended for the support and maintenance of the Michigan public safety communications system.

(4) Any deposits made under this section and unencumbered funds are restricted revenues and must be carried forward into succeeding fiscal years.

(5) The MDTMB shall prepare a report that indicates the amount of revenue collected under this section and expended for support and maintenance of the Michigan public safety communication system for the immediately preceding 6-month period. The report must be submitted to the standard report recipients not later than April 15.

Sec. 828. Not later than 45 days after the end of the current fiscal year, the MDTMB shall submit a report to the standard report

recipients that includes both of the following:

(a) The estimated total amount of funding appropriated for information technology services and projects, by funding source, for all principal executive departments and agencies for the immediately preceding fiscal year.

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

Sec. 829. The MDTMB shall prepare a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software. The report must be submitted to the standard report recipients not later than March 1.

Sec. 830. (1) Any revenue collected from licenses issued under the antenna site management project shall be deposited in the antenna site management revolving fund created for this purpose in the MDTMB. The MDTMB may receive and expend money from the fund for costs associated with the antenna site management project, including the cost of a third-party site manager. Any excess revenue remaining in the fund at the close of the fiscal year must be proportionately transferred to the appropriate state restricted funds as designated in a PA or the state constitution of 1963.

(2) An antenna must not be placed on any site under this section without complying with the respective local zoning codes and local unit of government processes.

Sec. 831. If the MDTMB provides information technology services to a department or agency directly, the MDTMB shall submit a monthly invoice to the department or agency for the information technology services provided. If the MDTMB provides information technology services to a department or agency through a contracted vendor, the MDTMB shall submit an invoice to the department or

agency not later than 45 days after the MDTMB receives approval to pay the vendor invoice.

Sec. 832. (1) The MDTMB shall inform the senate and house of representatives appropriations subcommittees on general government and the senate and house fiscal agencies not later than 30 days after learning of the proposal of a potential penalty proposed or the assessment of an actual penalty assessed by the federal government for failure of the Michigan child support enforcement system to achieve certification by the federal government.

(2) If a potential penalty is proposed by the federal government, the MDTMB shall submit a report to the standard report recipients not later than 90 days after the date the potential penalty is proposed specifying the MDTMB's plans to avoid the assessment of an actual penalty and ensure federal certification of the Michigan child support enforcement system.

Sec. 833. (1) The state budget director, on notification to the standard report recipients and the senate and house of representatives standing committees on appropriations, may adjust spending authorization and user fees in the MDTMB to ensure that the appropriations for information technology in the MDTMB equal the appropriations for information technology in the budgets for all executive branch agencies.

(2) If, during the fiscal year, a supplemental appropriation or transfer is made under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, to or from an information technology line item in an agency budget, there is appropriated an equal amount of user fees in the MDTMB to accommodate an increase or decrease in spending authorization.

Sec. 834. (1) The MDTMB shall not contract with a vendor for a

commercial-off-the-shelf product if the potential vendor would need to write software code to enable the product to meet the requirements and specifications of the applicable department or agency work procured under the contract and if 1 of the following conditions applies:

(a) The contract would involve labor costs that exceed the base price of the commercial-off-the-shelf product, including, but not limited to, licensing and hosting fees.

(b) The potential vendor is not able to provide more than 1 example of successful implementation of the offered commercial-off-the-shelf product.

(2) As used in this section, "commercial-off-the-shelf product" means a software product that is commercially ready-made and available for sale, lease, or license to the general public.

Sec. 835. (1) From the funds appropriated in part 1, the MDTMB shall not enter into a contract with a vendor for software development services that has a value greater than $10,000,000.00 or that is effective for a period longer than 3 years except on appropriation or legislative transfer in accordance with section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 836. (1) From the funds appropriated in part 1 for technology services, the department shall contract for independent verification and validation services for each information technology project that meets either of the following conditions:

(a) The project has a contract value that is greater than $5,000,000.00.

(b) The project has a contract value that is greater than $1,000,000.00 and 1 or more of the following conditions applies:

(*i*) The project spans across more than 1 department or agency.

(*ii*) The project involves multiple vendors.

(*iii*) The project has an accelerated schedule.

(*iv*) The impact is high if the project were to fail or be delayed.

(2) A contract for independent verification and validation services must require the independent verification and validation vendor to report on a monthly basis and 2 times each year. In addition to the MDTMB and sponsoring department or agency, all independent verification and validation reporting must be submitted to each technology vendor on the project and to the standard report recipients.

Sec. 837. All information technology projects funded by appropriations in part 1 must do both of the following:

(a) Use information technology project management best practices and services as defined or recommended by the enterprise portfolio management office of the MDTMB.

(b) Comply with the requirements of the state unified information technology environment methodology as it applies to all information technology project management processes.

Sec. 840. (1) From the funds appropriated in part 1, the MDTMB shall use the United States General Services Administration's Contract-Awarded Labor Category Tool for calculating expected labor costs for information technology software project contracts before soliciting bids, RFPs, or solutions for those contracts.

(2) Each RFP for a contract described in subsection (1) must include a clear statement of objective that is not longer than 5 pages and that communicates all essential operational requirements of the contracted service.

Sec. 841 (1) From the funds appropriated in part 1 for

Michigan state digital service office, the Michigan state digital service office is created within the MDTMB. The Michigan state digital service office shall advise and collaborate with the state central procurement office, the state chief information officer, the enterprise portfolio management office, and other offices under the chief information officer to adopt modern software development strategies and practices for building and deploying technology and digital services. Strategies and practices developed with the Michigan state digital service office must aim to achieve the maximum effect on critical systems and programs. The Michigan state digital service office shall work to foster cultural change in the state technology workforce conducive to implementing the adoption of modern software development strategies and practices.

(2) The Michigan state digital service office shall advise and collaborate with leadership of the MDTMB and state departments and agencies to do all of the following:

(a) Support adoption of modern software development best practices, including agile development methodologies and open-source practices for the development and deployment of new and existing digital services. Practices must include advocacy of modern software development tools and practices, such as DevSecOps, modular contracting, user-centered design, iterative and incremental development, unified, development infrastructure, service-oriented architecture, open source software, and modern best practices as described in the 13 plays of the Digital Services Playbook published by the United States Digital Service:

(*i*) Understand what people need.

(*ii*) Address the whole experience, from start to finish.

(*iii*) Make it simple and intuitive.

(*iv*) Build the service using agile and iterative practices.

(*v*) Structure budgets and contracts to support delivery.

(*vi*) Assign one leader and hold that person accountable.

(*vii*) Bring in experienced teams.

(*viii*) Choose a modern technology stack.

(*ix*) Deploy in a flexible hosting environment.

(*x*) Automate testing and deployments.

(*xi*) Manage security and privacy through reusable processes.

(*xii*) Use data to drive decisions.

(*xiii*) Default to open.

(b) Advise and collaborate with the central procurement office and the MDTMB leadership to study innovative procurement practices to the acquisition of digital products by and for state departments and agencies, to facilitate the rapid provision of high-quality digital services that are based on users' needs and that comply with state best practices and policies regarding data privacy, security, and accessibility.

(c) Review all requests from executive departments and agencies for software development projects to evaluate and advise on the most optimal design and development approach including those that encourage in-house development.

(d) Promote the most effective means for improving digital services based upon quantitative and qualitative assessments of user needs.

(e) Coordinate training for state departments and agencies on effective management and collaboration in software development projects, including, but not limited to, training on the role of product owners. As used in this subdivision, "product owner" means that term as defined in section 233 of this part.

(f) Provide oversight, monitoring, and recommendations for information technology activities within state departments and agencies with a cost greater than $500,000.00 to promote software development practices as described in this section. The cost of the oversight, monitoring, and recommendations must be assessed to the entity requesting the activity.

(g) Provide standards for the management, organization, and tracking of information technology activities within state departments and agencies with a cost greater than $500,000.00.

(h) Issue reports to the standard report recipients and chief information officer when a project with a budget greater than $500,000.00 encounters problems that put the project at risk of exceeding the budget or schedule. The report must detail the reason for the problem and provide recommendations to resolve the problem.

(i) Inventory technology assets within state departments and agencies.

(3) Nothing in this section should be construed as detracting from the duties and responsibilities of the leadership and staff of the MDTMB.

(4) Not later than February 1, the Michigan state digital service office shall submit a report to the standard report recipients on the progress of all of the following:

(a) Actions taken to pursue and implement responsibilities provided in this section.

(b) The status of progress made toward achieving full adoption of modern software development best practices.

(c) Actions recommended to the MDTMB and the status and outcomes of the recommendations.

(d) A summary of any actions that resulted in reducing costs

to the state and estimates of those savings.

(5) The Michigan state digital service office must be led by an executive director. The governor shall appoint the executive director with the advice and consent of the senate majority leader and the speaker of the house. The Michigan state digital service office shall exercise all prescribed statutory powers, duties, and functions of rulemaking and setting of rates charged to departments and agencies independently of the director of the MDTMB.

(6) The executive director shall be a full voting member of the information technology investment fund executive governance board.

(7) The executive director shall build and commit to a talent strategy that attracts, recruits, compensates, and retains interdisciplinary expertise in technology, strategy, business, and management in order to import world-class digital services into state information technology services and projects.

STATE BUILDING AUTHORITY RENT

Sec. 842. (1) Funds appropriated in part 1 for state building authority rent may, in addition to this purpose, be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in the applicable insurance policies.

(2) If the amount appropriated in part 1 for state building authority rent is not sufficient to pay the rent obligations and insurance premiums and deductibles identified in subsection (1) for state building authority projects, there is appropriated from the general fund of this state the amount necessary to pay the

obligations.

OFFICE OF THE STATE EMPLOYER

Sec. 843. (1) The funds appropriated in part 1 for statewide appropriations must be funded by assessments against longevity and insurance appropriations throughout state government in a manner prescribed by the MDTMB. The funds must be used as specified in joint labor/management agreements, or through the coordinated compensation hearings process. Any deposits of assessments made under this subsection and any unencumbered funds are restricted revenues, may be carried over into the succeeding fiscal years, and are appropriated.

(2) In addition to the funds appropriated in part 1 for statewide appropriations, the MDTMB may receive and expend funds in the additional amounts specified in joint labor/management agreements, or through the coordinated compensation hearings process, in the same manner and subject to the same conditions as prescribed in subsection (1).

Sec. 844. In addition to the funds appropriated in part 1, the MDTMB may receive and expend funds from other principal executive departments and state agencies to implement administrative leave bank transfer provisions specified in joint labor/management agreements. The funds may also be transferred to other principal executive departments and state agencies under the joint labor/management agreement and any amounts transferred under the joint labor/management agreement are authorized for receipt and expenditure by the receiving principal executive department or state agency. Any funds received by the MDTMB under this section and intended, under the joint labor/management agreements, to be

available for use beyond the close of the fiscal year, and any unencumbered funds, may be carried over into the next fiscal year.

CIVIL SERVICE COMMISSION

Sec. 850. (1) In accordance with section 5 of article XI of the state constitution of 1963, all restricted funds must be assessed a sum not less than 1% of the total aggregate payroll paid from those funds for financing the civil service commission on the basis of actual 1% restricted sources total aggregate payroll of the classified service for the preceding fiscal year. This includes, but is not limited to, restricted funds appropriated in part 1 of any appropriations act. The civil service commission shall return any unexpended funds appropriated under this subsection to each 1% fund source not later than 6 months after the end of the fiscal year.

(2) The appropriations in part 1 are estimates of actual charges based on payroll appropriations. With the approval of the state budget director, the civil service commission may adjust financing sources for civil service charges based on actual payroll expenditures, if the adjustments do not increase the total appropriation for the civil service commission.

(3) The financing from restricted sources must be credited to the civil service commission by the end of the second fiscal quarter.

Sec. 851. Except where specifically appropriated for this purpose, financing from restricted sources must be credited to the civil service commission. For restricted sources of funding within the general fund that have the legislative authority for carryover, if current spending authorization or revenues are insufficient to

accept the charge, the shortage must be taken from carryforward balances of that funding source. Restricted revenue sources that do not have carryforward authority must be utilized to satisfy civil service commission operating deductions first and civil service commission obligations second. General fund dollars are appropriated for any shortfall, if approved by the state budget director.

Sec. 852. The appropriation in part 1 to the civil service commission, for state-sponsored group insurance, flexible spending accounts, and COBRA, represents amounts, in part, included within the various appropriations throughout state government for the current fiscal year to fund the flexible spending account program included within the civil service commission. Deposits against state-sponsored group insurance, flexible spending accounts, and COBRA for the flexible spending account program must be made from assessments levied during the fiscal year in a manner prescribed by the civil service commission. Unspent employee contributions to the flexible spending accounts may be used to offset administrative costs for the flexible spending account program, and any remaining balance of unspent employee contributions lapses to the general fund.

Sec. 853. From the funds appropriated in part 1, the Michigan civil service commission shall continue to work toward completing its review of current employee classifications and educational requirements necessary for employment. On completion of the review, the commission, where possible, shall substitute relevant experience for the default educational requirement of a bachelor's degree.

CAPITAL OUTLAY

Sec. 860. As used in sections 861 through 875 of this part:

(a) "Board" means the state administrative board created in section 1 of 1921 PA 2, MCL 17.1.

(b) "Community college" means a community college organized under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, and does not include a state agency or university.

(c) "Director" means the director of the MDTMB.

(d) "State agency" means an agency of state government. State agency does not include a community college or university.

(e) "State building authority" means the authority created in section 2 of 1964 PA 183, MCL 830.412.

(f) "University" means a 4-year university supported by this state. University does not include a community college or a state agency.

Sec. 861. Each capital outlay project authorized in this part and part 1 or any previous capital outlay act shall comply with the procedures required by the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 862. (1) The MDTMB shall submit a report to the standard report recipients and the JCOS on the status of each planning or construction project financed by the state building authority, this part and part 1, or a previous PA.

(2) Before the end of the fiscal year, the MDTMB shall submit a report to the standard report recipients and the JCOS for each capital outlay project other than lump sums that includes all of the following:

(a) The account number and name of each construction project.

(b) The balance remaining in each account.

(c) The date of the last expenditure from the account.

(d) The anticipated date of occupancy if the project is under construction.

(e) The appropriations history for the project.

(f) The professional service contractor.

(g) The amount of the project financed with federal funds.

(h) The amount of the project financed through the state building authority.

(i) The total authorized cost for the project and the state authorized share if different than the total.

(3) Before the end of the fiscal year, the MDTMB shall submit a report to the standard report recipients and the JCOS on all of the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:

(a) The name of the project and account number.

(b) Whether a program statement is approved.

(c) Whether schematics are approved by the MDTMB.

(d) Whether preliminary plans are approved by the MDTMB.

(e) The name of the professional service contractor.

(4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Sec. 863. (1) If the director proposes to rent space or a facility for which the annual base cost of the proposed rent is more than $500,000.00, approval of the joint capital outlay subcommittee is required before board approval.

(2) In emergency situations, written notification to the

committee not later than 5 days after executing the agreement is required.

(3) The renewal of an existing rental agreement requires the approval of the joint capital outlay subcommittee if the renewal results in changes to the rent that would cause it to meet the requirements described in subsection (1).

Sec. 863a. The MDTMB shall work with all state departments and agencies to evaluate their current office building and space usage to identify any projected changes for the current and next fiscal year. The MDTMB shall report the following information to the standard report recipients not later than May 1:

(a) Projected changes in state-owned property being utilized by each department and agency for the current and next fiscal year.

(b) Projected changes to leased property being utilized by each department and agency for current and next fiscal years.

(c) A comparative analysis of 2019 occupancy levels to expected levels for the current and next fiscal year.

(d) All of the following information for the immediately preceding fiscal year:

(*i*) A list of expenditures related to space optimization as a result of remote work, including costs associated with divesting state-owned property and vacating leased facilities.

(*ii*) Net savings as a result of property divestment or vacated leased facilities.

(*iii*) A description of each divested property or location of each vacated leased facility.

Sec. 864. The appropriations in part 1 for capital outlay must be carried forward at the end of the fiscal year in accordance with section 248 of the management and budget act, 1984 PA 431, MCL

18.1248.

Sec. 865. (1) A site preparation economic development fund is created in the MDTMB. The MEDC board and the state budget director shall determine whether a specific state-owned site qualifies for inclusion in the site preparation economic development fund.

(2) Any proceeds from the sale of an economic development site must be deposited in the site preparation economic development fund and are available for site preparation expenditures, unless otherwise provided by law. The economic development sites are authorized for sale consistent with state law. Expenditures from the site preparation economic development fund are authorized for site preparation activities that enhance the marketable sale value of the economic development sites.

(3) A cash advance in an amount of not more than $25,000,000.00 is authorized from the general fund to the site preparation economic development fund.

(4) Not later than December 31, the MDTMB shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations that includes both of the following:

(a) The revenue and expenditure activity in the site preparation economic development fund for the immediately preceding fiscal year.

(b) The sites identified as economic development sites.

(5) As used in this section:

(a) "Economic development site" means a state-owned site that is declared as surplus property under section 251 of the management and budget act, 1984 PA 431, MCL 18.1251, and would provide economic benefit to the area of the site or to this state.

(b) "Site preparation activities" includes, but is not limited to, demolition, environmental studies and abatement, utility enhancement, and site excavation.

CAPITAL OUTLAY - UNIVERSITIES AND COMMUNITY COLLEGES

Sec. 873. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. The funding must be composed of local and state shares and not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college may be appropriated from state and federal funds, unless otherwise appropriated by the legislature.

(3) An expenditure under this part and part 1 is authorized when the release of the appropriation is approved by the board on the recommendation of the director. The director may recommend to the board the release of any appropriation in part 1 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this part and part 1 and has matched the amounts appropriated as required by this part and part 1. A release of funds in part 1 must not exceed 50% of the total cost of planning and construction of any project, not including lump-sum remodeling and additions and special maintenance, unless otherwise appropriated by the legislature. Further planning and construction of a project

authorized by this part and part 1 or applicable sections of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, must be in accordance with the purpose and scope as defined and delineated in the approved program statements and planning documents. This part and part 1 are applicable to all projects for which planning appropriations were made in previous PAs.

(4) The community college shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this part and part 1 if an application was not previously made. If there is a reasonable expectation that a previous year unfunded application may receive federal money in a subsequent year, the community college shall take whatever action necessary to keep the application active.

Sec. 874. If university and community college matching revenues are received in an amount less than the appropriations for capital projects contained in this part and part 1, the state funds must be reduced in proportion to the amount of matching revenue received.

Sec. 875. (1) The director may require that community colleges and universities that have an authorized project described in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or governing board approval of the authorized project, the director may terminate the authorization. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the

project unless the JCOS approves an extension of the authorization.

ONE-TIME APPROPRIATIONS

Sec. 890. (1) The funds appropriated in part 1 for information technology investment fund must be used for the modernization of state information technology systems, improvement of this state's cybersecurity framework, and to achieve efficiencies.

(2) The MDTMB shall develop a plan regarding the use of the funds appropriated in part 1 for the information technology investment fund.

(3) The plan described in subsection (2) must include all of the following:

(a) A description of proposed information technology investment projects.

(b) The time frame for completion of the information technology investment projects.

(c) The initial budgeted amount for each information technology investment project.

(d) The number of employees assigned to implement each information technology investment project.

(e) The contracts entered into for each information technology investment project.

(f) Any other information the MDTMB considers necessary.

(4) The MDTMB shall submit a report to the standard report recipients that includes the plan developed under subsection (2) and the anticipated spending reductions or overages for each proposed information technology investment project. The report must also include both of the following:

(a) A comparison of the initial budgeted amounts and

cumulative costs, both by project and in total for all projects.

(b) The amount of any transfer of budgeted funds from 1 project to another.

DEPARTMENT OF TREASURY OPERATIONS

Sec. 901. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $500,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

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

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

(3) In addition to the amount appropriated to the department of treasury for debt service in part 1, all repayments received by this state on loans made from the school bond loan fund that the state treasurer determines are not required to be deposited in the school loan revolving fund under section 4 of 1961 PA 112, MCL 388.984, are appropriated to the department of treasury for the payment of debt service, including, but not limited to, optional and mandatory redemptions, on bonds, notes, or commercial paper issued by this state under 1961 PA 112, MCL 388.981 to 388.985.

Sec. 902a. As a condition of receiving the appropriations in part 1, not later than 30 days after a refunding or restructuring bond issue is sold, the department of treasury must submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations. The report must include all of the following:

(a) A comparison of the annual debt service before the refinancing or restructuring to the annual debt service after the refinancing or restructuring.

(b) The change in the principal and interest over the duration of the debt.

(c) The projected change in the present value of the debt service as a result of the refinancing and restructuring.

Sec. 902b. As a condition of receiving the appropriations in part 1, not later than 30 days after the state of Michigan comprehensive annual financial report under section 494 of the management and budget act, 1984 PA 431, MCL 18.1494, is published, the department of treasury shall submit a report to the standard report recipients on all funds that are controlled or administered by the department of treasury and not appropriated in part 1. The current and all previous reports prepared as required under this section must be saved and made available on the department of treasury's public website and stored in a common location with all other reports that the department of treasury is required by law to prepare. The link to the location of the reports must be clearly indicated on the main page of the department of treasury's internet website. The report must include all of the following information for each fund for the immediately preceding fiscal year:

(a) The starting balance.

(b) Total revenue generated by transfers in and investments.

(c) Total expenditures.

(d) The ending balance.

Sec. 903. (1) From the funds appropriated in part 1, the department of treasury may contract with law firms or private collection agencies to collect taxes and other accounts due this

state or due a city for which the department of treasury has entered into an agreement to provide tax administration services. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund the cost of these collections, including infrastructure costs. The additional amounts appropriated under this subsection must not exceed 25% of the collections or 2.5% plus operating costs, as applicable. Each contract must prescribe the applicable amount. The amounts appropriated to fund collection costs and fees under this subsection are appropriated from the fund or account to which the corresponding taxes and other accounts being collected are recorded or dedicated. However, if the taxes and other accounts collected are dedicated for a specific purpose under the state constitution of 1963, the amounts appropriated under this subsection are appropriated from the general purpose account of the general fund.

(2) From the funds appropriated in part 1, the department of treasury may contract with law firms or private collections agencies to collect defaulted student loans and other accounts due the Michigan guaranty agency. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund collection costs and fees not to exceed 24.34% of the collection or a lesser amount as prescribed by the contract. The amounts appropriated under this subsection are appropriated from the fund or account to which the revenues being collected are recorded or dedicated.

(3) By November 30, the department of treasury shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations. The report must include all of the following information for the

immediately preceding fiscal year:

(a) The name of each law firm and each private collection agency that the department of treasury contracted with under subsection (1) or (2).

(b) The amount collected under each contract.

(c) The costs of collection under each contract.

(d) Any other information that is pertinent to determining whether the authority described in subsection (1) or (2) should be continued.

Sec. 904. (1) The bureau of investments of the department of treasury may charge an investment service fee against the applicable retirement funds. The revenue from the investment service fees charged under this subsection may be expended for necessary salaries, wages, contractual services, supplies, materials, equipment, travel, worker's compensation insurance premiums, and grants to the civil service commission retirement fund and the state employees' retirement fund. If the bureau of investments of the department of treasury charges a total amount of investment service fees under this subsection that is greater than the aggregate amount appropriated in part 1, the bureau of investments of the department of treasury shall periodically repay the surplus revenue to the applicable retirement funds. The department of treasury shall maintain accounting records in sufficient detail to enable repayment under this subsection.

(2) In addition to the funds appropriated in part 1 from the retirement funds to the department of treasury, there is appropriated from retirement funds an amount sufficient to pay for the services of money managers, investment advisors, investment consultants, custodians, or other outside professionals that the

state treasurer considers necessary to prudently manage the retirement funds' investment portfolios. The state treasurer shall submit an annual report to the standard report recipients and the senate and house of representatives standing committees on appropriations regarding the performance of each portfolio delineated by investment advisor.

(3) Not later than November 30, the department of treasury shall submit a report to the standard report recipients that identifies the service fees assessed against each retirement system under subsection (1) and the methodology used for assessment.

Sec. 904a. (1) There is appropriated an amount sufficient to recognize and pay expenditures for financial services provided by financial institutions or equivalent vendors that perform these financial services, including the department of treasury, as provided under section 1 of 1861 PA 111, MCL 21.181.

(2) The appropriations under subsection (1) must be funded by restricting revenues from common cash interest earnings and investment earnings in an amount sufficient to cover these expenditures. If the amounts of common cash interest earnings are insufficient to cover these expenditures, miscellaneous revenues must be used to fund the remaining balance of these expenditures.

Sec. 905. The municipal finance fee fund is created in the department of treasury as a revolving fund. The department of treasury shall deposit the fees that the department of treasury collects under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, into the municipal finance fee fund. The money in the fund at the end of the fiscal year may be carried forward for future appropriation.

Sec. 906. (1) The department of treasury shall charge for

audits as allowed under state or federal law or under a contract between the department of treasury and a local unit of government, other principal executive department, or state agency. However, the department of treasury shall not charge more than the actual cost for performing the audit. Not later than November 30, the department of treasury shall submit a report to the standard report recipients that includes details of the audits performed and audit charges for the immediately preceding fiscal year.

(2) The audit charges fund is created in the department of treasury as a revolving fund. The department of treasury shall deposit the contractual charges collected under subsection (1) into the audit charges fund. The money in the fund at the end of the fiscal year may be carried forward for future appropriation.

Sec. 907. (1) The department of treasury shall create and operate a property assessor certification and training program. The purpose of the program is to offer courses in assessment administration.

(2) The assessor certification and training fund is created in the department of treasury as a revolving fund. The department of treasury shall use the money in the assessor certification and training fund to create and operate the property assessor certification and training program described in subsection (1).

(3) Each participant in the program shall pay to the department of treasury an examination fee not to exceed $50.00 per examination and a certification fee not to exceed $175.00. In addition, each participant shall pay a fee to cover the expenses incurred in offering the program to certified assessing personnel and other individuals interested in an assessment career opportunity. The department of treasury shall deposit the fees

collected under this subsection into the property assessor certification and training program fund.

Sec. 908. The amount appropriated in part 1 for the home heating assistance program is to cover the costs, including data processing, of administering federal home heating credits to eligible claimants and of administering the supplemental fuel cost payment program for eligible tax credit and welfare recipients.

Sec. 909. Revenue from the airport parking tax act, 1987 PA 248, MCL 207.371 to 207.383, is appropriated and must be distributed in accordance with section 7a of the airport parking tax act, 1987 PA 248, MCL 207.377a.

Sec. 910. The disbursement by the department of treasury from the bottle deposit fund to dealers as required by section 3c(3) of 1976 IL 1, MCL 445.573c, is appropriated.

Sec. 911. (1) There is appropriated an amount sufficient to recognize and pay refundable tax credits, tax refunds, and interest as provided by law.

(2) The appropriations under subsection (1) must be funded by restricting tax revenue in an amount sufficient to cover these expenditures.

Sec. 912. A plaintiff in a garnishment action involving this state shall pay to the state treasurer 1 of the following:

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

(b) A fee of $6.00 at the time any other writ of garnishment is served on the state treasurer. However, the fee must be reduced to $5.00 for each writ of garnishment for individual income tax

refunds or credits that is filed electronically.

Sec. 913. (1) The department of treasury may contract with private firms to appraise and, if necessary, appeal the assessments of senior citizen cooperative housing units. Payment for this service must be made from the savings that result from the appraisal or appeal process being conducted by private firms.

(2) The department of treasury may use a portion of the funds appropriated in part 1 for the senior citizen cooperative housing tax exemption program for an audit of the program. The department of treasury shall submit copies of any completed audit report to the standard report recipients. The department of treasury may use not more than 1% of the funds for administering and auditing the program.

Sec. 914. The department of treasury may provide a $200.00 annual prize from the Ehlers internship award account in the gifts, bequests, and deposit fund to the runner-up of the Rosenthal prize for interns. The Ehlers internship award account is interest bearing.

Sec. 915. As required under section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for the 2023 tax year. Except as otherwise provided in this section, the amount appropriated does not revert to the general fund and remains in the state campaign fund. Any amount that remains in the state campaign fund in excess of $10,000,000.00 on December 31 reverts to the general fund.

Sec. 916. (1) The department of treasury may make available to an interested entity a customized list of otherwise unavailable

nonconfidential information regarding unclaimed property that is in the department of treasury's possession. The department of treasury shall charge for this information as follows:

(a) For 1 to 100,000 records, 2.5 cents per record.

(b) For 100,001 or more records, 0.5 cents per record.

(2) The revenue received under subsection (1) must be deposited in the revenue account or fund that is associated with the applicable unclaimed property.

(3) Not later than June 1, the department of treasury shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations that states the amount of revenue received from the sale of the information under this section.

Sec. 917. (1) There is appropriated for write-offs and advances an amount equal to total write-offs and advances for departmental programs. The amount appropriated under this subsection must not exceed current year authorizations that would otherwise lapse to the general fund.

(2) Not later than November 30, the department of treasury shall submit a report to the standard report recipients. The report must include all of the following information for the immediately preceding fiscal year:

(a) The amounts appropriated for write-offs and advances under subsection (1).

(b) An explanation for each write-off or advance under subsection (1).

Sec. 919. (1) From the funds appropriated in part 1, the department of treasury may contract with private auditing firms to audit for and collect unclaimed property due this state in

accordance with the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to fund auditing and collection costs and fees not to exceed 12% of the collections or a lesser amount as prescribed by the applicable contract. The appropriation to fund collection costs and fees for the auditing and collection of unclaimed property due this state is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) Not later than November 30, the department of treasury shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations. The report must include all of the following information for the immediately preceding fiscal year:

(a) The name of each auditing firm that the department of treasury contracted with under subsection (1).

(b) The amount collected by each of the auditing firms.

(c) The costs of collection.

(d) Any other information that is pertinent to determining whether the authority under subsection (1) should be continued.

Sec. 920. Not later than June 30, from the funds appropriated in part 1, the department of treasury shall do both of the following:

(a) Produce a list of all personal property tax reimbursement payments to be distributed in the current fiscal year by the local community stabilization authority.

(b) Post the list produced under subdivision (a) on the department of treasury's public website.

Sec. 921. From the funds appropriated in part 1, the

department of treasury shall, for each revenue administrative bulletin, administrative rule that involves tax administration or collection, and notice interpreting a change in law, submit a notification to every member of the legislature. The department of treasury shall submit the notification not later than 3 days after the department of treasury posts the notification. Each notification must include all of the following:

(a) A summary of the proposed changes from current procedures.

(b) Identification of industries that will or might be affected by the bulletin, rule, or notice.

(c) A statement of the potential fiscal implications of the bulletin, rule, or notice. This subdivision does not apply to a bulletin, rule, or notice that is a routine update of a tax or interest rate required by statute.

(d) A summary of the reason for the proposed change.

Sec. 924. (1) In addition to the funds appropriated in part 1, the department of treasury may receive and expend principal residence audit fund revenue for administration of principal residence audits under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(2) Not later than December 31, the department of treasury shall submit a report to the standard report recipients that includes the amount of exemptions denied and the revenue received under the program described in subsection (1) for the immediately preceding fiscal year.

Sec. 927. The department of treasury shall submit a progress report regarding essential service assessment audits to the standard report recipients. The report must include all of the following:

(a) The number of audits.

(b) The revenue generated from the audits.

(c) The number of complaints received by the department of treasury related to the audits.

Sec. 928. The department of treasury may provide receipt, check and cash processing, data, collection, investment, fiscal agent, levy and check cost assessment, writ of garnishment, and other user services on a contractual basis for other principal executive departments and state agencies. Funds for the services provided are appropriated and must be expended for salaries, wages, fees, supplies, and equipment necessary to provide the services. Money in the fund that is unobligated at the end of the fiscal year lapses to the general fund.

Sec. 930. (1) The department of treasury shall provide accounts receivable collections services to other principal executive departments and state agencies in accordance with 1927 PA 375, MCL 14.131 to 14.134, or to a city with which the department of treasury has contracted to provide tax administration services. The department of treasury shall deduct a fee equal to the cost of collections from all receipts except for unrestricted general fund collections. Fees must be credited to a restricted revenue account and are appropriated to the department of treasury to pay for the cost of collections. If the department of treasury deducts fees under this subsection that total an amount that is greater than the actual cost of the collections, the department of treasury shall periodically repay the surplus to the respective account. The department of treasury shall maintain accounting records in sufficient detail to enable repayment under this subsection.

(2) Not later than November 30, the department of treasury

shall submit a report to the standard report recipients that includes the following information regarding subsection (1) for the immediately preceding fiscal year:

(a) The principal executive departments and state agencies served.

(b) The funds collected.

(c) The costs of collection.

Sec. 931. (1) Except as otherwise provided in this subsection, the appropriation in part 1 to the department of treasury for treasury fees must be assessed against all restricted funds that receive common cash earnings or other investment income. This subsection does not apply to federal or state restricted funds that are temporary in nature or otherwise do not qualify to be assessed treasury fees. The fee assessed against each restricted fund must be based on the size of the restricted fund, calculated as the absolute value of the average daily cash balance plus the market value of investments in the immediately preceding fiscal year, and the level of resources necessary to maintain the restricted fund as required by each department. Not later than November 30, the department of treasury shall submit a report to the standard report recipients that identifies the fees assessed against each restricted fund and the methodology used for the assessment.

(2) In addition to the funds appropriated in part 1, the department of treasury may receive and expend investment fees that are related to new restricted funding sources that participate in common cash earnings or other investment income during the current fiscal year.

(3) As used in this section, "treasury fees" includes all costs, including administrative overhead, that are related to the

investment of a restricted fund.

Sec. 932. The board of directors of the Michigan education trust may expend revenue received under the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, and grants to the civil service commission retirement fund and the state employees' retirement fund.

Sec. 934. (1) The department of treasury may expend revenues received under the hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, the higher education facilities authority act, 1969 PA 295, MCL 390.921 to 390.934, the Michigan public educational facilities authority, Executive Reorganization Order No. 2002-3, MCL 12.192, the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.261 to 129.279, the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, part 505 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.50501 to 324.50522, the state housing development authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c, and the MFA, Executive Reorganization Order No. 2010-2, MCL 12.194, for necessary salaries, wages, supplies, contractual services, equipment, worker's compensation insurance premiums, grants to the civil service commission retirement fund and the state employees' retirement fund, and other expenses as allowed under those acts or executive reorganization orders.

(2) Not later than January 31, the department of treasury shall submit a report to the standard report recipients that includes both of the following for the immediately preceding fiscal

year:

(a) The amount and purpose of expenditures of $250,000.00 or more that are made under subsection (1) from funds received by the department of treasury that are in addition to those appropriated in part 1.

(b) A list of reimbursement of revenue, if any.

Sec. 935. The position of student loan ombudsman is created in the department of treasury's advocacy services team. The student loan ombudsman serves as an advocate for borrowers and shall work with the financial resource navigator within the department of lifelong learning and potential to provide technical assistance to individuals taking out or paying off student loans.

Sec. 936. Revenue collected in the state forensic laboratory fund is appropriated and shall be distributed in accordance with section 7 of the forensic laboratory funding act, 1994 PA 35, MCL 12.207.

Sec. 937. As a condition of receiving funds in part 1, not later than March 31, the department of treasury shall submit a report to the standard report recipients and the senate and house standing committees on appropriations regarding the performance of the Michigan accounts receivable collections system. The report must include all of the following:

(a) Information regarding the effectiveness of the department of treasury's current collection strategies, including the use of vendors or contractors.

(b) The amount of delinquent accounts and collection referrals to vendors and contractors.

(c) The liquidation rates for declining delinquent accounts.

(d) The profile of uncollected delinquent accounts, including

specific uncollected amounts by category.

(e) The department of treasury's strategy to manage delinquent accounts when those accounts exceed the vendor's or contractor's contracted collectible period.

(f) A summary of the strategies used in other states, including, but not limited to, secondary placement services, and assessing the benefits of those strategies.

Sec. 938. Revenue collected in the qualified heavy equipment rental personal property exemption reimbursement fund is appropriated and must be distributed in accordance with section 9 of the qualified heavy equipment rental personal property specific tax act, 2022 PA 35, MCL 211.1129.

Sec. 939. Revenue deposited in the local government reimbursement fund is appropriated and must be distributed in accordance with section 3a of the Michigan trust fund act, 2000 PA 489, MCL 12.253a.

Sec. 940. (1) The election administration support fund is created in the state treasury.

(2) Any unexpended funds in the election administration support fund must be carried forward and are available for expenditure under this section.

(3) Funds may be spent from the election administration support fund only on appropriation, or legislative transfer pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

(4) The state treasurer may receive money or other assets from any source for deposit in the election administration support fund. The state treasurer shall direct the investment of the election administration support fund. The state treasurer shall credit to

the election administration support fund interest and earnings from the election administration support fund.

(5) Funds in the election administration support fund at the close of the fiscal year remain in the election administration support fund and do not lapse to the general fund.

(6) Funds appropriated in part 1 for election administration support fund must be deposited in the election administration support fund.

Sec. 941. (1) Not later than November 1, from the funds appropriated in part 1, the department of treasury, in conjunction with the MSF, shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations on the annual cost of the MEGA tax credits. The report must include, for each year from 1995 to the expiration of the MEGA tax credit program, the board-approved credit amount, adjusted for credit amendments if applicable, and the actual and projected value of tax credits. For years for which credit claims are complete, the report must include the total of actual certificated credit amounts. For years for which claims are still pending or not yet submitted, the report must include a combination of actual credits if available and projected credits. Credit projections must be based on updated estimates of employees, wages, and benefits for eligible companies.

(2) In addition to the report under subsection (1), not later than November 1, the department of treasury, in conjunction with the MSF, shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations on the annual cost of all other certificated credits by program for each year until the credits expire or can no longer

be collected. The report must include estimates on the brownfield redevelopment credit, film credits, MEGA photovoltaic technology credit, MEGA polycrystalline silicon manufacturing credit, MEGA vehicle battery credit, and other certificated credits.

Sec. 942. Not later than February 1, the department of treasury shall submit a report to the standard report recipients on all funding allocated to counties, cities, and townships from the funds appropriated in part 1 for election administration and services. The report must include the amount and purpose of each payment provided to a county, city, or township.

Sec. 944. From the funds appropriated in part 1, if the department of treasury hires a pension plan consultant using any of the funds appropriated in part 1, the department of treasury shall do all of the following:

(a) Retain each report provided to the department of treasury by that consultant.

(b) Notify the standard report recipients that the department of treasury has hired a pension plan consultant, including the reason why the department of treasury hired the pension plan consultant.

(c) Make a report described in subdivision (a) available to a standard report recipient if requested by the standard report recipient.

Sec. 945. From the funds appropriated in part 1, audits of local unit assessment administration practices, procedures, and records must be conducted in each assessment jurisdiction a minimum of 1 time every 5 years and in accordance with section 10g of the general property tax act, 1893 PA 206, MCL 211.10g.

Sec. 946. Revenue collected in the convention facility

development fund is appropriated and must be distributed in accordance with sections 8, 9, and 10 of the state convention facility development act, 1985 PA 106, MCL 207.628, 207.629, and 207.630.

Sec. 947. It is the intent of the legislature that financial independence teams cooperate with the financial responsibility section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts.

Sec. 948. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $26,473,600.00. From this amount, total department of treasury appropriations for pension-related legacy costs are estimated at $23,877,500.00. Total department of treasury appropriations for retiree health care legacy costs are estimated at $2,596,100.00.

Sec. 949. (1) From the funds appropriated in part 1, the department of treasury may contract with private agencies to prevent the disbursement of fraudulent tax refunds. In addition to the amounts appropriated in part 1 to the department of treasury, there are appropriated amounts necessary to pay the costs of the contracts or to fund operations designed to reduce fraudulent income tax refund payments. The additional amount appropriated under this subsection must not be greater than $2,000,000.00. The appropriation to fund fraud prevention efforts under this subsection is from the fund or account to which the revenues being collected are recorded or dedicated.

(2) Not later than November 30, the department of treasury shall submit a report to the standard report recipients and the

senate and house of representatives standing committees on appropriations. The report must include all of the following for the immediately preceding fiscal year:

(a) The number of refund claims denied because of the fraud prevention operations.

(b) The amount of refunds denied.

(c) The costs of the fraud prevention operations.

(d) Any other information that is pertinent to determining whether the authority under subsection (1) should be continued.

Sec. 949a. From the funds appropriated in part 1 for city income tax administration program, the department of treasury may expand its individual income tax administration for any additional cities that enter into service-level agreements with the department of treasury for this purpose. In addition to the funds appropriated in part 1, any additional local funds received as part of the service-level agreements are appropriated to the department for staffing and administration of the program.

Sec. 949b. Tax capture revenues collected in accordance with written agreements under the good jobs for Michigan program and transferred from the general fund for deposit into the good jobs for Michigan fund, including tax capture revenues collected for calculated payments from the good jobs for Michigan fund to authorized businesses and distributions to the MSF for administrative expenses, are appropriated in accordance with chapter 8D of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090g to 125.2090j.

Sec. 949c. From the funds appropriated in part 1, funds must be expended in coordination with the department of agriculture and rural development to improve the timely processing and issuance of

tax credits from the Michigan's farmland and open space preservation program created under section 36109 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36109, for the Michigan's farmland and open space preservation program under parts 361 and 362 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101 to 324.36116 and 324.36201 to 324.36207, including, but not limited to, all of the following:

(a) Timely review of mailed applications and paperwork.

(b) Timely and proactive communications to applicants regarding the status of the applicant's application.

(c) A clear and understood timeline for the issuance of any tax credits.

Sec. 949d. (1) From the funds appropriated in part 1 for financial review commission, the department of treasury shall continue financial review commission efforts in the current fiscal year. The purpose of the funding is to cover ongoing costs associated with the operation of the commission.

(2) The department of treasury shall identify specific outcomes and performance measures for this initiative, including, but not limited to, the department of treasury's ability to perform a critical fiscal review to ensure the city of Detroit does not reenter distress following its exit from bankruptcy and to ensure that the community district does not enter distress and maintains a balanced budget.

(3) Not later than March 15, the department of treasury shall submit a report to the standard report recipients that includes both of the following:

(a) A description of the specific outcomes and measures

required in subsection (1).

(b) The results and data related to these outcomes and measures.

Sec. 949e. From the funds appropriated in part 1 for the state essential services assessment program, the department of treasury shall administer the state essential services assessment program. The purpose of the program is to provide a phased-in replacement of locally collected personal property taxes on eligible manufacturing personal property. The program must provide the department of treasury with the ability to collect the state essential services assessment.

Sec. 949f. Revenue from the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, related to counties with a population of more than 2,000,000 according to the 2000 federal decennial census is appropriated and must be distributed in accordance with section 12(2)(e) of the tobacco products tax act, 1993 PA 327, MCL 205.432.

Sec. 949h. Revenue from part 6 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27601 to 333.27605, is appropriated and must be distributed in accordance with part 6 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27601 to 333.27605.

Sec. 949i. Revenue from the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, is appropriated and must be distributed in accordance with the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.

Sec. 949j. All funds in the wrongful imprisonment compensation fund created in the wrongful imprisonment compensation act, 2016 PA

343, MCL 691.1751 to 691.1757, are appropriated and available for expenditure. Expenditures are limited to support wrongful imprisonment compensation payments under section 6 of the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1756.

Sec. 949k. There is appropriated an amount equal to the tax captured revenues due under approved transformational brownfield plans created under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2670.

Sec. 949m. From the funds appropriated in part 1, the Michigan infrastructure council shall plan, conduct, and contract for asset management improvement activities, including, but not limited to, any of the following:

(a) Infrastructure data collection activities.

(b) Asset manager training.

(c) Development of a 30-year asset management plan for this state.

(d) Assistance in asset management improvement projects, including maintaining an asset management portal.

(e) Any other projects that promote improved asset management for infrastructure in this state.

Sec. 949n. In addition to the funds appropriated in part 1, the money in the fostering futures scholarship trust fund, including any money received as gifts or donations to the fostering futures scholarship trust fund, is appropriated and the department of treasury may issue payments in compliance with the fostering futures scholarship trust fund act, 2008 PA 525, MCL 722.1021 to 722.1031.

REVENUE SHARING

Sec. 950. The department of treasury shall distribute the funds appropriated in part 1 for constitutional revenue sharing to cities, villages, and townships, as required under section 10 of article IX of the state constitution of 1963. Revenue collected in accordance with section 10 of article IX of the state constitution of 1963 in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to cities, villages, and townships, on a population basis as required under section 10 of article IX of the state constitution of 1963.

Sec. 952. (1) The funds appropriated in part 1 for city, village, and township revenue sharing are for grants to cities, villages, and townships and must be distributed as provided in this section.

(2) Each city, village, or township shall receive an amount equal to 98.13082% of the revenue sharing payment for which the city, village, or township would have been eligible to receive under section 952(2) of article 5 of 2024 PA 121, rounded to the nearest dollar.

(3) For purposes of this section, any city, village, or township that completely merges with another city, village, or township must be treated as a single entity, so that when determining the eligible city, village, and township revenue sharing payment under section 952(2) of article 5 of 2024 PA 121 for the combined single entity, the city, village, and township revenue sharing amount that each of the merging local units of government was eligible to receive under section 952 of article 5 of 2024 PA 121 is summed.

Sec. 954. (1) Cities, villages, and townships receiving a payment under section 952(2) and counties receiving a payment under

section 955(2) shall receive 1/6 of their total payment on the last business day of October, December, February, April, June, and August.

(2) Payments distributed under section 952 or section 955 may be withheld in accordance with sections 17a and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

Sec. 955. (1) The funds appropriated in part 1 for county revenue sharing are for grants to counties and must be distributed as provided in this section.

(2) Each county shall receive an amount equal to 98.13437% of the revenue sharing payment for which the county would have been eligible to receive under section 955(2) of article 5 of 2024 PA 121, rounded to the nearest dollar.

Sec. 957. A term that is defined in the Glenn Steil state revenue sharing act, 1971 PA 140, MCL 141.901 to 141.921, has the same meaning when used in sections 950 to 956.

Sec. 959. Revenue collected in the public safety and violence prevention fund created in section 11a of the Michigan trust fund act, 2000 PA 489, MCL 12.261a, is appropriated and must be distributed in accordance with section 11b of the Michigan trust fund act, 2000 PA 489, MCL 12.261b. Revenue appropriated under this section must not be spent or otherwise distributed unless all of the following bills of the 103rd Legislature are enacted into law:

(a) House Bill No. 4260.

(b) House Bill No. 4261.

BUREAU OF STATE LOTTERY

Sec. 960. In addition to the funds appropriated in part 1 to

the bureau of state lottery, there is appropriated from state lottery fund revenues the amount necessary for, and directly related to, implementing and operating lottery games under the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.1 to 432.47, and activities under the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.152, including expenditures for contractually mandated payments for vendor commissions, contractually mandated payments for instant tickets intended for resale, the contractual costs of providing and maintaining the online system communications network, and incentive and bonus payments to lottery retailers.

Sec. 964. For the bureau of state lottery, there is appropriated 1% of the lottery's immediately preceding fiscal year's gross sales for promotion and advertising.

MICHIGAN GAMING CONTROL BOARD

Sec. 970. As used in sections 971 to 979:

(a) "Compulsive gaming prevention fund" means the compulsive gaming prevention fund created in section 3 of the compulsive gaming prevention act, 1997 PA 70, MCL 432.253.

(b) "Fantasy contest fund" means the fantasy contest fund created in section 16 of the fantasy contests consumer protection act, 2019 PA 157, MCL 432.516.

(c) "First responder presumed coverage fund" means the first responder presumed coverage fund created in section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405.

(d) "Internet gaming fund" means the internet gaming fund created in section 16 of the lawful internet gaming act, 2019 PA

152, MCL 432.316.

(e) "Internet sports betting fund" means the internet sports betting fund created in section 16 of the lawful sports betting act, 2019 PA 149, MCL 432.416.

Sec. 971. (1) From the revenue collected by the Michigan gaming control board from the total annual assessment of each casino licensee, funds are appropriated and must be distributed as described in section 12a(5) of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.212a.

(2) The revenue collected in the internet sports betting fund is appropriated and shall be distributed according to the lawful sports betting act, 2019 PA 149, MCL 432.401 to 432.419.

(3) The revenue collected in the internet gaming fund is appropriated and must be distributed according to the lawful internet gaming act, 2019 PA 152, MCL 432.301 to 432.322, and the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.152.

Sec. 972. After all other required expenditures described in section 16(3) of the fantasy contests consumer protection act, 2019 PA 157, MCL 432.516, section 16(4) of the lawful internet gaming act, 2019 PA 152, MCL 432.316, and section 16(4) of the lawful sports betting act, 2019 PA 149, MCL 432.416 are made, any money remaining in the fantasy contest fund, internet gaming fund, and internet sports betting fund is appropriated and must be deposited in the state school aid fund as described in section 16(3)(b) of the fantasy contests consumer protection act, 2019 PA 157, MCL 432.516, section 16(4) of the lawful internet gaming act, 2019 PA 152, MCL 432.316, and section 16(4) of the lawful sports betting act, 2019 PA 149, MCL 432.416.

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

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

(3) A county treasurer may receive and administer funds on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government programs may be used to audit local revenue sharing board funds held by a county treasurer. This section does not limit the ability of local units of government to enter into agreements with federally recognized Indian tribes to provide financial assistance to local units of government or to jointly provide public services.

(4) A local revenue sharing board described in subsection (1) shall comply with all applicable provisions of any agreement authorized by the Indian gaming regulatory act, Public Law 100-497, in which the local revenue sharing board is referenced, including, but not limited to, the disbursal of tribal casino payments received in accordance with applicable provisions of the tribal-state class III gaming compact under which those funds are received.

(5) The director of the MDSP and the executive director of the Michigan gaming control board may assist the local revenue sharing boards in determining allocations to be made to local public safety organizations.

(6) Not later than September 30, the Michigan gaming control

board shall submit a report to the standard report recipients and the senate and house of representatives standing committees on appropriations on the receipts and distribution of revenues by local revenue sharing boards.

Sec. 974. If revenues collected in the state services fee fund created in section 12a of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.212a, are less than the amounts appropriated from the state services fee fund, available revenues must be used to fully fund the appropriation in part 1 for casino gaming regulation activities before distributions are made to other state departments and agencies. If the remaining revenue in the state services fee fund is insufficient to fully fund appropriations to other state departments or agencies, the shortfall must be distributed proportionally among those departments and agencies.

Sec. 975. In expending the funds appropriated in part 1 for advertising for responsible gaming, the Michigan gaming control board shall engage with MDHHS on strategies to support addiction prevention and education efforts in addition to advertising for responsible gaming. Not later than September 1, the Michigan gaming control board shall submit a report to the standard report recipients on the expenditures and programming funded from the appropriations in part 1 for advertising for responsible gaming.

Sec. 976. The executive director of the Michigan gaming control board may pay rewards of not more than $5,000.00 to a person who provides information that results in the arrest and conviction on a felony or misdemeanor charge for a crime that involves the horse racing industry. A reward paid under this section must be paid out of the appropriation in part 1 for the

racing commission.

Sec. 977. All appropriations from the equine industry development fund created in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320, except for the racing commission appropriations, must be reduced proportionately if revenues to the equine industry development fund decline during the current fiscal year to a level lower than the amount appropriated in part 1.

Sec. 978. The Michigan gaming control board shall use actual expenditure data in determining the actual regulatory costs of conducting racing dates and shall submit a report of that data to the standard report recipients and the senate and house of representatives appropriations subcommittees on agriculture. The Michigan gaming control board may not be reimbursed for more than the actual regulatory cost of conducting race dates. In determining actual costs, the Michigan gaming control board shall take into account that each specific breed of horse may require different regulatory mechanisms.

Sec. 979. From the funds appropriated in part 1 for millionaire party regulation, the Michigan gaming control board may receive and expend internet gaming fund revenue in an amount that is not more than the amount appropriated in part 1 for necessary expenses incurred in the licensing and regulation of millionaire parties under article 2 of the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.132 to 432.152. Any unused internet gaming fund revenues are subject to the distribution requirements in section 16 of the lawful internet gaming act, 2019 PA 152, MCL 432.316. Not later than March 1, the Michigan gaming control board shall submit a report to the standard report recipients that includes all of the following:

(a) The total expenditures related to the licensing and regulating of millionaire parties.

(b) The steps taken to ensure charities are receiving revenue due to them.

(c) A description of the progress on promulgating rules to ensure compliance with the Traxler-McCauley-Law-Bowman bingo act, 1972 PA 382, MCL 432.101 to 432.152.

(d) Any enforcement actions taken.

ONE-TIME APPROPRIATIONS

Sec. 990. (1) From the funds appropriated in part 1 for local prosecutor support grants, the department of treasury shall award grants to eligible county prosecutor offices to reduce the average active and backlogged caseload per attorney and for costs related to retrying juvenile life without parole cases.

(2) Not later than March 1, the department of treasury shall submit a report to the standard report recipients that includes both of the following:

(a) The amount of each grant awarded and the county prosecutor's office to which the grant was awarded.

(b) How the county prosecutor's office will use the grant funds, including whether the grant funds will be used to retry juvenile life without parole cases.

STATE BUILDING AUTHORITY

Sec. 1100. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and on the approval of the state building authority, the department of treasury may expend from the general fund of this state during the fiscal year an

amount necessary 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 an appropriations PA that is effective for the immediately preceding fiscal year. Any general fund advances for which state building authority bonds have not been issued must bear an interest cost to the state building authority at a rate that is not greater than the rate 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 this state.

(2) On sale of bonds or notes for the projects identified in part 1 or for equipment as authorized by an appropriations PA and in this section, the state building authority shall credit the general fund of this state an amount equal to the amount expended from the general fund plus interest, if any, as described in this section.

(3) For state building authority projects for which bonds or notes have been issued and on the request of the state building authority, the state treasurer shall make advances without interest from the general fund as necessary to meet cash flow requirements for the projects. The state building authority shall reimburse the state treasurer for the advances when the investments earmarked for the financing of the projects mature.

(4) If a project identified in part 1 is terminated after final design is complete, advances made on behalf of the state

building authority for the costs of final design must be repaid to the general fund in a manner recommended by the director of the state building authority.

Sec. 1102. (1) The state building authority shall not release state building authority funding to a university or community college to finance the construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility unless the university or community college agrees to use that excess revenue to reimburse the state building authority. The excess revenue received by the state building authority as reimbursement must be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for the applicable facility. The auditor general shall annually identify and audit the facilities that are subject to this section. Costs associated with the administration of the audit must be charged against money received by the state building authority as reimbursement under this section.

(2) As used in this section, "revenue" includes state appropriations, facility opening money, other state aid, indirect cost reimbursement, and other revenue generated by the activities of the facility.

Sec. 1103. Not later than October 15, the state building authority shall submit a report to the standard report recipients and the JCOS regarding the status of construction projects associated with state building authority bonds as of the end of the immediately preceding fiscal year. Not later than 30 days after a refinancing or restructuring bond issue is sold, the state building authority shall submit a report to the standard report recipients and the JCOS regarding the status of construction projects

associated with that bond issue. Each report must include all of the following:

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

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

(c) A list of all projects authorized for construction or identified in an appropriations act for which approval of schematic/preliminary plans or total authorized cost is pending that have state building authority bonds identified as a source of financing.

REVENUE STATEMENT

Sec. 1201. In accordance with 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 2025-2026

	Beginning Balance	Estimated Revenue	Ending Balance
OPERATING FUNDS			
General fund/general purpose	721.6	14,650.4	11.7
School aid fund	1,002.6	18,891.4	18.6
Federal aid	0.0	28,767.0	0.0
Transportation funds	0.0	8,583.1	0.0
Special revenue funds	2,788.3	8,824.6	2,103.8
Other funds	2,144.7	129.0	2,273.7

TOTALS	$6,657.2	$79,845.5	$4,407.8

ARTICLE 6A

DEPARTMENT OF HEALTH AND HUMAN SERVICES - MEDICAID AND BEHAVIORAL HEALTH

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF HEALTH AND HUMAN SERVICES		
APPROPRIATION SUMMARY		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	4,099.4	
Average population	798.0	
GROSS APPROPRIATION		**$ 25,389,338,500**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,450,100
ADJUSTED GROSS APPROPRIATION		**$ 25,386,888,400**
Federal revenues:		
Capped federal revenues		38,013,900
Social security act, temporary assistance for needy families		64,020,800
Total other federal revenues		17,358,471,200
Special revenue funds:		
Total local revenues		56,429,300
Total private revenues		25,182,800

Michigan merit award trust fund			54,700,000
Total other state restricted revenues			2,611,298,100
State general fund/general purpose		**$**	**5,178,772,300**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	917.6		
Unclassified salaries--FTEs	6.0	$	1,431,500
Administrative hearings officers			9,995,400
Child welfare institute--FTEs	54.9		9,552,100
Demonstration projects--FTE	1.0		6,290,800
Departmental administration and management--FTEs	656.4		98,399,700
Office of inspector general--FTEs	182.9		29,165,400
Property management			59,478,300
Terminal leave payments			7,091,300
Training and program support--FTEs	22.4		3,236,800
Worker's compensation			7,662,000
GROSS APPROPRIATION		**$**	**232,303,300**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of lifelong education, advancement, and potential			1,839,800
IDG from department of technology, management, and budget - office of retirement services			600
Federal revenues:			
Capped federal revenues			19,602,300

Social security act, temporary assistance for needy families			27,391,300
Total other federal revenues			68,687,500
Special revenue funds:			
Total local revenues			86,000
Total private revenues			3,846,900
Total other state restricted revenues			1,321,600
State general fund/general purpose		**$**	**109,527,300**
Sec. 103. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS			
Full-time equated classified positions	85.0		
Behavioral health program administration--FTEs	48.0	$	43,235,500
Community substance use disorder prevention, education, and treatment--FTEs	9.0		78,626,200
Family support subsidy			16,290,400
Federal and other special projects			2,535,600
Gambling addiction--FTE	1.0		9,521,300
Michigan crisis and access line			16,398,000
Office of recipient rights--FTEs	25.0		3,502,800
Opioid response activities--FTEs	2.0		148,157,400
Protection and advocacy services support			194,400
GROSS APPROPRIATION		**$**	**318,461,600**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			16,290,400
Total other federal revenues			168,475,300
Special revenue funds:			

Total private revenues			2,904,700
Total other state restricted revenues			92,805,500
State general fund/general purpose		**$**	**37,985,700**
Sec. 104. BEHAVIORAL HEALTH SERVICES			
Full-time equated classified positions	15.0		
Behavioral health community supports and services--FTEs	11.0	$	44,577,700
Civil service charges			297,500
Community mental health non-Medicaid services			125,578,200
Federal mental health block grant--FTEs	4.0		24,471,700
Nursing home PAS/ARR-OBRA			15,213,600
State disability assistance program substance use disorder services			2,018,800
GROSS APPROPRIATION		**$**	**212,157,500**
Appropriated from:			
Federal revenues:			
Total other federal revenues			44,486,000
State general fund/general purpose		**$**	**167,671,500**
Sec. 105. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES			
Full-time equated classified positions	2,542.6		
Average population	798.0		
Caro Regional Mental Health Center - psychiatric hospital - adult--FTEs	530.7	$	61,299,100
Average population	145.0		
Center for forensic psychiatry--FTEs	624.5		102,649,400
Average population	240.0		

Developmental disabilities council and projects--FTEs	9.0		3,196,800
Gifts and bequests for patient living and treatment environment			1,000,000
IDEA, federal special education			120,000
Kalamazoo Psychiatric Hospital - adult--FTEs	561.2		72,573,300
Average population	170.0		
Revenue recapture			750,100
Southeast Michigan state psychiatric hospital - psychiatric hospital - adult, children, and adolescents--FTEs	0.0		100
State hospital administration--FTEs	31.0		5,345,000
Walter P. Reuther Psychiatric Hospital - adult, children, and adolescents--FTEs	786.2		118,069,800
Average population	243.0		
GROSS APPROPRIATION		**$**	**365,003,600**
Appropriated from:			
Federal revenues:			
Total other federal revenues			41,451,200
Special revenue funds:			
Total local revenues			23,283,200
Total private revenues			1,000,000
Total other state restricted revenues			14,856,700
State general fund/general purpose		**$**	**284,412,500**
Sec. 106. CHILDREN'S SPECIAL HEALTH CARE SERVICES			
Full-time equated classified positions	49.2		
Bequests for care and services--FTEs	9.8	$	2,087,100

Children's special health care services			
administration--FTEs	39.4		8,743,800
Medical care and treatment			384,472,900
Outreach and advocacy			6,722,200
GROSS APPROPRIATION		**$**	**402,026,000**
Appropriated from:			
Federal revenues:			
Total other federal revenues			214,854,100
Special revenue funds:			
Total private revenues			1,025,200
Total other state restricted revenues			4,272,300
State general fund/general purpose		**$**	**181,874,400**
Sec. 107. HEALTH AND AGING SERVICES ADMINISTRATION			
Full-time equated classified positions	489.0		
Aging services administration--FTEs	41.0	$	9,369,400
Health services administration--FTEs	448.0		122,554,100
GROSS APPROPRIATION		**$**	**131,923,500**
Appropriated from:			
Federal revenues:			
Total other federal revenues			84,770,600
Special revenue funds:			
Total local revenues			37,700
Total private revenues			1,721,300
Total other state restricted revenues			336,300
State general fund/general purpose		**$**	**45,057,600**
Sec. 108. HEALTH SERVICES			
Adult home help services		$	548,201,300

Ambulance services	25,000,500
Auxiliary medical services	5,819,200
Dental services	90,868,300
Federal Medicare pharmaceutical program	389,029,800
Federally qualified health centers	230,258,200
Health plan services	5,238,171,200
Healthy Kids Dental	230,000,000
Healthy Michigan plan	2,894,526,200
Healthy Michigan plan - fee-for-service	1,453,777,900
Home health services	5,891,400
Hospice services	198,455,700
Hospital services and therapy	618,040,200
Integrated care organizations	381,696,300
Long-term care services	2,634,382,600
Maternal and child health	36,553,100
Medicaid home- and community-based services waiver	535,786,700
Medicare premium payments	1,016,980,600
MiDocs consortium	20,200,000
Personal care services	4,994,500
Pharmaceutical services	295,906,500
Physician services	216,479,900
Program of all-inclusive care for the elderly	286,019,400
Rural access hospital payments	23,675,000
Rural health transformation program	250,000,000
School-based services	225,919,400
Special Medicaid reimbursement	341,750,400
Transportation	20,840,900

GROSS APPROPRIATION		**$**	**18,219,225,200**
Appropriated from:			
Federal revenues:			
Total other federal revenues			12,952,718,800
Special revenue funds:			
Total local revenues			32,768,800
Total private revenues			9,684,700
Michigan merit award trust fund			54,700,000
Total other state restricted revenues			2,423,583,700
State general fund/general purpose		**$**	**2,745,769,200**
Sec. 109. INFORMATION TECHNOLOGY			
Full-time equated classified positions	1.0		
Bridges information system		$	84,616,100
Child support automation			40,135,400
Comprehensive child welfare information system			6,047,300
Information technology services and projects			159,588,000
Michigan Medicaid information system--FTE	1.0		95,214,500
Michigan statewide automated child welfare information system			14,029,800
GROSS APPROPRIATION		**$**	**399,631,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of lifelong education, advancement, and potential			609,700
Federal revenues:			
Capped federal revenues			18,411,600
Social security act, temporary assistance for needy families			20,339,100

Total other federal revenues		245,787,800
Special revenue funds:		
Total local revenues		6,700
Total private revenues		5,000,000
Total other state restricted revenues		1,523,300
State general fund/general purpose	**$**	**107,952,900**
Sec. 110. ONE-TIME APPROPRIATIONS		
Autism services	$	467,644,200
Certified community behavioral health clinic demonstration		565,286,700
Health homes		25,000,000
Healthy Michigan plan - behavioral health		531,044,900
Medicaid mental health services		3,352,643,500
Medicaid substance use disorder services		88,323,300
State psychiatric DSH disallowance		78,664,100
GROSS APPROPRIATION	**$**	**5,108,606,700**
Appropriated from:		
Federal revenues:		
Total other federal revenues		3,537,239,900
Special revenue funds:		
Total local revenues		246,900
Total other state restricted revenues		72,598,700
State general fund/general purpose	**$**	**1,498,521,200**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the

state constitution of 1963, for the current fiscal year, total state spending under part 1 from state sources is $7,844,770,400.00 and state spending under part 1 from state sources to be paid to local units of government is $1,760,532,900.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES	
BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS	
Behavioral health program administration	$ 125,100
Community substance use disorder prevention, education, and treatment	8,828,300
Gambling addiction	1,333,700
Opioid response activities	1,770,500
BEHAVIORAL HEALTH SERVICES	
Autism services	$ 159,137,200
Behavioral health community supports and services	171,800
Certified community behavioral health clinic demonstration	89,799,200
Community mental health non-Medicaid services	125,578,200
Health homes	2,991,800
Healthy Michigan plan - behavioral health	53,508,500
Medicaid mental health services	1,156,756,200
Medicaid substance use disorder services	30,262,900
Nursing home PAS/ARR-OBRA	3,789,400
State disability assistance program substance use disorder services	2,018,800

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES		
Caro Regional Mental Health Center - psychiatric hospital - adult	$	183,600
Center for forensic psychiatry		674,000
Kalamazoo Psychiatric Hospital - adult		66,200
Walter P. Reuther Psychiatric Hospital - adult, children, and adolescents		109,900
CHILDREN'S SPECIAL HEALTH CARE SERVICES		
Medical care and treatment	$	796,700
Outreach and advocacy		3,361,100
HEALTH AND AGING SERVICES ADMINISTRATION		
Aging services administration	$	200,200
HEALTH SERVICES		
Adult home help services	$	53,000
Ambulance services		943,000
Dental services		487,400
Healthy Michigan plan - fee-for-service		960,600
Hospital services and therapy		1,351,300
Long-term care services		96,870,300
Medicaid home- and community-based services waiver		15,237,200
Personal care services		22,300
Physician services		2,864,500
Transportation		280,000
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	**$**	**1,760,532,900**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "AIDS" means acquired immunodeficiency syndrome.

(b) "CCBHC" means certified community behavioral health clinic.

(c) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.

(d) "CMS" means the Centers for Medicare and Medicaid Services.

(e) "CPT" means current procedural terminology.

(f) "Current fiscal year" means the fiscal year ending September 30, 2026.

(g) "Department" means the department of health and human services.

(h) "Director" means the director of the department.

(i) "EPSDT" means early and periodic screening, diagnosis, and treatment.

(j) "Federal poverty level" means the poverty guidelines revised periodically and published in the Federal Register by the Secretary of the United States Department of Health and Human Services under the Secretary's authority to revise the poverty line under 42 USC 9902.

(k) "FQHC" means federally qualified health center.

(*l*) "FTE" means full-time equated.

(m) "GME" means graduate medical education.

(n) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.

(o) "HEDIS" means health care effectiveness data and

information set.

(p) "HMO" means health maintenance organization.

(q) "IDEA" means the individuals with disabilities education act, 20 USC 1400 to 1482.

(r) "IDG" means interdepartmental grant.

(s) "MCH" means maternal and child health.

(t) "Medicaid" means subchapter XIX of the social security act, 42 USC 1396 to 1396w-8.

(u) "Medicare" means subchapter XVIII of the social security act, 42 USC 1395 to 1395*lll*.

(v) "MiCAFE" means Michigan's coordinated access to food for the elderly.

(w) "MIChild" means the program described in section 1670 of this part.

(x) "MiSACWIS" means Michigan statewide automated child welfare information system.

(y) "PACE" means program of all-inclusive care for the elderly.

(z) "PAS/ARR-OBRA" means the preadmission screening and annual resident review required under the omnibus budget reconciliation act of 1987, section 1919(e)(7) of the social security act, 42 USC 1396r.

(aa) "PATH" means Partnership. Accountability. Training. Hope.

(bb) "PFAS" means perfluoroalkyl and polyfluoroalkyl substances.

(cc) "PIHP" means an entity designated by the department as a regional entity or a specialty prepaid inpatient health plan for Medicaid mental health services, services to individuals with developmental disabilities, and substance use disorder services.

Regional entities are described in section 204b of the mental health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid inpatient health plans are described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.

(dd) "Previous fiscal year" means the fiscal year ending September 30, 2025.

(ee) "Quarterly basis" means February 1, April 1, July 1, and September 30 of the current fiscal year.

(ff) "Semiannual basis" means March 1 and September 30 of the current fiscal year.

(gg) "Settlement" means the settlement agreement entered in the case of *Dwayne B. v Snyder*, Docket No. 2:06-cv-13548 in the United States District Court for the Eastern District of Michigan.

(hh) "SSI" means supplemental security income.

(ii) "Standard report recipients" means the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house of representatives policy offices, and the state budget office.

(jj) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of subchapter IV of the social security act, 42 USC 601 to 619.

(kk) "Title IV-B" means part B of title IV of the social security act, 42 USC 621 to 629m.

(*ll*) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 669b.

(mm) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 679c.

(nn) "Title X" means subchapter VIII of the public health service act, 42 USC 300 to 300a-8, which establishes grants to

states for family planning services.

Sec. 204. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 206. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 207. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any

other required recipients by email and posting the reports on an internet site.

Sec. 208. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the

department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 213. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds

appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 214. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 215. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 216. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must report to the office before beginning fieldwork. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 217. (1) Funds appropriated in part 1 that are utilized for grants or grant programs are subject to the following conditions:

(a) Grant funds must be provided only to an entity that has been established or is operating in this state or another state for at least 36 months before approval or disbursement of grant funds.

(b) Grant funds must be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or

disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving of or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the

department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that confirms the department reviewed and affirmed compliance by each grant recipient to program scope and expenditure of grant funding.

(b) A statement that confirms the department reviewed applicable program reports and requests for reimbursement.

Sec. 218. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than

March 1 of each year that describes the processes it has developed and implemented under provisions of this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States, or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 219. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 221. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $20,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393. Federal contingency authorization must not be made available to increase TANF authorization.

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

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

Sec. 222. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $201,838,700.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $182,045,900.00. Total department appropriations for retiree health care legacy costs are estimated at $19,792,800.00.

Sec. 225. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department must notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 226. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 227. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 228. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs or as outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 250. If either of the following events occurs, not later than 30 days after the event occurs, the department shall notify the standard report recipients of that fact:

(a) A legislative objective of this part or of a bill or amendment to a bill to amend the social welfare act, 1939 PA 280,

MCL 400.1 to 400.119b, cannot be implemented because implementation would conflict with or violate federal law.

(b) A federal grant for which a notice of an award has been received cannot be used or will not be used.

Sec. 251. (1) In addition to funds appropriated in part 1 for all programs and services, there is appropriated, for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues.

(2) The department's ability to satisfy appropriation fund sources in part 1 is not limited to collections and accruals pertaining to services provided in the current fiscal year and includes reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 252. Not later than February 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the detailed names and amounts of estimated federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 for the previous fiscal year. The report must itemize, rather than aggregate, specific revenue sources deposited into the generic statewide integrated governmental management application (SIGMA) fund numbers 1200, 1274, 4000, and 5000.

Sec. 253. (1) The department shall ensure that each federally recognized tribe is able to apply and compete for services, programs, grants, and contracts.

(2) For competitive grant programs described in this part, each federally recognized tribe is eligible to apply for grant

funds made available to organizations exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and to local units of government.

Sec. 254. As required under part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, the appropriations in part 1 must include the following:

(a) Immunizations.

(b) Communicable disease control.

(c) Sexually transmitted infection control.

(d) Tuberculosis control.

(e) Prevention of gonorrhea eye infection in newborns.

(f) Screening newborn infants for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.

(g) Health and human services annex of the Michigan Emergency Management Plan.

(h) Prenatal care.

(i) Mental health.

Sec. 255. The department shall not expend any funds appropriated in part 1 to enter into any contract or other agreement with a nonprofit organization, or its individual employees, established under section 2611 of the public health code, 1978 PA 368, MCL 333.2611, for the purpose of performing all or any portion of the department's regulatory, disciplinary, or administrative duties.

Sec. 256. The department shall ensure that faith-based organizations are able to apply and compete for services, programs,

or contracts that the organizations are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of the organizations or the guiding principles or statements of faith for the organizations.

Sec. 257. In accordance with section 1b of the social welfare act, 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this part as a time-limited addendum to the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

Sec. 258. (1) Not later than 30 days before the implementation date of a major policy change, the department shall report the change to the standard report recipients.

(2) The department shall make the department's entire policy and procedures manual available and accessible to the public on the department's website.

(3) The department shall attach each policy bulletin issued during the previous calendar year to the report under section 214.

Sec. 259. The department may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees are appropriated when received and must be used to offset expenditures for publication printing and mailing, costs of the publications, videos and related materials, conferences, and workshops. The department shall not collect fees under this section that exceed the cost of the expenditures. If collected fees are appropriated under this section in an amount that exceeds the current fiscal year appropriation, not later than 30 days after the collected fee appropriation, the department shall notify the standard report recipients of that fact.

Sec. 260. The department may retain all of this state's share

of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections must be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of the investigation and recoupment costs must be applied against the federal funds deducted in the departmental administration and support appropriation unit.

Sec. 261. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section must be used as the first source of funds in the subsequent fiscal year.

Sec. 262. If the department receives tobacco tax funds and Healthy Michigan fund revenue from part 1, not later than April 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on both of the following activities during the previous fiscal year:

(a) Tobacco tax revenue appropriations in the Medicaid program.

(b) Information for each project implemented with revenue under this section, including all of the following:

(*i*) The project's name.

(*ii*) The appropriation line item and amount.

(*iii*) The project's target population.

(*iv*) A description of the project.

(*v*) The outcomes or accomplishments of the project.

Sec. 263. (1) Except as provided in this subsection, before

submission of a waiver, state plan amendment, or similar proposal to CMS or another federal agency, the department shall notify the standard report recipients of the planned submission. This subsection does not apply to the submission of a waiver, state plan amendment, or similar proposal that does not propose a material change or is outside of the ordinary course of a waiver, state plan amendment, or similar proposal.

(2) On a semiannual basis, the department shall submit, to the standard report recipients, a report that summarizes the status of any new or ongoing discussions with CMS, the United States Department of Health and Human Services, or another federal agency regarding any potential or future waiver applications and the status of any submitted waivers that have not yet received federal approval. If there is not a reportable item at the time that a semiannual report is due, a report is not required.

Sec. 264. If the department is authorized under federal law or the law of this state to collect an overpayment owed to the department, beginning 60 days after the initial notification date of the overpayment amount, the department may assess a penalty of 1% per month. If an overpayment is caused by department error, a penalty may be assessed 6 months after the initial notification date of the overpayment amount. The department shall not collect penalty interest in an amount that exceeds the amount of the original overpayment. This state's share of any funds collected under this section must be deposited in the general fund of this state.

Sec. 265. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the status of the implementation of any noninflationary,

noncaseload, programmatic funding increases in the current fiscal year from the previous fiscal year. The report must confirm the implementation of already-implemented funding increases and provide an explanation for any planned implementation of funding increases that have not yet occurred. For any planned implementation of funding increases that have not yet occurred, the report must include an expected implementation date and the reason for delayed implementation.

Sec. 266. The department shall provide the approved spending plan for each line item receiving an appropriation in the current fiscal year to the senate and house of representatives appropriations subcommittees on the department budget and the senate and house fiscal agencies not later than 60 days after approval by the department or not later than January 15 of the current fiscal year, whichever is earlier. In all places that a line-item appropriation number is listed, a line-item appropriation name must be included. The spending plan must include the following information regarding planned expenditures for each category: allocation in the previous period, change in the allocation, and new allocation. The spending plan must include the following information regarding each revenue source for the line item: category of the fund source indicated by general fund/general purpose, state restricted, local, private, or federal. Figures included in the approved spending plan must not be assumed to constitute the actual final expenditures, as line items may be updated on an as-needed basis to reflect changes in projected expenditures and projected revenue. The department shall supplement the spending plan information by providing a list of all active contracts and grants in the department's contract system. For

amounts listed in the other contracts category of each spending plan, the department shall include the name of the line item and the name of the fund source for each contract, grant, and amount for the current fiscal year. For amounts listed in the all other costs category of each spending plan, the department shall provide a list detailing planned expenditures and amounts for the current fiscal year and include the name of the line item and the name of the fund source related to each expenditure and amount.

Sec. 267. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on total actual expenditures in the previous fiscal year for advertising and media outreach, including the purpose, amount, and fund source by program or appropriation line item.

Sec. 268. Not later than March 1 of the current fiscal year, the department shall submit a description of programs report to the standard report recipients. For each program, the report must include the appropriation unit; the line item name and number; the appropriation history; the program name; the program overview; a financing summary; and, where applicable, the program's legal basis, effectiveness, and outcomes.

Sec. 269. On a monthly basis, the department shall submit, to the standard report recipients, a report on any line-item appropriation for which the department estimates total annual expenditures would exceed the funds appropriated for the line-item appropriation by 5% or more. The department shall provide a detailed explanation for any relevant line-item appropriation exceedance and identify the corrective actions undertaken to mitigate line-item appropriation expenditures from exceeding the funds appropriated for the line-item appropriation by a greater

amount. This section does not apply for line-item appropriations that are part of the May revenue estimating conference caseload and expenditure estimates.

Sec. 270. The department shall advise the legislature of the receipt of a notification from the attorney general's office of a legal action in which expenses had been recovered under section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106. If applicable, not later than February 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report that includes, but is not limited to, all of the following:

(a) The total amount recovered from the legal action.

(b) The program or service for which the money was originally expended.

(c) Details on the disposition of the funds recovered, such as the appropriation or revenue account in which the money was deposited.

(d) A description of the facts involved in the legal action.

(e) The legal costs incurred at the attorney general's office for each legal action in which expenses were recovered under section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106.

Sec. 274. On the day that is 1 week after the day that the governor submits the executive budget proposal for the ensuing fiscal year to the legislature, the department, in collaboration with the state budget office, shall submit, to the standard report recipients, a report on spending and revenue projections for each of the capped federal funds listed in this subsection. The report must contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections in the executive

budget proposal for the immediately ensuing fiscal year for each individual line item for the department budget. The report must also include federal funds transferred to other departments. The capped federal funds include, but are not limited to, all of the following:

(a) TANF.

(b) Title XX social services block grant.

(c) Title IV-B subpart I child welfare services block grant.

(d) Title IV-B subpart II promoting safe and stable families funds.

(e) Low-income home energy assistance program.

Sec. 275. (1) On a quarterly basis, the department, with the approval of the state budget director, is authorized to realign sources between other federal, TANF, and capped federal financing authorizations to maximize federal revenues. The realignment of financing must not produce any of the following:

(a) A gross increase or decrease in the department's total individual line item authorizations.

(b) A net increase or decrease in total federal revenues.

(c) A net increase in TANF authorization.

(2) On a quarterly basis, the department shall submit, to the standard report recipients, a report on the realignment of federal fund sources transacted to date in the current fiscal year under subsection (1), including the dates, line items, and amounts of the transactions. If, at the time a quarterly report is due, a transaction was not made under subsection (1), a report is not required.

(3) Not later than 30 days after the date on which year-end book closing is completed, the department shall submit, to the

standard report recipients, a report on the realignment of federal fund sources that took place as part of the year-end closing process for the previous fiscal year.

Sec. 290. Any public advertisement for public assistance must inform the public of the welfare fraud hotline operated by the department.

Sec. 295. Not later than April 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on funds appropriated for the healthy moms, healthy babies initiative. The report must include the budgeted amount, year-to-date expenditures, remaining balance of appropriations, and the percent of budget spent for each appropriation related to the initiative. The report must also include information on how the funds have assisted with meeting the goals and outcomes of the initiative.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. From the funds appropriated in part 1 for child welfare institute, the department shall train private child placing agency staff in the pre-service training requirements for child welfare caseworkers and supervisors. Private child placing agency staff must be provided an opportunity to complete the training in a virtual format at the staff's private child placing agency facility. If a private child placing agency prefers a hybrid training format that includes virtual and in-person instruction, the training must be available to the private child placing agency staff.

Sec. 302. (1) From the funds appropriated in part 1 for property management, the department shall submit a report not later

than March 1 to the standard report recipients. The report must include, but is not limited to, the following:

(a) A list of lease contracts, cost per contract, and lease beginning and end dates for each lease contract, held by the department in the previous fiscal year.

(b) A list of department-owned properties and maintenance and improvement expenditures, from all fund sources, for each property and expenditure in the previous fiscal year.

(c) The cost savings realized by consolidation, lease contract expiration, and department-owned property sales or transfers in the previous fiscal year.

(d) The planned consolidation, lease contract renewals and expirations, and department-owned property sales or transfers for the current fiscal year.

(2) From the funds appropriated in part 1 for property management, the department shall report by not later than September 30 to the standard report recipients on planned consolidation, lease contract renewals and expirations, and department-owned property sales or transfers to occur in the subsequent fiscal year.

Sec. 303. From the funds appropriated in part 1 for training and program support, the department shall develop and implement a training program with the requisite materials to assist eligibility specialists in following the verification procedures of Healthy Michigan plan community engagement requirements for the eligibility determination and redetermination processes.

BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS

Sec. 901. The department shall use the funds appropriated in part 1 to support a system of comprehensive community mental health

services under the full authority and responsibility of local CMHSPs or PIHPs in accordance with the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, the Medicaid provider manual, federal Medicaid waivers, and all other applicable federal law and the law of this state.

Sec. 902. (1) From the funds appropriated in part 1, the department shall make a final authorization to a CMHSP or PIHP on the execution of a contract between the department and the CMHSP or PIHP. The contract must contain an approved plan and budget and any policy and procedure governing the obligations and responsibilities of each party to the contract. Each contract with a CMHSP or PIHP that the department is authorized to enter into under this subsection must include a provision that the contract is not valid unless the total dollar obligation for all of the contracts between the department and the CMHSPs or PIHPs entered into under this subsection for the current fiscal year does not exceed the amount of money appropriated in part 1 for the contracts authorized under this subsection.

(2) The department shall immediately submit a report to the standard report recipients if either of the following occurs:

(a) The department enters into a new contract with a CMHSP or PIHP that would affect a rate or expenditure.

(b) The department amends a contract that the department has entered into with a CMHSP or PIHP that would affect a rate or expenditure.

(3) The report required by subsection (2) must include information about any changes to the contract and the change's effects on rates and expenditures.

Sec. 904. (1) Not later than September 30 of the current

fiscal year, the department shall provide a report on the CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention and treatment to the standard report recipients that includes the information required by this section.

(2) The report required under subsection (1) must contain, unless otherwise noted, information for each CMHSP, PIHP, and designated regional entity for substance use disorder prevention and treatment, and a statewide summary, as follows:

(a) A statewide summary of the demographic description of service recipients that, minimally, includes reimbursement eligibility, client population, age, ethnicity, housing arrangements, and diagnosis.

(b) Per capita expenditures in total and by client population group.

(c) A statewide summary of Medicaid-funded cost information for the 3 diagnosis groups of adults with a mental illness, children with a serious emotional disturbance, and individuals with an intellectual or developmental disability. The statewide summary must, minimally, include expenditures by service category for each of the 3 diagnosis groups described in this subdivision and cases, units, and cost of each specific service code index or health care common procedure coding system code for each of the 3 diagnosis groups.

(d) Financial information on non-Medicaid mental health services by general fund cost reporting category.

(e) Information about access to each CMHSP, PIHP, and designated regional entity for substance use disorder prevention and treatment, that includes, but is not limited to, all of the following:

(*i*) The number of individuals receiving requested services.

(*ii*) The number of individuals who requested services but did not receive services.

(f) The number of second opinions requested under the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, and the determination of any appeals.

(g) Lapses and carryforwards during the previous fiscal year for each CMHSP, PIHP, and designated regional entity for substance use disorder prevention and treatment.

(h) Performance indicator information required to be submitted to the department in the contracts with each CMHSP, PIHP, and designated regional entity for substance use disorder prevention and treatment.

(i) Administrative expenditures of each CMHSP, PIHP, and designated regional entity for substance use disorder prevention and treatment that include a breakout of the salary, benefits, and pension of each executive-level staff, which includes, but is not limited to, the director, chief executive, and chief operating officer.

(3) The report required under subsection (1) must contain the following information from the previous fiscal year on substance use disorder prevention, education, and treatment programs:

(a) The expenditures stratified by department-designated community mental health entity, by fund source, by subcontractor, by population served, and by service type.

(b) The expenditures per state client, with data on the distribution of expenditures reported using a histogram approach.

(c) The number of services provided by subcontractor and by service type. Additionally, data on length of stay, referral

source, and participation in other state programs.

(d) The collections from other first- or third-party payers, private donations, or other state or local programs, by department-designated community mental health entity, by subcontractor, by population served, and by service type.

(4) The department shall include the data reporting requirements described in subsections (2) and (3) in the department's annual contract with each CMHSP, PIHP, and designated regional entity for substance use disorder prevention and treatment.

(5) The department shall take all reasonable actions to ensure that the data required are complete and consistent among all CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention and treatment.

Sec. 907. (1) The department shall expend the amount appropriated in part 1 for community substance use disorder prevention, education, and treatment to coordinate care and services provided to individuals with severe and persistent mental illness and substance use disorder diagnoses.

(2) Each managing entity shall continue current efforts to collaborate on the delivery of services to clients with mental illness and substance use disorder diagnoses, with the goal of providing services in an administratively efficient manner.

Sec. 909. From the funds appropriated in part 1 for health homes, the department shall use available revenue from the marihuana regulatory fund established in section 604 of the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27604, to improve physical health, expand access to substance use disorder prevention and treatment services, and strengthen the existing

prevention, treatment, and recovery systems.

Sec. 910. The department shall ensure that substance use disorder treatment is provided to applicants and recipients of public assistance through the department who are required to obtain substance use disorder treatment as a condition of eligibility for public assistance.

Sec. 911. (1) The department shall ensure that a contract with a CMHSP or PIHP requires the CMHSP or PIHP to implement programs to encourage the diversion of individuals with a serious mental illness, serious emotional disturbance, or developmental disability from possible jail incarceration, when appropriate.

(2) Each CMHSP or PIHP shall have jail diversion services and shall work toward establishing working relationships with representative staff of local law enforcement agencies, including county prosecutors' offices, county sheriffs' offices, county jails, municipal police agencies, municipal detention facilities, and the courts. Written interagency agreements describing what services each participating agency is prepared to commit to the local jail diversion effort and the procedures to be used by local law enforcement agencies to access mental health jail diversion services are strongly encouraged.

Sec. 912. The department shall contract directly with a non-Medicaid substance use disorder program not administered through a PIHP, at an amount not less than the amount provided during the fiscal year ending September 30, 2020, to provide non-Medicaid substance use disorder services if the local coordinating agency or the department confirms the program meets the standard of care established by the department. The standard of care must include, but is not limited to, using a medication assisted treatment

option.

Sec. 915. From the funds appropriated in part 1 for community substance use disorder prevention, education, and treatment and opioid response activities, the department shall, to the extent possible, provide grants, pursuant to federal law, to local public entities that provide substance use disorder services and to 1 private entity that has a statewide contract to provide community-based substance use disorder services.

Sec. 916. From the funds appropriated in part 1 for behavioral health program administration, the department shall allocate $1,500,000.00 as grants to nonprofit mental health clinics that provide counseling services, accept clients regardless of their ability to pay for services through sliding scale copayments and volunteer services, and use fundraising to support their clinics.

Sec. 917. (1) From the funds appropriated in part 1 for opioid response activities, the department shall allocate $81,000,000.00 from the Michigan opioid healing and recovery fund created under section 3 of the Michigan trust fund act, 2000 PA 489, MCL 12.253, as follows:

(a) $20,000,000.00 for housing developments.

(b) $10,000,000.00 for peer supports.

(c) $10,000,000.00 for job training for individuals in recovery.

(d) $10,000,000.00 to supplement grants to recovery community organizations under section 978.

(e) $10,000,000.00 for diversion programs.

(f) $10,000,000.00 for deposit into a long-term endowment fund.

(g) $5,000,000.00 for start-up or new programming.

(h) $2,000,000.00 for the opioid advisory commission to complete a statewide evidence-based needs assessment required under section 851 of the legislative council act, 1986 PA 268, MCL 4.1851.

(i) $2,000,000.00 for transportation services.

(j) $2,000,000.00 for law enforcement training.

(2) On a semiannual basis, the department shall submit to the standard report recipients a report on all of the following:

(a) Total revenues deposited into and expenditures and encumbrances from the Michigan opioid healing and recovery fund since the creation of the fund.

(b) Revenues deposited into and expenditures and encumbrances from the Michigan opioid healing and recovery fund during the previous 6 months.

(c) Estimated revenues to be deposited into and the spending plan for the Michigan opioid healing and recovery fund for the next 12 months.

Sec. 918. On a quarterly basis, providing monthly data, the department shall submit a report to the standard report recipients on the amount of funding paid to PIHPs to support the Medicaid managed mental health care program. The report must include information on the total paid to each PIHP, per capita rate paid for each eligibility group for each PIHP, the number of cases in each eligibility group for each PIHP, and a year-to-date summary of eligibles and expenditures for the Medicaid managed mental health care program.

Sec. 920. As part of the Medicaid rate-setting process for behavioral health services, the department shall work with PIHP network providers and actuaries to include, as part of the Medicaid

rate, state and federal wage and compensation increases that directly impact staff who provide Medicaid-funded community living supports, personal care services, respite services, skill-building services, and other supports and services that the department determines are similar.

Sec. 924. From the funds appropriated in part 1, for the purposes of actuarially sound rate certification and approval for Medicaid behavioral health managed care programs, the department shall maintain a fee schedule for autism services reimbursement rates for direct services. Expenditures used for rate setting shall not exceed the rates identified in the fee schedule. The fee schedule must include a rate for behavioral technicians that is not less than $66.00 per hour.

Sec. 928. Not later than April 1 of the current fiscal year, the department shall report to the standard report recipients on the lapse by PIHP from the previous fiscal year and the projected lapse by PIHP in the current fiscal year.

Sec. 935. A county required under the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide matching funds to a CMHSP for mental health services rendered to residents in the county's jurisdiction shall pay the matching funds in equal installments on not less than a quarterly basis throughout the fiscal year, with the first payment being made by October 1 of the current fiscal year.

Sec. 940. (1) In accordance with section 236 of the mental health code, 1974 PA 258, MCL 330.1236, the department shall review expenditures for each CMHSP to identify any CMHSP with a projected allocation surplus and to identify any CMHSP with a projected allocation shortfall. The department shall encourage the board of a

CMHSP with a projected allocation surplus to concur with the department's recommendation to reallocate the projected surplus to a CMHSP with a projected allocation shortfall.

(2) A CMHSP that has its projected surplus reallocated during the current fiscal year as described in subsection (1) is not eligible for an additional funding reallocation during the remainder of the current fiscal year, unless the CMHSP is responding to a public health emergency as determined by the department.

(3) A CMHSP shall report to the department on a proposed reallocation described in this section at least 30 days before the reallocation takes effect.

(4) The department shall notify the chairs of the appropriation subcommittees on the department budget when a request is made and when the department grants approval for a reallocation described in subsection (1). Not later than February 1 of the current fiscal year, the department shall submit a report on the amount of funding reallocated in the previous fiscal year to the standard report recipients.

Sec. 942. A CMHSP shall provide at least 30 days' notice before reducing, terminating, or suspending a service provided by the CMHSP to a CMHSP client, unless the service is authorized by a physician and the service no longer meets established criteria for medical necessity.

Sec. 960. (1) From the funds appropriated in part 1 for autism services, the department shall continue to cover all Medicaid autism services to Medicaid enrollees eligible for the services that were covered on January 1, 2019.

(2) To restrain cost increases in the autism services line

item, the department shall do all of the following:

(a) Not later than March 1 of the current fiscal year, develop and implement specific written guidance for standardization of Medicaid PIHPs and CMHSPs autism spectrum disorder administrative services, including, but not limited to, reporting requirements, coding, and reciprocity of credentialing and training between PIHPs and CMHSPs to reduce administrative duplication at the PIHP, CMHSP, and service provider levels.

(b) Require consultation with the client's evaluation diagnostician and PIHP to approve the client's ongoing therapy for 3 years, unless the client's evaluation diagnostician recommended an evaluation before the 3 years or if a clinician on the treatment team recommended an evaluation for the client before the third year.

(c) Limit the authority to perform a diagnostic evaluation for Medicaid autism services to qualified licensed practitioners as determined by the department and CMHSPs.

(d) Allow and expand the utilization of telemedicine and telepsychiatry to increase access to diagnostic evaluation services.

(e) Coordinate with the department of insurance and financial services on oversight for compliance with the Paul Wellstone and Pete Domenici mental health parity and addiction equity act of 2008, Public Law 110-343, as it relates to autism spectrum disorder services, to ensure appropriate cost sharing between public and private payers.

(f) Require that Medicaid eligibility be confirmed through prior evaluations conducted by qualified licensed practitioners as determined by the department and CMHSPs.

(g) Maintain regular statewide provider trainings on autism spectrum disorder standard clinical best practice guidelines for treatment and diagnostic services.

(3) By March 1 of the current fiscal year, the department shall submit a report to the standard report recipients on total autism services spending broken down by PIHP and CMHSP for the previous fiscal year and current fiscal year and total administrative costs broken down by PIHP, CMHSP, and the type of administrative cost for the previous fiscal year and current fiscal year.

Sec. 962. For special projects involving high-need children or adults, including the not guilty by reason of insanity population, the department may contract directly with providers of services to the children and adults described in this section.

Sec. 972. From the funds appropriated in part 1 for Michigan crisis and access line, the department shall allocate not less than $9,386,400.00 of general fund/general purpose revenue and any associated federal match or federal grant funding, including, but not limited to, associated federal 988 grant funding for the mental health telephone access line known as the Michigan crisis and access line (MiCAL), to provide for both of the following in accordance with section 165 of the mental health code, 1974 PA 258, MCL 330.1165:

(a) Primary coverage in a region where a regional national suicide prevention lifeline center does not provide coverage.

(b) Statewide secondary coverage.

Sec. 974. The department and a PIHP shall allow an individual with an intellectual or developmental disability who receives supports and services from a CMHSP to instead receive supports and

services from another provider if the individual is eligible and qualified to receive supports and services from another provider. Other providers may include, but are not limited to, MIChoice and PACE.

Sec. 978. From the funds appropriated in part 1 for community substance use disorder prevention, education, and treatment and recovery community organizations, the department shall allocate $1,200,000.00 as grants for recovery community organizations in accordance with section 273b of the mental health code, 1974 PA 258, MCL 330.1273b. A grant must be used to offer or expand recovery support center services or recovery community center services to individuals seeking long-term recovery from substance use disorders.

Sec. 994. (1) Not later than January 1 of the current fiscal year, the department shall seek, if necessary, federal approval through either a waiver request or state plan amendment to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be considered in compliance with state program review and audit requirements that are addressed and reviewed by that national accrediting entity.

(2) Not later than April 1 of the current fiscal year, the department shall report to the standard report recipients all of the following:

(a) The status of the federal approval process required in subsection (1).

(b) A list of each CMHSP, PIHP, and subcontracting provider agency that is considered to be in compliance with state program review and audit requirements under subsection (1).

(c) For each CMHSP, PIHP, or subcontracting provider agency described in subdivision (b), both of the following:

(*i*) The state program review and audit requirements that the CMHSP, PIHP, or subcontracting provider agency is considered to be in compliance with.

(*ii*) The national accrediting entity that reviewed and accredited the CMHSP, PIHP, or subcontracting provider agency.

(3) The department shall continue to comply with the laws of this state and federal law and shall not initiate an action that negatively impacts beneficiary safety. Any cost savings attributed to this action must be reinvested back into services.

(4) As used in this section, "national accrediting entity" means the Joint Commission, formerly known as the Joint Commission on Accreditation of Healthcare Organizations; the Commission on Accreditation of Rehabilitation Facilities; the Council on Accreditation; the URAC, formerly known as the Utilization Review Accreditation Commission; the National Committee for Quality Assurance; or another appropriate entity, as approved by the department.

Sec. 996. From the funds appropriated in part 1 for family support subsidy, the department shall make monthly payments of $300.36 to a parent or legal guardian of a child approved for the family support subsidy by a CMHSP.

Sec. 997. The department shall use population data from the most recent federal data from the United States Census Bureau in determining the distribution of substance use disorder block grant funds.

Sec. 998. If the department decides to use census data to distribute state general funds to CMHSPs, the department shall use

the most recent federal data from the United States Census Bureau.

BEHAVIORAL HEALTH SERVICES

Sec. 1001. Not later than May 15 of the current fiscal year, each CMHSP shall submit a report to the department that identifies populations being served by the CMHSP broken down by program eligibility category. The report must also include the percentage of the operational budget that is related to program eligibility enrollment. Not later than June 30 of the current fiscal year, the department shall submit the reports described in this section to the standard report recipients.

Sec. 1002. (1) The funds appropriated in part 1 must not be used by the department to expand the certified community behavioral health clinic demonstration.

(2) From the funds appropriated in part 1 for CCBHC administration, funding must be utilized to provide CCBHC outreach services to encourage a CMHSP or an eligible organization located in a county that does not already have a CCBHC to apply for CCBHC certification.

Sec. 1003. The department shall notify the Community Mental Health Association of Michigan when developing a policy or procedure that will impact a PIHP or CMHSP.

Sec. 1004. The department shall submit a report to the standard report recipients on any rebased formula changes to either Medicaid behavioral health services or non-Medicaid mental health services 90 days before the department implements the formula change. The notification must include a table showing the changes in funding allocation by PIHP for Medicaid behavioral health services or by CMHSP for non-Medicaid mental health services.

Sec. 1005. (1) From the funds appropriated in part 1 for health homes, the department shall maintain the number of behavioral health homes and maintain the number of substance use disorder health homes, in place by PIHP region as of September 30 of the previous fiscal year. The department may submit a request to the senate and house of representatives appropriation committees to expand the number of behavioral health homes and the number of substance use disorder health homes in a PIHP region added after October 1 of the current fiscal year.

(2) On a semiannual basis, the department shall submit a report to the standard report recipients on the number of individuals being served and expenditures incurred by each PIHP region by site.

Sec. 1006. (1) From the funds appropriated in part 1 for certified community behavioral health clinics, not later than May 1 of the current fiscal year the department shall submit to the standard report recipients an outcomes report for CCBHCs during the previous fiscal year that includes both statewide and CCBHC site-specific information on all of the following:

(a) The total number of distinct individuals served by the CCBHCs.

(b) The percentage of individuals served by the CCBHCs that were Medicaid recipients.

(c) The percentage of individuals served by the CCBHCs that were not Medicaid recipients.

(d) The total number of CCBHC daily visits.

(e) Total number of CCBHC services provided, broken down by the 9 core CCBHC services.

(f) Total expenditures from base and supplemental payments.

(g) Staffing and staff vacancy levels of the CCBHCs.

(h) The amount of prospective payment system rates for each CCBHC over the entire demonstration period allocated across the 9 service types.

(i) The total expenditures by CCBHC in the previous fiscal year.

(j) The total cost factors and implications in interpreting how CCBHCs deliver care over the course of the demonstration period.

(k) The comparison of costs for a random sample of enrollees between care provided by a CCBHC provider and a Medicaid provider that is not a CCBHC. The sample must include participants known to have received services at CCBHC providers and Medicaid providers that are not CCBHCs.

(2) From the funds appropriated in part 1 for certified community behavioral health clinics, the department shall submit the CCBHC cost efficiency evaluation to the standard report recipients not later than 7 business days after the department's receipt of the final information required from the relevant contractors.

Sec. 1008. (1) A PIHP and CMHSP shall do all of the following:

(a) Work to reduce administration costs by ensuring that PIHP and CMHSP responsible functions are efficient in allowing optimal transition of dollars to the direct services considered most effective in assisting individuals served. Any consolidation of administrative functions must demonstrate, by independent analysis, a reduction in dollars spent on administration resulting in greater dollars spent on direct services. Savings resulting from increased efficiencies must not be applied to PIHP and CMHSP net assets,

internal service fund increases, building costs, increases in the number of PIHP and CMHSP personnel, or other areas not directly related to the delivery of improved services.

(b) Take an active role in managing mental health care by ensuring consistent and high-quality service delivery throughout its network and promote a conflict-free care management environment.

(c) Ensure that direct service rate variances are related to the level of need or other quantifiable measures to ensure that the most money possible reaches direct services.

(d) Whenever possible, promote fair and adequate direct care reimbursement, including, but not limited to, fair wages for direct service workers.

(2) Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients on any actual reduction of administrative costs over the prior 2 fiscal years.

Sec. 1009. (1) From the funds appropriated in part 1, the department shall continue the request for proposal process for PIHPs into the current fiscal year. The request for proposal process for PIHPs must result in a simplified, workable PIHP system that improves behavioral health outcomes and reduces costs. The department shall include at least all of the following factors when selecting a PIHP through the request for proposal process:

(a) Improved behavioral health outcomes.

(b) Conflict of interest provisions.

(c) Uniform contractual and benefit standards.

(d) Increased accountability and transparency for payers and providers.

(e) Reduced administrative overhead costs.

(2) Not later than April 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the process and rationale the department and the department of technology, management, and budget used to consider each request for proposal submission for the new PIHP contracts.

Sec. 1010. (1) The department shall use the funds appropriated in part 1 for behavioral health community supports and services to reduce waiting lists at state-operated hospitals and centers through cost-effective community-based and residential services, including, but not limited to, assertive community treatment, forensic assertive community treatment, crisis stabilization units in accordance with chapter 9A of the mental health code, 1974 PA 258, MCL 330.1971 to 330.1979, and psychiatric residential treatment facilities in accordance with section 137a of the mental health code, 1974 PA 258, MCL 330.1137a.

(2) From the funds appropriated in part 1 for behavioral health community supports and services, the department shall allocate $30,450,000.00 to reimburse private providers for intensive psychiatric treatments and services that are provided outside of state-operated hospitals and centers and for support efforts related to overseeing community-based programs placement.

(3) If a private provider has an existing wait list for intensive psychiatric treatments and services, a reimbursement to the private provider under this section must not be conditioned on the private provider giving wait-list priority to individuals placed with funds appropriated in this section.

(4) Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients

on all of the following:

(a) The types of community supports and services purchased.

(b) The quantity, measured by days or other relevant unit of service, of each community support and service purchased.

(c) The quantifiable impact of the purchase of community supports and services, including the number of individuals served, the number of successful discharges, and the number of re-escalations to either the discharging entity or a state psychiatric hospital.

Sec. 1014. (1) From the funds appropriated in part 1 to agencies providing physical and behavioral health services to multicultural populations, the department shall award grants in accordance with the requirements of subsections (2) and (3). This state is not liable for any spending above the contract amount. The department shall not release funds until reporting requirements under section 1014 of article 6 of 2024 PA 121 are satisfied.

(2) The department shall require each contractor described in subsection (1) that receives greater than $1,000,000.00 in state grant funding to comply with performance-related metrics to maintain their eligibility for funding. The performance-related metrics shall include, but not be limited to, all of the following:

(a) Each contractor or subcontractor shall have accreditations that attest to their competency and effectiveness as behavioral health and social service agencies.

(b) Each contractor or subcontractor shall have a mission that is consistent with the purpose of the multicultural agency.

(c) Each contractor shall validate that any subcontractors utilized within these appropriations share the same mission as the lead agency receiving funding.

(d) Each contractor or subcontractor shall demonstrate cost-effectiveness.

(e) Each contractor or subcontractor shall ensure their ability to leverage private dollars to strengthen and maximize service provision.

(f) Each contractor or subcontractor shall provide timely and accurate reports regarding the number of clients served, units of service provision, and ability to meet their stated goals.

(3) The department shall require each contractor described in subsection (1) to ensure that the funds appropriated in this section are only used on proven or established programs.

(4) The department shall require an annual report from the contractors described in subsection (2). The annual report, due 60 days following the end of the contract period, must include specific information on services and programs provided, the client base to which the services and programs were provided, information on any wraparound services provided, and the expenditures for those services. Not later than February 1 of the current fiscal year, the department must submit the annual reports to the standard report recipients.

Sec. 1031. (1) The department shall not expend the funds appropriated in part 1 to enter into any contract with a Medicaid managed care organization of behavioral health services unless the Medicaid managed care organization agrees to do all of the following:

(a) Continue the direct care wage increase funded at $3.40 per hour for the services noted in the department's Medicaid provider letter L 21-76 under the Medicaid managed care organization's relevant program.

(b) Ensure, to the greatest extent possible, that the full amount of funds appropriated for direct care worker wages, except for costs incurred by the employer, including payroll taxes, is provided to direct care workers through maintained increased wages.

(c) Permit a direct care worker to elect, in writing or electronically, to not receive the wage increase provided in this section.

(2) Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients that includes the following information by program and provider type for the previous fiscal year:

(a) Hours of service that qualified for the direct care worker wage increase.

(b) The aggregate increase in wages attributable to the funding appropriated in part 1.

(c) A comparison of the projected increase included in the capitation rates and the reported amount expended on the wage increase.

Sec. 1032. For behavioral health services provided through managed care or the fee-for-service program, the department shall require, for the nonfacility component of the reimbursement rate, at least the same reimbursement for that service, if that service is provided through telemedicine, as if the service involved face-to-face contact between the health care professional and the patient.

Sec. 1033. In an effort to reduce administrative overhead costs, the department and contracted managed care organizations shall reduce direct care agency rates by $4.56 per hour. The department and contracted managed care organizations are prohibited

from reducing the direct care wages paid through agencies as a result of the agency rate reduction in this section.

Sec. 1034. (1) In order to be eligible for performance incentives funded in part 1, PIHPs must verify, on a quarterly basis, to the department and to the standard report recipients that every provider within the PIHP's provider network receives not less than the applicable reimbursement rates or fees required in sections 924 and 1031 of this part. The verification under this subsection must provide actual claims and utilization data.

(2) The office of inspector general shall audit the claims and utilization data provided in this section. If the office of inspector general audit determines that a PIHP reimburses any provider within that PIHP's provider network at a rate less than the applicable reimbursement rates or fees required in sections 924 and 1031 of this part, the department shall notify that PIHP that it is not eligible for performance incentives funded in part 1. Not later than 10 days after a notification to a PIHP under this subsection, the department shall notify the standard report recipients that the PIHP is not eligible for performance incentives funded in part 1.

STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES

Sec. 1051. The department shall continue a revenue recapture project to generate additional revenues from third parties related to cases that have been closed or are inactive. A portion of revenues collected through the project's efforts may be used for departmental costs and contractual fees associated with retroactive collections under the project and to improve ongoing departmental reimbursement management functions.

Sec. 1052. The department shall use gifts and bequests received for patient living and treatment environments for additional private funds to provide specific enhancements for individuals residing at state-operated facilities. The department shall use the gifts and bequests consistent with the stipulation of the donor. The department shall use gift and bequest donations within 3 years unless otherwise stipulated by the donor.

Sec. 1055. (1) The department shall not implement a closure or consolidation of a state hospital or agency, until each CMHSP or PIHP affected by the closure or consolidation has programs and services in place for the individuals currently in the hospital or agency that is to be closed or consolidated, and has a plan for providing services to the individuals who would have been admitted to the hospital or agency.

(2) A closure or consolidation is dependent on adequate department-approved CMHSP and PIHP plans that include a discharge and aftercare plan for each individual currently in a hospital described in subsection (1). A discharge and aftercare plan must address an individual's housing needs. A homeless shelter or similar temporary shelter arrangement is inadequate to meet an individual's housing needs.

(3) Four months after a closure is certified under section 19(6) of the state employees' retirement act, 1943 PA 240, MCL 38.19, the department shall provide a closure plan to the standard report recipients.

(4) On the closure of a hospital or agency and after transitional costs have been paid, the remaining balances of funds appropriated for the hospital or agency must be transferred to CMHSPs or PIHPs responsible for providing services for individuals

previously served by the hospital or agency.

Sec. 1056. The department may collect revenue for patient reimbursement from first- and third-party payers, including Medicaid and local county CMHSP payers, to cover the cost of patient placement in state hospitals. The department may adjust financing sources for patient reimbursement based on actual revenues earned. If the revenue collected exceeds current year expenditures, the revenue may be carried forward with approval of the state budget director. The department shall use the revenue carried forward as a first source of funds in the subsequent year.

Sec. 1058. Effective October 1 of the current fiscal year, the department, in consultation with the department of technology, management, and budget, may maintain a bid process to identify 1 or more private contractors to provide food and custodial services for the administrative areas at a state hospital identified by the department as capable of generating savings through the outsourcing of food and custodial services.

Sec. 1059. (1) The department shall identify specific outcomes and performance measures for state-operated hospitals. Unless otherwise specified, the outcomes and performance measures must be calculated on an average monthly basis from the previous calendar year, including, but not limited to, the following:

(a) The average wait time from the time of the receipt of a court order for the treatment of an individual who is determined incompetent to stand trial until the individual's admission to the center for forensic psychiatry or other state-operated psychiatric hospital.

(b) The average number of individuals determined not guilty by reason of insanity by an order of the court who, on the first day

of each month, are waiting to receive admission into the center for forensic psychiatry or other state-operated psychiatric hospital.

(c) The average number of adults who, on the first day of each month, are waiting to receive admission into another state-operated hospital through the civil admissions process.

(d) The average number of children who, on the first day of each month, are waiting to receive admission into another state-operated hospital through the civil admissions process.

(e) The average wait time for an adult who is awaiting admission into another state-operated hospital through the civil admissions process.

(f) The average wait time for a child who is awaiting admission into another state-operated hospital through the civil admissions process.

(g) The number of individuals determined not guilty by reason of insanity or incompetent to stand trial by an order of the court that have been determined to be ready for discharge to the community, and the average wait time between being determined to be ready for discharge to the community and actual community placement.

(h) The number of adults admitted through the civil admission process that have been determined to be ready for discharge to the community, and the average wait time between being determined to be ready for discharge to the community and actual community placement.

(i) The number of children admitted through the civil admission process that have been determined to be ready for discharge to the community, and the average wait time between being determined to be ready for discharge to the community and actual

community placement.

(j) The most recent 12-month total number of individuals determined not guilty by reason of insanity by an order of the court ordering the individual to be admitted into the center for forensic psychiatry or other state-operated psychiatric hospital.

(k) The most recent 12-month total number of adults requested to be admitted to a state-operated hospital through the civil admissions process.

(*l*) The most recent 12-month total number of children requested to be admitted to a state-operated hospital through the civil admissions process.

(m) The number of individuals determined not guilty by reason of insanity by an order of the court that were removed from the admissions waiting list and the reason for the removal from the admissions waiting list.

(n) The number of adults awaiting admission through the civil admission process removed from the admission waiting list and the reason for the removal from the admission waiting list.

(o) The number of children awaiting admission through the civil admission process removed from the admission waiting list and the reason for the removal from the admission waiting list.

(p) The number of individuals determined not guilty by reason of insanity by an order of the court and not admitted into the center for forensic psychiatry or other state-operated hospital, and the rationale for the individual not being admitted.

(q) The number of adults not admitted into the other state-operated hospitals through the civil admissions process and the rationale for the individual not being admitted.

(r) The number of children not admitted into a state-operated

hospital through the civil admission process and the rationale for the individual not being admitted.

(2) Not later than April 1 of the current fiscal year, the department shall submit a report to the standard report recipients of this part on the outcomes and performance measures required under subsection (1).

Sec. 1060. Not later than March 1 of the current fiscal year, the department shall submit a report on mandatory overtime, staff turnover, and staff retention at the state psychiatric hospitals to the standard report recipients. The report must include, but is not limited to, the following:

(a) The number of direct care and clinical staff positions that are currently vacant by hospital, and how that number compares to the number of vacancies during the previous fiscal year.

(b) A breakdown of voluntary and mandatory overtime hours worked by position and by hospital, and how that breakdown compares to the breakdown of voluntary and mandatory overtime hours during the previous fiscal year.

(c) The ranges of wages paid by position and by hospital, and how the ranges of wages paid compare to wages paid during the previous fiscal year.

Sec. 1061. (1) On a semiannual basis, the department shall report to the standard report recipients a status update on the construction of the new state psychiatric hospital that will house both children and adults. The report must include, but is not limited to, an estimated timeline for completion and any obstacles that have caused a delay in construction progress.

(2) Not later than March 1 of the current fiscal year, the department shall report to the standard report recipients a

proposed transition plan for the transfer of children and adults currently residing at the Walter P. Reuther Psychiatric Hospital to the newly constructed state psychiatric hospital. Additionally, the report must include a plan for either the future use or the demolition of the Walter P. Reuther Psychiatric Hospital, and an estimated cost for both a plan for a future use and a plan for demolition of Walter P. Reuther Psychiatric Hospital.

Sec. 1063. (1) From the funds appropriated in part 1 for southeast Michigan state psychiatric hospital and Walter P. Reuther - psychiatric hospital – adult, children and adolescents, the department shall maintain a psychiatric transitional unit and children's transition support team. The unit and support team described in this subsection shall augment the continuum of behavioral health services for high-need youth and provide additional continuity of care and transition into supportive community-based services.

(2) The outcome and performance measures for the unit and support team described in subsection (1) include, but are not limited to, the following:

(a) The rate of rehospitalization for youth served through the unit or support team at 30 and 180 days.

(b) The measured change in the Michigan Child and Adolescent Needs and Strength tool for youth and families served through the unit or support team.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

Sec. 1360. From the funds appropriated in part 1, the department may do 1 or more of the following:

(a) Provide special formulas for eligible individuals with

specified metabolic and allergic disorders.

(b) Provide medical care and treatment to eligible individuals with cystic fibrosis who are 26 years of age or older.

(c) Provide medical care and treatment to eligible individuals with hereditary coagulation defects, commonly known as hemophilia, who are 26 years of age or older.

(d) Provide human growth hormone to eligible individuals.

(e) Provide mental health care to eligible individuals for mental health needs that result from, or are a symptom of, the individual's qualifying medical condition.

(f) Provide medical care and treatment to eligible individuals with sickle cell disease who are 26 years of age or older.

Sec. 1361. From the funds appropriated in part 1 for medical care and treatment, the department may spend the funds to continue developing and expanding telemedicine capacity to allow families with children in the children's special health care services program to access specialty providers more readily and in a more timely manner. The department may spend funds to support chronic complex care management of children enrolled in the children's special health care services program to minimize hospitalizations and reduce costs to the program while improving outcomes and quality of life. As used in this section, "children's special health care services program" or "program" means the program established under section 5815 of the public health code, 1978 PA 368, MCL 333.5815.

HEALTH AND AGING SERVICES ADMINISTRATION

Sec. 1505. Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report

recipients on the actual reimbursement savings and cost offsets that have resulted from the funds appropriated in part 1 for the office of inspector general and third-party liability efforts in the previous fiscal year.

Sec. 1507. From the funds appropriated in part 1 for office of inspector general, the inspector general shall audit and recoup inappropriate or fraudulent payments from Medicaid managed care organizations to health care providers. Unless authorized by federal law or a law of this state, the department shall not fine, temporarily halt operations of, disenroll as a Medicaid provider, or terminate a managed care organization or health care provider from providing services due to the discovery of an inappropriate payment found during the course of an audit.

Sec. 1512. From the funds appropriated in part 1, the department shall maintain the Medicaid encounter quality initiative report to separate nonclinical administrative costs from actual claims and encounter costs.

Sec. 1518. The department shall coordinate with the department of licensing and regulatory affairs to ensure that, on the issuance of an order suspending the license of an adult foster care facility, home for the aged, or nursing home, the department of licensing and regulatory affairs provides a notice to the department, to the house and senate appropriations subcommittees on the department budget, and to the members of the house of representatives and senate that represent the legislative districts of the county in which the adult foster care facility, home for the aged, or nursing home is located.

HEALTH SERVICES

Sec. 1601. The department shall use the cost of remedial services incurred by residents of licensed adult foster care facilities and licensed homes for the aged to determine financial eligibility for the medically needy. As used in this section, "remedial services" includes, but is not limited to, basic self-care and rehabilitation training for a resident.

Sec. 1605. The protected income level for Medicaid coverage determined under section 106(1)(b)(*iii*) of the social welfare act, 1939 PA 280, MCL 400.106, is 100% of the related public assistance standard.

Sec. 1606. For the purpose of guardian and conservator charges, the department may deduct up to $83.00 per month as an allowable expense against a recipient's income when determining Medicaid eligibility and patient pay amounts.

Sec. 1607. (1) The department shall immediately presume that an applicant for Medicaid whose qualifying condition is pregnancy is eligible for Medicaid coverage, unless the preponderance of evidence in the applicant's application indicates otherwise. The applicant who is qualified as described in this subsection is allowed to select or remain with the Medicaid participating obstetrician of the applicant's choice.

(2) Each qualifying applicant is entitled to receive all medically necessary obstetrical and prenatal care without preauthorization from a health plan. All claims submitted for payment for obstetrical and prenatal care must be paid at the Medicaid fee-for-service rate if a contract does not exist between the Medicaid participating obstetrical or prenatal care provider and the managed care plan. The applicant must receive a listing of Medicaid physicians and managed care plans in the immediate

vicinity of the applicant's residence.

(3) If an applicant, presumed to be eligible for Medicaid under subsection (1), is subsequently found to be ineligible, a Medicaid physician or managed care plan that has been providing pregnancy services to the applicant is entitled to reimbursement for the services until the Medicaid physician or managed care plan is notified by the department that the applicant was found to be ineligible for Medicaid.

(4) If the preponderance of evidence in an application under subsection (1) indicates that the applicant is not eligible for Medicaid, the department shall refer the applicant to the nearest public health clinic or similar entity as a potential source for receiving pregnancy-related services.

(5) The department shall develop an enrollment process for applicants covered under this section that facilitates the selection of a managed care plan at the time of application.

(6) The department shall require that Medicaid managed care plans enroll women whose qualifying condition for Medicaid is pregnancy.

(7) The department shall encourage physicians to provide an applicant whose qualifying condition for Medicaid is pregnancy with a referral to a Medicaid participating dentist at the applicant's first pregnancy-related appointment.

Sec. 1608. (1) The department shall comply with all residency and eligibility provisions of the one big beautiful bill act, Public Law 119-21, when determining eligibility for medical assistance.

(2) When determining Healthy Michigan plan eligibility for an applicant who is a new resident of this state, the department shall

apply the stricter of the community engagement requirements policy on the review period for compliance verification in place for this state or the jurisdiction in which the new resident lived immediately preceding relocating to this state.

(3) As used in this section:

(a) "New resident" means any individual who is a citizen of the United States, or federally authorized resident of the United States, whose legal residence was located in another state, the District of Columbia, or territory of the United States within the 12 months preceding application submission.

(b) "Review period for compliance verification" means the number of consecutive months assessed for federal community engagement requirement eligibility verification in place for this state and the jurisdiction covering the previous legal residence.

Sec. 1611. (1) For care provided to Medicaid recipients with other third-party sources of payment, Medicaid reimbursement shall not exceed, in combination with such other resources, including Medicare, those amounts established for Medicaid-only patients. The Medicaid payment rate shall be accepted as payment in full. Other than an approved Medicaid copayment, no portion of a provider's charge shall be billed to the recipient or any person acting on behalf of the recipient. This section does not affect the level of payment from a third-party source other than the Medicaid program. The department shall require a nonenrolled provider to accept Medicaid payments as payment in full.

(2) Notwithstanding subsection (1), if a hospital service is provided to a dual Medicare/Medicaid recipient with only Medicare part B coverage, the Medicaid reimbursement must equal, when combined with a payment for Medicare or other third-party source of

payment, the amount established for a Medicaid-only patient, including a capital payment.

Sec. 1615. Not later than January 1, 2026, the department shall require compliance with community engagement activities as a requirement for enrollment and redetermination for the Healthy Michigan plan.

Sec. 1620. (1) If a Medicaid claim is a fee-for-service Medicaid claim, the professional dispensing fee for a drug that is listed as a medication on the Michigan pharmaceutical products list is $20.02 or the pharmacy's submitted dispensing fee, whichever is less.

(2) If a Medicaid claim is a fee-for-service Medicaid claim, the professional dispensing fee for a drug that is not listed as a specialty medication on the Michigan pharmaceutical products list is as follows:

(a) If the drug is indicated as preferred on the department's preferred drug list, $10.80 or the pharmacy's submitted dispensing fee, whichever is less.

(b) If the drug is not on the department's preferred drug list, $10.64 or the pharmacy's submitted dispensing fee, whichever is less.

(c) If the drug is indicated as nonpreferred on the department's preferred drug list, $9.00 or the pharmacy's submitted dispensing fee, whichever is less.

Sec. 1626. (1) Not later than January 15 of the current fiscal year, each pharmacy benefit manager that receives reimbursements directly, through a department-administered fee-for-service contract, or through a Medicaid health plan, from the funds appropriated in part 1 for health services must submit all of the

following information to the department for the previous fiscal year:

(a) The total number of prescriptions that were dispensed.

(b) The aggregate fiscal year paid pharmacy claims repriced using the wholesale acquisition cost for each drug on its formulary.

(c) The aggregate amount of rebates, discounts, and price concessions that the pharmacy benefit manager received for each drug on its formulary. The aggregate amount of rebates must include any utilization discounts the pharmacy benefit manager received from a manufacturer.

(d) The aggregate amount of administrative fees that the pharmacy benefit manager received from all pharmaceutical manufacturers.

(e) The aggregate amount identified in subdivisions (b) and (c) that were retained by the pharmacy benefit manager and did not pass through to the department or to the Medicaid health plan.

(f) The aggregate amount of reimbursements the pharmacy benefit manager paid to contracting pharmacies.

(g) Any other information considered necessary by the department.

(2) Not later than March 1 of the current fiscal year, the department shall submit a report including the information provided under subsection (1) to the standard report recipients.

(3) Any nonaggregated information submitted under this section is confidential and must not be disclosed to any person by the department. The information described in this subsection is not a public record of the department.

Sec. 1627. The department shall review services provided under

the adult dental program and reduce those services to align with appropriations for both managed care and fee-for-service. Service reductions may include, but are not limited to, providing for 1 cleaning in a 12-month period.

Sec. 1629. The department shall utilize maximum allowable cost pricing for generic drugs that is based on wholesaler pricing to providers. The wholesaler pricing must be based on the price available from at least 2 wholesalers who deliver drugs in this state.

Sec. 1630. Not later than April 1 of the current fiscal year, from the funds appropriated in part 1 for Medicaid dental services and Healthy Kids Dental, the department shall submit a report to the standard report recipients on the dental service benefit. The report must cover all of the following areas:

(a) Information on the implementation of the Adult Medicaid dental benefit redesign including all of the following information:

(*i*) The number of dental providers, by Medicaid health plan in this state, who provided 1 or more Medicaid dental services in the fiscal year ending September 30, 2022, and the number of additional providers who were added in the previous fiscal year, with a delineation in the reported numbers based on the average payment per visit and before and after the implementation of the Adult Medicaid dental benefit redesign.

(*ii*) The status of enhanced care coordination.

(*iii*) The array of covered dental benefits and services before the Adult Medicaid dental benefit redesign and how the available benefits and services changed or expanded after the Adult Medicaid dental benefit redesign.

(b) Information on the Healthy Kids Dental program including

all of the following information:

(*i*) The number of children enrolled in the Healthy Kids Dental program who visited the dentist in the previous fiscal year broken down by dental benefit manager.

(*ii*) The number of dentists who accept payment from the Healthy Kids Dental program broken down by dental benefit manager.

(*iii*) The annual change in dental utilization of children enrolled in the Healthy Kids Dental program broken down by dental benefit manager.

(*iv*) Service expenditures for the Healthy Kids Dental program broken down by dental benefit manager.

(*v*) Administrative expenditures for the Healthy Kids Dental program broken down by dental benefit manager.

Sec. 1631. (1) The department shall require copayments on dental, podiatric, and vision services provided to Medicaid recipients, except as prohibited by federal law or a law of this state.

(2) Except as otherwise prohibited by federal law or a law of this state, the department shall require Medicaid recipients to pay the following copayments:

(a) Two dollars for a physician office visit.

(b) Three dollars for a hospital emergency room visit.

(c) Fifty dollars for the first day of an inpatient hospital stay.

(d) Two dollars for an outpatient hospital visit.

(e) One dollar for a generic drug or any drug indicated as preferred on the department's preferred drug list and $3.00 for a brand-name drug not indicated as preferred on the department's preferred drug list.

Sec. 1641. An institutional provider that is required to submit a cost report under the Medicaid program shall submit cost reports completed in full not more than 7 months after the end of the institutional provider's fiscal year.

Sec. 1642. Contracted vendors and organizations with contracts negotiated as part of a collective bargaining agreement that employ direct care workers and receive reimbursements from the funds appropriated in part 1 shall, as part of their contractual agreements, not exceed the established earned sick time provisions under the earned sick time act, 2018 PA 338, MCL 408.961 to 408.974.

Sec. 1643. (1) The department shall not expend the funds appropriated in part 1 to enter into any contract with a Medicaid managed care organization of MI Choice Waiver or MI Health Link unless the Medicaid managed care organization agrees to do all of the following:

(a) Continue the direct care wage increase funded at $3.40 per hour for the services noted in the department's Medicaid provider letter L 21-76 under the Medicaid managed care organization's relevant program.

(b) Ensure, to the greatest extent possible, that the full amount of funds appropriated for direct care worker wages, except for costs incurred by the employer, including payroll taxes, is provided to direct care workers through maintained increased wages.

(c) Permit a direct care worker to elect, in writing or electronically, to not receive the wage increase provided in this section.

(2) Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients

that includes the following information by program and provider type for the previous fiscal year:

(a) Hours of service that qualified for the direct care worker wage increase.

(b) The aggregate increase in wages attributable to the funding appropriated in part 1.

(c) A comparison of the projected increase included in the capitation rates and the reported amount expended on the wage increase.

Sec. 1644. In an effort to reduce administrative overhead costs, the department and contracted managed care organizations shall reduce direct care agency rates by $4.56 per hour. The department and contracted managed care organizations are prohibited from reducing the direct care wages paid through agencies as a result of the agency rate reduction in this section.

Sec. 1645. (1) From the funds appropriated in part 1, the department shall maintain the wages of eligible nonclinical staff employed by skilled nursing facilities. The funding must include all costs incurred by the employer, including payroll taxes, due to prior wage increases.

(2) The nonclinical staff eligible for the wages described in subsection (1) are those whose costs are reported in the following job classifications in nursing facility institutional cost reports shared with the department:

(a) Other housekeeping.

(b) Other maintenance worker.

(c) Other plant operations.

(d) Other laundry.

(e) Dining room assistants.

(f) Other dietary workers.

(g) Other medical records.

(h) Other social services.

(i) Other diversion therapy.

(j) Beauty and barber.

(k) Gift, flower, coffee, and canteen worker.

Sec. 1646. From the funds appropriated in part 1, the department shall maintain the Medicaid reimbursement rates for orthotic and prosthetic providers in place during the prior fiscal year.

Sec. 1657. (1) The department shall not make reimbursement for Medicaid to screen and stabilize a Medicaid recipient, including stabilization of a psychiatric crisis, in a hospital emergency room, contingent on obtaining prior authorization from the recipient's HMO. If the recipient is discharged from the emergency room, the hospital shall notify the recipient's HMO within 24 hours of the diagnosis and treatment received.

(2) If the treating hospital determines that the recipient will require further medical service or hospitalization beyond the point of stabilization, that hospital shall receive authorization from the recipient's HMO prior to admitting the recipient.

(3) Subsections (1) and (2) do not require an alteration to an existing agreement between an HMO and its contracting hospitals and do not require an HMO to reimburse for services that are not considered to be medically necessary.

Sec. 1662. (1) From the funds appropriated in part 1, the department shall require an annual external quality review of each contracting HMO. The external quality review must analyze and evaluate aggregated information on quality, timeliness, and access

to health care services that the HMO or its contractors furnish to Medicaid beneficiaries. The department shall create a report containing each quality review required under this subsection.

(2) The department shall require Medicaid HMOs to provide EPSDT utilization data through the encounter data system, and HEDIS well child health measures in accordance with the National Committee for Quality Assurance prescribed methodology.

(3) The department shall submit a copy of the analysis of the Medicaid HMO annual audited reports on HEDIS and the report under subsection (1) to the standard report recipients within 30 days after the department's receipt of the final information required from the contractors.

Sec. 1670. (1) The appropriation in part 1 for the MIChild program is to be used to provide comprehensive health care to all children under age 19 who reside in families with an income at or below 212% of the federal poverty level, who are uninsured and have not had coverage by other comprehensive health insurance within 6 months of applying for MIChild benefits, and who are residents of this state. The department shall develop detailed eligibility criteria through the behavioral and physical health and aging services administration public concurrence process. The eligibility criteria must be consistent with the provisions of this part and part 1.

(2) The department shall provide up to 1 year of continuous eligibility to a child eligible for the MIChild program unless the child reaches age 19.

Sec. 1677. From the funds appropriated in part 1 for the MIChild program, the department shall provide, at a minimum, all benefits available under the Michigan benchmark plan that are

delivered through contracted providers and consistent with federal law, including, but not limited to, the following medically necessary services:

(a) Inpatient mental health services, other than substance use disorder treatment services, including services furnished in a state-operated mental hospital and residential or other 24-hour therapeutically planned structured services.

(b) Outpatient mental health services, other than substance use disorder services, including services furnished in a mental hospital operated by this state and community-based services.

(c) Durable medical equipment and prosthetic and orthotic devices.

(d) Dental services as outlined in the approved MIChild state plan.

(e) Substance use disorder treatment services that may include inpatient, outpatient, and residential substance use disorder treatment services.

(f) Care management services for mental health diagnoses.

(g) Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

(h) Emergency ambulance services.

Sec. 1682. (1) In addition to the appropriations in part 1, the department is authorized to receive and spend penalty money received as the result of noncompliance with Medicaid certification regulations. Penalty money, characterized as private funds, received by the department shall increase authorizations and allotments in the long-term care accounts.

(2) Any unexpended penalty money, at the end of the year, must carry forward to the following year.

(3) Not later than March 1 of the current fiscal year, the department shall report to the standard report recipients on penalty money received by the department as described in subsection (1). The report must include, but is not limited to, the following information:

(a) The amount of penalty monies received by the department in the previous fiscal year listed by the assessed entity.

(b) A list of the entities that were assessed penalties in the previous fiscal year with the rationale for each penalty.

Sec. 1692. (1) The department is authorized to pursue reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department and the state budget director are authorized to negotiate and enter into agreements, together with the department of education, with local and intermediate school districts regarding the sharing of federal Medicaid services funds received for these services. The department is authorized to receive and disburse funds to participating school districts pursuant to agreements described in this subsection and pursuant to federal law and a law of this state.

(2) From the funds appropriated in part 1 for health services school-based services payments, the department is authorized to do all of the following:

(a) Finance activities within the behavioral and physical health and aging services administration related to eligible services.

(b) Reimburse participating school districts pursuant to the fund-sharing ratios negotiated in the state-local agreements authorized in subsection (1).

(c) Offset general fund costs associated with the Medicaid

program.

Sec. 1694. From the funds appropriated in part 1 for special Medicaid reimbursement, $2,628,500.00 of general fund/general purpose revenue and any associated federal match must be distributed for poison control services to an academic health care system that has a high volume of providing care to indigent individuals.

Sec. 1697. The department shall require that Medicaid health plans administering Healthy Michigan plan benefits maintain a network of dental providers in sufficient numbers, mix, and geographic locations throughout their respective service areas in order to provide adequate dental care for Healthy Michigan plan enrollees.

Sec. 1700. Not later than December 1 of the current fiscal year, the department shall report to the standard report recipients on the distribution of funding provided, and the net benefit if the special hospital payment is not financed with general fund/general purpose revenue, to each eligible hospital during the previous fiscal year from the following special hospital payments:

(a) GME.

(b) Special rural hospital payments provided under section 1802(1)(b) of this part.

(c) Lump-sum payments to rural hospitals for obstetrical care provided under section 1802(1)(a) of this part.

Sec. 1702. From the funds appropriated in part 1, the department shall allocate $2,830,000.00 in general fund/general purpose revenue and any associated federal match to maintain the rates in place during the prior fiscal year for private duty nursing services for Medicaid beneficiaries under the age of 21.

These additional funds must be used to attract and retain highly qualified registered nurses and licensed practical nurses to provide private duty nursing services so that medically fragile individuals can be cared for in the most homelike setting possible.

Sec. 1757. The department shall obtain proof from all Medicaid recipients that they are United States citizens or otherwise legally residing in this country and that they are residents of this state before approving Medicaid eligibility.

Sec. 1764. The department shall annually certify whether rates paid to Medicaid health plans and specialty PIHPs are actuarially sound in accordance with federal requirements. The department shall provide to the standard report recipients a copy of the rate certification required under this section and the approval of rates paid to Medicaid health plans and specialty PIHPs for any fiscal year not later than October 1 for Medicaid capitation rate certifications and not later than February 15, May 15, and August 15 for any Medicaid capitation rate amendments. Following the rate certification, the department shall ensure that no new or revised state Medicaid policy bulletin that is promulgated materially impacts the capitation rates that have been certified.

Sec. 1775. From the funds appropriated in part 1, by not later than March 1 of the current fiscal year, the department shall provide a report to the standard report recipients on the transition of the MI Health Link program to an integrated dual eligible special needs plan (D-SNP) required by Medicare Advantage and Part D Final Rule (CMS-4192-F). The report must include all of the following:

(a) The status of any extension received from CMS for the MI Health Link demonstration.

(b) The amount and fund source of realized or anticipated transition costs by fiscal year.

(c) The status of the transition, by MI Health Link service region and by individual county within a region.

(d) A summary of the efforts taken to engage beneficiaries, stakeholders, and health plans in the transition process.

(e) A summary of necessary Medicaid contractual and policy changes related to D-SNP contracting, including any carve-outs that will be proposed.

(f) A summary of the eligibility guidelines and covered benefits proposed in the D-SNP transition, including a comparison of long-term services and supports, home- and community-based services and behavioral health services as of September 30, 2024, and in the proposed D-SNP.

(g) A verification of the inclusion of the most important aspects of the MI Health Link into any D-SNP proposal, including, but not limited to, the following:

(*i*) $0.00 copayments and deductibles for all covered services.

(*ii*) Access to a care coordinator for care navigation and care planning.

(*iii*) A single card for all Medicare and Medicaid services.

Sec. 1786. From the funds appropriated in part 1, the department shall maintain Medicaid reimbursement for the administration of injectable, nasal, and oral vaccines at $23.03.

Sec. 1787. From the funds appropriated in part 1 for health plan services, Healthy Michigan plan, Healthy Michigan plan – fee-for-service, and long-term care services, the department shall maintain the Medicaid reimbursement rates in place during the prior fiscal year for CPT codes 31579, 92507, 92508, 92520, 92521, 92522,

92523, 92524, 92526, 92597, 92607, 92608, 92609, 92610, 92630, 92633, 92700, 94010, 97129, 97130, 97533, 97799, G2250, G2251, and S9152.

Sec. 1788. From the funds appropriated in part 1, the department shall provide Medicaid reimbursement rates, including Medicaid reimbursements from the ambulance provider quality assurance assessment, for ground ambulance services up to 100% of the Medicare allowable rates for Locality 01 for ground ambulance services.

Sec. 1790. The department shall maintain the current practitioner rates paid for CPT codes 90791 through 90899 for psychiatric procedures through Medicaid fee-for-service and through the comprehensive Medicaid health plans for psychiatric procedures provided for Medicaid recipients under the age of 21.

Sec. 1791. From the funds appropriated in part 1 for health plan services and physician services, the department shall provide Medicaid reimbursement rates for neonatal services at 100% of the Medicare rate received for those services in effect on the date the services are provided to eligible Medicaid recipients. The neonatal services and physician services eligible for reimbursement rates under this section are described as CPT codes 99468, 99469, 99471, 99472, 99475, 99476, 99477, 99478, 99479, and 99480.

Sec. 1792. By April 30 of the current fiscal year, the department shall evaluate pharmacy encounter data through the first 2 quarters of the fiscal year to determine, in consultation with the Medicaid health plans, if rates must be recertified. By May 30 of the current fiscal year, the department shall report the evaluation results to the standard report recipients and the Medicaid health plans.

Sec. 1794. (1) From the funds appropriated in part 1, the department shall provide Medicaid reimbursements for hospital-based substance use disorder peer-supports.

(2) Not later than March 1 of the current fiscal year, the department shall report to the standard report recipients on the statewide amounts and each hospital amount for hospital-based substance use disorder peer-supports during the first quarter of the current fiscal year, including for all of the following:

(a) The number of individuals served.

(b) The Medicaid reimbursement utilization.

(c) The total expenditures.

Sec. 1801. From the funds appropriated in part 1 for physician services and health plan services, the department shall continue the increase to Medicaid rates for primary care services provided only by primary care providers. The department shall not provide the increase to Medicaid rates under this section to primary care providers whose primary practice is as a non-primary-care subspecialty. The department shall establish policies that most effectively limit the increase to primary care providers for primary care services only. As used in this section, "primary care provider" means a physician, or a practitioner working in collaboration with a physician, who is either licensed under part 170 or part 175 of the public health code, 1978 PA 368, MCL 333.17001 to 333.17097 and 333.17501 to 333.17556, and who works as a primary care provider in general practice or is board-eligible or certified with a specialty designation of family medicine, general internal medicine, or pediatric medicine, or is a provider who provides the department with documentation of equivalency.

Sec. 1802. (1) From the funds appropriated in part 1 for rural

access hospital payments, the department shall provide for the following:

(a) $8,470,200.00 in general fund/general purpose revenue as lump-sum payments to noncritical access hospitals that qualified for rural hospital access payments in fiscal year 2013-2014 and that provide obstetrical care this fiscal year. Payment amounts must be based on the volume of obstetrical care cases and newborn care cases for all such cases billed by each qualified hospital in the most recent year for which data is available. The department shall make payments not later than January 1 of the current fiscal year. For the current fiscal year, a hospital that met established occupied bed criteria based on Medicaid cost reports as of the fiscal year ending September 30, 2011, and that is located within a county with a population of not more than 165,000 and within a city, village, or township with a population of not more than 16,000, according to the 2000 federal decennial census, is eligible.

(b) $15,204,800.00 in general fund/general purpose revenue and any associated federal match awarded as rural access payments to noncritical access hospitals that meet criteria established by the department for services to low-income rural residents. One of the reimbursement components of the criteria established by the department under this subsection must be assistance with labor and delivery services.

(2) Payments under this section must be made by January 1 of the current fiscal year.

(3) The department shall publish the distribution of payments for the current fiscal year and the previous fiscal year.

Sec. 1803. (1) From the funds appropriated in part 1 for rural

health transformation program, the department shall provide grants to hospitals and providers in rural areas of this state, in accordance with federal requirements.

(2) Not later than January 15 of the current fiscal year, the department shall provide to the standard report recipients the rural health transformation program grant application and plan submitted to CMS.

(3) Not later than 30 days after receiving CMS notification of the acceptance or rejection of the application described under subsection (2), the department shall notify the standard report recipients of any modifications prescribed by CMS to the original application and plan.

Sec. 1804. The department may utilize the federal public assistance reporting information system to continue to work to identify Medicaid recipients who are veterans and who may be eligible for federal veterans' health care benefits or other benefits and shall continue to refer veterans to the department of military and veterans affairs for assistance in securing additional benefits.

Sec. 1805. The department shall modify Medicaid policy in the Medicaid Manual, Nursing Facility Chapter, Certification, Survey and Enforcement Appendix, Section 2.3 and submit a Medicaid state plan amendment to CMS to seek approval to allow the department to approve or deny any application seeking Medicaid bed certification and provider enrollment for dual certification of Medicare-only beds. The modified Medicaid policy must replace the current certification criteria. The modified Medicaid policy must provide that the department grant Medicaid bed certification if the application meets all of the following:

(a) A verification from the state survey agency that the beds listed in the applications are Medicare-certified.

(b) The state survey agency finds that the facility named in the application is in substantial compliance with federal regulations at the time of application.

(c) If there is an accepted submitted plan of correction for any survey activity occurring following the date of the application submission, the facility named in the application will be deemed to have satisfactory survey performance.

Sec. 1810. In advance of the annual rate setting development, Medicaid health plans must be given at least 60 days to dispute and correct any discarded encounter data before rates are certified. The department shall notify each contracting Medicaid health plan of any encounter data that have not been accepted for the purposes of rate setting.

Sec. 1812. Not later than June 1 of the current fiscal year, and using the most recent available cost reports, the department shall complete a report of all direct and indirect costs associated with residency training programs for each hospital that receives funds appropriated in part 1 for graduate medical education or through the MiDocs consortium. The report shall be submitted to the standard report recipients.

Sec. 1820. (1) In order to avoid duplication of effort, if a Medicaid health plan has been reviewed and accredited by a national accrediting entity for health care services, the department shall use applicable national accreditation review criteria to determine compliance with corresponding requirements in this state.

(2) The department shall continue to comply with federal law and laws of this state and shall not initiate an action that

negatively impacts beneficiary safety.

(3) As used in this section, "national accrediting entity" means the National Committee for Quality Assurance, the URAC, formerly known as the Utilization Review Accreditation Commission, or another appropriate entity, as approved by the department.

Sec. 1833. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,400,000,000.00 for state restricted insurance provider assessment and federal Medicaid reimbursement contingency authorization. Amounts appropriated under this section are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, and the insurance provider assessment rates in section 7 of the insurance provider assessment act, 2018 PA 175, MCL 550.1757, are revised to be in compliance with the uniform tax requirement for Medicaid provider taxes in the one big beautiful bill act, Public Law 119-21.

Sec. 1834. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,550,000,000.00 for a state restricted quality assurance assessment program and federal Medicaid reimbursement contingency authorization. Amounts appropriated under this section are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, and have received CMS approval under the state's Medicaid preprint.

Sec. 1837. The department shall continue, and expand where appropriate, utilization of telemedicine and telepsychiatry as strategies to increase access to services for Medicaid recipients.

Sec. 1839. For health services provided through managed care or the fee-for-service program, the department shall require, for the nonfacility component of the reimbursement rate, at least the same reimbursement for that service, if that service is provided through telemedicine, as if the service involved face-to-face contact between the health care professional and the patient.

Sec. 1846. From the funds appropriated in part 1 for graduate medical education, the department shall distribute the funds with an emphasis on the following health care workforce goals:

(a) The encouragement of the training of physicians in specialties, including primary care, that are necessary to meet the future needs of residents of this state.

(b) The training of physicians in settings that include ambulatory sites and rural locations.

(c) The training of practitioners providing pediatric psychiatry services.

Sec. 1850. The department may allow Medicaid health plans to assist with maintaining eligibility through outreach activities to ensure continuation of Medicaid eligibility and enrollment in managed care. The assistance may include mailings, telephone contact, or face-to-face contact with beneficiaries enrolled in the individual Medicaid health plan. Medicaid health plans may offer assistance in completing paperwork for beneficiaries enrolled in the Medicaid health plan.

Sec. 1854. The funds appropriated in part 1 for PACE must support a current fiscal year enrollment cap that is not less than 8,543.

Sec. 1855. From the funds appropriated in part 1 for PACE, to the extent that funding is available in the PACE line item and

unused program slots are available, the department may do the following:

(a) Increase the number of slots for a local and already-established PACE if the local PACE has provided appropriate documentation to the department indicating its ability to expand capacity to provide services to additional PACE clients.

(b) Suspend the 10 member per month individual PACE enrollment increase cap in order to allow unused and unobligated slots to be allocated to address unmet demand for PACE services.

Sec. 1856. (1) From the funds appropriated in part 1 for hospice services, $5,000,000.00 shall be expended to provide room and board for Medicaid recipients who meet hospice eligibility requirements and receive services at Medicaid enrolled hospice residences in this state. The department shall distribute funds through grants based on the total beds located in all eligible residences that have been providing these services as of October 1, 2017. An eligible grant applicant may inform the department of the applicant's request to reduce the grant amount allocated for the applicant's residence and the funds must be distributed proportionally to increase the total grant amount of the remaining grant-eligible residences. Grant amounts shall be paid out monthly with 1/12 of the total grant amount distributed each month to the grantees.

(2) Not later than September 15 of the current fiscal year, each Medicaid-enrolled hospice with a residence that receives funds under this section shall provide a report to the department on the utilization of the grant funding provided in subsection (1). The report must be provided in a format prescribed by the department and must include the following information:

(a) The number of patients served.

(b) The number of days served.

(c) The daily room and board rates for the patients served.

(d) If there is not sufficient funding to cover the total room and board need, the number of patients who did not receive care due to insufficient grant funding.

(3) If funds awarded under this section remain unused at the end of the current fiscal year, the Medicaid-enrolled hospice with a residence shall return those unused funds to this state.

Sec. 1859. The department shall partner with the Michigan Association of Health Plans and Medicaid health plans to develop and implement strategies for the use of information technology services for Medicaid research activities. The department shall make available state medical assistance program data, including Medicaid behavioral data, to the Michigan Association of Health Plans and Medicaid health plans or any vendor considered qualified by the department to perform research activities consistent with this state's goals of improving health; increasing the quality, reliability, availability, and continuity of care; and reducing the cost of care for the eligible population of Medicaid recipients.

Sec. 1862. From the funds appropriated in part 1, the department shall maintain payment rates for Medicaid obstetrical services at 95% of Medicare levels effective October 1, 2014.

Sec. 1870. (1) From the funds appropriated in part 1 for MiDocs consortium, the department shall allocate $6,400,000.00 in general fund/general purpose revenue plus any contributions from public entities, up to $5,000,000.00, and any associated federal match to the MiDocs consortium to create new primary care residency slots in underserved communities. The new primary care residency

slots must be in 1 of the following specialties: family medicine, general internal medicine, general pediatrics, general OB-GYN, psychiatry, or general surgery.

(2) The department shall seek any necessary approvals from CMS to allow the department to implement the program described in this section.

(3) Assistance with repayment of medical education loans, loan interest payments, or scholarships provided by the MiDocs consortium shall be contingent upon a minimum 2-year commitment to practice in an underserved community in this state post-residency and an agreement to forego any sub-specialty training for at least 2 years post-residency with the exception of a child and adolescent psychiatry followship that must be integrated with a psychiatry residency training program in a MiDocs consortium affiliated institution.

(4) The MiDocs consortium shall work with the department to integrate the Michigan inpatient psychiatric admissions discussion (MIPAD) recommendations and, when possible, prioritize training opportunities in state psychiatric hospitals and community mental health organizations.

(5) The department shall maintain the MiDocs consortium initiative advisory council to help support implementation of the program described in this section, and to provide oversight. The advisory council must be composed of the MiDocs consortium, the Michigan Area Health Education Centers, the Michigan Primary Care Association, the Michigan Center for Rural Health, the Michigan Academy of Family Physicians, and any other appointees designated by the department.

(6) Not later than September 1 of the current fiscal year, the

MiDocs consortium shall submit a report to the standard report recipients that includes all of the following information:

(a) Audited financial statement of per-resident costs.

(b) Education and clinical quality data.

(c) Roster of trainees, including areas of specialty and locations of training.

(d) Medicaid revenue by training site.

(7) The department shall monitor outcome and performance measures for this program, including, but not limited to, the following:

(a) Increasing this state's ability to recruit, train, and retain primary care physicians and other select specialty physicians in underserved communities.

(b) Maximizing training opportunities with community health centers, rural critical access hospitals, solo or group private practice physician practices, schools, and other community-based clinics, in addition to the required training through rotations at inpatient hospitals.

(c) Increasing the number of residency slots for family medicine, general internal medicine, general pediatrics, general OB-GYN, psychiatry, and general surgery.

(8) Unexpended and unencumbered funds up to a maximum of $6,400,000.00 in general fund/general purpose revenue plus any contributions from public entities, up to $5,000,000.00, and any associated federal match remaining in accounts appropriated in part 1 for MiDocs consortium are designated as work project appropriations, and any unencumbered or unallotted funds must not lapse at the end of the fiscal year and must be available for expenditures for the MiDocs consortium to create new primary care

residency slots in underserved communities under this section until the work project has been completed. All of the following are in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to fund the cost of the MiDocs consortium to create new primary care residency slots in underserved communities.

(b) The work project will be accomplished by contracting with the MiDocs consortium to oversee the creation of new primary care residency slots.

(c) The total estimated completion cost of the work project is $20,200,000.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 1872. From the funds appropriated in part 1 for personal care services, the department shall maintain the monthly Medicaid personal care supplement paid to adult foster care facilities and homes for the aged that provide personal care services to Medicaid recipients in place during the previous fiscal year.

Sec. 1874. The department shall ensure, in counties where PACE services are available, that PACE is included as an option in all options counseling and enrollment brokering for aging services and managed care programs, including, but not limited to, Area Agencies on Aging, centers for independent living, and the MiChoice home and community-based waiver. The department must include approved marketing and discussion materials for options counseling.

Sec. 1879. Not later than May 15 of the current fiscal year, the department shall submit to the standard report recipients a report with Medicaid pharmaceutical information. The report shall

include, for the previous fiscal year, the total Medicaid pharmaceutical costs and the total Medicaid pharmaceutical rebates. The report must categorize the total Medicaid pharmaceutical costs and total Medicaid pharmaceutical rebates recognized by the contracted health plans and the department. In addition, the report must also include all of the following information:

(a) The total estimated pharmaceutical benefit expenses incurred by contracted health plans from the previous fiscal year and through the first 2 quarters of the current fiscal year.

(b) The total estimated pharmaceutical benefit expenses included in approved initial rates for contracted health plans from the previous fiscal year and total estimated pharmaceutical benefit expenses included in approved initial rates for contracted health plans for the first 2 quarters of the current fiscal year.

(c) The total Medicaid pharmaceutical rebates received by the department in the previous fiscal year and the single preferred drug list supplemental rebates invoices in the previous fiscal year.

(d) Information as to whether the average benefit expense for the composite average across all rate cells and service categories included in capitation rates, based on actual enrollment and anticipated recoveries, for the previous fiscal year and through the first 2 quarters of the current fiscal year exceeded the reported contracted health plan's experience, adjusted for completion over the same reporting periods.

(e) The following information related to the current Medicaid pharmacy carve-out of pharmaceutical products as provided for in section 109h of the social welfare act, 1939 PA 280, MCL 400.109h:

(*i*) The number of prescriptions paid by the department during

the previous fiscal year.

(*ii*) The total amount of expenditures for prescriptions paid by the department during the previous fiscal year.

(*iii*) The number of and total expenditures for prescriptions paid by the department for generic equivalents during the previous fiscal year.

Sec. 1880. (1) The department shall align all pharmacy-related policies with the United States Food and Drug Administration quality and clinical standards. Any single preferred drug list utilization management criteria will be established in consultation with the Medicaid health plans and the Michigan pharmacy and therapeutics committee described in section 9705 of the public health code, 1978 PA 368, MCL 333.9705, with consideration given to applicable United States Food and Drug Administration dosing guidelines, subsequent evidence-based literature or studies, and current treatment guidelines.

(2) The department shall prioritize the utilization of generic and biosimilar pharmaceuticals on the state preferred drug list for both Medicaid managed care and fee-for-service.

(3) The department shall not require a managed care organization to adhere to the state single preferred drug list as a contractual obligation.

(4) Notwithstanding subsection (1) of this section, the department and vendors contracted by the department shall align pharmacy-related policies for glucagon-like peptide 1 (GLP-1) agonists with Centers for Medicare and Medicaid Services policy for Medicare Part D.

Sec. 1881. The department, in collaboration with the Medicaid health plans, shall review statutory, policy, or contractual

changes over the last 15 years in service coverage, case management, evaluation and screening requirements, utilization management practices, prior authorization requirements, provider network requirements, and any other practices or requirements that have led to Medicaid cost increases and recommend whether they should or should not be revised. Not later than April 1 of the current fiscal year, the department shall submit a summary, to the standard report recipients, of the findings, rationale for any recommended policy changes that would lead to cost savings, and rationale for not recommending any policy changes that would lead to cost savings.

Sec. 1888. The department shall establish contract performance standards associated with the capitation withhold provisions for Medicaid health plans at least 3 months before the implementation of those standards. The determination of whether performance standards have been met must be based primarily on recognized concepts such as 1-year continuous enrollment and the health care effectiveness data and information set, HEDIS, audited data.

Sec. 1889. All quality assurance assessment program revenue collected under section 20161 of the public health code, 1978 PA 368, MCL 333.20161, must only be expended on services provided under the Healthy Michigan plan, under 2013 PA 107, or the state Medicaid program, under Title XIX and Title XXI.

INFORMATION TECHNOLOGY

Sec. 1901. (1) The department shall submit a report on a semiannual basis to the standard report recipients that lists the projects approved in the previous 6 months and provides the purpose for approving each project including any federal, state, court, or

legislative requirement for each project.

(2) Once an award for an expansion of information technology is made, the department shall submit a report to the standard report recipients that provides the projected cost of the expansion broken down by use and type of expense.

Sec. 1902. (1) From the funds appropriated in part 1 for comprehensive child welfare information system, the department shall submit a report not later than March 1 to the standard report recipients. The report must include, but is not limited to, the following:

(a) The total expenditures by fiscal year, from all sources, on the development of the comprehensive child welfare information system.

(b) The expenditure plan for the subsequent fiscal year for the development, implementation, and maintenance of the comprehensive child welfare information system.

(c) The details on upgrades, remediation of user-reported issues, and other modifications to currently implemented modules of the comprehensive child welfare information system that occurred during the current fiscal year and are planned for the subsequent fiscal year.

(d) The current timeline for the full implementation of the comprehensive child welfare information system.

(2) The department shall continue to provide the report described in subsection (1) after the implementation of the comprehensive child welfare information system is complete and operational.

Sec. 1903. (1) Not later than November 1 of the current fiscal year, the department shall submit a report to the standard report

recipients that describes the status of an implementation plan regarding the appropriation in part 1 to modernize the MiSACWIS. The report must include, but is not limited to, an update on the status of the settlement and efforts to bring the system in compliance with the settlement and other federal guidelines set forth by the United States Department of Health and Human Services Administration for Children and Families.

(2) Not later than July 1 of the current fiscal year, the department shall submit to the standard report recipients a report on the department's efforts and recommendations to develop and implement a simpler and more streamlined process for the annual renewal of the licenses for family foster care homes, and the development of a simpler and more efficient version of the application form for renewal of the licenses for family foster care homes.

(3) From the funds appropriated in part 1 for Michigan statewide automated child welfare information system, the department shall submit a report by not later than March 1 to the standard report recipients. The report must include, but is not limited to, the following:

(a) The current timeline for the phaseout of MiSACWIS and MiSACWIS's replacement by the comprehensive child welfare information system.

(b) Expenditures, from all funding sources, for maintenance, upgrades, and remediation of user-reported issues in the previous fiscal year.

(c) Any cost savings realized by decommissioning MiSACWIS.

Sec. 1906. From the funds appropriated in part 1 for information technology services and projects, the department shall

allocate $1,750,000.00 general fund/general purpose revenue, and all associated federal matching revenue, to a public and private nonprofit collaboration that is designated as this state's statewide health information exchange by cooperative agreement, to implement health information technology strategies for health information exchange development, data management, and population health at a statewide level.

Sec. 1909. (1) From the funds appropriated in part 1 for child support automation, the department shall only encumber or expend funds for the operation, maintenance, and improvements of the Michigan child support enforcement system.

(2) From the funds appropriated in part 1 for bridges information system, the department shall only encumber or expend funds for the operation, maintenance, and improvements of Bridges and MIBridges.

(3) From the funds appropriated in part 1 for Michigan Medicaid information system, the department shall only encumber or expend funds for the operation, maintenance, and improvements of the community health automated Medicaid processing system.

(4) From the funds appropriated in part 1 for Michigan statewide automated child welfare information system, the department shall only encumber or expend funds for the operation, maintenance, and improvements of MiSACWIS.

(5) From the funds appropriated in part 1 for comprehensive child welfare information system, the department shall only encumber or expend funds for the operation, maintenance, and improvements to the comprehensive child welfare information system.

(6) From the funds appropriated in part 1 for comprehensive child welfare information system, the department shall continue

development of a new information system to replace MiSACWIS consistent with the plan provided by the department to the United States District Court for Eastern District of Michigan as a part of the settlement. The development of the comprehensive child welfare information system must adhere to department of technology, management, and budget and information technology investment fund (ITIF) policies and practices, including use of the state unified information technology environment methodology and agile development. The project team shall also participate in and comply with the enterprise portfolio management office process and product quality assurance. To ensure full transparency, the project must be included in the ITIF portfolio for executive, legislative, and external reporting purposes. As a component of the ITIF portfolio, the project is subject to governance and oversight by the information technology investment management board.

ARTICLE 6B

DEPARTMENT OF HEALTH AND HUMAN SERVICES - PUBLIC HEALTH

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF HEALTH AND HUMAN SERVICES		
APPROPRIATION SUMMARY		
Full-time equated classified positions	710.9	
GROSS APPROPRIATION		**$ 1,127,404,300**
Interdepartmental grant revenues:		

Total interdepartmental grants and intradepartmental transfers			2,729,500
ADJUSTED GROSS APPROPRIATION		**$**	**1,124,674,800**
Federal revenues:			
Capped federal revenues			10,785,200
Social security act, temporary assistance for needy families			6,738,300
Total other federal revenues			579,859,900
Special revenue funds:			
Total local revenues			47,963,300
Total private revenues			139,989,000
Michigan merit award trust fund			4,068,700
Total other state restricted revenues			82,968,900
State general fund/general purpose		**$**	**252,301,500**
Sec. 102. HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES			
Full-time equated classified positions	59.5		
Certificate of need program administration--FTEs	9.0	$	2,445,600
Child advocacy centers			1,407,000
Child advocacy centers - supplemental grants			6,000,000
Crime victim grants administration services--FTEs	12.8		2,546,300
Crime victim justice assistance grants			78,579,300
Crime victim rights services grants			21,369,900
Crime victim rights sustaining grants			26,000,000
Domestic violence prevention and treatment--FTEs	15.6		19,383,500

Human trafficking intervention services--FTE	1.0		200,000
Michigan essential health provider			3,519,600
Minority health grants and contracts--FTEs	2.8		1,133,700
Nurse education and research program--FTEs	3.0		823,600
Policy and planning administration--FTEs	12.8		1,845,500
Primary care services--FTEs	2.0		3,679,200
Rape prevention and services--FTE	0.5		7,097,300
Rural health services			175,000
Uniform statewide sexual assault evidence kit tracking system			369,500
GROSS APPROPRIATION		**$**	**176,575,000**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of licensing and regulatory affairs			823,600
IDG from department of lifelong education, advancement, and potential			2,400
IDG from department of treasury, Michigan finance authority			105,700
Federal revenues:			
Capped federal revenues			10,704,100
Social security act, temporary assistance for needy families			6,736,000
Total other federal revenues			85,715,700
Special revenue funds:			
Total private revenues			865,000
Child advocacy centers fund			1,407,000
Compulsive gaming prevention fund			1,040,500

Crime victim's rights fund			19,990,100
Sexual assault victims' prevention and treatment fund			3,000,000
Total other state restricted revenues			2,946,800
State general fund/general purpose		**$**	**43,238,100**
Sec. 103. EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY			
Full-time equated classified positions	376.6		
Bioterrorism preparedness--FTEs	45.9	$	30,086,800
Childhood lead program--FTEs	3.0		2,147,900
Emergency medical services program--FTEs	21.8		8,354,000
Epidemiology administration--FTEs	64.1		25,128,100
Healthy homes program--FTEs	26.6		26,479,500
Laboratory services--FTEs	102.0		31,002,000
Newborn screening follow-up and treatment services--FTEs	10.5		9,837,500
PFAS and environmental contamination response--FTEs	39.8		10,675,300
Vital records and health statistics--FTEs	62.9		10,598,100
GROSS APPROPRIATION		**$**	**154,309,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of environment, Great Lakes, and energy			1,797,800
Federal revenues:			
Capped federal revenues			81,100
Total other federal revenues			75,418,500
Special revenue funds:			

Total private revenues			1,330,400
Total other state restricted revenues			31,959,200
State general fund/general purpose		**$**	**43,722,200**
Sec. 104. LOCAL HEALTH AND ADMINISTRATIVE SERVICES			
Full-time equated classified positions	155.8		
AIDS prevention, testing, and care programs--FTEs	59.2	$	108,055,900
Cancer prevention and control program--FTEs	18.0		15,911,400
Chronic disease control and health promotion administration--FTEs	26.7		10,208,400
Diabetes and kidney program--FTEs	5.8		3,912,800
Essential local public health services			76,419,300
Implementation of 1993 PA 133, MCL 333.17015			20,000
Local health services--FTEs	3.3		8,724,200
Medicaid outreach cost reimbursement to local health departments			12,500,000
Public health administration--FTEs	9.0		2,289,200
Sexually transmitted disease control program--FTEs	16.4		8,087,700
Smoking prevention program--FTEs	10.3		9,553,700
Violence prevention--FTEs	7.1		8,500,000
GROSS APPROPRIATION		**$**	**264,182,600**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			2,300
Total other federal revenues			83,240,000

Special revenue funds:			
Total local revenues			5,150,000
Total private revenues			72,743,500
Public safety and violence prevention fund			1,500,000
Total other state restricted revenues			14,449,300
State general fund/general purpose		**$**	**87,097,500**
Sec. 105. FAMILY HEALTH SERVICES			
Full-time equated classified positions	119.0		
Child and adolescent health care and centers		$	41,242,700
Dental programs--FTEs	3.4		7,299,800
Family, maternal, and child health administration--FTEs	45.6		9,895,300
Family planning local agreements			8,530,900
Immunization program--FTEs	12.0		19,552,600
Local MCH services			7,018,100
Pregnancy prevention program			1,297,900
Prenatal care outreach and service delivery support--FTEs	17.0		38,140,800
Special projects			6,289,100
Sudden and unexpected infant death and suffocation prevention program			321,300
Women, infants, and children program administration and special projects--FTEs	41.0		19,543,900
Women, infants, and children program local agreements and food costs			251,285,000
GROSS APPROPRIATION		**$**	**410,417,400**
Appropriated from:			
Federal revenues:			

Total other federal revenues		267,476,700
Special revenue funds:		
Total local revenues		42,813,300
Total private revenues		64,750,100
Total other state restricted revenues		3,876,000
State general fund/general purpose	**$**	**31,501,300**
Sec. 106. AGING SERVICES		
Community services	$	61,147,200
Employment assistance		3,500,000
Nutrition services		50,004,200
Respite care program		7,268,700
GROSS APPROPRIATION	**$**	**121,920,100**
Appropriated from:		
Federal revenues:		
Total other federal revenues		68,009,000
Special revenue funds:		
Total private revenues		300,000
Michigan merit award trust fund		4,068,700
Total other state restricted revenues		2,800,000
State general fund/general purpose	**$**	**46,742,400**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the current fiscal year, total state spending under part 1 from state sources is $339,339,100.00 and state spending under part 1 from state sources to be paid to

local units of government is $154,030,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES		
HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES		
Crime victim rights services grants	$	11,593,000
Domestic violence prevention and treatment		163,000
Primary care services		79,800
EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY		
Emergency medical services program	$	4,800
Epidemiology administration		448,700
Healthy homes program		1,186,600
PFAS and environmental contamination response		200
LOCAL HEALTH AND ADMINISTRATIVE SERVICES		
AIDS prevention, testing, and care programs	$	2,705,800
Cancer prevention and control program		43,600
Essential local public health services		71,269,300
Local health services		1,928,900
Public health administration		200
Sexually transmitted disease control program		775,400
Smoking prevention program		242,100
FAMILY HEALTH SERVICES		
Dental programs	$	25,000
Drinking water declaration of emergency		136,500
Family planning local agreements		224,000
Immunization program		2,155,600

Pregnancy prevention program		65,000
Prenatal care outreach and service delivery support		8,806,900
AGING SERVICES		
Community services	$	33,526,500
Nutrition services		12,849,100
Respite care program		5,800,000
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	**$**	**154,030,000**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "AIDS" means acquired immunodeficiency syndrome.

(b) "CCBHC" means certified community behavioral health clinic.

(c) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.

(d) "CMS" means the Centers for Medicare and Medicaid Services.

(e) "CPT" means current procedural terminology.

(f) "Current fiscal year" means the fiscal year ending September 30, 2026.

(g) "Department" means the department of health and human services.

(h) "Director" means the director of the department.

(i) "EPSDT" means early and periodic screening, diagnosis, and treatment.

(j) "Federal poverty level" means the poverty guidelines

revised periodically and published in the Federal Register by the Secretary of the United States Department of Health and Human Services under the Secretary's authority to revise the poverty line under 42 USC 9902.

(k) "FQHC" means federally qualified health center.

(*l*) "FTE" means full-time equated.

(m) "GME" means graduate medical education.

(n) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.

(o) "HEDIS" means health care effectiveness data and information set.

(p) "HMO" means health maintenance organization.

(q) "IDEA" means the individuals with disabilities education act, 20 USC 1400 to 1482.

(r) "IDG" means interdepartmental grant.

(s) "MCH" means maternal and child health.

(t) "Medicaid" means subchapter XIX of the social security act, 42 USC 1396 to 1396w-8.

(u) "Medicare" means subchapter XVIII of the social security act, 42 USC 1395 to 1395*lll*.

(v) "MiCAFE" means Michigan's coordinated access to food for the elderly.

(w) "MIChild" means the program described in section 1670 of this part.

(x) "MiSACWIS" means Michigan statewide automated child welfare information system.

(y) "PACE" means program of all-inclusive care for the elderly.

(z) "PAS/ARR-OBRA" means the preadmission screening and annual resident review required under the omnibus budget reconciliation act of 1987, section 1919(e)(7) of the social security act, 42 USC 1396r.

(aa) "PATH" means Partnership. Accountability. Training. Hope.

(bb) "PFAS" means perfluoroalkyl and polyfluoroalkyl substances.

(cc) "PIHP" means an entity designated by the department as a regional entity or a specialty prepaid inpatient health plan for Medicaid mental health services, services to individuals with developmental disabilities, and substance use disorder services. Regional entities are described in section 204b of the mental health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid inpatient health plans are described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.

(dd) "Previous fiscal year" means the fiscal year ending September 30, 2025.

(ee) "Quarterly basis" means February 1, April 1, July 1, and September 30 of the current fiscal year.

(ff) "Semiannual basis" means March 1 and September 30 of the current fiscal year.

(gg) "Settlement" means the settlement agreement entered in the case of *Dwayne B. v Snyder*, Docket No. 2:06-cv-13548 in the United States District Court for the Eastern District of Michigan.

(hh) "SSI" means supplemental security income.

(ii) "Standard report recipients" means the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house of representatives policy offices, and the state budget office.

(jj) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of subchapter IV of the social security act, 42 USC 601 to 619.

(kk) "Title IV-B" means part B of title IV of the social security act, 42 USC 621 to 629m.

(*ll*) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 669b.

(mm) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 679c.

(nn) "Title X" means subchapter VIII of the public health service act, 42 USC 300 to 300a-8, which establishes grants to states for family planning services.

Sec. 204. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 206. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are

available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 207. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 208. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. Not later than 14 days after the release of the

executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the

following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 213. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 214. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 215. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance

agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to either wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 216. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must report to the office before beginning fieldwork. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 217. (1) Funds appropriated in part 1 that are utilized for grants or grant programs are subject to the following conditions:

(a) Grant funds must be provided only to an entity that has been established or is operating in this state or another state for at least 36 months before approval or disbursement of grant funds.

(b) Grant funds must be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a

department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving of or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that confirms the department reviewed and affirmed compliance by each grant recipient to program scope and expenditure of grant funding.

(b) A statement that confirms the department reviewed

applicable program reports and requests for reimbursement.

Sec. 218. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 of each year that describes the processes it has developed and implemented under provisions of this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States, or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social

Security Administration.

Sec. 219. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 221. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $20,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393. Federal contingency authorization must not be made available to increase TANF authorization.

(2) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $20,000,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $5,000,000.00 for local contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been

transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 222. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $201,838,700.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $182,045,900.00. Total department appropriations for retiree health care legacy costs are estimated at $19,792,800.00.

Sec. 225. (1) The department shall maintain, on a publicly

accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department must notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 226. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 227. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 228. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs or as outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending

Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 250. If either of the following events occurs, not later than 30 days after the event occurs, the department shall notify the standard report recipients of that fact:

(a) A legislative objective of this part or of a bill or amendment to a bill to amend the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented because implementation would conflict with or violate federal law.

(b) A federal grant for which a notice of an award has been received cannot be used or will not be used.

Sec. 251. (1) In addition to funds appropriated in part 1 for all programs and services, there is appropriated, for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues.

(2) The department's ability to satisfy appropriation fund sources in part 1 is not limited to collections and accruals pertaining to services provided in the current fiscal year and includes reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 252. Not later than February 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the detailed names and amounts of estimated

federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 for the previous fiscal year. The report must itemize, rather than aggregate, specific revenue sources deposited into the generic statewide integrated governmental management application (SIGMA) fund numbers 1200, 1274, 4000, and 5000.

Sec. 253. (1) The department shall ensure that each federally recognized tribe is able to apply and compete for services, programs, grants, and contracts.

(2) For competitive grant programs described in this part, each federally recognized tribe is eligible to apply for grant funds made available to organizations exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and to local units of government.

Sec. 254. As required under part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, the appropriations in part 1 must include the following:

(a) Immunizations.

(b) Communicable disease control.

(c) Sexually transmitted infection control.

(d) Tuberculosis control.

(e) Prevention of gonorrhea eye infection in newborns.

(f) Screening newborn infants for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.

(g) Health and human services annex of the Michigan Emergency Management Plan.

(h) Prenatal care.

(i) Mental health.

Sec. 255. The department shall not expend any funds appropriated in part 1 to enter into any contract or other agreement with a nonprofit organization, or its individual employees, established under section 2611 of the public health code, 1978 PA 368, MCL 333.2611, for the purpose of performing all or any portion of the department's regulatory, disciplinary, or administrative duties.

Sec. 256. The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that the organizations are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of the organizations or the guiding principles or statements of faith for the organizations.

Sec. 257. In accordance with section 1b of the social welfare act, 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this part as a time-limited addendum to the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

Sec. 258. (1) Not later than 30 days before the implementation date of a major policy change, the department shall report the change to the standard report recipients.

(2) The department shall make the department's entire policy and procedures manual available and accessible to the public on the department's website.

(3) The department shall attach each policy bulletin issued during the previous calendar year to the report under section 214.

Sec. 259. The department may establish and collect fees for

publications, videos and related materials, conferences, and workshops. Collected fees are appropriated when received and must be used to offset expenditures for publication printing and mailing, costs of the publications, videos and related materials, conferences, and workshops. The department shall not collect fees under this section that exceed the cost of the expenditures. If collected fees are appropriated under this section in an amount that exceeds the current fiscal year appropriation, not later than 30 days after the collected fee appropriation, the department shall notify the standard report recipients of that fact.

Sec. 260. The department may retain all of this state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections must be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of the investigation and recoupment costs must be applied against the federal funds deducted in the departmental administration and support appropriation unit.

Sec. 261. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section must be used as the first source of funds in the subsequent fiscal year.

Sec. 262. If the department receives tobacco tax funds and Healthy Michigan fund revenue from part 1, not later than April 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on both of the following

activities during the previous fiscal year:

(a) Tobacco tax revenue appropriations in the Medicaid program.

(b) Information for each project implemented with revenue under this section, including all of the following:

(*i*) The project's name.

(*ii*) The appropriation line item and amount.

(*iii*) The project's target population.

(*iv*) A description of the project.

(*v*) The outcomes or accomplishments of the project.

Sec. 263. (1) Except as provided in this subsection, before submission of a waiver, state plan amendment, or similar proposal to CMS or another federal agency, the department shall notify the standard report recipients of the planned submission. This subsection does not apply to the submission of a waiver, state plan amendment, or similar proposal that does not propose a material change or is outside of the ordinary course of a waiver, state plan amendment, or similar proposal.

(2) On a semiannual basis, the department shall submit, to the standard report recipients, a report that summarizes the status of any new or ongoing discussions with CMS, the United States Department of Health and Human Services, or another federal agency regarding any potential or future waiver applications and the status of any submitted waivers that have not yet received federal approval. If there is not a reportable item at the time that a semiannual report is due, a report is not required.

Sec. 264. If the department is authorized under federal law or the law of this state to collect an overpayment owed to the department, beginning 60 days after the initial notification date

of the overpayment amount, the department may assess a penalty of 1% per month. If an overpayment is caused by department error, a penalty may be assessed 6 months after the initial notification date of the overpayment amount. The department shall not collect penalty interest in an amount that exceeds the amount of the original overpayment. This state's share of any funds collected under this section must be deposited in the general fund of this state.

Sec. 265. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the status of the implementation of any noninflationary, noncaseload, programmatic funding increases in the current fiscal year from the previous fiscal year. The report must confirm the implementation of already-implemented funding increases and provide an explanation for any planned implementation of funding increases that have not yet occurred. For any planned implementation of funding increases that have not yet occurred, the report must include an expected implementation date and the reason for delayed implementation.

Sec. 266. The department shall provide the approved spending plan for each line item receiving an appropriation in the current fiscal year to the senate and house of representatives appropriations subcommittees on the department budget and the senate and house fiscal agencies not later than 60 days after approval by the department or not later than January 15 of the current fiscal year, whichever is earlier. In all places that a line-item appropriation number is listed, a line-item appropriation name must be included. The spending plan must include the following information regarding planned expenditures for each category:

allocation in the previous period, change in the allocation, and new allocation. The spending plan must include the following information regarding each revenue source for the line item: category of the fund source indicated by general fund/general purpose, state restricted, local, private, or federal. Figures included in the approved spending plan must not be assumed to constitute the actual final expenditures, as line items may be updated on an as-needed basis to reflect changes in projected expenditures and projected revenue. The department shall supplement the spending plan information by providing a list of all active contracts and grants in the department's contract system. For amounts listed in the other contracts category of each spending plan, the department shall include the name of the line item and the name of the fund source for each contract, grant, and amount for the current fiscal year. For amounts listed in the all other costs category of each spending plan, the department shall provide a list detailing planned expenditures and amounts for the current fiscal year and include the name of the line item and the name of the fund source related to each expenditure and amount.

Sec. 267. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on total actual expenditures in the previous fiscal year for advertising and media outreach, including the purpose, amount, and fund source by program or appropriation line item.

Sec. 268. Not later than March 1 of the current fiscal year, the department shall submit a description of programs report to the standard report recipients. For each program, the report must include the appropriation unit; the line item name and number; the appropriation history; the program name; the program overview; a

financing summary; and, where applicable, the program's legal basis, effectiveness, and outcomes.

Sec. 269. On a monthly basis, the department shall submit, to the standard report recipients, a report on any line-item appropriation for which the department estimates total annual expenditures would exceed the funds appropriated for the line-item appropriation by 5% or more. The department shall provide a detailed explanation for any relevant line-item appropriation exceedance and identify the corrective actions undertaken to mitigate line-item appropriation expenditures from exceeding the funds appropriated for the line-item appropriation by a greater amount. This section does not apply for line-item appropriations that are part of the May revenue estimating conference caseload and expenditure estimates.

Sec. 270. The department shall advise the legislature of the receipt of a notification from the attorney general's office of a legal action in which expenses had been recovered under section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106. If applicable, not later than February 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report that includes, but is not limited to, all of the following:

(a) The total amount recovered from the legal action.

(b) The program or service for which the money was originally expended.

(c) Details on the disposition of the funds recovered, such as the appropriation or revenue account in which the money was deposited.

(d) A description of the facts involved in the legal action.

(e) The legal costs incurred at the attorney general's office

for each legal action in which expenses were recovered under section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106.

Sec. 274. On the day that is 1 week after the day that the governor submits the executive budget proposal for the ensuing fiscal year to the legislature, the department, in collaboration with the state budget office, shall submit, to the standard report recipients, a report on spending and revenue projections for each of the capped federal funds listed in this subsection. The report must contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections in the executive budget proposal for the immediately ensuing fiscal year for each individual line item for the department budget. The report must also include federal funds transferred to other departments. The capped federal funds include, but are not limited to, all of the following:

(a) TANF.

(b) Title XX social services block grant.

(c) Title IV-B subpart I child welfare services block grant.

(d) Title IV-B subpart II promoting safe and stable families funds.

(e) Low-income home energy assistance program.

Sec. 275. (1) On a quarterly basis, the department, with the approval of the state budget director, is authorized to realign sources between other federal, TANF, and capped federal financing authorizations to maximize federal revenues. The realignment of financing must not produce any of the following:

(a) A gross increase or decrease in the department's total individual line item authorizations.

(b) A net increase or decrease in total federal revenues.

(c) A net increase in TANF authorization.

(2) On a quarterly basis, the department shall submit, to the standard report recipients, a report on the realignment of federal fund sources transacted to date in the current fiscal year under subsection (1), including the dates, line items, and amounts of the transactions. If, at the time a quarterly report is due, a transaction was not made under subsection (1), a report is not required.

(3) Not later than 30 days after the date on which year-end book closing is completed, the department shall submit, to the standard report recipients, a report on the realignment of federal fund sources that took place as part of the year-end closing process for the previous fiscal year.

Sec. 290. Any public advertisement for public assistance must inform the public of the welfare fraud hotline operated by the department.

Sec. 295. Not later than April 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on funds appropriated for the healthy moms, healthy babies initiative. The report must include the budgeted amount, year-to-date expenditures, remaining balance of appropriations, and the percent of budget spent for each appropriation related to the initiative. The report must also include information on how the funds have assisted with meeting the goals and outcomes of the initiative.

HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES

Sec. 1140. From the funds appropriated in part 1 for primary

care services, $400,000.00 is allocated to free health clinics operating in this state. The department shall distribute the funds equally to each free health clinic. As used in this section, "free health clinic" means a nonprofit organization that uses a volunteer health professional to provide care to an uninsured individual.

Sec. 1143. From the funds appropriated in part 1 for primary care services, the department shall allocate no less than $675,000.00 for island primary health care access and services, including island clinics.

Sec. 1145. The department shall take steps necessary to work with the Indian Health Service, tribal health program facilities, or Urban Indian Health Program facilities, that provide services under a contract with a Medicaid managed care entity to ensure that the facilities described in this section receive the maximum amount allowable under federal law for Medicaid services.

Sec. 1146. From the funds appropriated in part 1 for domestic violence prevention and treatment, the department shall allocate $1,000,000.00 to support programs that serve survivors of domestic violence, sexual violence, and human trafficking.

Sec. 1153. From the funds appropriated in part 1 for crime victim rights sustaining grants, the department shall allocate $102,600.00 of state general fund/general purpose revenue for a sexual assault nurse examiners program in areas that do not already have a sexual assault nurse examiner that is funded by the crime victim rights fund. The funds allocated under this section must be used to support staff compensation and training, victim needs, and community awareness, education, and prevention programs.

Sec. 1155. (1) From the funds appropriated in part 1 for the uniform statewide sexual assault evidence kit tracking system, in

accordance with the final report of the Michigan sexual assault evidence kit tracking and reporting commission, the department shall allocate $369,500.00 for administering a uniform statewide sexual assault evidence kit tracking system. The system must include all of the following:

(a) A uniform statewide system to track the submission and status of sexual assault evidence kits.

(b) A uniform statewide system to audit untested kits that were collected on or before March 1, 2015 and were released by victims to law enforcement.

(c) Secure electronic access for victims.

(d) The ability to accommodate concurrent data entry with kit collection through mechanisms that include, but are not limited to, web entry through computers or smartphones, and through scanning devices.

(2) The sexual assault evidence tracking fund established in section 1451 of 2017 PA 158 shall continue to be maintained in the department of treasury. Money in the sexual assault evidence tracking fund at the close of a fiscal year remains in the sexual assault evidence tracking fund, does not revert to the general fund, and is appropriated as provided by law for the development and implementation of a uniform statewide sexual assault evidence kit tracking system as described in subsection (1).

Sec. 1157. (1) From the funds appropriated in part 1 for child advocacy centers - supplemental grants, the department shall allocate $6,000,000.00 to provide additional funding to child advocacy centers to support the general operations of child advocacy centers. The department shall allocate the additional funding to each center according to the formula under this section.

The department shall set a formula in consultation with children's advocacy centers of Michigan (CAC-MI) to allocate the additional funding. The formula must include base funding for each program and factors, such as the number of children in the service area, square miles of the service area, and prior service levels. The purpose of the additional funding is to increase the amount of services provided to children and their families who are victims of abuse over the amount provided in the previous fiscal year.

(2) Not later than March 1 of the current fiscal year, the department shall submit to the standard report recipients a report on the distribution of child advocacy center – supplemental grants funding from the previous fiscal year. The report must include the amount allocated to each specific child advocacy center or other community-based child protection entity, including, but not limited to, child abuse councils.

Sec. 1158. From the funds appropriated in part 1 for crime victim rights sustaining grants, the department shall allocate $25,897,400.00 to provide funding to address any shortfall in federal victims of crime act (VOCA) funding. The department shall set a formula to allocate the additional funding that includes factors such as the population of the service area and prior service levels.

Sec. 1160. Not later than March 1 of the current fiscal year, the department shall submit to the standard report recipients a report on the distribution of crime victim rights justice assistance grants, crime victim rights services grants, and crime victim rights sustaining grants from the previous fiscal year. The report must include the amount allocated to nonprofit agencies for crime victim services listed by agency and the amount of funding

that the department has used for administrative purposes.

EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY

Sec. 1180. From the funds appropriated in part 1 for epidemiology administration and for childhood lead program, the department shall maintain a public health drinking water unit and maintain enhanced efforts to monitor child blood lead levels. The public health drinking water unit shall ensure that appropriate investigations of potential health hazards occur for all community and noncommunity drinking water supplies where chemical exceedances of action levels, health advisory levels, or maximum contaminant limits are identified. The goals of the childhood lead program must include improving the identification of children affected by lead exposure, improving the timeliness of case follow-up, and attaining nurse care management for children with lead exposure, and to achieve a long-term reduction in the percentage of children in this state with elevated blood lead levels.

Sec. 1181. From the funds appropriated in part 1 for epidemiology administration, the department shall maintain a vapor intrusion response unit. The vapor intrusion response unit shall assess risks to public health at vapor intrusion sites and respond to vapor intrusion risks if appropriate. The goals of the vapor intrusion response unit must include reducing the number of individuals who are exposed to toxic substances through vapor intrusion and improving health outcomes for individuals who are identified as having been exposed to vapor intrusion.

Sec. 1182. Not later than April 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the expenditures and activities undertaken by the

lead abatement program during the previous fiscal year using the funds previously appropriated for the healthy homes program. The report must include, but is not limited to, a funding allocation schedule, the expenditures by category of expenditure and by subcontractor, the revenues received, a description of program elements, the number of housing units abated of lead-based paint hazards by zip code, and a description of program accomplishments and progress.

Sec. 1186. (1) From the funds appropriated in part 1 for emergency medical services program, the department shall allocate $2,000,000.00 for a stroke and STEMI system. The department shall integrate the stroke and STEMI system into the statewide trauma care system within the emergency medical services system and shall ensure that the stroke and STEMI system complies with at least all of the following requirements:

(a) A requirement that a facility is designated as a stroke and STEMI facility if the department verifies that national certification or accreditation standards for the facility have been met.

(b) A requirement that a hospital is not required to be designated as providing certain levels of care for stroke or STEMI.

(c) A requirement to develop and use stroke and STEMI registries that utilize nationally recognized data platforms with confidentiality standards.

(2) Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the expenditures and activities undertaken by the stroke and STEMI system in the previous fiscal year from the funds appropriated under section 1186(1) of article 6 of 2021 PA 87. The

report must include, but is not limited to, a funding allocation schedule, expenditures by category of expenditure and by vendor or grantee, and a description of program accomplishments and progress.

(3) As used in this section:

(a) "STEMI" means an ST-elevation myocardial infarction.

(b) "Stroke and STEMI system" means a statewide stroke and STEMI system of care for time-sensitive emergencies.

Sec. 1187. The funds appropriated in the current fiscal year must not be used to fund expenses associated with policy specialists for the tobacco section of the division of chronic disease and injury control.

LOCAL HEALTH AND ADMINISTRATIVE SERVICES

Sec. 1220. The amount appropriated in part 1 for implementation of the 1993 additions of or amendments to sections 9161, 16221, 16226, 17014, 17015, and 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and 333.17515, must be used to reimburse local health departments for costs incurred to implement section 17015(18) of the public health code, 1978 PA 368, MCL 333.17015.

Sec. 1221. If a county that participates in a district health department or has an associated arrangement with another local health department takes action to stop participating in that arrangement after October 1 of the current fiscal year, the department may assess a penalty from the local health department's operational accounts in an amount equal to no more than 6.25% of the local health department's essential local public health services funding. The department shall assess a penalty only if a county requests the dissolution of the county's local health

department.

Sec. 1222. (1) The department shall prospectively allocate funds appropriated in part 1 for essential local public health services to local health departments to support immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. The department shall consult with the department of agriculture and rural development before allocating funds for food protection under this section. The department shall consult with the department of environment, Great Lakes, and energy before allocating funds for public water supply, private groundwater supply, and on-site sewage management under this section.

(2) The department shall not distribute funds under subsection (1) to a county unless the county maintains local spending in the current fiscal year in an amount that is equal to or exceeds the amount the county expended in fiscal year 1992-1993 for the services described in subsection (1).

(3) Not later than February 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the planned allocation of the funds appropriated for essential local public health services.

(4) The department shall continue to implement the distribution formula for allocating essential local public health services funding to local health departments as specified in section 1234 of article X of 2018 PA 207.

(5) From the funds appropriated in part 1 for essential local public health services, each local public health department is

allocated not less than the amount allocated to that local public health department during the previous fiscal year.

Sec. 1227. The department shall establish criteria for all funds allocated for health and wellness initiatives. The criteria must include a requirement that a program receiving funding is evidence-based and supported by research, includes interventions that have been shown to demonstrate outcomes that lower cost and improve quality, and is designed for statewide impact. The department shall give preference to a program that uses the funding as match for additional resources, including, but not limited to, federal sources.

Sec. 1231. (1) From the funds appropriated for local health services, not less than $4,750,000.00 is allocated for grants to local health departments to support PFAS response and emerging public health threat activities. Eligible expenditures for emerging health threats include, but are not limited to, infectious and vector-borne disease threats, and other environmental contamination issues, such as vapor intrusion, drinking water contamination, and lead exposure. The department shall allocate the funding to address issues including, but not limited to, staffing, planning and response, and creating and disseminating materials related to PFAS contamination issues and other emerging public health issues and threats.

(2) Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients on actual expenditures in the previous fiscal year and planned spending in the current fiscal year of the funds described in subsection (1). The report must include recipient entities, the amount of allocation, the general category of allocation, and

detailed uses.

Sec. 1232. The department may work to ensure that the United States Department of Defense reimburses the state for costs associated with PFAS and environmental contamination response at military training sites and support facilities.

Sec. 1233. The department shall not expend general fund and state restricted fund appropriations in part 1 for PFAS and environmental contamination response if federal funding or private grant funding is available for the same expenditures.

Sec. 1239. The department shall participate in and give necessary assistance to the Michigan PFAS action response team (MPART) pursuant to Executive Order No. 2019-03. The department shall collaborate with MPART and other departments to carry out appropriate activities, actions, and recommendations as coordinated by MPART. Efforts must be continuous to ensure that the department's activities are not duplicative with activities of another department or agency.

Sec. 1240. From the funds appropriated in part 1 for chronic disease control and health promotion administration, $70,000.00 is allocated to support a rare disease advisory council and the responsibilities of the rare disease advisory council, which may include all of the following:

(a) Developing a list of rare diseases.

(b) Posting the list of rare diseases on the department's website.

(c) Updating the list of rare diseases.

(d) Annually investigating and reporting to the legislature on 1 rare disease on the list, and including legislative recommendations in the report.

FAMILY HEALTH SERVICES

Sec. 1301. (1) Not later than April 1 of the current fiscal year, the department shall submit to the standard report recipients a report on planned allocations from the amounts appropriated in part 1 for local MCH services, prenatal care outreach and service delivery support, family planning local agreements, and pregnancy prevention programs. Using applicable federal definitions, the report must include information on all of the following:

(a) The funding allocations.

(b) The actual number of women, children, and adolescents served and the amounts expended for each group for the previous fiscal year.

(c) A breakdown of the expenditure of the funds between urban and rural communities.

(2) The department shall ensure that the distribution of funds through the programs described in subsection (1) takes into account the needs of rural communities.

(3) As used in this section, "rural community" means any of the following:

(a) A county, city, village, or township with a population of 30,000 or less.

(b) A county, city, village, or township described in subdivision (a), if it is located within a metropolitan statistical area.

Sec. 1303. The department shall only contract with local health departments and shall not contract with an organization that provides elective abortions, abortion counseling, or abortion referrals, for services that are to be funded with federal title X,

state restricted, or state general fund/general purpose funds appropriated in part 1 for family planning local agreements. A local health department under contract with the department shall not subcontract with an organization that provides elective abortions, abortion counseling, or abortion referrals, for services that are to be funded with federal title X, state restricted, or state general fund/general purpose funds appropriated in part 1 for family planning local agreements.

Sec. 1308. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate not less than $500,000.00 for evidence-based programs to reduce infant mortality. The funds must be used for enhanced support and education to nursing teams or other teams of health professionals that the department considers qualified, client recruitment in areas designated as underserved for obstetrical and gynecological services and in other high-need communities, strategic planning to expand and sustain programs, and marketing and communications of programs to raise awareness, engage stakeholders, and recruit nurses.

Sec. 1311. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate not less than $2,750,000.00 of state general fund/general purpose revenue for a rural home visit program. The department shall give equal consideration to all eligible evidence-based providers in all regions in contracting for rural home visitation services.

Sec. 1313. (1) From the funds appropriated in part 1, the department shall continue developing an outreach program on fetal alcohol syndrome services, targeting health promotion, prevention,

and intervention.

(2) The department shall explore federal grant funding to address prevention services for fetal alcohol syndrome and to reduce alcohol consumption among pregnant women.

Sec. 1314. From the funds appropriated in part 1, the department shall enhance the department's education and outreach efforts that encourage women of childbearing age to seek the confirmation of a pregnancy at the earliest indication of a possible pregnancy and to initiate continuous and routine prenatal care on the confirmation of a pregnancy. The department shall ensure that the department's programs, policies, and practices promote prenatal and obstetrical care by doing all of the following:

(a) Supporting access to care.

(b) Reducing and eliminating barriers to care.

(c) Supporting recommendations for best practices.

(d) Encouraging optimal prenatal habits, including, but not limited to, prenatal medical visits, use of prenatal vitamins, and the cessation of tobacco use, alcohol use, or drug use.

(e) Tracking birth outcomes to study improvements in prevalence of neonatal substance exposure, fetal alcohol syndrome, and other preventable neonatal disease.

(f) Tracking maternal increase in healthy behaviors following childbirth.

Sec. 1315. From the funds appropriated in part 1 for dental programs, the department may partner with an entity for the administration of a volunteer dental program that provides dental services to the uninsured.

Sec. 1316. The department shall use revenue from permit fees

for mobile dental facilities that the department receives under section 21605 of the public health code, 1978 PA 368, MCL 333.21605, to offset the costs of processing and issuing permits for mobile dental facilities.

Sec. 1317. The department shall make available on the department's website the certified nonmedical waiver form for the public to access and submit for the purposes of exempting a child from immunization requirements prior to enrolling in a public or nonpublic school for the first time. The department shall not require individuals to schedule in-person appointments with their local health department to receive a nonmedical waiver form. The department shall not require individuals to receive in-person education on vaccines.

Sec. 1341. The department shall use income eligibility and verification guidelines established by the Food and Nutrition Service agency of the United States Department of Agriculture to determine eligibility of individuals for the special supplemental nutrition program for women, infants, and children (WIC) as stated in current WIC policy.

Sec. 1343. (1) From the funds appropriated in part 1 for dental programs, the department shall allocate $4,260,000.00 of state and local funds, plus any private contributions received to support the program, to establish and maintain the dental oral assessment program described in section 9316 of the public health code, 1978 PA 368, MCL 333.9316.

(2) Not later than December 31 of the current fiscal year, the department shall submit a report to the standard report recipients that provides a summary of the dental reports the department receives from principals and administrators under section 9316 of

the public health code, 1978 PA 368, MCL 333.9316.

Sec. 1349. Subject to federal approval, from the funds appropriated in part 1 for immunization program, the department shall allocate all of the following funds to support a statewide media campaign for improving this state's immunization rates:

(a) $740,000.00 of general fund/general purpose revenue.

(b) Any available work project funds.

(c) Any available federal match through a contract administered by the department with oversight from the behavioral and physical health and aging services administration and the public health administration.

AGING SERVICES

Sec. 1402. The department may encourage the Food Bank Council of Michigan to collaborate directly with each area agency on aging and any other organization that provides senior nutrition services to secure the food access of older adults.

Sec. 1404. From the funds appropriated in part 1 for community services, the department shall allocate $658,000.00 to area agencies on aging for home and community-based services.

Sec. 1417. Not later than March 31 of the current fiscal year, the department shall submit to the standard report recipients a report that contains all of the following information:

(a) The total allocation of state resources made to each area agency on aging by individual program and administration.

(b) Detailed expenditures by each area agency on aging by individual program and administration, including both state-funded resources and locally funded resources.

Sec. 1421. From the funds appropriated in part 1 for community

services, $1,100,000.00 is allocated for locally determined needs that are provided by area agencies on aging.

ARTICLE 6C

DEPARTMENT OF HEALTH AND HUMAN SERVICES - HUMAN SERVICES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF HEALTH AND HUMAN SERVICES		
APPROPRIATION SUMMARY		
Full-time equated classified positions	9,500.0	
GROSS APPROPRIATION		**$ 6,173,979,900**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		8,460,900
ADJUSTED GROSS APPROPRIATION		**$ 6,165,519,000**
Federal revenues:		
Capped federal revenues		440,400,500
Social security act, temporary assistance for needy families		453,048,800
Total other federal revenues		3,918,417,100
Special revenue funds:		
Total local revenues		51,880,100
Total private revenues		8,245,100
Total other state restricted revenues		71,576,500
State general fund/general purpose		**$ 1,221,950,900**

Sec. 102. CHILD SUPPORT ENFORCEMENT			
Full-time equated classified positions	182.0		
Child support enforcement operations--FTEs	178.0	$	25,512,600
Child support incentive payments			24,409,600
Legal support contracts			122,600,300
State disbursement unit--FTEs	4.0		7,121,400
GROSS APPROPRIATION		**$**	**179,643,900**
Appropriated from:			
Federal revenues:			
Capped federal revenues			16,252,700
Total other federal revenues			138,401,500
State general fund/general purpose		**$**	**24,989,700**
Sec. 103. COMMUNITY SERVICES AND OUTREACH			
Full-time equated classified positions	43.1		
Bureau of community services and outreach--FTEs	15.6	$	2,477,800
Community services and outreach administration--FTEs	15.5		7,097,000
Community services block grant			20,840,000
Diaper assistance grant			3,000,000
Homeless programs--FTE	1.0		30,504,100
Housing and support services			13,031,000
Runaway and homeless youth grants			13,126,100
Weatherization assistance			21,860,300
Weatherization assistance IIJA--FTEs	11.0		35,013,000
GROSS APPROPRIATION		**$**	**146,949,300**
Appropriated from:			
Federal revenues:			
Capped federal revenues			86,984,800

Social security act, temporary assistance for needy families		26,825,600
Total other federal revenues		14,483,300
State general fund/general purpose	**$**	**18,655,600**

Sec. 104. CHILDREN'S SERVICES AGENCY - CHILD WELFARE

Full-time equated classified positions	3,458.4	
Adoption subsidies	$	233,486,300
Adoption support services--FTEs	9.0	41,751,400
Attorney general contract		5,191,100
Child abuse and neglect - children's justice act--FTE	1.0	628,900
Child care fund		312,889,100
Child care fund - indirect cost allotment		3,500,000
Child protection		2,050,300
Child welfare administration travel		390,000
Child welfare licensing--FTEs	48.4	6,192,100
Child welfare local office staff - noncaseload compliance--FTEs	353.0	42,404,300
Child welfare medical/psychiatric evaluations		9,428,500
Children's protective services - caseload staff--FTEs	1,365.0	143,560,700
Children's protective services supervisors--FTEs	339.7	43,210,000
Children's services administration--FTEs	160.0	22,115,400
Children's trust fund--FTEs	3.0	3,661,200
Contractual services, supplies, and materials		9,567,600
Education planners--FTEs	3.0	430,000

Family preservation and prevention services administration--FTEs	9.0	1,422,400
Family preservation programs--FTEs	20.0	63,703,700
Foster care payments		370,760,100
Foster care services - caseload staff--FTEs	794.3	78,549,900
Foster care services supervisors--FTEs	193.0	27,474,700
Guardianship assistance program		13,083,500
Interstate compact		179,600
Permanency resource managers--FTEs	28.0	3,599,400
Prosecuting attorney contracts		8,142,800
Second line supervisors and technical staff--FTEs	126.0	20,335,200
Settlement monitor		2,709,800
Strong families/safe children		11,600,000
Title IV-E compliance and accountability office--FTEs	3.0	341,900
Youth in transition--FTEs	3.0	7,999,200
GROSS APPROPRIATION		**$ 1,490,359,100**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of lifelong education, advancement, and potential		244,400
Federal revenues:		
Capped federal revenues		94,780,100
Social security act, temporary assistance for needy families		277,833,100
Total other federal revenues		266,427,700
Special revenue funds:		

Local funds - county chargeback			45,457,000
Private - collections			557,400
Children's trust fund			2,895,300
Total other state restricted revenues			3,719,400
State general fund/general purpose		**$**	**798,444,700**
Sec. 105. CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE			
Full-time equated classified positions	61.8		
Bay Pines Center--FTEs	48.8	$	6,388,600
Committee on juvenile justice administration--FTE	1.0		173,200
Committee on juvenile justice grants			3,000,000
Community support services--FTEs	2.0		2,383,200
County juvenile officers			3,977,600
Juvenile justice, administration and maintenance--FTEs	10.0		4,073,600
GROSS APPROPRIATION		**$**	**19,996,200**
Appropriated from:			
Federal revenues:			
Capped federal revenues			7,395,200
Total other federal revenues			112,200
Special revenue funds:			
Local funds - county chargeback			2,501,600
Local funds - state share education funds			654,900
State general fund/general purpose		**$**	**9,332,300**
Sec. 106. PUBLIC ASSISTANCE			
Full-time equated classified positions	1.0		
Emergency services local office allocations		$	14,313,500

Family independence program			47,315,300
Family independence program - clothing allowance			10,000,000
Family independence program - child supplemental payment			20,240,100
Family independence program - kinship care supplemental payment			5,000,000
Food assistance program benefits			3,166,249,400
Indigent burial			2,800,000
Low-income home energy assistance program			174,951,600
Michigan agricultural surplus system			12,045,000
Michigan energy assistance program--FTE	1.0		50,000,000
Refugee assistance program			7,954,200
State disability assistance payments			5,060,500
State supplementation			53,425,400
State supplementation administration			1,806,100
GROSS APPROPRIATION		**$**	**3,571,161,100**
Appropriated from:			
Federal revenues:			
Capped federal revenues			182,905,800
Social security act, temporary assistance for needy families			80,727,800
Total other federal revenues			3,161,539,400
Special revenue funds:			
Child support collections			8,162,100
Low-income energy assistance fund			50,000,000
Public assistance recoupment revenue			4,793,300
Supplemental security income recoveries			2,001,800

State general fund/general purpose		**$**	**81,030,900**
Sec. 107. LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES			
Full-time equated classified positions	5,244.5		
Administrative support workers--FTEs	63.9	$	1,531,500
Adult services local office staff--FTEs	507.9		63,188,300
Contractual services, supplies, and materials			31,051,000
Donated funds positions--FTEs	179.8		21,838,400
Electronic benefit transfer (EBT)			9,714,000
Employment and training support services			4,218,100
Local office policy and administration--FTEs	119.7		19,876,600
Local office staff travel			8,252,400
Medical/psychiatric evaluations			1,120,100
Public assistance local office staff--FTEs	4,373.2		493,985,500
GROSS APPROPRIATION		**$**	**654,775,900**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of corrections			120,200
IDG from department of lifelong education, advancement, and potential			7,284,100
Federal revenues:			
Capped federal revenues			52,081,900
Social security act, temporary assistance for needy families			67,662,300
Total other federal revenues			230,542,900
Special revenue funds:			
Local funds - donated funds			3,266,600
Private funds - donated funds			7,436,900

Private revenues			250,000
State general fund/general purpose		**$**	**286,131,000**
Sec. 108. DISABILITY DETERMINATION SERVICES			
Full-time equated classified positions	509.2		
Disability determination operations--FTEs	505.1	$	110,451,100
Retirement disability determination--FTEs	4.1		643,300
GROSS APPROPRIATION		**$**	**111,094,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of technology, management, and budget - office of retirement services			812,200
Federal revenues:			
Total other federal revenues			106,910,100
Total private revenues			800
Total other state restricted revenues			4,600
State general fund/general purpose		**$**	**3,366,700**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the current fiscal year, total state spending under part 1 from state sources is $1,293,527,400.00 and state spending under part 1 from state sources to be paid to local units of government is $170,474,500.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF HEALTH AND HUMAN SERVICES		
CHILD SUPPORT ENFORCEMENT		
Child support incentive payments	$	9,570,000
Legal support contracts		1,300
COMMUNITY SERVICES AND OUTREACH		
Community services and outreach administration		3,100
Homeless programs		9,900
Housing and support services		124,700
CHILDREN'S SERVICES AGENCY – CHILD WELFARE		
Child care fund		148,973,100
Child care fund - indirect cost allotment		3,500,000
Child welfare licensing		68,300
Children's trust fund		60,800
Contractual services, supplies, and materials		10,500
Family preservation programs		2,000
Foster care payments		3,678,900
Prosecuting attorney contracts		1,269,100
Strong families/safe children		65,400
CHILDREN'S SERVICES AGENCY – JUVENILE JUSTICE		
Bay Pines Center		49,700
Community support services		333,500
County juvenile officers		73,300
PUBLIC ASSISTANCE		
Emergency services local office allocations		2,200,000
Indigent burial		4,800
Michigan energy assistance program		200,000
State disability assistance payments		174,200
LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES		

Contractual services, supplies, and materials	91,700
Employment and training support services	6,200
DISABILITY DETERMINATION SERVICES	
Disability determination operations	2,000
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	**$ 170,474,500**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "AIDS" means acquired immunodeficiency syndrome.

(b) "CCBHC" means certified community behavioral health clinic.

(c) "CMHSP" means a community mental health services program as that term is defined in section 100a of the mental health code, 1974 PA 258, MCL 330.1100a.

(d) "CMS" means the Centers for Medicare and Medicaid Services.

(e) "CPT" means current procedural terminology.

(f) "Current fiscal year" means the fiscal year ending September 30, 2026.

(g) "Department" means the department of health and human services.

(h) "Director" means the director of the department.

(i) "EPSDT" means early and periodic screening, diagnosis, and treatment.

(j) "Federal poverty level" means the poverty guidelines revised periodically and published in the Federal Register by the Secretary of the United States Department of Health and Human Services under the Secretary's authority to revise the poverty line

under 42 USC 9902.

(k) "FQHC" means federally qualified health center.

(*l*) "FTE" means full-time equated.

(m) "GME" means graduate medical education.

(n) "Health plan" means, at a minimum, an organization that meets the criteria for delivering the comprehensive package of services under the department's comprehensive health plan.

(o) "HEDIS" means health care effectiveness data and information set.

(p) "HMO" means health maintenance organization.

(q) "IDEA" means the individuals with disabilities education act, 20 USC 1400 to 1482.

(r) "IDG" means interdepartmental grant.

(s) "MCH" means maternal and child health.

(t) "Medicaid" means subchapter XIX of the social security act, 42 USC 1396 to 1396w-8.

(u) "Medicare" means subchapter XVIII of the social security act, 42 USC 1395 to 1395*lll*.

(v) "MiCAFE" means Michigan's coordinated access to food for the elderly.

(w) "MIChild" means the program described in section 1670 of this part.

(x) "MiSACWIS" means Michigan statewide automated child welfare information system.

(y) "PACE" means program of all-inclusive care for the elderly.

(z) "PAS/ARR-OBRA" means the preadmission screening and annual resident review required under the omnibus budget reconciliation act of 1987, section 1919(e)(7) of the social security act, 42 USC

1396r.

(aa) "PATH" means Partnership. Accountability. Training. Hope.

(bb) "PFAS" means perfluoroalkyl and polyfluoroalkyl substances.

(cc) "PIHP" means an entity designated by the department as a regional entity or a specialty prepaid inpatient health plan for Medicaid mental health services, services to individuals with developmental disabilities, and substance use disorder services. Regional entities are described in section 204b of the mental health code, 1974 PA 258, MCL 330.1204b. Specialty prepaid inpatient health plans are described in section 232b of the mental health code, 1974 PA 258, MCL 330.1232b.

(dd) "Previous fiscal year" means the fiscal year ending September 30, 2025.

(ee) "Quarterly basis" means February 1, April 1, July 1, and September 30 of the current fiscal year.

(ff) "Semiannual basis" means March 1 and September 30 of the current fiscal year.

(gg) "Settlement" means the settlement agreement entered in the case of *Dwayne B. v Snyder*, Docket No. 2:06-cv-13548 in the United States District Court for the Eastern District of Michigan.

(hh) "SSI" means supplemental security income.

(ii) "Standard report recipients" means the senate and house of representatives appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house of representatives policy offices, and the state budget office.

(jj) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of subchapter IV of the social security act, 42 USC 601 to 619.

(kk) "Title IV-B" means part B of title IV of the social security act, 42 USC 621 to 629m.

(ll) "Title IV-D" means part D of title IV of the social security act, 42 USC 651 to 669b.

(mm) "Title IV-E" means part E of title IV of the social security act, 42 USC 670 to 679c.

(nn) "Title X" means subchapter VIII of the public health service act, 42 USC 300 to 300a-8, which establishes grants to states for family planning services.

Sec. 204. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 206. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are

competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 207. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 208. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 210. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund

projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel

occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 213. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 214. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 215. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required

by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to either wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 216. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must report to the office before beginning fieldwork. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 217. (1) Funds appropriated in part 1 that are utilized

for grants or grant programs are subject to the following conditions:

(a) Grant funds must be provided only to an entity that has been established or is operating in this state or another state for at least 36 months before approval or disbursement of grant funds.

(b) Grant funds must be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external

records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving of or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that confirms the department reviewed and affirmed compliance by each grant recipient to program scope and expenditure of grant funding.

(b) A statement that confirms the department reviewed applicable program reports and requests for reimbursement.

Sec. 218. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or

prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 of each year that describes the processes it has developed and implemented under provisions of this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States, or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 219. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants,

or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 221. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $20,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393. Federal contingency authorization must not be made available to increase TANF authorization.

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

(4) In addition to the funds appropriated in part 1, there is

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

Sec. 222. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $201,838,700.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $182,045,900.00. Total department appropriations for retiree health care legacy costs are estimated at $19,792,800.00.

Sec. 225. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department must notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 226. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 227. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 228. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs or as outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth

to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 250. If either of the following events occurs, not later than 30 days after the event occurs, the department shall notify the standard report recipients of that fact:

(a) A legislative objective of this part or of a bill or amendment to a bill to amend the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, cannot be implemented because implementation would conflict with or violate federal law.

(b) A federal grant for which a notice of an award has been received cannot be used or will not be used.

Sec. 251. (1) In addition to funds appropriated in part 1 for all programs and services, there is appropriated, for write-offs of accounts receivable, deferrals, and for prior year obligations in excess of applicable prior year appropriations, an amount equal to total write-offs and prior year obligations, but not to exceed amounts available in prior year revenues.

(2) The department's ability to satisfy appropriation fund sources in part 1 is not limited to collections and accruals pertaining to services provided in the current fiscal year and includes reimbursements, refunds, adjustments, and settlements from prior years.

Sec. 252. Not later than February 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the detailed names and amounts of estimated federal, restricted, private, and local sources of revenue that support the appropriations in each of the line items in part 1 for the previous fiscal year. The report must itemize, rather than

aggregate, specific revenue sources deposited into the generic statewide integrated governmental management application (SIGMA) fund numbers 1200, 1274, 4000, and 5000.

Sec. 253. (1) The department shall ensure that each federally recognized tribe is able to apply and compete for services, programs, grants, and contracts.

(2) For competitive grant programs described in this part, each federally recognized tribe is eligible to apply for grant funds made available to organizations exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and to local units of government.

Sec. 254. As required under part 23 of the public health code, 1978 PA 368, MCL 333.2301 to 333.2321, the appropriations in part 1 must include the following:

(a) Immunizations.

(b) Communicable disease control.

(c) Sexually transmitted infection control.

(d) Tuberculosis control.

(e) Prevention of gonorrhea eye infection in newborns.

(f) Screening newborn infants for the conditions listed in section 5431 of the public health code, 1978 PA 368, MCL 333.5431, or recommended by the newborn screening quality assurance advisory committee created under section 5430 of the public health code, 1978 PA 368, MCL 333.5430.

(g) Health and human services annex of the Michigan Emergency Management Plan.

(h) Prenatal care.

(i) Mental health.

Sec. 255. The department shall not expend any funds

appropriated in part 1 to enter into any contract or other agreement with a nonprofit organization, or its individual employees, established under section 2611 of the public health code, 1978 PA 368, MCL 333.2611, for the purpose of performing all or any portion of the department's regulatory, disciplinary, or administrative duties.

Sec. 256. The department shall ensure that faith-based organizations are able to apply and compete for services, programs, or contracts that the organizations are qualified and suitable to fulfill. The department shall not disqualify faith-based organizations solely on the basis of the religious nature of the organizations or the guiding principles or statements of faith for the organizations.

Sec. 257. In accordance with section 1b of the social welfare act, 1939 PA 280, MCL 400.1b, the department shall treat part 1 and this part as a time-limited addendum to the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

Sec. 258. (1) Not later than 30 days before the implementation date of a major policy change, the department shall report the change to the standard report recipients.

(2) The department shall make the department's entire policy and procedures manual available and accessible to the public on the department's website.

(3) The department shall attach each policy bulletin issued during the previous calendar year to the report under section 214.

Sec. 259. The department may establish and collect fees for publications, videos and related materials, conferences, and workshops. Collected fees are appropriated when received and must be used to offset expenditures for publication printing and

mailing, costs of the publications, videos and related materials, conferences, and workshops. The department shall not collect fees under this section that exceed the cost of the expenditures. If collected fees are appropriated under this section in an amount that exceeds the current fiscal year appropriation, not later than 30 days after the collected fee appropriation, the department shall notify the standard report recipients of that fact.

Sec. 260. The department may retain all of this state's share of food assistance overissuance collections as an offset to general fund/general purpose costs. Retained collections must be applied against federal funds deductions in all appropriation units where department costs related to the investigation and recoupment of food assistance overissuances are incurred. Retained collections in excess of the investigation and recoupment costs must be applied against the federal funds deducted in the departmental administration and support appropriation unit.

Sec. 261. If the revenue collected by the department from fees and collections exceeds the amount appropriated in part 1, the revenue may be carried forward with the approval of the state budget director into the subsequent fiscal year. The revenue carried forward under this section must be used as the first source of funds in the subsequent fiscal year.

Sec. 262. If the department receives tobacco tax funds and Healthy Michigan fund revenue from part 1, not later than April 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on both of the following activities during the previous fiscal year:

(a) Tobacco tax revenue appropriations in the Medicaid program.

(b) Information for each project implemented with revenue under this section, including all of the following:

(*i*) The project's name.

(*ii*) The appropriation line item and amount.

(*iii*) The project's target population.

(*iv*) A description of the project.

(*v*) The outcomes or accomplishments of the project.

Sec. 263. (1) Except as provided in this subsection, before submission of a waiver, state plan amendment, or similar proposal to CMS or another federal agency, the department shall notify the standard report recipients of the planned submission. This subsection does not apply to the submission of a waiver, state plan amendment, or similar proposal that does not propose a material change or is outside of the ordinary course of a waiver, state plan amendment, or similar proposal.

(2) On a semiannual basis, the department shall submit, to the standard report recipients, a report that summarizes the status of any new or ongoing discussions with CMS, the United States Department of Health and Human Services, or another federal agency regarding any potential or future waiver applications and the status of any submitted waivers that have not yet received federal approval. If there is not a reportable item at the time that a semiannual report is due, a report is not required.

Sec. 264. If the department is authorized under federal law or the law of this state to collect an overpayment owed to the department, beginning 60 days after the initial notification date of the overpayment amount, the department may assess a penalty of 1% per month. If an overpayment is caused by department error, a penalty may be assessed 6 months after the initial notification

date of the overpayment amount. The department shall not collect penalty interest in an amount that exceeds the amount of the original overpayment. This state's share of any funds collected under this section must be deposited in the general fund of this state.

Sec. 265. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the status of the implementation of any noninflationary, noncaseload, programmatic funding increases in the current fiscal year from the previous fiscal year. The report must confirm the implementation of already-implemented funding increases and provide an explanation for any planned implementation of funding increases that have not yet occurred. For any planned implementation of funding increases that have not yet occurred, the report must include an expected implementation date and the reason for delayed implementation.

Sec. 266. The department shall provide the approved spending plan for each line item receiving an appropriation in the current fiscal year to the senate and house of representatives appropriations subcommittees on the department budget and the senate and house fiscal agencies not later than 60 days after approval by the department or not later than January 15 of the current fiscal year, whichever is earlier. In all places that a line-item appropriation number is listed, a line-item appropriation name must be included. The spending plan must include the following information regarding planned expenditures for each category: allocation in the previous period, change in the allocation, and new allocation. The spending plan must include the following information regarding each revenue source for the line item:

category of the fund source indicated by general fund/general purpose, state restricted, local, private, or federal. Figures included in the approved spending plan must not be assumed to constitute the actual final expenditures, as line items may be updated on an as-needed basis to reflect changes in projected expenditures and projected revenue. The department shall supplement the spending plan information by providing a list of all active contracts and grants in the department's contract system. For amounts listed in the other contracts category of each spending plan, the department shall include the name of the line item and the name of the fund source for each contract, grant, and amount for the current fiscal year. For amounts listed in the all other costs category of each spending plan, the department shall provide a list detailing planned expenditures and amounts for the current fiscal year and include the name of the line item and the name of the fund source related to each expenditure and amount.

Sec. 267. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on total actual expenditures in the previous fiscal year for advertising and media outreach, including the purpose, amount, and fund source by program or appropriation line item.

Sec. 268. Not later than March 1 of the current fiscal year, the department shall submit a description of programs report to the standard report recipients. For each program, the report must include the appropriation unit; the line item name and number; the appropriation history; the program name; the program overview; a financing summary; and, where applicable, the program's legal basis, effectiveness, and outcomes.

Sec. 269. On a monthly basis, the department shall submit, to

the standard report recipients, a report on any line-item appropriation for which the department estimates total annual expenditures would exceed the funds appropriated for the line-item appropriation by 5% or more. The department shall provide a detailed explanation for any relevant line-item appropriation exceedance and identify the corrective actions undertaken to mitigate line-item appropriation expenditures from exceeding the funds appropriated for the line-item appropriation by a greater amount. This section does not apply for line-item appropriations that are part of the May revenue estimating conference caseload and expenditure estimates.

Sec. 270. The department shall advise the legislature of the receipt of a notification from the attorney general's office of a legal action in which expenses had been recovered under section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106. If applicable, not later than February 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report that includes, but is not limited to, all of the following:

(a) The total amount recovered from the legal action.

(b) The program or service for which the money was originally expended.

(c) Details on the disposition of the funds recovered, such as the appropriation or revenue account in which the money was deposited.

(d) A description of the facts involved in the legal action.

(e) The legal costs incurred at the attorney general's office for each legal action in which expenses were recovered under section 106(6) of the social welfare act, 1939 PA 280, MCL 400.106.

Sec. 274. On the day that is 1 week after the day that the

governor submits the executive budget proposal for the ensuing fiscal year to the legislature, the department, in collaboration with the state budget office, shall submit, to the standard report recipients, a report on spending and revenue projections for each of the capped federal funds listed in this subsection. The report must contain actual spending and revenue in the previous fiscal year, spending and revenue projections for the current fiscal year as enacted, and spending and revenue projections in the executive budget proposal for the immediately ensuing fiscal year for each individual line item for the department budget. The report must also include federal funds transferred to other departments. The capped federal funds include, but are not limited to, all of the following:

(a) TANF.

(b) Title XX social services block grant.

(c) Title IV-B subpart I child welfare services block grant.

(d) Title IV-B subpart II promoting safe and stable families funds.

(e) Low-income home energy assistance program.

Sec. 275. (1) On a quarterly basis, the department, with the approval of the state budget director, is authorized to realign sources between other federal, TANF, and capped federal financing authorizations to maximize federal revenues. The realignment of financing must not produce any of the following:

(a) A gross increase or decrease in the department's total individual line item authorizations.

(b) A net increase or decrease in total federal revenues.

(c) A net increase in TANF authorization.

(2) On a quarterly basis, the department shall submit, to the

standard report recipients, a report on the realignment of federal fund sources transacted to date in the current fiscal year under subsection (1), including the dates, line items, and amounts of the transactions. If, at the time a quarterly report is due, a transaction was not made under subsection (1), a report is not required.

(3) Not later than 30 days after the date on which year-end book closing is completed, the department shall submit, to the standard report recipients, a report on the realignment of federal fund sources that took place as part of the year-end closing process for the previous fiscal year.

Sec. 290. Any public advertisement for public assistance must inform the public of the welfare fraud hotline operated by the department.

Sec. 295. Not later than April 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on funds appropriated for the healthy moms, healthy babies initiative. The report must include the budgeted amount, year-to-date expenditures, remaining balance of appropriations, and the percent of budget spent for each appropriation related to the initiative. The report must also include information on how the funds have assisted with meeting the goals and outcomes of the initiative.

CHILD SUPPORT ENFORCEMENT

Sec. 401. (1) The appropriations in part 1 assume a total federal child support incentive payment of $26,500,000.00.

(2) From the federal money received for child support incentive payments, $12,000,000.00 must be retained by this state

and expended for child support program expenses.

(3) From the federal money received for child support incentive payments, $14,500,000.00 must be paid to counties based on each county's performance level for each of the performance measures under 45 CFR 305.2.

(4) If the child support incentive payment to this state from the federal government is greater than $26,500,000.00, then 100% of the amount in excess must be retained by this state and is appropriated until the total retained by this state reaches $15,397,400.00.

(5) If the child support incentive payment to this state from the federal government is greater than the amount needed to satisfy subsections (1), (2), (3), and (4), the additional funds are subject to appropriation by the legislature.

(6) If the child support incentive payment to this state from the federal government is less than $26,500,000.00, then the state share and the county share must each be reduced by 50% of the shortfall.

Sec. 409. (1) If statewide retained child support collections exceed $38,300,000.00, 75% of the amount in excess of $38,300,000.00 is appropriated to legal support contracts. The excess appropriation may be distributed to eligible counties to supplement, but not supplant, county title IV-D funding.

(2) Each county whose retained child support collections in the current fiscal year exceed its fiscal year 2004-2005 retained child support collections, excluding tax offset and financial institution data match collections in both the current fiscal year and fiscal year 2004-2005, shall receive its proportional share of the 75% excess appropriation.

Sec. 410. (1) If title IV-D-related child support collections are escheated, the state budget director is authorized to adjust the sources of financing for the funds appropriated in part 1 for legal support contracts to reduce federal authorization by 66% of the escheated amount and increase general fund/general purpose authorization by the same amount. The adjustment is required to offset the loss of federal revenue due to the escheated amount being counted as title IV-D program income in accordance with 45 CFR 304.50.

(2) Not later than 30 days after an adjustment under subsection (1), the department shall notify the standard report recipients of the adjustment.

COMMUNITY SERVICES AND OUTREACH

Sec. 453. (1) From the funds appropriated in part 1 for homeless programs, the department shall allocate funds to the emergency shelter program to support efforts of shelter providers to move homeless individuals and households into permanent housing as quickly as possible. The funds must be equal to or exceed the amount that a provider would receive if the provider is paid a $19.00 per diem rate. Expected outcomes are increased shelter discharges to stable housing destinations, decreased recidivism rates for shelter clients, and a reduction in the average length of stay in emergency shelters.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the total amount expended for the emergency shelter program in the prior 2 fiscal years, the total number of shelter nights provided, and the average length of stay in an emergency

shelter.

Sec. 454. The department shall allocate the full amount of funds appropriated in part 1 for homeless programs to provide services for homeless individuals and families, including, but not limited to, third-party contracts for emergency shelter services.

Sec. 455. As a condition of receipt of federal TANF revenue, after admitting a family to a homeless shelter, the homeless shelter and human services agencies shall collaborate with the department to obtain necessary TANF eligibility information on the family as soon as possible. From the funds appropriated in part 1 for homeless programs, the department is authorized to make allocations of TANF revenue only to the homeless shelters and human services agencies that report necessary data to the department to meet TANF eligibility reporting requirements. Homeless shelters or human services agencies that do not report necessary data to the department to meet TANF eligibility reporting requirements shall not receive reimbursements that exceed the per diem amount the homeless shelters or human service agencies received in fiscal year 2000. The use of TANF revenue under this section is not an ongoing commitment of funding.

Sec. 456. From the funds appropriated in part 1 for homeless programs, the department shall allocate $10,000.00 to reimburse public service agencies that provide documentation of paying birth certificate fees on behalf of category 1 homeless clients at county clerk's offices. Each public service agency must be reimbursed for the cost of the birth certificate fees quarterly until the allocation is fully spent.

Sec. 457. From the funds appropriated in part 1 for homeless programs, the department shall allocate $8,500,000.00 of TANF

revenue to support family shelters or families who are homeless and at risk of being homeless. Funds appropriated under this section must be used as follows:

(a) $3,000,000.00 for emergency hotels for families experiencing homelessness.

(b) $3,500,000.00 for assistance and supports to families engaged with child welfare. This may include, but is not limited to, eviction diversion, first month's rent and deposit, and utility arrears.

(c) $2,000,000.00 for creating additional spaces at family homeless shelters that have been in operation for at least 24 months.

Sec. 458. From the funds appropriated in part 1 for homeless programs, the department shall require any entities receiving direct or indirect state funds to report data to a Homeless Management Information System that satisfies the baseline data collection requirements.

Sec. 459. From the funds appropriated in part 1 for homeless programs, the department shall allocate $2,000,000.00 of TANF revenue to acquire and develop for individuals and families noncongregate shelter that utilizes options under a Housing First model and prioritizes providing stable and permanent housing without preconditions or requirements, such as sobriety or participation in treatment programs. Eligible uses for this funding may include, but are not limited to, hotels, motels, dormitories, recuperative care facilities, and other facilities that offer noncongregate shelter.

Sec. 463. From the funds appropriated in part 1 for runaway and homeless youth grants and domestic violence prevention and

treatment, the department is authorized to make allocations of TANF revenue only to agencies that report necessary data to the department to meet TANF eligibility reporting requirements.

Sec. 464. (1) From the funds appropriated in part 1 for diaper assistance grant, the department shall purchase diapering supplies in bulk and allocate those supplies to diaper assistance programs, maternity homes, local county offices, and other nonprofit agencies that distribute diapers free of charge and were established as of January 1, 2020. The funds must be used only to purchase diapering supplies and to cover related administrative costs. Funds must be distributed to all counties in this state. Not more than 15% of the funds appropriated in part 1 are expendable for administrative purposes.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the distribution of diapering supplies that includes, but is not limited to, the names and locations of the entities described in subsection (1) that distribute diaper supplies and the total amount of diapering supplies distributed to each entity.

Sec. 465. (1) From the funds appropriated in part 1 for community services and outreach administration, $2,950,000.00 must be distributed as provided in subsection (2). The amount distributed as provided in subsection (2) must not exceed 50% of the total operating expenses of Michigan 2-1-1, which is described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Funds distributed under subsection (1) must be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section

501(c)(3) of the internal revenue code of 1986, 26 USC 501, and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the funds only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall refer any received calls that report fraud, waste, or abuse of state-administered public assistance to the department.

(4) Michigan 2-1-1 shall submit, to the department, the senate and house of representatives standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, and the standard report recipients, a report that includes, but is not limited to, call volume by health and human service needs and unmet needs identified through caller data and number and the percentage of callers referred to public or private provider types.

Sec. 466. (1) From the funds appropriated in part 1 for runaway and homeless youth grants, the department shall allocate $5,342,100.00 that consists of $1,146,900.00 in general fund/general purpose revenue and $4,195,200.00 of TANF revenue to support runaway and homeless youth capacity. The funding must be allocated based on a methodology that includes geographic coverage, population demographics, scope of services provided, and need. Provider agencies must provide continued infrastructure improvements and support for expanded staff, supervision, and training to continue to meet the complex mental health needs of the population served and the expansion of direct services for client stabilization.

(2) Not later than March 1 of the current fiscal year, the

department shall submit to the standard report recipients a report on the runaway homeless youth program that includes, but is not limited to, all of the following:

(a) A list of counties served and the amount of funding allocated to each county.

(b) The amount of funding being allocated to previously underserved communities and how capacity has been expanded or is planned to be expanded in those communities.

(c) Identified barriers that have hindered providers from expanding capacity.

CHILDREN'S SERVICES AGENCY - CHILD WELFARE

Sec. 501. (1) A goal is established that not more than 25% of all children in foster care at any given time during the current fiscal year, unless contrary to the best interest of the child, will have been in foster care for 24 months or more.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report describing the steps that will be taken to achieve the goal under subsection (1). The report must also include the following:

(a) An explanation of the most significant barriers that prevent long-term foster children from permanent placements.

(b) The number of children currently in foster care for longer than 24 months and the percentage of those children that had paid Medicaid behavioral health claims or encounters within the last year.

Sec. 502. From the funds appropriated in part 1 for foster care, the department shall reimburse Indian tribal governments for 50% of the foster care expenditures for children who are under the

jurisdiction of Indian tribal courts and are not otherwise eligible for federal foster care cost sharing. However, the department may reimburse up to 100% of the foster care expenditures for an Indian tribal government that enters into a state-tribal title IV-E agreement allowed under this state's title IV-E state plan.

Sec. 503. In accordance with the final report of the Michigan child welfare performance-based funding task force issued in response to section 503 of article X of 2013 PA 59, the department shall review, update, or develop actuarially sound case rates for necessary child welfare foster care case management services that achieve permanency by the department and private child placing agencies in a prospective payment system under a performance-based funding model.

Sec. 504. (1) From the funds appropriated in part 1, the department shall implement a 3-year master agreement, with an option for 2 additional years, with the West Michigan Partnership for Children Consortium to maintain a performance-based child welfare contracting program. The Consortium must consist of a network of affiliated child welfare service providers that will accept and comprehensively assess referred youth, assign cases to its members or leverage services from other entities, and make appropriate case management decisions during the duration of a case.

(2) As a condition for receiving the funding in part 1, the West Michigan Partnership of Children Consortium shall maintain a contract agreement with the department that supports a global capitated payment model. The capitated payment amount must be based on historical averages of both the number of children served in Kent County and the costs per foster care case. The West Michigan

Partnership for Children Consortium shall manage the cost of the child population it serves. The administrative portion of the contracted agreement must reflect the cumulative annual percentage change in the Detroit Consumer Price Index from the previous year. The capitated payment amount must be reviewed and adjusted not less than 2 times during the current fiscal year or for 1 or more of the following:

(a) Changes implemented by the department that result in a volume of placements that differ in a statistically significant manner from the amount allocated in the annual contract between the department and the West Michigan Partnership for Children Consortium, as determined by an independent actuary.

(b) Changes in case volumes and any statewide rate increases that are implemented.

(3) The contract agreement under this section must require the following stipulations and conditions:

(a) That the service component of the capitated payment will be calculated under the assumption that rates paid to providers under the program are generally consistent with the department's payment policies for providers throughout the rest of this state.

(b) That the West Michigan Partnership for Children Consortium maintain a risk reserve of not less than $1,500,000.00 to ensure it can meet unanticipated expenses within a given fiscal year.

(c) That the West Michigan Partnership for Children Consortium cooperate with the department on an independent fiscal analysis of costs incurred and revenues received.

(4) Not later than March 1 of the current fiscal year, the Consortium shall submit, to the standard report recipients, a report on the Consortium, including, but not limited to, its actual

expenditures, the number of children placed by agencies in the Consortium, the fund balance of the Consortium, and the outcomes measured.

Sec. 505. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on youth referred or committed to the department for care or supervision in the previous fiscal year that outlines the number of youth served by the department in the juvenile justice system by the type of setting for each youth.

Sec. 506. From the funds appropriated in part 1 for attorney general contract, not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the juvenile justice system in any county in which funds appropriated in part 1 are expended. The report must include, but not be limited to, all of the following:

(a) The number of youth referred or committed to the department for care or supervision in the previous fiscal year and in the first quarter of the current fiscal year.

(b) The number of youth referred or committed to the care or supervision of the county in which funds appropriated in part 1 were expended for the previous fiscal year and the first quarter of the current fiscal year.

(c) The type of setting for each youth referred or committed for care or supervision, any applicable performance outcomes, and identified financial costs or savings.

(d) The required and actual staff-to-youth ratios.

Sec. 507. The department's ability to satisfy appropriation deductions in part 1 for foster care private collections is not limited to collections and accruals pertaining to services provided

only in the current fiscal year and may include revenues collected during the current fiscal year for services provided in prior fiscal years.

Sec. 508. (1) In addition to the amount appropriated in part 1 for children trust Michigan, money granted or money received as gifts or donations to the children's trust fund created in 1982 PA 249, MCL 21.171 to 21.172, is appropriated for expenditure.

(2) For the funds described in subsection (1), the department shall ensure that administrative delays are avoided and local grant recipients and direct service providers receive money in an expeditious manner. The department and the state board as that term is defined in section 2 of the child abuse and neglect prevention act, 1982 PA 250, MCL 722.601, shall make the children's trust fund contract funds available to grantees not later than 31 days after the start date of the funded project.

Sec. 509. (1) From the funds appropriated in part 1 for adoption support services, the department shall maintain a rate structure that pays for cases based on the average length of time it takes to reach adoption finalization by case characteristics for licensed child placing agencies contracted with the department that provide adoption services for youth in foster care.

(2) For cases accepted before the implementation of the new rate structure described in subsection (1), the department shall maintain the increase of contracted rates paid to private child placing agencies, including the $23.00 per diem for all foster youth from the date of the case acceptance to the date of adoption petition acceptance or 150 days, whichever occurs sooner, for licensed child placing agencies contracted with the department to provide adoption services for foster youth. The per diem rate must

be separate from the outcome-based reimbursement system and must not be deducted from the total reimbursement an agency receives for the applicable placement or finalization rate of an adoption.

Sec. 510. The department shall submit reports on a monthly basis to the standard report recipients on all of the following:

(a) The number of children awaiting placement in a residential setting by child caring institution.

(b) The reason for the delay in placement, including, but not limited to, facility bed shortages, placement process delays, or other reasons.

(c) The number of incentive payments that were awarded by the department by child caring institution.

(d) The number of incentive payments that were denied by the department by child caring institution.

(e) Of the denials identified in subdivision (d), the department shall provide the rationale for denial of incentive payments including, but not limited to, refusal of placement, lack of staffing, or other reasons.

Sec. 511. The department shall submit, to the standard report recipients and the senate and house of representatives standing committees that cover subject matters dealing with families and human services, reports on a semiannual basis that include the number and percentage of children who received timely physical and mental health examinations after entry into foster care. The goal of the program is for not less than 85% of children to have an initial medical and mental health examination that is not later than 30 days after entry into foster care.

Sec. 512. (1) From the funds appropriated in part 1 for foster care payments, the department shall allocate $500,000.00 of TANF

revenue to provide luggage to a child who is being removed from the child's home or changing placement and is a TANF eligible individual. The luggage provided under this section is considered to belong to the child and may not be confiscated by the department or the child's foster parent. The department is not required to provide new luggage under this section to a child who is changing placement and has had luggage previously provided by the department.

(2) The department may partner with local charities to establish and maintain the supply of luggage to be used to transport a child's personal belongings. Additionally, the department may accept donations of luggage to fulfill the requirements of this section.

(3) As used in this section, "luggage" means any of the following:

(a) A suitcase of any size.

(b) A duffel bag that holds at least 30 liters.

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

(a) An appropriate placement is not available in this state, as determined by the department's interstate compact office.

(b) An out-of-state placement exists that is nearer to the child's home than the closest appropriate in-state placement, as determined by the department's interstate compact office.

(c) The out-of-state facility meets all of the licensing standards for a comparable facility in this state.

(d) The out-of-state facility meets all of the applicable

licensing standards of the state in which it is located.

(e) The department has visited the site of the out-of-state facility before the child's placement or in the last 6 months, whichever is sooner; has reviewed the facility records, licensing records, and reports; and believes that the facility is an appropriate placement for the child.

(2) The department shall not expend money for a child placed in an out-of-state facility without approval of the executive director of the children's services agency.

(3) Not later than March 1 of the current fiscal year, the department shall submit, to the state court administrative office and the standard report recipients, a report on the number of Michigan children residing in out-of-state facilities in the previous fiscal year, the total cost and average per diem cost of the out-of-state placements to this state, and a list of each out-of-state placement arranged by the Michigan county of residence for each child, and a list of out-of-state facilities that were visited by the department before the child's placement.

Sec. 514. (1) From the funds appropriated in part 1 for foster care payments, the department shall maintain a statewide respite care services network available to licensed foster parents and unlicensed relative caregivers that care for children in foster care.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the total number of licensed foster parents and unlicensed relative caregivers that were provided respite services, the average amount of respite time per month, and the total amount of funding spent on respite services during the previous fiscal

year.

Sec. 515. If a children's protective services caseworker requests approval for another children's protective services caseworker or other department employee to accompany the caseworker on a home visit because the caseworker believes that it would be unsafe to conduct the home visit alone, the department shall not deny the request.

Sec. 516. (1) From funds appropriated in part 1 for child care fund, the administrative or indirect cost payment equal to 10% of a county's total monthly gross expenditures must be distributed to the county on a monthly basis, and a county is not required to submit documentation to the department for any of the expenditures that are covered under the 10% payment as described in section 117a(4)(b)(*ii*) and (*iv*) of the social welfare act, 1939 PA 280, MCL 400.117a.

(2) From the funds appropriated in part 1 for child care fund – indirect cost allotment, the department shall allocate $3,500,000.00 to counties and tribal governments that receive reimbursements in part 1 from child care fund.

(3) The amount described in subsection (2) must be distributed to each county or tribal government in the same proportion as indirect cost allotments are provided to counties in the same manner described in section 117a of the social welfare act, 1939 PA 280, MCL 400.117a.

Sec. 517. For a child placed in a family foster care home located out of this state, the department may ask a state or private child placing agency contracted by the receiving state to carry out required visits and any additional visits that the department finds necessary.

Sec. 518. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the cumulative child care fund expenditures of in-home juvenile justice care that are eligible for the 75% state and 25% local split required under section 117a(4)(*i*) of the social welfare act, 1939 PA 280, MCL 400.117a. Eligible expenditures include community-based juvenile supervision, services, and related practices, and per diem rates for the use of respite and shelter for less than 30 days. The report must also include the expenditures by county and type of service provided, the number of youth receiving care, and the number of days of care.

Sec. 520. Not later than February 15 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the number of days of care and expenditures by funding source for the previous fiscal year for out-of-home placements by specific placement programs for child abuse or child neglect and juvenile justice, including, but not limited to, paid relative placement, department direct family foster care, private-agency-supervised foster care, private child caring institutions, county-supervised facilities, and independent living. The report must also include the number of days of care for department-operated residential juvenile justice facilities by security classification.

Sec. 521. From the funds appropriated in part 1, the department shall allocate $1,000,000.00 to fund support services for child welfare caseworkers and supervisors suffering from post-traumatic stress syndrome and other mental health conditions.

Sec. 522. (1) From the funds appropriated in part 1 for youth in transition, the department shall allocate $750,000.00 for

scholarships through the fostering futures scholarship program in the Michigan education trust to youth who were in foster care because of child abuse or child neglect and are attending a college or a career technical educational institution located in this state. One hundred percent of the funds appropriated must be used to fund scholarships for the youth described in this section.

(2) Not later than June 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report that includes the number of youth who applied for scholarships under this section, the number of youth who received scholarships under this section and the amount of each scholarship, and the total amount of funds spent or encumbered in the current fiscal year.

Sec. 523. (1) Not later than February 15 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the families first, family reunification, and families together building solutions family preservation programs. The report must include both of the following:

(a) Population and outcome data based on families served.

(b) For each program, information on any innovations that may increase child safety and reduce risk.

(2) Not later than October 1 of the current fiscal year, from the funds appropriated in part 1 for family preservation services, the department shall increase the rates established by the increase under section 523(3) of article 6 of 2020 PA 166.

Sec. 524. As a condition of receiving funds appropriated in part 1 for strong families/safe children, not later than October 1 of the current fiscal year, counties shall submit the service spending plan to the department for approval. Not later than 30

calendar days after receipt of a properly completed service spending plan, the department shall approve the service spending plan.

Sec. 525. The department shall maintain the same on-site evaluation processes for privately operated child welfare and juvenile justice residential facilities as is used to evaluate state-operated facilities. Penalties for noncompliance must be the same for privately operated child welfare and juvenile justice residential facilities and state-operated facilities.

Sec. 527. From the funds appropriated in part 1, the department shall allocate $5,000,000.00 to support expanded bed capacity for residential juvenile justice.

Sec. 528. From the funds appropriated in part 1 for child care fund, the department shall allocate $3,730,300.00 to support the annual basic grant to counties with a population of less than 75,000, according to the most recent federal decennial census, and as described in section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, and to eligible tribal entities. The basic grant must be $56,520.00 to eligible counties and tribal entities.

Sec. 529. From the funds appropriated in part 1 for family preservation programs, the department shall increase the total combined funding levels of the families first, family reunification, and families together building solutions family preservation programs at an amount not less than the amount provided as of September 30, 2021.

Sec. 530. (1) All master contracts relating to foster care and adoption services as funded by the appropriations in section 105 of part 1 must be performance-based contracts that employ a client-centered and results-oriented process that is based on measurable

performance indicators and desired outcomes and includes an annual assessment of the quality of services provided.

(2) Not later than February 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report detailing measurable performance indicators, desired outcomes, and an assessment of the quality of services provided by the department during the previous fiscal year.

Sec. 531. (1) The department shall research potential programming focusing on wrap-around services for youth and families in the child welfare system. Research must include, but not be limited to, the possible expansion of TANF and federal Title IV-E funding for families outside of the formal child welfare system.

(2) By April 1 of the current fiscal year, the department shall submit to the standard report recipients a report on the findings of the research described in subsection (1).

Sec. 532. Beginning on October 1 of the current fiscal year, the department shall hold semiannual meetings with state and private residential providers to receive feedback and discuss potential improvements to the residential system.

Sec. 534. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the adoption subsidies expenditures from the previous fiscal year. The report must include, but is not limited to, the range of non-$0.00 annual adoption support subsidy amounts, for both title IV-E eligible cases and state-funded cases, paid to adoptive families; the number of title IV-E and state-funded cases; the number of cases in which an adoption support subsidy request by an adoptive parent was denied by the department; and the number of adoptive parents who requested an adoption support subsidy

redetermination.

Sec. 537. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the following information for cases of child abuse or child neglect from the previous fiscal year:

(a) The total number of relative care placements.

(b) The total number of relative care placements into unlicensed relative homes.

(c) The total number of relative care placements into licensed relative homes.

(d) The total number of unlicensed relative providers with a relative placement that were denied a foster home license due to not meeting the standards established for foster care licensing in this state.

(e) From a sample of cases, a list of the reasons documented by the department for denial of relative foster home licensure.

(f) For licensed relative caregivers without placements, the status of title IV-E claims for foster care maintenance payments and foster care administrative payments.

Sec. 540. If a physician or psychiatrist who is providing services to a state or court ward placed in a residential facility submits a formal request to the department to change the psychotropic medication for a ward, the department shall, if the ward is a state ward, make a determination on the proposed change not later than 7 business days after the request or, if the ward is a temporary court ward, seek parental consent not later than 7 business days after the request. If the determination or parental consent is not provided by the seventh business day, the department shall petition the court for the determination or consent on the

eighth business day.

Sec. 546. (1) From the funds appropriated in part 1 for foster care payments and from child care fund, the department shall pay an administrative rate of not less than $60.20 to providers of general foster care, independent living, and trial reunification services.

(2) From the funds appropriated in part 1, the department shall pay providers of independent living plus services per diem statewide rates for staff-supported housing and host-home housing that are based on proposals submitted in response to a solicitation for pricing. The independent living plus program provides staff-supported housing and services for foster youth 16 years of age to 19 years of age who, because of their individual needs and assessments, are not initially appropriate for general independent living foster care.

(3) If required by the federal government to meet title IV-E requirements, on a quarterly basis, providers of foster care services shall submit a report on expenditures to the department to identify actual costs of providing foster care services.

Sec. 547. (1) From the funds appropriated in part 1 for the guardianship assistance program, the department shall pay a minimum rate that is not less than the approved age-appropriate payment rates for youth placed in family foster care.

(2) The department shall submit, to the standard report recipients, a report that includes quarterly data on the number of children enrolled in the guardianship assistance and foster care – children with serious emotional disturbance waiver programs.

Sec. 550. (1) The department shall not offset against reimbursements to counties or seek reimbursement from counties for charges that were received by the department more than 12 months

before the department seeks to offset against reimbursement. A county shall not request reimbursement, and reimbursements must not be paid, for a charge that is more than 12 months after the date of service or original status determination when initially submitted by the county.

(2) Not later than 12 months after a date of service, a service provider shall submit a request for payment. A request for payment submitted later than 12 months after the date of service requires the provider to submit an exception request to the county or the department for approval or denial.

(3) A county is not subject to any offset, chargeback, or reimbursement liability for a prior expenditure resulting from an error in a foster care fund source determination.

Sec. 551. Not later than 30 days after a county requests a clarification through the department's child care fund management unit email address, the department shall respond to the request.

Sec. 552. Sixty days after a county's child care fund review is completed, including the receipt of all requested documentation from the county, the department shall provide the results of the review to the county. In the review, the department shall not evaluate the relevancy, quality, effectiveness, efficiency, or impact of the services provided to youth by the county's child care fund programs. The department shall not release the results of a county's child care fund review to a third party without the permission of the county.

Sec. 557. If a vehicle that is owned by the state is available and not scheduled for use by other state workers, the department may consider a children's protective services caseworker or a foster care caseworker driving the vehicle to a foster home visit

or driving the vehicle to the caseworker's own home as an allowable use of the vehicle if the driving would be helpful to the caseworker in conducting the caseworker's work.

Sec. 559. (1) From the funds appropriated in part 1 for adoption support services, not later than December 1 of the current fiscal year, the department shall allocate $500,000.00 to operate an adoptive parent mentor program to provide a listening ear, knowledgeable guidance, and community connections to adoptive parents and children who were adopted in this state or another state.

(2) Not later than March 1 of the current fiscal year, the grant recipient shall submit, to the standard report recipients, a report on the program described in subsection (1), including, but not limited to, the number of cases served and the number of cases in which the program prevented an out-of-home placement.

Sec. 560. From funds appropriated in part 1 for foster care payments, the department shall allocate $100,000.00 to reimburse children in foster care for the costs of extracurricular activities, which include, but are not limited to, athletics, music, band, drama, and other enrichment activities.

Sec. 562. If a foster parent transports a foster child to parent-child visitation, the department shall reimburse the foster parent for the foster parent's time and travel. As part of the foster care parent contract, the department shall provide written confirmation to foster parents that states that the foster parents have the right to request reimbursement for all parent-child visitations. Not later than 60 days after receiving a request from a foster parent for eligible reimbursement, the department shall provide the reimbursement.

Sec. 564. (1) The department shall maintain a clear policy for parent-child visitations. The local county offices, caseworkers, and supervisors shall meet an 85% success rate, after accounting for factors outside of caseworker control.

(2) In accordance with the court-ordered number of required meetings between caseworkers and a parent, the caseworkers shall achieve a success rate of 85%, after accounting for factors outside of caseworker control.

(3) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the following:

(a) The percentage of success rates for parent-child visitations and court-ordered required meetings under subsections (1) and (2) for the previous fiscal year.

(b) The barriers to achieve the success rates described in subsections (1) and (2) and how this information is tracked.

Sec. 568. (1) The department shall ensure each youth transitioning out of foster care is given assistance with obtaining a driver license or state identification card and is issued a copy of the youth's Social Security number, as required by department policy. Assistance must be provided to each youth who is eligible to obtain a driver license or state identification card and, based on the youth's citizenship and legal residency status, a Social Security card.

(2) Not later than April 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the number of youth who received assistance with obtaining a driver license or state identification card, the number of youth who received assistance with obtaining a Social Security

card, and the number of youth who were eligible for assistance but did not receive the assistance and an explanation as to why the youth did not receive the assistance.

Sec. 569. The department shall reimburse each private child placing agency that completes an adoption at the rate on the date when the petition for adoption and the required support documentation were accepted by the court and not the rate on the date when the court's order placing for adoption was entered.

Sec. 574. (1) From the funds appropriated in part 1 for foster care payments, $1,375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers for assistance with home improvements and items needed to ensure compliance with licensing rule requirements, including payment for physical exams needed by foster families, and, to accommodate children in foster care, alleviating potential safety concerns for unlicensed relatives caring for a family member through the child welfare system.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the total amount expended in the previous year for grants to private and community-based foster care service providers for home improvements or physical exams described in subsection (1) and the number of grants issued.

Sec. 575. From the funds appropriated in part 1 for children's services administration, the department shall allocate $200,000.00 to provide support and coordinated services to the kinship caregiver advisory council. The responsibilities of the council may include all of the following:

(a) Establishing a public awareness campaign to educate the

public about kinship caregivers and this state's efforts to better serve kinship caregivers.

(b) Consulting and coordinating with the kinship caregiver navigator program to collect aggregate data on individuals being served by the kinship caregiver navigator program, including information on what services the individuals need.

(c) Consulting and collaborating with the provider of the kinship caregiver navigator program on the design and administration of the program.

(d) Establishing, maintaining, and updating a list of local support groups and programs that provide services to kinship families and, in order to obtain a better understanding of the issues facing kinship families, devising a plan of action for engaging with the groups and programs on the list.

(e) Developing methods to promote and improve collaboration between state, county, and local governments and agencies and private stakeholders for all of the following reasons:

(*i*) To obtain a broad understanding of the characteristics and prevalence of kinship caregiving.

(*ii*) To improve service delivery.

(*iii*) To include the methods in the council's recommendations.

Sec. 578. (1) From the funds appropriated in part 1 for foster care payments, the department shall allocate up to $1,744,100.00 in Title IV-E passthrough funds for educational pilot programs to strengthen this state's child welfare workforce. The department shall enter into contractual arrangements with state universities to provide bachelor of social work and master of social work educational training, including field placements and stipends for tuition and educational expenses. In exchange, students completing

eligible educational programs are contractually obligated to work for Michigan child welfare agencies for a minimum of 4 months for every semester they receive the stipend. The matching funds for the Title IV-E funds must be provided by the participating state universities from the expenses incurred for training child welfare students who participate in the program.

(2) Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the status of pilot programs under subsection (1) that includes, but is not limited to, the total number of applicants, the total number of program participants, a list of state universities that participated in the pilot programs, and the total amount of matching funds that each state university contributed to the programs.

Sec. 581. From the funds appropriated in part 1 for foster care payments, the department shall allocate $50,000.00 for caseworkers to provide immediate assistance with urgent needs, including, but not limited to, food, clothing, and other basic necessities, for children, including children who are victims of human trafficking, on the children's removal from the children's homes or other dangerous environments. The department shall track the distribution of the funds and, not later than June 1 of the current fiscal year, submit, to the standard report recipients, a report on the amount of funds distributed and the number of children impacted.

Sec. 583. Not later than March 1 of the current fiscal year, the department shall submit, to the standard report recipients and the senate and house of representatives standing committees that cover subject matters dealing with families and human services, a

report that includes all of the following:

(a) The number and percentage of foster parents that closed their license in the previous fiscal year, the reasons the foster parents left, and how the figures compare to the figures for prior fiscal years.

(b) The number and percentage of foster parents successfully retained in the previous fiscal year and how the figures compare to the figures for prior fiscal years.

(c) The number and percentage of licensed foster homes that closed their license because they adopted their foster child.

Sec. 585. Each month, the department shall make available at least 1 pre-service training class in which new caseworkers for private foster care and adoption agencies can enroll.

Sec. 588. (1) Concurrently with public release, the department shall transmit, without revision, all reports from the court-appointed settlement monitor, including, but not limited to, the needs assessment and period outcome reporting, to the standard report recipients.

(2) Not later than October 1 of the current fiscal year, the department shall submit, to the standard report recipients, a detailed plan that addresses the status and progress toward exiting the settlement by September 30 of the current fiscal year. The report must include an update on the department's child welfare initiative.

Sec. 589. (1) From the funds appropriated in part 1 for child care fund, the department shall pay 100% of the administrative rate for all new cases referred to providers of foster care services.

(2) On a quarterly basis, the department shall submit a report, to the standard report recipients, on the monthly number of

all foster care cases administered by the department and all foster care cases administered by private providers.

Sec. 592. On a quarterly basis, the department shall submit, to the chairs of the senate and house of representatives standing oversight committees and the standard report recipients, a report that includes data from children's protective services staff for each of the following for the most recent quarter before the applicable report is submitted:

(a) The percent of investigations commenced in 24 hours immediately after receiving a report.

(b) The percent of central registry reviews performed for required individuals.

(c) The percent of face-to-face contacts made within the established timeframe required by the department.

(d) In appropriate cases, the percent of sibling placement evaluations completed when 1 or more children remain in the home after a child has been removed.

(e) The percent of supervisory reviews performed in a timely manner.

(f) The results of a department survey of children's protective services investigators on the number of investigators who are concerned for their own personal safety.

(g) The percent of investigators using the mobile application or another tool to document compliance.

Sec. 593. The department shall conduct an annual review in each county to determine if the county has adopted and implemented standard child abuse and child neglect investigation and interview protocols under section 8(6) of the child protection law, 1975 PA 238, MCL 722.628.

Sec. 594. From the funds appropriated in part 1 for foster care payments, the department shall support regional resource teams to provide for the recruitment, retention, and training of foster and adoptive parents and shall expand the Michigan youth opportunities initiative to all counties of this state. The purpose of the funding is to increase the number of annual inquiries from prospective foster parents, increase the number of nonrelative foster homes that achieve licensure each year, increase the annual retention rate of nonrelative foster homes, reduce the number of older foster youth placed outside of family settings, and provide older youth with enhanced support in transitioning to adulthood.

Sec. 598. Partial child care fund reimbursements to counties for undisputed charges must not be made later than 45 business days after receipt of the required forms and documentation. Not later than 15 business days after receiving a request from a county for reimbursement of a disputed charge, the department shall commence activity to investigate and resolve the disputed reimbursement charge. The activity to investigate and resolve a disputed reimbursement charge may include, but is not limited to, the use of a formal appeals process under applicable law and the department chargeback policy. Not later than 45 business days after a properly corrected submission by the county, the department shall reimburse the county for the corrected charge or charges.

PUBLIC ASSISTANCE

Sec. 601. After a client agrees to the release of the client's name and address to the local housing authority, the department shall request from the local housing authority information regarding whether the housing unit for which vendoring has been

requested meets applicable local housing codes. Vendoring must be terminated if the local housing authority indicates in writing that the unit does not meet local housing codes and until the local housing authority indicates in writing that the local housing codes have been met.

Sec. 602. The department shall conduct a full evaluation of an individual's assistance needs if the individual has applied for disability more than 1 time in a 1-year period.

Sec. 603. For any change in the income of a recipient of the food assistance program, the family independence program, or state disability assistance that results in a benefit decrease, the department shall notify the recipient of the amount of the decrease not later than 15 work days before the first day of the month in which the decrease takes effect.

Sec. 604. (1) From the funds appropriated in part 1 for state disability assistance payments, the department shall operate a state disability assistance program. Except as provided in subsection (3), to be eligible for the program, an individual must be a needy citizen of the United States or alien exempted from the SSI citizenship requirement who is not less than 18 years of age, or an emancipated minor, and meets 1 or more of the following requirements:

(a) Is a recipient of SSI, Social Security, or medical assistance due to disability or being 65 years of age or older.

(b) Is an individual with a physical or mental impairment that meets federal SSI disability standards, except that the minimum duration of the disability must be 90 days. Substance use disorder alone is not a basis for eligibility.

(c) Is a resident of an adult foster care facility, a home for

the aged, a county infirmary, or a substance use disorder treatment center.

(d) Is an individual receiving 30-day postresidential substance use disorder treatment.

(e) Is an individual diagnosed as having AIDS.

(f) Is an individual receiving special education services through a local intermediate school district.

(g) Is a caretaker of a disabled individual who meets the requirements specified in subdivision (a), (b), (e), or (f).

(2) An applicant for or recipient of state disability assistance is considered needy if the applicant or recipient does both of the following:

(a) Meets the same asset test as is applied for the family independence program.

(b) Has a monthly budgetable income that is less than the payment standards.

(3) Except for an individual described in subsection (1)(c) or (d), an individual is not disabled under this section if the individual's drug addiction or alcoholism is a contributing factor material to the determination of disability.

(4) As used in this section:

(a) "Material to the determination of disability" means that, if the individual stopped using drugs or alcohol, the individual's remaining physical or mental limitations would not be disabling. If the individual's remaining physical or mental limitations would be disabling, then the drug addiction or alcoholism is not material to the determination of disability and the individual may receive state disability assistance, but the individual must actively participate in a substance abuse treatment program, and the

assistance must be paid to a third party or through vendor payments.

(b) "Substance abuse treatment" includes receipt of inpatient or outpatient services or participation in Alcoholics Anonymous or a similar program.

Sec. 605. The level of reimbursement provided to state disability assistance recipients in licensed adult foster care facilities must be the same as the prevailing SSI rate under the personal care category.

Sec. 606. County department offices shall require each recipient of family independence program and state disability assistance who has applied with the Social Security Administration for SSI to sign a contract to repay any assistance rendered through the family independence program or state disability assistance program on receipt of retroactive SSI benefits.

Sec. 607. (1) The department's ability to satisfy appropriation deductions in part 1 for state disability assistance/supplemental security income recoveries and public assistance recoupment revenues is not limited to recoveries and accruals pertaining to state disability assistance, or family independence program grant payments provided only in the current fiscal year and may include revenues collected during the current year that are prior-year-related and not a part of the department's accrued entries.

(2) The department may use SSI recoveries to satisfy the deduct in any line in which the revenues are appropriated, regardless of the source from which the revenue is recovered.

Sec. 608. An adult foster care facility that provides domiciliary care or personal care to a resident receiving SSI or a

home for the aged serving a resident receiving SSI shall not require a resident described in this section to reimburse the home for the aged or adult foster care facility for care at a rate in excess of a rate that is authorized by the legislature. To the extent permitted by federal law, an adult foster care facility and home for the aged that serves a resident receiving SSI is not prohibited from accepting a third-party payment in addition to SSI if the payment is not for food, clothing, or shelter, or would result in a reduction in the resident's SSI payment.

Sec. 609. The department shall not reduce the state supplementation level under the SSI program for the personal care/adult foster care and home for the aged categories during the current fiscal year. Not later than 30 days before a proposed reduction in the state supplementation level, the department shall notify the legislature of the proposed reduction.

Sec. 610. (1) The department shall grant an exemption from the good-cause criteria for the state emergency relief program if an emergency results from an unexpected expense related to maintaining or securing employment.

(2) In determining housing affordability eligibility for state emergency relief, a group is considered to have sufficient income to meet ongoing housing expenses if the group's total housing obligation does not exceed 75% of the group's total net income.

(3) The department shall not make a state emergency relief payment to an individual who has been found guilty of fraud in obtaining public assistance.

(4) The department shall not make a state emergency relief payment to an individual who is an out-of-state or nonlegal resident.

(5) The department shall distribute a state emergency relief payment for rent assistance directly to a landlord and shall not add the payment to a Michigan bridge card.

Sec. 611. The state supplementation level under the SSI program for the living independently category or living in the household of another category must not exceed the minimum state supplementation level as required under federal law.

Sec. 613. (1) From the funds appropriated in part 1 for indigent burial, the department shall provide a reimbursement for the final disposition of an indigent individual. A reimbursement under this section must comply with all of the following:

(a) The maximum allowable reimbursement for the final disposition is $960.00.

(b) The adult burial with services allowance is $875.00.

(c) The adult burial without services allowance is $610.00.

(d) The infant burial allowance is $240.00.

(e) The adult cremation with services allowance is $640.00.

(f) The adult cremation without services allowance is $390.00.

(g) The maximum allowable reimbursement where an irrevocable funeral agreement exists is $260.00.

(2) The department shall reimburse up to $80.00 for a cremation permit fee and for mileage at the standard rate for an eligible cremation. A reimbursement under this subsection must take into consideration whether an indigent individual's religious preference prohibits cremation.

(3) An application for burial services must be made no later than 20 business days after the burial, cremation, or donation takes place. A friend or relative of the indigent individual may supplement the burial payment in any amount up to $6,000.00 for

additional services. A funeral director, with written authorization provided by a relative of the indigent individual, is deemed an authorized representative for burial benefits.

(4) By January 31 of the current fiscal year, the department shall submit a report to the standard report recipients on burial service payments issued from the state emergency relief program during the previous fiscal year. The report must include the number of applicants denied and the number of payments by the following burial service categories:

(a) Fetus or infant less than 1 month of age.

(b) Burial with memorial service.

(c) Burial without memorial service.

(d) Cremation with memorial service.

(e) Cremation without memorial service.

(f) Transportation of a donated or unclaimed body being cremated.

(g) Cremation permit fee for an unclaimed body.

(h) Disposition of an unclaimed body.

(i) Payment if an irrevocable funeral agreement exists.

(j) An unclaimed body received by a university.

Sec. 614. By January 15 of the current fiscal year, the department shall submit a report to the standard report recipients on the number and percentage of state disability assistance recipients who were determined to be eligible for federal SSI benefits in the previous fiscal year.

Sec. 615. Except as required by federal law, the department shall not use funds appropriated in part 1 to provide public assistance to an individual who is not a United States citizen, permanent resident alien, or refugee. This section does not

prohibit the department from entering into a contract with a food bank, emergency shelter provider, or another human service agency that may, as a normal part of doing business, provide food or emergency shelter.

Sec. 616. The department shall require a retailer that participates in the electronic benefits transfer program to charge no more than a $2.50 fee for cash back as a condition of participation.

Sec. 619. The department shall not deny a title IV-A assistance and food assistance benefit under 21 USC 862a to an individual who has been convicted of a felony for the possession, use, or distribution of a controlled substance, if both of the following are met:

(a) The act that resulted in the conviction occurred after August 22, 1996.

(b) The individual is not in violation of the individual's probation or parole requirements.

Sec. 620. (1) The department shall determine a Medicaid applicant's Medicaid eligibility not later than 90 days after the Medicaid applicant completes a Medicaid application if the Medicaid applicant's disability is an eligibility factor. For other Medicaid applicants, including an applicant who is a patient of a nursing home, the department shall determine the applicant's Medicaid eligibility within 45 days after receiving the Medicaid applicant's application.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on the number of recipients who were ineligible for Medicaid after Medicaid eligibility redeterminations resumed after federal continuous enrollment

requirements ended. The report must include, in a monthly data format, the number of recipients who had their eligibility examined directly, through an ex parte eligibility process or through a passive eligibility process. The report must also include a copy of each baseline and monthly report that the department provides to CMS for unwinding data reporting and the number of recipients who did not respond to the department through eligibility outreach or data requests.

Sec. 645. The department shall consider an individual or family to be homeless for purposes of eligibility for state emergency relief, if the individual or family is living temporarily with another in order to escape domestic violence. The department shall define and verify domestic violence in the same manner as the department defines and verifies that term in the department's policies on good cause for not cooperating with child support and paternity requirements.

Sec. 652. (1) Not later than November 1 of the current fiscal year, the department shall request a waiver from the United States Department of Agriculture to exclude soda and candy from the definition of eligible foods under 7 CFR 271.2. If the United States Department of Agriculture grants the waiver requested under this subsection, the funds appropriated in part 1 for food assistance program benefits must not be used to purchase soda or candy with benefits provided through the food assistance program.

(2) As used in this section, "soda" means any nonalcoholic beverage that contains natural or artificial sweeteners. Soda does not include a beverage that contains milk or milk substitutes or is greater than 50% vegetable juice or fruit juice by volume.

(3) As used in this section, "candy" means preparations of

sugar, honey, or other sweeteners in combination with chocolate, fruits, nuts, or other ingredients in the form of bars, drops, or pieces. Candy does not include bars, drops, or pieces that contain flour or that require refrigeration.

Sec. 653. From the funds appropriated in part 1 for food assistance program benefits, an individual who is the victim of domestic violence or human trafficking and who does not qualify for any other exemption may be exempt from the 3-month in 36-month limit on receiving food assistance under 7 USC 2015. The department may extend the exemption for an additional 3 months if an individual described in this section demonstrates to the department a continuing need.

Sec. 654. The department shall notify a recipient of food assistance program benefits that the recipient's benefits can be spent with the recipient's Michigan bridge card at many farmers markets in this state. The department shall also provide a recipient with information about the double up food bucks program that is administered by the Fair Food Network. The information about the double up food bucks program must include, but is not limited to, information that if the recipient spends $20.00 at a participating farmers market through the program, the recipient may receive an additional $20.00 to buy Michigan produce.

Sec. 655. Not later than 14 days after the spending plan for low-income home energy assistance program is approved by the state budget office, the department shall provide the spending plan, including itemized projected expenditures and itemized expenditures for the previous fiscal year, to the standard report recipients.

Sec. 660. From the funds appropriated in part 1 for Michigan agricultural surplus system, the department shall allocate

$12,045,000.00 for procuring and distributing the Michigan agricultural surplus system to distribute surplus produce to low-income residents of this state.

Sec. 669. From the funds appropriated in part 1 for family independence program – clothing allowance, the department shall allocate $10,000,000.00 for the annual clothing allowance. The department shall grant the allowance to eligible children in a family independence program group.

Sec. 672. (1) By February 15 of the current fiscal year, the department's office of inspector general shall submit a report to the standard report recipients on the department's efforts to reduce the inappropriate use of Michigan bridge cards and food assistance program trafficking. The department shall provide information on the number of recipients of services who used their Michigan bridge card inappropriately and the current status of each case, the number of recipients whose benefits were permanently and temporarily revoked as a result of inappropriately using their Michigan bridge cards, and the number of retailers that were fined or removed from the electronic benefit transfer program for permitting the inappropriate use of Michigan bridge cards. The report must also include the number of Michigan bridge card trafficking instances and overall welfare fraud referrals, that includes, but is not limited to, information on the number of investigations completed, fraud and intentional program violation dollar amounts identified, the number of referrals to prosecutors, the number of administrative hearing referrals and waivers, and the number of program disqualifications imposed. The report must distinguish between savings and cost avoidance. As used in this subsection:

(a) "Cost avoidance" includes expenditures avoided due to front-end eligibility investigations and other preemptive actions undertaken in the prevention of fraud.

(b) "Savings" includes receivables established from instances of fraud committed.

(2) If a fourth Michigan bridge card has been issued to a household in a 12-month period, the department shall notify the household that the household has reached the number of issued cards threshold. At a household's fifth and each subsequent card replacement request, a card will not be issued until a recipient from the household has spoken directly to the local office district manager or county director. The district manager or county director may issue a new Michigan bridge card based on the district manager's or county director's assessment of the recipient's situation and the recipient's explanation.

(3) As used in this section:

(a) "Food assistance trafficking" means the buying and selling of food assistance benefits for cash or items not authorized under 7 USC 2036b.

(b) "Inappropriate use" means not used to meet a family's ongoing basic needs, including, but not limited to, food, clothing, shelter, utilities, household goods, personal care items, and general incidentals.

Sec. 673. From the funds appropriated in part 1, the department shall allocate an amount not to exceed $16,300,000.00 to adopt chip card technology for all Michigan bridge cards and any other credit and debit industry standards as published by the Accredited Standards Committee X9. The department shall implement these standards by January 1 of the current fiscal year.

Sec. 674. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $333,528,900.00, for federal food assistance program contingency authorization. Amounts appropriated under this section are not available for expenditure until they have been transferred to the food assistance program benefits line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, and the department has provided a report to the standard report recipients detailing a plan to lower the food assistance program error rate and any other efforts to reduce fraud, abuse, and waste in the food assistance program.

Sec. 677. (1) The department shall establish a state goal for the percentage of family independence program cases involved in employment activities. The percentage established must not be less than 50%. The goal for long-term employment must be 15% of cases for 6 months or more.

(2) The department shall submit an annual report, providing quarterly data, to the standard report recipients on the number of cases referred to PATH, the current percentage of family independence program cases involved in PATH employment activities, an estimate of the current percentage of family independence program cases that meet federal work participation requirements on the whole, and an estimate of the current percentage of the family independence program cases that meet federal work participation requirements for those cases referred to PATH.

(3) The department shall submit a report to the standard report recipients. The report must include quarterly data on all of the following:

(a) The number and percentage of nonexempt family independence

program recipients who are employed.

(b) The average and range of wages of employed family independence program recipients.

(c) The number and percentage of employed family independence program recipients who remain employed for 6 months or more.

Sec. 678. (1) From the funds appropriated in part 1 for family independence program - child supplemental payment, the department shall allocate $20,240,100.00 of TANF revenue to provide a supplemental payment for the current fiscal year for each child under 14 years of age within a family receiving cash assistance. Not later than November 30 of the current fiscal year, the department shall distribute an equal payment based on the following:

(a) 70% of the funds available in part 1 and the total number of children under 6 years of age who are within a family receiving cash assistance.

(b) 30% of the funds available in part 1 and the total number of children who are not less than 6 years of age and up to 14 years of age within a family receiving cash assistance.

(2) By February 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the amount of funding distributed under this section and shall include the number of family independence program cases, the number of family independence program eligible children by age group, and the amount of funding distributed by age category.

Sec. 679. (1) From the funds appropriated in part 1 for family independence program - kinship care supplemental payment, the department shall allocate $5,000,000.00 to provide a supplemental payment for each child within a family receiving a family

independence program ineligible grantee award. Not later than November 30 of the current fiscal year, the department shall distribute an equal payment of not less than $200.00 based on funds available in part 1 and the total number of children who are within a family receiving an ineligible grantee award.

(2) By February 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the amount of funding distributed under this section and shall include the number of family independence program cases with an ineligible grantee.

Sec. 686. (1) The department shall confirm that an individual who presents a personal identification issued by another state and is seeking assistance through the family independence program, food assistance program, state disability assistance program or medical assistance program is not receiving benefits from another state.

(2) The department shall confirm the address provided by an individual who is seeking family independence program benefits or state disability assistance benefits.

(3) The department shall prohibit an individual who has property assets assessed at a value higher than $200,000.00 from receiving assistance through a department-administered program, unless prohibiting assistance would violate a federal law or guideline.

(4) The department shall make a reasonable attempt to obtain an up-to-date telephone number for an individual seeking medical assistance benefits during the eligibility determination or redetermination process for the individual.

(5) The department shall conduct eligibility redetermination for recipients of Healthy Michigan plan benefits on a 6-month

basis.

Sec. 687. (1) On a quarterly basis, the department shall compile and make available a report on its website that contains all of the following information about the family independence program, state disability assistance, the food assistance program, indigent burial, Medicaid, and state emergency relief:

(a) The number of applications received.

(b) The number of applications approved.

(c) The number of applications denied.

(d) The number of applications pending and neither approved nor denied.

(e) The number of cases opened.

(f) The number of cases closed.

(g) The number of cases at the beginning of the quarter and the number of cases at the end of the quarter.

(2) The department shall compile and make the information provided under subsection (1) available for this state as a whole and for each county and shall report the information separately for each program listed in subsection (1).

(3) On a quarterly basis, the department shall compile and make available a report on its website of the following family independence program information:

(a) The number of new applicants who successfully met the requirements of the 10-day assessment period for PATH.

(b) The number of new applicants who did not meet the requirements of the 10-day assessment period for PATH.

(c) The number of cases sanctioned because of a school truancy policy.

(d) The number of cases closed because of the lifetime limits.

(e) The number of first-, second-, and third-time sanctions.

(f) The number of children 0 to 5 years of age who are living in a family independence program-sanctioned household.

Sec. 688. From the funds appropriated in part 1 for the low-income home energy assistance program, the department shall make an additional $20.01 payment to each food assistance program case that is not currently eligible for the standard utility allowance to allow each case to receive expanded food assistance benefits through the program commonly known as the heat and eat program.

CHILDREN'S SERVICES AGENCY – JUVENILE JUSTICE

Sec. 701. Unless required by a change to federal law or the law of this state or at the request of a provider, the department shall not alter the terms of a signed contract with a private residential facility that serves children who are under state or court supervision without receiving written consent from a representative of the private residential facility.

Sec. 702. Not later than October 15 and quarterly thereafter, the department shall submit a report to the standard report recipients that includes all of the following:

(a) The current facility name and location of the youth who were residing at the Shawono Center on January 24, 2024.

(b) The current employment status and location of employment of staff employed at the Shawono Center on January 24, 2024. The information must include the number of staff that have relocated to the new Michigan youth treatment center.

(c) The number of youth who were residing at the Shawono Center on January 24, 2024 that returned to their homes.

Sec. 706. A county is subject to a 50% chargeback for the use

of an alternative regional detention service, if the detention service does not fall under the basic grant provision of section 117e of the social welfare act, 1939 PA 280, MCL 400.117e, or if a county operates the detention service program primarily with professional rather than volunteer staff.

Sec. 707. To be reimbursed for child care fund expenditures, a county shall submit to the department the report required under section 117a(11) of the social welfare act, 1939 PA 280, MCL 400.117a, to enable the department to document a potential federally claimable expenditure.

Sec. 708. (1) As a condition of receiving funds appropriated in part 1 for the child care fund line item, by October 15 of the current fiscal year, a county shall have an approved service spending plan for the current fiscal year. Not later than August 15 of the current fiscal year, a county shall submit the county's service spending plan for the following fiscal year to the department for approval. The department shall approve a county's service spending plan not later than 30 calendar days after the department receives a properly completed service spending plan from the county that complies with the requirements of the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b. The department shall notify and submit revisions to a service spending plan to a county whose service spending plan is not approved after initial submission. The department shall not request any additional revisions to a county's service spending plan outside of the requested revision notification submitted to the county by the department. The department shall notify a county that its service spending plan is approved not later than 30 days after the department considers the county's revisions to the county's service

spending plan.

(2) A county shall submit an amendment to its county service spending plan for the current fiscal year to the department not later than August 30 of the current fiscal year. A county shall submit payable estimates for the current fiscal year to the department not later than September 15 of the current fiscal year.

(3) Not later than February 15 of the current fiscal year, the department shall submit a report to the standard report recipients on the number of counties that fail to submit a service spending plan by August 15 of the previous fiscal year and the number of service spending plans not approved by October 15. The report must include the number of county service spending plans that were not initially approved by the department and the number of service spending plans that were not approved by the department after being resubmitted by the county after revisions were requested by the department under subsection (1).

Sec. 709. The department's master contract for juvenile justice residential foster care services must prohibit a contractor from denying a referral for placing a youth, or terminating a youth's placement, if the youth's assessed treatment needs are in alignment with the facility's residential program type, as identified by a court or the department. The master contract must also require that a youth placed in a juvenile justice residential foster care facility has regularly scheduled treatment sessions with a licensed psychologist or a psychiatrist, or both, and access to the licensed psychologist or a psychiatrist as needed.

LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES

Sec. 801. The department shall submit a monthly report to the

standard report recipients on the most recent food assistance program error rate derived from the active cases, reported to the United States Department of Agriculture Food and Nutrition Service for the supplemental nutrition assistance program.

Sec. 802. From the funds appropriated in part 1 for local office staff travel, the department shall allocate up to $100,000.00 annually toward reimbursing the out-of-pocket costs of county board members and county department directors to attend statewide meetings of the Michigan County Social Services Association.

Sec. 804. The funds appropriated in part 1 for public assistance local office staff are only available for public assistance local office state employee payroll costs for public assistance local office state employees who work in an in-person environment.

Sec. 825. (1) From the funds appropriated in part 1 for employment and training support services, the department shall provide an individual with not more than $1,000.00 for vehicle repairs, including a repair done in the previous 12 months. The $1,000.00 limit described in this section includes the combined total of payments made by the department and the work participation program.

(2) By February 1 of the current fiscal year, the department shall submit a report to the standard report recipients that details the total amount of funding distributed and the total number of payments made for vehicle repairs.

Sec. 826. (1) From the funds appropriated in part 1 for local office policy and administration, not less than $300,000.00 is allocated for the department to contract with either prosecuting

attorney offices or a coordinating agency to provide the support and services necessary to increase the capability of this state's prosecutors, adult protective service system, and criminal justice system to effectively identify, investigate, and prosecute elder abuse and financial exploitation.

(2) Not later than March 1 of the current fiscal year, the department shall submit a report to the standard report recipients on the efficacy of the contract.

Sec. 850. (1) The department shall maintain each out-stationed eligibility specialist in a community-based organization, community mental health agency, nursing home, adult placement and independent living setting, FQHC, and hospital, unless the community-based organization, community mental health agency, nursing home, adult placement and independent living setting, FQHC, or hospital requests to discontinue the positions at its facility.

(2) From the funds appropriated in part 1 for donated funds positions, the department shall enter into a contract with any agency that is able and eligible under federal law to provide the required matching funds for federal funding, as determined by federal law.

(3) A contract for a donated funds position for assistance payments must include, but not be limited to, performance metrics on both of the following topics:

(a) Meeting a standard of promptness for processing an application for Medicaid and other public assistance programs under the law of this state.

(b) Meeting required standards for error rates in determining programmatic eligibility, as determined by the department.

(4) The department shall fill an additional donated funds

position only after a new contract has been signed with an agency. The position must be abolished when the contract expires or is terminated.

(5) The department shall classify as a limited-term FTE a new employee who is hired to fill a donated funds position contract or is hired to fill a vacancy from an employee who transferred to a donated funds position.

(6) By March 1 of the current fiscal year, the department shall submit a report to the standard report recipients detailing information on the donated funds positions. The report must include, but is not limited to, the total number of occupied positions, the total private contribution of the positions, and the total cost to this state for a nonsalary expenditure for the donated funds position employees.

Sec. 851. From the funds appropriated in part 1 for adult services local office staff, the department shall seek to reduce the number of older adults who are victims of crime and fraud by increasing the standard of promptness in every county, as measured by commencing an investigation not later than 24 hours after a report is made to the department, establishing face-to-face contact with the client not later than 72 hours after a report is made to the department, and completing the investigation not later than 30 days after a report is made to the department.

DISABILITY DETERMINATION SERVICES

Sec. 890. From the funds appropriated in part 1 for disability determination services, the department shall maintain the unit rates in effect on September 30, 2019 for medical consultants performing disability determination services, including physicians,

psychologists, and speech-language pathologists.

ARTICLE 7

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of insurance and financial services for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	367.5		
GROSS APPROPRIATION		**$**	**73,409,100**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			706,600
ADJUSTED GROSS APPROPRIATION		**$**	**72,702,500**
Federal revenues:			
Total federal revenues			250,000
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			72,452,500
State general fund/general purpose		**$**	**0**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		

Full-time equated classified positions	19.5		
Unclassified salaries--FTEs	6.0	$	955,500
Administrative hearings			173,700
Department services--FTEs	16.0		3,587,900
Executive director programs--FTEs	3.5		916,800
Property management			1,217,200
Worker's compensation			1,200
GROSS APPROPRIATION		**$**	**6,852,300**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDLARA, for debt management			64,900
Special revenue funds:			
Bank fees			543,500
Captive insurance regulatory and supervision fund			51,300
Consumer finance fees			265,200
Credit union fees			891,300
Deferred presentment service transaction fees			240,800
Insurance bureau fund			2,177,500
Insurance continuing education fees			61,600
Insurance licensing and regulation fees			1,849,600
MBLSLA fund			705,500
Multiple employer welfare arrangement			1,100
State general fund/general purpose		**$**	**0**
Sec. 103. INSURANCE AND FINANCIAL SERVICES REGULATION			
Full-time equated classified positions	348.0		
Consumer services and protection--FTEs	96.0	$	15,355,600

Financial institutions evaluation--FTEs	130.0		24,224,900
Insurance evaluation--FTEs	122.0		24,962,600
GROSS APPROPRIATION		**$**	**64,543,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDLARA, for debt management			620,300
Federal revenues:			
Federal revenues			250,000
Special revenue funds:			
Bank fees			6,535,600
Captive insurance regulatory and supervision fund			767,600
Consumer finance fees			2,700,800
Credit union fees			8,317,900
Deferred presentment service transaction fees			2,241,800
Insurance bureau fund			24,533,500
Insurance continuing education fees			972,900
Insurance licensing and regulation fees			11,072,100
MBLSLA fund			6,443,700
Multiple employer welfare arrangement			86,900
State general fund/general purpose		**$**	**0**
Sec. 104. INFORMATION TECHNOLOGY			
Information technology services and projects		$	2,013,700
GROSS APPROPRIATION		**$**	**2,013,700**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDLARA, for debt management			21,400
Special revenue funds:			

Bank fees		125,200
Captive insurance regulatory and supervision fund		11,600
Consumer finance fees		62,300
Credit union fees		211,600
Deferred presentment service transaction fees		42,500
Insurance bureau fund		396,400
Insurance continuing education fees		7,700
Insurance licensing and regulation fees		971,900
MBLSLA fund		163,100
State general fund/general purpose	**$**	**0**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $72,452,500.00 and total state spending under part 1 from state sources to be paid to local units of government is $0.00.

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of insurance and financial services.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated position in the classified

service of this state.

(d) "IDG" means interdepartmental grant.

(e) "MBLSLA fund" means the restricted account established under section 8 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1658.

(f) "MDLARA" means the Michigan department of licensing and regulatory affairs.

(g) "Standard report recipients" means the senate and house appropriations subcommittees on licensing and regulatory affairs and insurance and financial services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and

operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 208. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state

budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 209. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $200,000.00 for federal contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 210. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 211. Not later than 14 days after the release of the

executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 212. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 213. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 214. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 215. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit

the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 216. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 217. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits

earned during the course of employment or generally applicable retirement benefits.

Sec. 218. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in-person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must report to the office before beginning field work. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 219. (1) Funds appropriated in part 1 that are used for grants or grant programs are subject to the following conditions:

(a) Grant funds are to be provided only to an entity that has been established or is operating in this state or another state for at least 36 months before approval or disbursement of grant funds.

(b) Grant funds are to be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program

goals, and how all grant funds will be used, and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report

to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that confirms that the department reviewed and affirmed compliance by each grant recipient to program scope and expenditure of grant funding.

(b) A statement that confirms that the department reviewed applicable program reports and requests for reimbursement.

Sec. 220. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United

States or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 221. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC section 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 222. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 223. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $6,514,000.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $5,875,200.00. Total appropriations for retiree health care legacy costs for the department are estimated at $638,800.00.

Sec. 224. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department shall notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 225. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 226. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 227. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs, including initiatives or programs outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 228. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.

Sec. 229. Funds appropriated in part 1 shall not be expended to support any legislative participation in insurance activities coordinated by insurance and legislative associations.

Sec. 230. The department shall submit a report to the standard

report recipients by September 30 detailing any expenditure of funds for a television or radio production that was made to a third-party vendor in the fiscal year ending September 30, 2026. The report must include all of the following information for each expenditure:

(a) Total amount of the expenditure.

(b) Fund source for the expenditure.

(c) Name of any vendor that created the production and the amount paid to each vendor.

(d) Purpose of the production.

Sec. 231. The department shall allow the chairs, majority vice chairs, and minority vice chairs of the senate and house appropriations committees and the chairs, majority vice chairs, and minority vice chairs of the senate and house subcommittees on licensing and regulatory affairs and insurance and financial services access to all facilities managed by the department at any time Monday through Friday, 8 a.m. to 5 p.m.

INSURANCE AND FINANCIAL SERVICES REGULATION

Sec. 301. The department shall provide a report to the standard report recipients by September 30 based on the annual rate filings from health insurance issuers that includes all of the following:

(a) The number that are approved by the department.

(b) The number that are denied by the department.

(c) The percentage of rate filings processed within the applicable statutory time frames.

(d) The average number of calendar days to process rate filings.

Sec. 302. In addition to the funds appropriated in part 1, the funds collected by the department in connection with a conservatorship under section 32 of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1682, and funds collected by the department from corporations being liquidated under the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, must be appropriated for all expenses necessary to provide for the required services. Funds are available for expenditure when they are received by the department of treasury and must not lapse to the general fund at the end of the fiscal year. The total amount appropriated under this section and section 303 must not exceed $400,000.00.

Sec. 303. The department may make available to interested entities customized listings of nonconfidential information in its possession. The department may establish and collect a reasonable charge to provide this service. The revenue from this service is appropriated when received and must be used to offset expenses to provide the service. Any balance of this revenue collected and unexpended at the end of the fiscal year must lapse to the appropriate restricted fund. The total amount appropriated under this section and section 302 must not exceed $400,000.00.

Sec. 304. The department must electronically transmit the annual report prepared under section 238 of the insurance code of 1956, 1956 PA 218, MCL 500.238, and section 2108 of the banking code of 1999, 1999 PA 276, MCL 487.12108, to the standard report recipients at the time of the publication of the report.

Sec. 305. The department shall update examination manuals and letters of guidance to state-chartered financial institutions as necessary to reflect how the department will evaluate institutions

that provide banking or other financial services to marihuana-related businesses or businesses that transport, test, grow, process, or sell marihuana, based on state statute and guidance. The department may also include guidance or information on how federal law and regulations may impact state-chartered institutions.

Sec. 306. From any federal funds received by the department for the establishment of a state or regional health care claims database, the department shall consider all of the following qualifications for potential entities when awarding any grant for the creation of the database:

(a) Status as a not-for-profit Michigan-based organization or partnership.

(b) Prior experience collecting and analyzing health care data, preferably claims data or similar datasets.

(c) Prior experience working with researchers on health care outcomes and utilization.

(d) Prior experience working with public health officials on public health outcomes and utilization.

(e) Prior experience collecting and analyzing data related to health care pricing.

(f) Ability of organization to provide data that could enhance the value of a database, such as health outcomes, health status, and analysis of care delivery models.

ARTICLE 8

JUDICIARY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the judiciary for the fiscal year ending September 30, 2026, from the following funds:

JUDICIARY			
APPROPRIATION SUMMARY			
Full-time equated exempted positions	641.5		
GROSS APPROPRIATION		**$**	**344,145,500**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			1,902,300
ADJUSTED GROSS APPROPRIATION		**$**	**342,243,200**
Federal revenues:			
Total federal revenues			7,154,900
Special revenue funds:			
Total local revenues			5,500,000
Total private revenues			1,906,100
Total other state restricted revenues			94,844,700
State general fund/general purpose		**$**	**232,837,500**
Sec. 102. SUPREME COURT			
Full-time equated exempted positions	304.0		
Community dispute resolution--FTEs	3.0	$	2,885,100
Drug treatment courts--FTEs	2.0		12,464,400
Foster care review board--FTEs	10.0		1,133,400
Judicial information systems--FTEs	91.0		5,903,400
Judicial institute--FTEs	17.0		2,386,100
Mental health courts and diversion services--FTE	1.0		5,413,200
Other federal grants			275,100

Prescription compliance through oral fluid testing program		1,000,000
State court administrative office--FTEs	83.0	13,090,700
Supreme court administration--FTEs	97.0	13,260,700
Veterans courts		911,200
GROSS APPROPRIATION	**$**	**58,723,300**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of corrections		52,300
IDG from department of state police		1,500,000
IDG from department of state police, Michigan justice training fund		100,000
Federal revenues:		
DOJ, drug court training and evaluation		300,000
DOT, National Highway Traffic Safety Administration		2,258,700
Federal funds		275,100
HHS, access and visitation grant		505,000
HHS, children's justice grant		256,000
HHS, court improvement project		993,700
HHS, safe access for victims economic security grant		420,000
HHS, state opioid response grant		352,200
HHS, title IV-D child support program		885,200
HHS, title IV-E foster care program		326,500
Special revenue funds:		
Local user fees		5,500,000
Interest on lawyers trust accounts		407,600

Private funds			501,100
State justice institute			529,000
Community dispute resolution fund			2,421,200
Drug treatment court fund			1,920,500
Justice system fund			639,600
Law exam fees			786,000
Miscellaneous revenue			161,800
State court fund			418,900
State general fund/general purpose		**$**	**37,212,900**
Sec. 103. COURT OF APPEALS			
Full-time equated exempted positions	179.0		
Court of appeals operations--FTEs	179.0	$	26,014,200
GROSS APPROPRIATION		**$**	**26,014,200**
Appropriated from:			
State general fund/general purpose		**$**	**26,014,200**
Sec. 104. BRANCHWIDE APPROPRIATIONS			
Full-time equated exempted positions	6.0		
Branchwide appropriations--FTEs	6.0	$	10,537,900
GROSS APPROPRIATION		**$**	**10,537,900**
Appropriated from:			
State general fund/general purpose		**$**	**10,537,900**
Sec. 105. JUSTICES' AND JUDGES' COMPENSATION			
Judges positions--591.0 justices and judges			
Supreme court justices' salaries--7.0 justices		$	1,270,500
Circuit court judges' state base salaries--223.0 judges			30,721,500
Circuit court judicial salary standardization			10,196,800
Court of appeals judges' salaries--25.0 judges			4,964,100

District court judges' state base salaries-- 232.0 judges			31,954,200
District court judicial salary standardization			10,608,600
Probate court judges' state base salaries-- 104.0 judges			14,207,200
Probate court judicial salary standardization			4,715,300
Judges' retirement system defined contributions			9,124,100
OASI, Social Security			8,159,200
GROSS APPROPRIATION		**$**	**125,921,500**
Appropriated from:			
Special revenue funds:			
Court fee fund			2,989,900
State general fund/general purpose		**$**	**122,931,600**
Sec. 106. JUDICIAL AGENCIES			
Full-time equated exempted positions	14.0		
Judicial tenure commission--FTEs	14.0	$	2,676,200
GROSS APPROPRIATION		**$**	**2,676,200**
Appropriated from:			
State general fund/general purpose		**$**	**2,676,200**
Sec. 107. INDIGENT DEFENSE - CRIMINAL			
Full-time equated exempted positions	112.5		
Appellate public defender program--FTEs	94.0	$	16,389,000
Juvenile life resentencing--FTEs	18.5		4,965,200
Michigan appellate assigned counsel system roster attorney compensation grants			3,208,100
GROSS APPROPRIATION		**$**	**24,562,300**
Appropriated from:			
Interdepartmental grant revenues:			

IDG from department of state police			250,000
Federal revenues:			
Federal funds			582,500
Special revenue funds:			
Interest on lawyers trust accounts			88,400
Michigan justice fund			380,000
Miscellaneous revenue			172,400
State general fund/general purpose		**$**	**23,089,000**
Sec. 108. INDIGENT CIVIL LEGAL ASSISTANCE			
Indigent civil legal assistance		$	7,937,000
GROSS APPROPRIATION		**$**	**7,937,000**
Appropriated from:			
Special revenue funds:			
State court fund			7,937,000
State general fund/general purpose		**$**	**0**
Sec. 109. TRIAL COURT OPERATIONS			
Full-time equated exempted positions	26.0		
Court equity fund reimbursements		$	60,815,700
Drug case-flow program			250,000
Drunk driving case-flow program			3,300,000
Judicial technology improvement fund			4,815,000
Juror compensation reimbursement--FTE	1.0		6,614,900
Statewide e-file system--FTEs	25.0		11,977,500
GROSS APPROPRIATION		**$**	**87,773,100**
Appropriated from:			
Special revenue funds:			
Court equity fund			50,440,000
Drug case information management fund			250,000

Drunk driving case-flow assistance fund		3,300,000
Judicial electronic filing fund		11,977,500
Judicial technology improvement fund		4,815,000
Juror compensation fund		6,614,900
State general fund/general purpose	**$**	**10,375,700**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $327,682,200.00 and total state spending under part 1 from state sources to be paid to local units of government is $146,009,700.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

JUDICIARY		
SUPREME COURT		
Drug treatment courts	$	9,524,900
Mental health courts and diversion services		5,413,200
Prescription compliance through oral fluid testing program		1,000,000
State court administrative office		200,000
Veterans courts		911,200
JUSTICES' AND JUDGES' COMPENSATION		
Circuit court judicial salary standardization	$	10,196,800
District court judicial salary standardization		10,608,600

OASI, Social Security		1,459,400
Probate court judges' state base salaries		14,207,200
Probate court judicial salary standardization		4,715,300
TRIAL COURT OPERATIONS		
Court equity fund reimbursements	$	60,815,700
Drug case-flow program		250,000
Drunk driving case-flow program		3,300,000
Judicial technology improvement fund		4,815,000
Juror compensation reimbursement		6,614,900
Statewide e-file system		11,977,500
TOTAL	**$**	**146,009,700**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "DOJ" means the United States Department of Justice.

(b) "DOT" means the United States Department of Transportation.

(c) "FTE" means full-time equated exempted positions.

(d) "HHS" means the United States Department of Health and Human Services.

(e) "IDG" means interdepartmental grant.

(f) "OASI" means old age survivor's insurance.

(g) "Standard report recipients" means the senate and house appropriations subcommittees on corrections and judiciary, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(h) "Title IV-D" means the part of the federal social security act, 42 USC 301 to 1397mm, pertaining to the child support

enforcement program.

(i) "Title IV-E" means the part of the federal social security act, 42 USC 301 to 1397mm, pertaining to the foster care program.

Sec. 204. The judicial branch shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The state court administrative office shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by judicial branch employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the judicial branch's budget. The state court administrative office shall submit the report to the standard report recipients and to the senate and

house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 207. Not later than December 15, the judicial branch shall cooperate with the state budget office to prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major judicial program or program area. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 208. From the funds appropriated in part 1, the judicial branch shall maintain a searchable website accessible by the public at no cost that posts all of the expenditures made by the judicial branch within a fiscal year. A post must include the purpose for the expenditure. The searchable website shall be updated on a quarterly basis. The judicial branch shall not provide financial information on the public website that would violate a federal or state law, rule, regulation, or guideline that establishes privacy or security standards applicable to that financial information.

Sec. 209. Not later than 14 days after the release of the executive budget recommendation, the judicial branch shall cooperate with the state budget office to provide an annual report

on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $12,043,600.00 for the judicial branch. From this amount, total appropriations for pension-related legacy costs for the judicial branch are estimated at $10,862,600.00. Total appropriations for retiree health care legacy costs for the judicial branch are estimated at $1,181,000.00.

Sec. 211. The judicial branch shall not take disciplinary action against an employee of the judicial branch because the employee communicates with a member of the legislature or legislative staff unless the communication is prohibited by law and the judicial branch is exercising its authority as provided by law.

Sec. 212. The judicial branch shall receive and retain copies of all reports funded from appropriations in part 1. The judicial branch shall follow federal and state law and guidelines for short-term and long-term retention of records. The judicial branch may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 213. (1) Funds appropriated in part 1 to an entity in the judicial branch must not be expended or transferred to another account without written approval of the authorized agent of the judicial entity. If the authorized agent of the judicial entity notifies the state budget director of its approval of an expenditure or transfer, the state budget director shall

immediately make the expenditure or transfer. The authorized judicial entity agent shall be designated by the chief justice of the supreme court.

(2) Funds appropriated to the judicial branch must not be expended by a component in the judicial branch without the approval of the supreme court.

Sec. 214. To the extent possible, the judicial branch shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 215. The judicial branch shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 216. (1) The judicial branch shall maintain, on a publicly accessible website, a scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the judicial branch's performance.

(2) The judicial branch shall notify the standard report recipients when the quarterly updates to the scorecard are available on a publicly accessible website.

Sec. 217. Not later than November 15, the judicial branch

shall disclose on a publicly accessible website private and other third-party funds received by the judicial branch in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 218. Not later than October 1, 2025, the state court administrative office shall cooperate with the department of technology, management, and budget, to authorize access by the senate and house fiscal agencies to financial information for the judicial branch that is contained within statewide integrated governmental management applications.

JUDICIAL BRANCH

Sec. 301. From the funds appropriated in part 1 for the judicial branch, $711,900.00 is allocated for circuit court reimbursement under section 3 of 1978 PA 16, MCL 800.453, and for costs associated with the court of claims.

Sec. 302. A member of the legislature may request a report or data from the data collected in the judicial data warehouse. The report must be made available to the public upon request, unless disclosure is prohibited by court order or state or federal law. If data is provided under this section, the data must be public and nonidentifying information, as determined by the state court administrative office. As used in this section, "nonidentifying information" means information that does not include personal information that, if released, would be considered invasion of

privacy.

Sec. 303. From the funds appropriated in part 1 for community dispute resolution, community dispute resolution centers shall provide dispute resolution services specified in the community dispute resolution act, 1988 PA 260, MCL 691.1551 to 691.1564, help reduce suspensions and truancy, and improve school environment. The funds appropriated in part 1 for community dispute resolution may be used to develop or expand juvenile diversion services in coordination with local prosecutors.

Sec. 304. From the funds appropriated in part 1 for mental health courts and diversion services, $1,730,000.00 is intended to address the recommendations of the mental health diversion council.

Sec. 305. If funds in the court fee fund are insufficient to pay judges' compensation, the difference between the appropriated amount from that fund for judges' compensation and the actual amount available after the amount appropriated for trial court reimbursement is made is appropriated from the state general fund for judges' compensation. If an appropriation from the state general fund is necessary under this section, not later than 14 days after the appropriation, the state court administrative office shall submit a report to the standard report recipients and the senate and house appropriations committees.

Sec. 306. From the funds appropriated in part 1, the state court administrative office shall submit a report on drug treatment, mental health, and veterans court programs in this state not later than March 1. The report must include all of the following information for each individual court, by program:

(a) The number of each type of program.

(b) The number of program participants.

(c) The impact of the programs on offender criminal involvement and recidivism.

(d) An accounting of previous fiscal year expenditures, including grant amounts requested, grant amounts awarded, and grant amounts expended.

Sec. 307. (1) The funds appropriated in part 1 for drug treatment courts must be administered by the state court administrative office to operate drug treatment court programs. A drug treatment court shall use all available county and state personnel involved in the disposition of cases, including, but not limited to, parole and probation agents, prosecuting attorneys, defense attorneys, and community corrections providers. The funds may be used in connection with other federal, state, and local funding sources.

(2) From the funds appropriated in part 1, the chief justice shall allocate sufficient funds for the Michigan judicial institute to provide in-state training for those identified in subsection (1) and new drug treatment court judges.

(3) The state court administrative office may prioritize funding for courts that have a higher number of filed substance use disorder cases.

(4) To assist the department of corrections and avoid prison bed space growth for nonviolent offenders, the judicial branch shall receive $1,500,000.00 in Byrne formula grant funding through an interdepartmental grant from the department of state police to be used to support drug treatment court costs consistent with Byrne grant program criteria.

Sec. 308. From the funds appropriated in part 1 for prescription compliance through oral fluid testing program, the

state court administrative office shall allocate $1,000,000.00 to continue the prescription compliance through oral fluid testing program in veterans treatment courts, mental health treatment courts, and drug treatment courts to determine compliance with requirements set by the treatment court. The state court administrative office shall submit a report on the program not later than March 1. The report must include, but is not limited to, information on the number of programs existing and new programs established, the number of program participants in each jurisdiction, the number of tests completed, program testing and results, program treatment, and program outcomes, including the rearrest rate of participants in the program and the benefit to this state of using oral fluid testing.

Sec. 309. (1) The Michigan legislature recognizes the status of the Michigan judicial branch as a separate, independent branch of state government, as prescribed by section 2 of article III of the state constitution of 1963.

(2) The Michigan judicial branch recognizes the constitutional obligation of the Michigan legislature to oversee state funding and the state's appropriations process. As prescribed by section 23 of article IX of the state constitution of 1963, all financial records, accountings, audit reports and other reports of public moneys shall be public records and open to inspection. A statement of all revenues and expenditures of public moneys shall be published and distributed annually, as provided by law.

Sec. 310. From the funds appropriated in part 1, the state court administrative office shall submit a statistical report regarding implementation of the parental rights restoration act, 1990 PA 211, MCL 722.901 to 722.908, as it pertains to minors

seeking court-issued waivers of parental consent. The state court administrative office shall report the total number of petitions filed and the total number of petitions granted under the act.

Sec. 311. From the funds appropriated in part 1, the judicial branch shall support a statewide legal self-help internet website and local nonprofit self-help centers that use the statewide website to provide assistance to individuals who represent themselves in civil legal proceedings. The state court administrative office shall summarize the costs to maintain the website, provide statistics on the number of individuals who visit the website, and provide information on content usage, form completion, and user feedback not later than March 1 for the previous fiscal year.

Sec. 312. From the funds appropriated in part 1, the state court administrative office shall submit a report on the statewide judicial case management system not later than March 1. The report must provide a status update on development and implementation of the statewide judicial case management system and must include all appropriation and expenditure data for all previous and the current fiscal years.

Sec. 313. (1) The state court administrative office shall not impose local user fees or collect local user fees from trial courts that have fully migrated to the statewide judicial case management system.

(2) The state court administrative office shall impose local user fees and collect local user fees from trial courts that have not fully migrated to the statewide judicial case management system.

Sec. 314. (1) If Byrne formula grant funding is awarded to the

state appellate defender office in excess of the amount appropriated in part 1, the state appellate defender office may receive and expend not more than $250,000.00 of Byrne formula grant funds as an interdepartmental grant from the department of state police.

(2) If the state appellate defender office receives federal grant funding from the United States Department of Justice in excess of the amount appropriated in part 1, the state appellate defender office may receive and expend not more than $300,000.00 in federal grant funds.

Sec. 315. (1) From the funds appropriated in part 1 for drug treatment courts, the judicial branch shall maintain a medication-assisted treatment program to provide treatment for opioid-addicted and alcohol-addicted individuals who are referred to and voluntarily participate in the medication-assisted treatment program.

(2) Not later than March 1, the judicial branch shall report on the medication-assisted treatment program. The report must include itemized spending by court, the number of participants, and statistics that indicate average program participation duration and success rates.

Sec. 316. From the funds appropriated in part 1 for supreme court administration, the supreme court shall allocate $167,400.00 to support costs of an editor position for the office of reporter of decisions. The editor shall work to reduce the court of appeals backlog of opinions that are awaiting review and editing.

Sec. 317. (1) From the funds appropriated in part 1, the state appellate defender office shall operate the program to ensure this state's compliance with Montgomery v Louisiana, 577 US 190 (2016),

People v Parks, 510 Mich 225 (2022), People v Stovall, 510 Mich 301 (2022), People v Poole, ___ Mich ___ (2025), People v Czarnecki, ___ Mich ___ (2025), and People v Taylor, ___ Mich ___ (2025). The purpose of the program is to ensure competent, resourced, and supervised counsel in cases that involve resentencing individuals who are serving a life sentence for an offense committed when the individuals were 20 years of age or younger.

(2) The state appellate defender office shall submit a report not later than March 1 on the number of cases investigated and prepared by the state appellate defender office under subsection (1). The report must include a calculation of the hours spent and the incremental costs associated with the investigation and robust examination of each case.

Sec. 318. From the funds appropriated in part 1 for juvenile life resentencing, $2,049,000.00 shall be funded utilizing unexpended and unencumbered funds appropriated for the Michigan indigent defense commission in 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 that were designated as work project appropriations and subsequently lapsed to the general fund.

Sec. 319. (1) The funds appropriated in part 1 for Michigan appellate assigned counsel system roster attorney compensation grants must be deposited into the restricted Michigan appellate assigned counsel system attorney compensation fund created in subsection (2).

(2) The Michigan appellate assigned counsel system attorney compensation fund is created in the state treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund and credit to the fund interest and earnings

from fund investments. Unexpended funds at the close of the fiscal year must remain in the fund and shall not lapse to the general fund. The judicial branch shall be the administrator of the fund for auditing purposes. The judicial branch shall expend money from the fund to provide payments to indigent defense systems as provided under section 8a of the appellate defender act, 1978 PA 620, MCL 780.718a.

(3) All funds available in the Michigan appellate assigned counsel system attorney compensation fund are appropriated and available for expenditure as provided by law.

ARTICLE 9

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of labor and economic opportunity for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY		
APPROPRIATION SUMMARY		
Full-time equated unclassified positions	34.5	
Full-time equated classified positions	2,499.0	
GROSS APPROPRIATION		**$ 1,291,620,800**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION		**$ 1,291,620,800**
Federal revenues:		
Total federal revenues		805,103,500

Special revenue funds:			
Total local revenues			5,750,000
Total private revenues			6,301,400
Total other state restricted revenues			229,307,300
State general fund/general purpose		**$**	**245,158,600**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	34.5		
Full-time equated classified positions	60.0		
Unclassified salaries--FTEs	34.5	$	4,739,900
Executive direction and operations--FTEs	60.0		7,785,000
Property management			6,012,200
GROSS APPROPRIATION		**$**	**18,537,100**
Appropriated from:			
Federal revenues:			
DED, vocational rehabilitation and independent living			3,253,000
DOL, federal funds			3,231,200
DOL-ETA, unemployment insurance			2,594,000
DOL - occupational safety and health			558,700
Federal funds			500,000
Special revenue funds:			
Asbestos abatement fund			50,700
Corporation fees			1,878,000
Michigan state housing development authority fees and charges			384,000
Private occupational school license fees			36,100
Radiological health fees			229,700

Safety education and training fund				740,100
Second injury fund				245,800
Securities fees				1,996,500
Self-insurers security fund				150,000
Silicosis and dust disease fund				112,700
Workers' compensation administrative revolving fund				80,000
State general fund/general purpose			**$**	**2,496,600**
Sec. 103. WORKFORCE DEVELOPMENT				
Full-time equated classified positions	221.0			
Michigan high-speed internet office--FTE	1.0		$	100,000
Michigan office of rural prosperity--FTE	1.0			697,400
Workforce development administration--FTEs	219.0			23,745,800
Workforce development programs				269,377,000
GROSS APPROPRIATION			**$**	**293,920,200**
Appropriated from:				
Federal revenues:				
DAG, employment and training				2,500,000
DED-OESE, GEAR-UP				4,000,000
DED-OVAE, adult education				16,000,000
DED-OVAE, basic grants to states				18,000,000
DOL, federal funds				38,000,000
DOL-ETA, workforce investment act				115,000,000
Federal funds				10,500,000
Social security act, temporary assistance for needy families				63,698,800
Special revenue funds:				
Local funds				150,000

Private funds			5,279,600
Contingent fund, penalty and interest			12,570,100
Defaulted loan collection			166,100
State general fund/general purpose		**$**	**8,055,600**
Sec. 104. REHABILITATION SERVICES			
Full-time equated classified positions	668.0		
Bureau of services for blind persons--FTEs	113.0	$	25,509,200
Centers for independent living			11,080,100
Michigan rehabilitation services--FTEs	555.0		130,617,800
Personal assistance services reimbursement for employment program			400,000
GROSS APPROPRIATION		**$**	**167,607,100**
Appropriated from:			
Federal revenues:			
DED, vocational rehabilitation and independent living			118,722,000
Federal funds			1,461,000
Supplemental security income			6,000,000
Special revenue funds:			
Local - blind services			100,000
Local - vocational rehabilitation match			5,000,000
Private - blind services			111,800
Private - gifts, bequests, and donations			210,000
Michigan business enterprise program fund			350,000
Rehabilitation service fees			150,000
Second injury fund			38,300
State general fund/general purpose		**$**	**35,464,000**
Sec. 105. EMPLOYMENT SERVICES			

Full-time equated classified positions	360.0		
Bureau of employment relations--FTEs	17.0	$	3,049,700
Compensation supplement fund			820,000
First responder presumed coverage claims			4,000,000
Insurance funds administration--FTEs	23.0		3,400,000
Michigan occupational safety and health administration--FTEs	197.0		30,125,300
Private and occupational distance learning--FTEs	3.0		849,600
Radiation safety section--FTEs	21.0		3,414,900
Wage and hour program--FTEs	29.0		3,970,900
Worker's compensation board of magistrates--FTEs	10.0		2,238,000
Worker's disability compensation agency--FTEs	56.0		6,953,300
Worker's disability compensation appeals commission--FTEs	4.0		348,000
GROSS APPROPRIATION		**$**	**59,169,700**
Appropriated from:			
Federal revenues:			
DOL - occupational safety and health			12,385,100
HHS, mammography quality standards			513,300
Special revenue funds:			
Asbestos abatement fund			600,000
Corporation fees			10,195,400
Distance education fund			362,800
First responder presumed coverage fund			4,000,000
Private occupational school license fees			486,800
Radiological health fees			2,901,600

Safety education and training fund			10,391,300
Second injury fund			2,200,000
Securities fees			9,150,700
Self-insurers security fund			900,000
Silicosis and dust disease fund			300,000
Worker's compensation administrative revolving fund			641,400
State general fund/general purpose		**$**	**4,141,300**
Sec. 106. UNEMPLOYMENT INSURANCE AGENCY			
Full-time equated classified positions	744.0		
Unemployment insurance agency--FTEs	736.0	$	166,234,900
Unemployment insurance agency - advocacy assistance			1,500,000
Unemployment insurance appeals commission--FTEs	8.0		3,500,000
GROSS APPROPRIATION		**$**	**171,234,900**
Appropriated from:			
Federal revenues:			
DOL-ETA, unemployment insurance			148,500,000
Special revenue funds:			
Contingent fund, penalty and interest			22,734,900
State general fund/general purpose		**$**	**0**
Sec. 107. INFORMATION TECHNOLOGY			
Information technology services and projects		$	22,339,400
GROSS APPROPRIATION		**$**	**22,339,400**
Appropriated from:			
Federal revenues:			
DED, vocational rehabilitation and independent living			2,394,800

DOL-ETA, unemployment insurance			17,252,400
DOL - occupational safety and health			279,200
Special revenue funds:			
Asbestos abatement fund			26,500
Corporation fees			257,600
Distance education fund			15,500
Private occupational school license fees			61,800
Radiological health fees			117,000
Safety education and training fund			302,500
Second injury fund			135,500
Securities fees			798,700
Self-insurers security fund			94,200
Silicosis and dust disease fund			33,700
State general fund/general purpose		**$**	**570,000**
Sec. 108. MICHIGAN STRATEGIC FUND			
Full-time equated classified positions	164.0		
Community college skilled trades equipment program		$	4,600,000
Facility for rare isotope beams			7,300,000
Job creation services--FTEs	164.0		28,520,600
Lighthouse preservation program			250,000
Pure Michigan			17,000,000
Rural jobs and capital investment			7,500,000
GROSS APPROPRIATION		**$**	**65,170,600**
Appropriated from:			
Federal revenues:			
Federal funds			3,000,000

State historic preservation, national park service grants			1,900,000
Special revenue funds:			
Local promotion fund			500,000
Private - promotion fund			500,000
Private - special project advances			200,000
21st century jobs trust fund			16,000,000
Contingent fund, penalty and interest			4,600,000
Michigan lighthouse preservation fund			250,000
Michigan state housing development authority fees and charges			4,811,300
Rural jobs and capital investment creation fund			7,500,000
State brownfield redevelopment fund			3,002,100
State historic preservation office fees and charges			503,500
State general fund/general purpose		**$**	**22,403,700**
Sec. 109. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY			
Full-time equated classified positions	273.0		
Community development block grants		$	47,000,000
Housing and rental assistance--FTEs	273.0		46,699,600
Michigan housing and community development program			50,000,000
MSHDA technology services and projects			3,187,200
Payments on behalf of tenants			166,860,000
Property management			3,497,100
GROSS APPROPRIATION		**$**	**317,243,900**
Appropriated from:			

Federal revenues:			
HUD, lower income housing assistance			166,860,000
HUD-CPD, community development block grant			47,000,000
Special revenue funds:			
Michigan housing and community development fund			50,000,000
Michigan state housing development authority fees and charges			53,383,900
State general fund/general purpose		**$**	**0**
Sec. 110. STATE LAND BANK AUTHORITY			
Full-time equated classified positions	9.0		
State land bank authority--FTEs	9.0	$	6,397,900
GROSS APPROPRIATION		**$**	**6,397,900**
Appropriated from:			
Federal revenues:			
Federal funds			1,000,000
Special revenue funds:			
Land bank fast track fund			3,370,500
State general fund/general purpose		**$**	**2,027,400**
Sec. 111. ONE-TIME APPROPRIATIONS			
Legislatively directed spending items		$	100,000,000
Skilled trades workforce training grants			20,000,000
Wakefield Township infrastructure investment			50,000,000
GROSS APPROPRIATION		**$**	**170,000,000**
Appropriated from:			
Special revenue funds:			
State general fund/general purpose		**$**	**170,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2024-2025

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $474,465,900.00 and total state spending under part 1 from state sources to be paid to local units of government is $11,274,900.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY		
Michigan rehabilitation services	$	275,000
Workforce development programs		10,999,900
TOTAL	**$**	**11,274,900**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of labor and economic opportunity and entities contained within its organization, including, but not limited to, the fund.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated position in the classified service of this state.

(d) "Fund", unless the context clearly implies a different meaning, means the Michigan strategic fund.

(e) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to

124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the fund.

(f) "MEGA" means the Michigan economic growth authority.

(g) "MSHDA" means the Michigan state housing development authority.

(h) "PATH" means Partnership. Accountability. Training. Hope.

(i) "Standard report recipients" means the senate and house appropriations subcommittees on labor and economic opportunity, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(j) "UIA" means the unemployment insurance agency.

(k) "USDOL" means the United States Department of Labor.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the

projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $15,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 215. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and the senate and house appropriations committees.

Sec. 216. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 217. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 218. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 220. Requirements under this part applicable to the fund and the fund's activities apply regardless of whether the fund delegates its functions and authority to the MEDC.

Sec. 221. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 222. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate

and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 223. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in-person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must report to the office before beginning field work. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 224. (1) Funds appropriated in part 1 that are used for grants or grant programs are subject to the following conditions:

(a) Grant funds must be provided only to an entity that has been established or is operating in this state or another state for at least 36 months before approval or disbursement of grant funds.

(b) Grant funds must be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The

office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that confirms the department reviewed and affirmed compliance by each grant recipient to program scope and

expenditure of grant funding.

(b) A statement that confirms the department reviewed applicable program reports and requests for reimbursement.

Sec. 225. (1) The department shall require, as a condition of each contract or subcontract, that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-

based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 226. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 227. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 228. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $39,647,300.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $35,759,400.00. Total appropriations for retiree

health care legacy costs for the department are estimated at $3,887,900.00.

Sec. 229. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department shall notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 230. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgement, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 231. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 232. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs as outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. General fund appropriations in part 1 must not be expended for items in cases where federal funding or private grant funding is available for the same expenditures.

Sec. 302. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended. The department may carry forward into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. The department shall report the amount and source of the funds to the standard report recipients not later than 10 business days after receiving any additional pass-through funds.

Sec. 305. (1) The department may charge registration fees to attendees of informational, training, or special events that are sponsored by the department and related to activities that are under the department's purview.

(2) The total amount of fees collected under subsection (1)

must not exceed the costs for the department to sponsor the informational, training, or special events.

(3) Revenue generated by the registration fees under subsection (1) is appropriated upon receipt and available for expenditure to cover the department's costs of sponsoring informational, training, or special events.

(4) The amount appropriated under subsection (3) must not exceed $500,000.00.

Sec. 307. (1) If the revenue collected by the department for radiological health administration and projects from fees and collections exceeds the amount appropriated in part 1, the revenue must be carried forward into the subsequent fiscal year. The revenue carried forward under this section must be used as the first source of funds in the subsequent fiscal year.

(2) The department shall submit a report to the standard report recipients not later than March 15 that provides the total amount of revenue from fees and collections for any radiological health administration and projects that was carried forward from the previous fiscal year.

Sec. 308. Funds appropriated in part 1 must not be used by a department, authority, or agency to purchase an ownership interest in a casino.

Sec. 309. Any funds appropriated under part 1 or this part that are distributed through a grant process must be distributed, to the extent practicable, in a manner that prioritizes awards to recipients that have been active in this state for at least 5 calendar years.

Sec. 310. From the unexpended and unencumbered funds appropriated under 2023 PA 119 to the strategic outreach and

attraction reserve fund created under section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254, and designated as work project appropriations, the department shall work with the state budget director to lapse a total of $50,000,000.00.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Sec. 401. (1) Not later than March 15, MSHDA shall submit a report to the standard report recipients on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report must include all of the following:

(a) Information on efforts to raise affordable multifamily, single-family, and manufactured housing production goals.

(b) A summary of each MSHDA program that is intended to increase the supply of affordable multifamily and single-family housing.

(c) An explanation of how programs summarized in subdivision (b) are utilized by the citizens of this state.

(d) MSHDA's status in obtaining its multifamily, single-family, and manufactured housing production goals.

(2) MSHDA shall not restrict eligibility in any financing program for housing units without a permanent foundation unless this restriction is required by the funding source.

Sec. 402. The funds appropriated in part 1 for the Michigan housing and community development program must be expended for projects as described in sections 58b and 58c of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458b and 125.1458c.

STATE LAND BANK AUTHORITY

Sec. 451. (1) In addition to the amounts appropriated in part 1, the state land bank authority may expend revenues received under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized by the act, including, but not limited to, the acquisition, lease, management, demolition, maintenance, or rehabilitation of real or personal property, payment of debt service for notes or bonds issued by the authority, and other expenses to clear or quiet title property held by the authority. The state land bank authority may establish partnerships with local land bank authorities.

(2) Not later than March 15, the state land bank authority shall submit a report to the standard report recipients on the number of real properties acquired, leased, managed, demolished, maintained, or rehabilitated in the previous fiscal year and list any partnerships that the state land bank authority has with any local land bank authorities. The report must also include a list of any properties sold by or otherwise transferred from the state land bank authority in the previous fiscal year.

MICHIGAN STRATEGIC FUND

Sec. 501. The report required under section 9 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2009, must be transmitted not later than March 15.

Sec. 502. In addition to the appropriations in part 1, Travel Michigan may receive and expend private revenue related to the use of "Pure Michigan" and all other copyrighted slogans and images. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales.

Revenue collected is appropriated for the marketing of this state as a travel destination. The funds are available for expenditure when they are received by the department of treasury. If the fund receives revenues from the use of "Pure Michigan", the fund shall provide a report that lists the revenues by source received from the use of "Pure Michigan" and all other copyrighted slogans and images. The report must provide a detailed list of expenditures of revenues received under this section. The report must be provided to the standard report recipients not later than March 15.

Sec. 503. (1) Funds appropriated in part 1 for Pure Michigan must be used for the following purposes:

(a) Conduction of market research regionally, nationally, and internationally for use in marketing campaigns.

(b) Production of advertisements for the promotion of Michigan as a place to live, learn, build, work, play, and succeed.

(c) Placement of advertisements that have a diverse representation in regional, national, and international market campaigns to promote Michigan as a state that welcomes all individuals and families.

(d) Not more than 1.0% of the appropriation for administration of the program.

(e) Matching marketing campaigns funded from the local promotion fund or private promotion fund.

(2) Subject to the approval of the Michigan strategic fund board, the fund may contract with a third party for any of the activities under subsection (1).

(3) The fund may work in cooperation with local units of government, nonprofit entities, and private entities on Pure Michigan promotion campaigns. The fund shall include agreements

prior to undertaking cooperative marketing campaigns.

(4) The department shall provide an annual report to the standard report recipients not later than March 15, on the utilization of funds for eligible activities in subsection (1), including a breakdown by eligible use, efforts taken to broaden the scope of marketing activities to diverse populations, a breakdown of funds spent within this state and outside of this state, and targeted marketing to encourage residents from other states to move to this state.

(5) As prescribed by the legislature, funds appropriated to Pure Michigan must be used for this state to market itself as a travel and tourist destination with the sole purpose of attracting new visitors and retaining former visitors. All of the following apply to marketing under this subsection:

(a) Promotion may be made by print, television, radio, and social media.

(b) The purpose of the advertisements under subdivision (a) must be to attract tourism and leisure travelers to this state.

(c) Advertisements that incorporate the Pure Michigan Byways campaign satisfy the requirement under subdivision (b).

(6) Once deposited, the MEDC shall use funds appropriated in part 1 for Pure Michigan exclusively for the purpose of marketing this state as a travel and tourist destination. The MEDC shall not use the funds to sponsor or support non-tourism incentives and campaigns that do either of the following:

(a) Seek to attract talent to this state.

(b) Incentivize out-of-state registered nonprofit or for-profit businesses to establish, transfer, or dissolve business operations domestically or internationally in order to transfer

that business to this state.

Sec. 504. (1) A local promotion fund is created in the department. The fund may receive funds from local units of government and nonprofit entities and deposit these funds into the local promotion fund. Funds received are available for expenditure for use in Pure Michigan promotion campaigns. The fund may maintain individual accounts for local units of government and nonprofit entities that deposit funds into the local promotion fund upon request from a local unit of government. As used in this subsection, "local unit of government" includes cities, villages, townships, counties, and regional councils of government.

(2) Local promotion funds appropriated in part 1 may be used for media production and placements, national and international marketing campaigns, and for other activities that promote Michigan as a place to live, work, and play.

(3) Any unexpended or unencumbered balance must be disposed of in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(4) The department shall submit a report to the standard report recipients not later than March 15 on any funds that have been generated by local units of government and how those funds have been expended.

Sec. 505. (1) A private promotion fund is created in the department. The fund may receive funds from private entities and deposit these funds into the private promotion fund. Funds received are available for expenditure for use in Pure Michigan promotion campaigns. The fund may maintain individual accounts for private entities that deposit funds into the private promotion fund upon

request from a private entity.

(2) Private promotion funds appropriated in part 1 may be used for media production and placements, national and international marketing campaigns, and for other activities that promote Michigan as a place to live, work, and play.

(3) Any unexpended or unencumbered balance shall be disposed of in accordance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

Sec. 506. (1) As a condition of receiving funds appropriated in part 1, the fund must provide a report of all approved amendments to projects for the immediately preceding year under sections 88r and 90b of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088r and 125.2090b. The report must provide a description of each amendment, by award, that includes, but is not limited to, the following:

(a) The amended award amount relative to the prior award amount.

(b) The amended number of committed jobs relative to the prior number of committed jobs.

(c) The amended amount of qualified investment committed relative to the prior amount of qualified investment committed.

(d) A description of any change in scope of the project.

(e) A description of any change in project benchmarks, deadlines, or completion dates.

(f) The reason or justification for the amendment approval.

(2) In addition to being posted online, the report must be distributed to the standard report recipients not later than March 15.

Sec. 507. (1) As a condition of receiving funds appropriated in part 1, the fund must request the following information from the MEDC:

(a) Approved budget from the MEDC executive committee for the current fiscal year and actual budget expenditures for the previous fiscal years.

(b) Expenditures and revenues as part of the current and previous year budgets, including the available fund balance for the current and previous fiscal years.

(c) The total number of FTEs, by state and corporate status and whether the position is currently filled or unfilled.

(d) A reporting of activities, programs, and grants consistent with the previous fiscal year budget.

(e) A description of all subprograms funded with the business attraction and community revitalization line item.

(2) Information received by the fund under this section must be posted online and distributed to the standard report recipients not later than March 15.

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

Sec. 509. (1) Of the funds appropriated to the fund or through grants to the MEDC, funds must not be expended for the purchase of options on land or the purchase of land unless at least 1 of the following conditions applies:

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

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

(c) The land is obtained from the state land bank or a local land bank authority.

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

(3) As used in this section, "economically distressed area" means an area in a city, village, or township that has been designated as blighted; a city, village, or township that shows negative population change from 1970 and a poverty rate and unemployment rate greater than the statewide average; or an area certified as a neighborhood enterprise zone under the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786.

(4) If land or options on land are purchased under subsection (1), the fund shall provide a report that provides a list of all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price if the fund purchases options on land or land. The report must be submitted to the standard report recipients not later than March 15.

Sec. 510. As a condition for receiving funds in part 1, not later than March 15, the fund shall provide a report for the previous fiscal year on the jobs for Michigan investment fund, created in section 88h of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088h. The report must include, but is not limited to, all of the following:

(a) A detailed listing of revenues, by fund source, to the jobs for Michigan investment fund. The listing must include the manner and reason for which the funds were appropriated to the jobs for Michigan investment fund.

(b) A detailed listing of expenditures, by project, from the jobs for Michigan investment fund.

(c) A fiscal year-end balance of the jobs for Michigan investment fund.

Sec. 511. (1) From the appropriations in part 1 to the fund and granted or transferred to the MEDC, any unexpended or unencumbered balance must be disposed of in accordance with the requirements in the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward authorization has been otherwise provided for.

(2) Any encumbered funds, including encumbered funds subsequently unobligated, must be used for the same purposes for which funding was originally appropriated in this part and part 1.

(3) For funds appropriated in part 1 to the fund, any carryforward authorization subsequently created through a work project must be preserved until a cash or accrued expenditure has been executed or the allowable work project time period has expired.

Sec. 512. (1) As a condition of receiving funds under part 1, the fund must ensure that the MEDC and the fund comply with all of the following:

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

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

(c) Annual audits of all financial records by the auditor

general or the auditor general's designee.

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

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

Sec. 513. As a condition for receiving the appropriations in part 1, any staff of the MEDC involved in private fund-raising activities must not be party to any decisions regarding the awarding of grants, incentives, or tax abatements from the fund, the critical industry program, the Michigan strategic site readiness program, the MEDC, or the MEGA.

Sec. 515. (1) The fund shall report to the standard report recipients on the status of the film incentives at the same time as it submits the annual report required under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455. The department of treasury shall provide the fund with the data necessary to prepare the report. Incentives included in the report shall include all of the following:

(a) The tax credit provided under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455.

(b) The tax credit provided under section 457 of the Michigan business tax act, 2007 PA 36, MCL 208.1457.

(c) The tax credit provided under section 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1459.

(d) The amount of any tax credit claimed under former section 367 of the income tax act of 1967, 1967 PA 281.

(e) Any tax credits provided for film and digital media production under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(f) Loans to an eligible production company or film and digital media private equity fund authorized under section 88d(3), (4), and (5) of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088d.

(2) The report must include all of the following information:

(a) For each tax credit, the number of contracts signed, the projected expenditures qualifying for the credit, and the estimated value of the credits. For loans, the number of loans made under each section, the interest rate of those loans, the loan amount, the percent of the projected budget of each production financed by those loans, and the estimated interest earnings from the loan.

(b) For credits authorized under section 455 of the Michigan business tax act, 2007 PA 36, MCL 208.1455, for productions completed by December 31, the expenditures of each production eligible for the credit that has filed a request for certificate of completion with the film office, broken down into expenditures for goods, services, or salaries and wages and showing separately expenditures in each local unit of government, including expenditures for personnel, whether or not they were made to a Michigan entity, and whether or not they were taxable under the laws of this state.

(c) For loans, the report must include the number of loans that have been fully repaid, with principal and interest shown separately, and the number of loans that are delinquent or in default, and the amount of principal that is delinquent or is in default.

(d) For each of the tax credit incentives and loan incentives listed in subsection (1), a breakdown for each project or production showing each of the following:

(*i*) The number of temporary jobs created.

(*ii*) The number of permanent jobs created.

(*iii*) The number of persons employed in Michigan as a result of the incentive, on a full-time equated basis.

(3) For any information not included in the report due to the provisions of section 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, the report shall do all of the following:

(a) Indicate how the information would describe the commercial and financial operations or intellectual property of the company.

(b) Attest that the information has not been publicly disseminated at any time.

(c) Describe how disclosure of the information may put the company at a competitive disadvantage.

(4) Any information not disclosed due to the provisions of section 455(6), 457(6), or 459(6) of the Michigan business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, must be presented at the lowest level of aggregation that would no longer describe the commercial and financial operations or intellectual property of the company.

(5) As a condition of receiving funds in part 1, not later than March 15, the fund shall provide a report on the activities of the Michigan film and digital media office for the previous fiscal year to the standard report recipients. The report must include, but is not limited to, a listing of all projects the Michigan film and digital media office provided assistance on, a listing of the services provided for each project, and an estimate of investment leveraged.

Sec. 516. As a condition of receiving an award from the fund,

each business incubator or accelerator that received an award from the fund must maintain and update a dashboard of indicators to measure the effectiveness of the business incubator and accelerator programs. Indicators must include the direct jobs created, new companies launched as a direct result of business incubator or accelerator involvement, businesses expanded as a direct result of business incubator or accelerator involvement, direct investment in client companies, private equity financing obtained by client companies, grant funding obtained by client companies, and other measures developed by the recipient business incubators and accelerators in conjunction with the MEDC. Dashboard indicators must be reported for the previous fiscal year and cumulatively, if available. Each recipient shall submit a copy of their dashboard indicators to the fund by March 1. The fund shall transmit the local reports not later than March 15.

Sec. 519. From the funds appropriated in part 1, the fund shall report quarterly to the standard report recipients on the amount of funds considered appropriated, pre-encumbered, encumbered, and expended from any work projects for any previous fiscal years for business attraction and community revitalization. The report must also include a listing of all previous appropriations for business attraction and community revitalization, or a predecessor, that were considered appropriated, pre-encumbered, encumbered, or expended that have lapsed back to the fund for any purpose.

Sec. 520. (1) The fund, in conjunction with the department of treasury, shall report not later than November 1 on the annual cost of the MEGA tax credits. The report must include for each year the board-approved credit amount, adjusted for credit amendments where

applicable, and the actual and projected value of tax credits for each year from 1995 to the expiration of the credit program. For years for which credit claims are complete, the report must include the total of actual certificated credit amounts. For years that claims are still pending or not yet submitted, the report must include a combination of actual credits where available and projected credits. Credit projections must be based on updated estimates of employees, wages, and benefits for eligible companies.

(2) In addition to the report under subsection (1), the fund, in conjunction with the department of treasury, shall report to the standard report recipients not later than November 1 on the annual cost of all other certificated credits by program, for each year until the credits expire or can no longer be collected. The report must include estimates on the brownfield redevelopment credit, film credits, MEGA photovoltaic technology credit, MEGA polycrystalline silicon manufacturing credit, MEGA vehicle battery credit, and other certificated credits.

Sec. 521. As a condition of receiving appropriations in part 1, prior to authorizing the transfer of any previously authorized tax credit that would increase the liability to this state, the fund, on behalf of the fund's board, must notify the standard report recipients of the transfer of any previously authorized tax credit that would increase the liability to this state not fewer than 30 days prior to the authorization of the tax credit transfer.

Sec. 523. In addition to the funds appropriated in part 1, the funds collected by state historic preservation programs for document reproduction and services and application fees are appropriated for all expenses necessary to provide the required services. These funds are available for expenditure when they are

received and may be carried forward into the succeeding fiscal year.

Sec. 524. Tax capture revenues collected in accordance with written agreements under the good jobs for Michigan program and transferred from the general fund for deposit into the good jobs for Michigan fund, and for both calculated payments from the good jobs for Michigan fund to authorized businesses and distributions to the fund for administrative expenses, are appropriated under the provisions of chapter 8D of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090g to 125.2090j.

Sec. 525. The department shall submit a report to the standard report recipients on March 15 that includes, but is not limited to, fiscal year-to-date expenditures by division and program unit within the job creation services line item. The report must contain detailed information on expenditures and programs within the state historic preservation office, including a list of any entities that receive financial support from the state historic preservation office.

Sec. 526. From the funds appropriated in part 1 for rural jobs and capital investment, the Michigan strategic fund, in conjunction with the MEDC and the department, shall make grants, loans, and other types of economic assistance available to rural jobs and capital investment funds in this state, as provided under section 90n of the Michigan strategic fund act, 1984 PA 270, MCL 125.2090n.

EMPLOYMENT SERVICES

Sec. 601. From the funds appropriated in part 1 for wage and hour program, the department shall conduct investigations of child labor violations and wage theft from workers.

WORKFORCE DEVELOPMENT

Sec. 701. The department shall administer the PATH training program in accordance with the requirements of section 407(d) of title IV of the social security act, 42 USC 607, the state social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 702. From the funds appropriated in part 1 for workforce development programs, the department may allocate funding for grants to nonprofit organizations that offer programs under the workforce innovation and opportunity act, 29 USC 3101 to 3361, for eligible youth that focus on apprenticeship readiness, pre-apprenticeship and apprenticeship activities, entrepreneurship, work-readiness skills, job shadowing, or financial literacy. Programs eligible for funding under this section must include the participation of local business partners. The department shall develop other appropriate eligibility requirements to ensure compliance with applicable federal rules and regulations.

Sec. 703. From the funds appropriated in part 1, the department shall make available, in person or by telephone, 1 disabled veterans outreach program specialist or local veterans employment representative to Michigan works service centers, as resources permit, during hours of operation, and shall continue to make the appropriate placement of veterans and disabled veterans a priority.

Sec. 704. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted funds allocated under the federal workforce innovation and opportunity act, 29 USC 3101 to 3361, or trade adjustment assistance funds available from previous fiscal

years are appropriated for the purposes originally intended.

(2) The department shall report to the standard report recipients not later than March 15 on the amount, by fiscal year, of funds allocated under the federal workforce innovation and opportunity act, 29 USC 3101 to 3361, appropriated under this section.

Sec. 708. (1) From the funds appropriated in part 1 for workforce development administration, the department shall provide a report on the status of workforce development not later than March 15 to the standard report recipients. The report must include the following:

(a) The amount of funding allocated to each Michigan works agency and the total funding allocated to the workforce training programs statewide by fund source.

(b) The number of participants enrolled in education or training programs by each Michigan works agency.

(c) The average duration of training for training program participants by each Michigan works agency.

(d) The number of participants enrolled in remedial education programs and the number of participants enrolled in literacy programs.

(e) The number of participants enrolled in programs at 2-year institutions.

(f) The number of participants enrolled in programs at 4-year institutions.

(g) The number of participants enrolled in proprietary schools.

(h) The number of participants enrolled in technical training programs.

(i) The number of participants that have completed education or training programs.

(j) The number of participants who secured employment in Michigan within 1 year of completing a training program.

(k) The number of participants who completed a training program and secured employment in a field related to their training.

(*l*) The average wage earned by participants who completed a training program and secured employment within 1 year.

(m) The actual revenues received by the fund source and fund appropriated for each discrete workforce development program area.

(n) The average cost of training per individual served, with an average provided for participants at 2-year institutions, participants at 4-year institutions, participants at proprietary schools, and participants at technical training programs.

(2) Data collection for the report must be for the previous state fiscal year.

Sec. 713. (1) The department shall provide reporting regarding the interagency agreement with the department of health and human services, which concerns TANF funding to provide job readiness and welfare-to-work programming. The reporting must include specific outcome and performance reporting requirements, as described in this section. TANF funding provided to the department in the current fiscal year is contingent on compliance with the data and reporting requirements described in this section. The department shall provide all of the following items for the previous year not later than January 1 of the current fiscal year:

(a) An itemized spending report on TANF funding, including all of the following:

(*i*) Direct services to clients.

(*ii*) Administrative expenditures.

(b) The number of family independence program clients served through the TANF funding, including all of the following:

(*i*) The number and percentage who obtained employment through Michigan Works!.

(*ii*) The number and percentage who fulfilled their TANF work requirement through other job readiness programming.

(*iii*) Average TANF spending per client.

(*iv*) The number and percentage of clients who were referred to Michigan Works! but did not receive a job or job readiness placement and the reasons why.

(2) Not later than March 15 of the current fiscal year, the department shall provide to the senate and house appropriations subcommittees on health and human services and the standard report recipients an annual report on the following matters itemized by Michigan works agency:

(a) The number of referrals to Michigan works job readiness programs.

(b) The number of referrals to Michigan works job readiness programs who became a participant in the Michigan works job readiness programs.

(c) The number of participants who obtained employment.

(d) The cost per participant case.

(3) As used in this section, "TANF" means temporary assistance for needy families as described in 42 USC 601 to 619.

Sec. 714. (1) The office of rural prosperity shall encourage and enable appropriate community advancements and improvements, including, but not limited to, all of the following:

(a) Housing.

(b) Infrastructure.

(c) Education.

(d) Workforce development.

(e) Other activities that address needs uniquely present in rural areas of this state and assist in expansion of rural development.

(2) Not later than March 15, the office of rural prosperity shall submit a report to the standard report recipients that outlines the office's activities, programs, and accomplishments in the previous fiscal year. To the extent possible, the report must also include information regarding the amount of subsequent grant funding that entities are able to secure after receiving assistance from the office of rural prosperity or an office of rural prosperity grant.

UNEMPLOYMENT

Sec. 801. The UIA shall provide a report updated at least quarterly that includes, but is not limited to, fiscal year-to-date expenditures by division and program unit. The UIA shall transmit each quarterly report no later than 60 days after the end of each quarter.

Sec. 802. (1) From the funds appropriated in part 1, the department, on behalf of the UIA, shall provide a quarterly report to the standard report recipients not later than 45 days after the end of each quarter that includes, but is not limited to, the following:

(a) The average number of unique claimants for the quarter.

(b) The average number of eligible claimants with

certification for the quarter.

(c) The average number of claims paid for the quarter.

(d) The total amount of standard unemployment insurance payments paid for the quarter.

(e) The total amount of unemployment insurance tax generated for the quarter.

(f) The balance of the Michigan unemployment trust fund at the end of the quarter.

(2) The department shall include the same information required in subsection (1) for the previous 12 months. The department shall include the most recent quarterly report on the department's webpage.

Sec. 803. From the funds appropriated in part 1, the department shall provide a quarterly report not later than 45 days after the end of each quarter that includes, but is not limited to, the following:

(a) The number of new fraudulent and noncompliant cases that have been identified or issued by the UIA, classified by employer or claimant, during the quarter.

(b) The total amount of penalties and interest issued on fraudulent and noncompliant cases during the quarter.

(c) The total amount of penalties and interest dollars received during the quarter by employer or claimant.

(d) The total amount of collectible penalties and interest still owed to this state by employer or claimant.

(e) The number of fraudulent and noncompliant cases that have been appealed by an employer or claimant during the quarter.

Sec. 804. (1) The funds appropriated in part 1 for unemployment insurance agency must be used to staff UIA branch

offices for in-person appointments for UIA claimant services.

(2) The department shall provide a biannual report to the standard report recipients not later than March 15 and September 30 that includes all of the following:

(a) The number and location of in-person offices.

(b) The rentable square footage of each facility where the UIA offers in-person services.

(c) For the previous 6 months, the average number of staff at each location where the UIA offers in-person appointments, the average number of staff assigned to offering virtual appointments, and the average number of staff assigned to offering phone appointments.

(d) For the previous 6 months, the volume of in-person claimants served at each location, the volume of claimants served through virtual appointments, and the volume of claimants served through phone appointments.

Sec. 806. (1) From the funds appropriated in part 1 for unemployment insurance agency, the department shall maintain customer service standards for employers and claimants making use of the various means by which they can access the system.

(2) The department shall identify specific outcomes and performance metrics for this initiative, including, but not limited to, the following:

(a) Unemployment benefit fund balance.

(b) Process improvement - fiscal integrity.

(c) Process improvement - determination timeliness.

(d) Process improvement - determination quality.

REHABILITATION SERVICES

Sec. 901. The Michigan rehabilitation services and bureau of services for blind persons shall work collaboratively with service organizations and government entities to identify allowable match dollars to secure available federal vocational rehabilitation funds.

Sec. 902. From the funds appropriated in part 1, the department shall provide an annual report on efforts taken to improve the Michigan rehabilitation services not later than March 15 to the standard report recipients. The report must include all of the following:

(a) Reductions and changes in administration costs and staffing.

(b) Service delivery plans and implementation steps achieved.

(c) Reorganization plans and implementation steps achieved.

(d) Plans to integrate Michigan rehabilitative services programs into other services provided by the department.

(e) Quarterly expenditures by major spending category.

(f) Employment and job retention rates from both Michigan rehabilitation services and its nonprofit partners.

(g) An explanation of each program goal that is set for Michigan rehabilitation services.

(h) Success rate of each district in achieving the program goals.

Sec. 904. If the department is at risk of entering into an order of selection for services, the department shall notify the standard report recipients within 2 weeks of receiving notification.

Sec. 905. (1) Funds appropriated in part 1 for independent living must be used to support the general operations of centers

for independent living in delivering mandated independent living services in compliance with federal rules and regulations, including 45 CFR Part 1329, and for projects to build the capacity of centers for independent living to deliver independent living services. Applications for the funds must be reviewed in accordance with criteria and procedures established by the department. Funds must be used in a manner consistent with the state plan for independent living. Services provided should assist people with disabilities to move toward self-sufficiency, including, but not limited to, support for accessing transportation and health care, obtaining employment, community living, nursing home transition, information and referral services, education, youth transition services, veterans, and stigma reduction activities and community education. This includes the independent living guide services that specifically focus on economic self-sufficiency.

(2) Not later than March 15 and in partnership with service providers, the department shall submit a report to the standard report recipients on direct customer and system outcomes and performance measures.

Sec. 906. From the funds appropriated in part 1 for personal assistance services reimbursement for employment program, the department shall allocate all of the funding to support the personal assistance services reimbursement for employment program. An annual report must be submitted to the standard report recipients not later than March 15 providing information on what the program goals are and how many recipients receive services, obtain goals, and exit the program.

Sec. 907. The appropriation in part 1 for bureau of services for blind persons includes funds for case services. These funds may

be used for tuition payments for blind clients.

Sec. 908. (1) The bureau of services for blind persons may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. The department may charge fees for these services that are reasonably related to the cost of providing the services. In addition to the funds appropriated in part 1, funds collected by the department for these services are appropriated for all expenses necessary. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury.

(2) Not later than March 15, the department shall submit a report to the standard report recipients on the total amount appropriated under subsection (1) and any expenditures made under subsection (1), with information provided on expenditure category and payment recipient.

ONE-TIME APPROPRIATIONS

Sec. 1001. (1) From the funds appropriated in part 1 for skilled trades workforce training grants, the department shall allocate $20,000,000.00 to award grants to organizations that provide support for skilled trades education partnerships, skilled trades certification programs, and skilled trades upskilling initiatives.

(2) Not more than 25% of the funding awarded under this section may be awarded to organizations affiliated with trade

unions.

(3) Not more than 25% of the funding awarded under this section may be awarded to organizations that are community colleges or organizations that are affiliated with community colleges.

Sec. 1002. From the funds appropriated in part 1 for Wakefield Township infrastructure investment, the department shall award $50,000,000.00 to Wakefield Township in Gogebic County for infrastructure improvements that include, but are not limited to, transportation access, water and wastewater, groundwater quality analysis, power reliability, and cellular and broadband access.

Sec. 1003. (1) From the funds appropriated in part 1 for legislatively directed spending items, $1,300,000.00 shall be awarded to Access Health in Muskegon to sustain the Access Health model and to allow for replication of proven strategies in other communities in this state.

(2) From the funds appropriated in part 1 for legislatively directed spending items, $2,119,000.00 shall be awarded to Allband Communications in Curran to assist with local matching requirements for the rural utility service reconnect program.

(3) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 shall be awarded to American Legion Devereaux post 141 in Livingston County to support infrastructure improvements at the post.

(4) From the funds appropriated in part 1 for legislatively directed spending items, $2,500,000.00 shall be awarded to the Antrim County road commission to support repairs to Essex Road.

(5) From the funds appropriated in part 1 for legislatively directed spending items, $2,537,600.00 shall be awarded to the Barry County road commission to support the removal and replacement

of a road and river crossing on Brown Road over the Little Thornapple River in Woodland Township.

(6) From the funds appropriated in part 1 for legislatively directed spending items, $920,000.00 shall be awarded to Blendon Township in Ottawa County to address water security and water infrastructure needs.

(7) From the funds appropriated in part 1 for legislatively directed spending items, $30,000.00 shall be awarded to the Bronson Health Foundation to support sexual assault education programming.

(8) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 shall be awarded to Charlevoix Township in Charlevoix County to support the purchase of a replacement aerial platform fire truck.

(9) From the funds appropriated in part 1 for legislatively directed spending items, $32,000.00 shall be awarded to the city of Albion in Calhoun County to support the cost of purchasing body-worn cameras for law enforcement officers and associated data management costs.

(10) From the funds appropriated in part 1 for legislatively directed spending items, $609,000.00 shall be awarded to the city of Bronson in Branch County for replacement of an ultraviolet disinfection system at the wastewater treatment facility.

(11) From the funds appropriated in part 1 for legislatively directed spending items, $550,000.00 shall be awarded to the city of Coleman in Midland County to support improvements to the sanitary sewer lift station that serves the city’s industrial district.

(12) From the funds appropriated in part 1 for legislatively directed spending items, $4,400,000.00 shall be awarded to the city

of Davison in Genesee County to support road infrastructure repairs.

(13) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 shall be awarded to the city of Flat Rock in Wayne County to support the purchase of a fire truck.

(14) From the funds appropriated in part 1 for legislatively directed spending items, $900,000.00 shall be awarded to the city of Ishpeming in Marquette County to support the purchase of a fire truck.

(15) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 shall be awarded to the city of Marine City in St. Clair County for development and upgrades at Guy Community Center.

(16) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 shall be awarded to the city of Marysville in St. Clair County to support a project to replace a failing seawall at the water filtration plant.

(17) From the funds appropriated in part 1 for legislatively directed spending items, $865,000.00 shall be awarded to the city of Menominee in Menominee County to support a fire suppression infrastructure project in the Menominee industrial park.

(18) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 shall be awarded to the city of Monroe in Monroe County for a grade separation at the CSX rail crossing on West Elm Avenue.

(19) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 shall be awarded to the city of Rochester Hills in Oakland County for roadway infrastructure and

a community gathering space at a community park.

(20) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 shall be awarded to the city of Rockwood in Wayne County to support improvements at the wastewater treatment facility.

(21) From the funds appropriated in part 1 for legislatively directed spending items, $125,000.00 shall be awarded to the city of Springfield in Calhoun County to support the construction of a carport for law enforcement vehicles.

(22) From the funds appropriated in part 1 for legislatively directed spending items, $1,750,000.00 shall be awarded to the city of Taylor in Wayne County to support upgrades to the baseball stadium at Heritage Park.

(23) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 shall be awarded to the city of Utica police department in Macomb County to support the purchase of police equipment.

(24) From the funds appropriated in part 1 for legislatively directed spending items, $175,000.00 shall be awarded to Common Ground, headquartered in the village of Bingham Farms, for response activities provided by the victim assistance program.

(25) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 shall be awarded to Denmark Township in Tuscola County to repair critical deficiencies in the township’s wastewater treatment lagoons.

(26) From the funds appropriated in part 1 for legislatively directed spending items, $2,203,000.00 shall be awarded to the Genesee County road commission to support replacement of the Frances Road bridge that spans over Butternut Creek in Genesee

County.

(27) From the funds appropriated in part 1 for legislatively directed spending items, $275,000.00 shall be awarded to Green Charter Township in Mecosta County to offset legal fees and costs incurred by the township.

(28) From the funds appropriated in part 1 for legislatively directed spending items, $300,000.00 shall be awarded to the Hindu Community Relations Council of Michigan to support a statewide public safety and leadership education initiative for Hindu and Jain houses of worship.

(29) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 shall be awarded to the Isabella County board of commissioners to support a feasibility study for construction of a northbound entrance ramp located near the intersection of US-127 business route and South Mission Road.

(30) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 shall be awarded to the Jackson County parks department to support improvements at The Cascades.

(31) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 shall be awarded to the Jackson Interfaith Shelter in Jackson County to support construction of additional shelter space and facilities.

(32) From the funds appropriated in part 1 for legislatively directed spending items, $1,935,000.00 shall be awarded to Kawkawlin Township in Bay County for infrastructure to address flooding on South Linwood Beach Road.

(33) From the funds appropriated in part 1 for legislatively directed spending items, $1,800,000.00 shall be awarded to the Kent

County Youth Agricultural Association to support the development of the Grand Agricultural Center of West Michigan.

(34) From the funds appropriated in part 1 for legislatively directed spending items, $100,000.00 shall be awarded to Kirtland Community College to support a timber harvester simulator.

(35) From the funds appropriated in part 1 for legislatively directed spending items, $5,000,000.00 shall be awarded to the Lake Mitchell sewer authority in Wexford County for infrastructure repairs.

(36) From the funds appropriated in part 1 for legislatively directed spending items, $3,000,000.00 shall be awarded to Lake Superior Community Partnership in Marquette County to support strengthened air service and infrastructure investment at Marquette Sawyer Regional Airport.

(37) From the funds appropriated in part 1 for legislatively directed spending items, $800,000.00 shall be awarded to Macomb County public works to support a 3-year field trial to test scalable management techniques for M*icroseira Wollei benthic cyanobacteria muck*.

(38) From the funds appropriated in part 1 for legislatively directed spending items, $2,500,000.00 shall be awarded to Macomb Township in Macomb County for creation of a boulevard and associated infrastructure.

(39) From the funds appropriated in part 1 for legislatively directed spending items, $2,500,000.00 shall be awarded to the Mason-Griffith Founders Chapter of Trout Unlimited to support river conservation, preservation, and sustainability activities in the Au Sable River and Manistee River watersheds.

(40) From the funds appropriated in part 1 for legislatively

directed spending items, $2,000,000.00 shall be awarded to Matrix Human Services in Detroit to enhance and expand workforce development programs.

(41) From the funds appropriated in part 1 for legislatively directed spending items, $3,000,000.00 shall be awarded to Michigan Technological University for the mass timber research and demonstration structure.

(42) From the funds appropriated in part 1 for legislatively directed spending items, $245,000.00 shall be awarded to Mid-Peninsula school district in Delta County for replacing a heating, ventilation, and air conditioning system.

(43) From the funds appropriated in part 1 for legislatively directed spending items, $2,500,000.00 shall be awarded to the Oakland-Macomb interceptor drain drainage district in Macomb County to support construction of a new odor and corrosion control facility and associated costs.

(44) From the funds appropriated in part 1 for legislatively directed spending items, $3,000,000.00 shall be awarded to Orion Charter Township in Oakland County to support the Orion Township Community Recreation Center redesign project.

(45) From the funds appropriated in part 1 for legislatively directed spending items, $600,000.00 shall be awarded to Park Township in Ottawa County to support the purchase and remodeling of the former United States Coast Guard station in Park Township, so that it can be used by the Park Township fire department.

(46) From the funds appropriated in part 1 for legislatively directed spending items, $1,192,500.00 shall be awarded to the Saginaw County road commission for protective infrastructure that safeguards equipment and materials.

(47) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 shall be awarded to Shelby Township in Oceana County for construction of a community pool.

(48) From the funds appropriated in part 1 for legislatively directed spending items, $3,300,000.00 shall be awarded to Sheridan Township in Calhoun County to support repairs to bridge structures 1383 and 1384 on 24 Mile Road.

(49) From the funds appropriated in part 1 for legislatively directed spending items, $900,000.00 shall be awarded to Springfield Charter Township in Oakland County to support the installation of high-capacity community fire protection wells throughout the township.

(50) From the funds appropriated in part 1 for legislatively directed spending items, $3,354,500.00 shall be awarded to Southern Michigan Railroad for repairs and essential improvements.

(51) From the funds appropriated in part 1 for legislatively directed spending items, $1,231,000.00 shall be awarded to Southwest Shiawassee Emergency Services Alliance in Shiawassee County to support the purchase of 2 ambulances and associated equipment.

(52) From the funds appropriated in part 1 for legislatively directed spending items, $1,100,000.00 shall be awarded to the St. Clair County road commission to support repairs to the Palms Road bridge that spans over Smiths Creek in Wales Township.

(53) From the funds appropriated in part 1 for legislatively directed spending items, $280,000.00 shall be awarded to the St. Clair County road commission to support repairs to the Sterling Road culvert over the Lynn-Mussey state drain in Lynn Township.

(54) From the funds appropriated in part 1 for legislatively

directed spending items, $3,000,000.00 shall be awarded to Starfish Family Services, headquartered in the city of Inkster, to expand its programming in the Brightmoor neighborhood in Detroit.

(55) From the funds appropriated in part 1 for legislatively directed spending items, $220,000.00 shall be awarded to the Tri-Township fire department in Saginaw County to support equipment purchases.

(56) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 shall be awarded to the Troy school district in Oakland County to support projects to improve traffic flow at Smith Middle School.

(57) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 shall be awarded to the village of Breckenridge in Gratiot County to support construction of a new fire hall.

(58) From the funds appropriated in part 1 for legislatively directed spending items, $1,170,000.00 shall be awarded to the village of Carsonville in Sanilac County for water infrastructure.

(59) From the funds appropriated in part 1 for legislatively directed spending items, $2,300,000.00 shall be awarded to Waterford Charter Township in Oakland County to support construction costs associated with building a modern regional fire station.

(60) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 shall be awarded to Watertown Township in Tuscola County to support the purchase of a fire truck.

(61) From the funds appropriated in part 1 for legislatively directed spending items, $5,000,000.00 shall be awarded to Wayne County to support the establishment of a county emergency

operations center.

(62) From the funds appropriated in part 1 for legislatively directed spending items, $10,000,000.00 shall be awarded to the Wayne County department of public services to support a full bridge replacement on West Road in Trenton.

ARTICLE 10

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of licensing and regulatory affairs for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	20.0		
Full-time equated classified positions	1,530.0		
GROSS APPROPRIATION		**$**	**579,282,500**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			24,770,700
ADJUSTED GROSS APPROPRIATION		**$**	**554,511,800**
Federal revenues:			
Total federal revenues			30,052,100
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			270,591,900

State general fund/general purpose		**$**	**253,867,800**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	20.0		
Full-time equated classified positions	78.0		
Unclassified salaries--FTEs	20.0	$	1,643,800
Administrative services--FTEs	58.0		6,717,800
Executive director programs--FTEs	17.0		2,428,800
FOIA coordination--FTEs	3.0		351,800
Property management			6,924,200
Worker's compensation			72,000
GROSS APPROPRIATION		**$**	**18,138,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDIFS, accounting services			111,600
Federal revenues:			
EPA, underground storage tanks			22,700
HHS-Medicaid, certification of health care providers and suppliers			317,700
HHS-Medicare, certification of health care providers and suppliers			527,600
Special revenue funds:			
Aboveground storage tank fees			77,100
Accountancy enforcement fund			53,200
Boiler inspection fund			238,100
Builder enforcement fund			95,500
Construction code fund			665,600
Corporation fees			3,394,600

Elevator fees	263,700
Fire alarm fees	5,700
Fire safety standard and enforcement fund	1,600
Fire service fees	336,200
Fireworks safety fund	51,000
Health professions regulatory fund	1,589,900
Health systems fees	218,100
Licensing and regulation fund	734,300
Liquor license revenue	296,300
Liquor purchase revolving fund	2,467,600
Marihuana registry fund	164,000
Marihuana regulation fund	1,107,800
Marihuana regulatory fund	474,200
Michigan unarmed combat fund	4,400
Mobile home code fund	232,900
Nurse professional fund	30,100
PMECSEMA fund	35,700
Property development fees	5,800
Public utility assessments	2,597,600
Real estate appraiser education fund	2,000
Real estate education fund	8,700
Real estate enforcement fund	8,900
Refined petroleum fund	130,800
Securities fees	1,143,700
Securities investor education and training fund	7,100
Security business fund	5,300
Survey and remonumentation fund	92,100
Tax tribunal fund	579,000

Utility consumer representation fund			40,200
State general fund/general purpose		**$**	**0**
Sec. 103. PUBLIC SERVICE COMMISSION			
Full-time equated classified positions	180.0		
Public service commission--FTEs	180.0	$	35,266,000
GROSS APPROPRIATION		**$**	**35,266,000**
Appropriated from:			
Federal revenues:			
DOT, gas pipeline safety			2,599,300
Special revenue funds:			
Public utility assessments			32,666,700
State general fund/general purpose		**$**	**0**
Sec. 104. LIQUOR CONTROL COMMISSION			
Full-time equated classified positions	116.0		
Liquor licensing and enforcement--FTEs	94.0	$	14,510,900
Management support services--FTEs	22.0		3,706,600
GROSS APPROPRIATION		**$**	**18,217,500**
Appropriated from:			
Special revenue funds:			
Direct shipper enforcement revolving fund			254,700
Liquor control enforcement and license investigation revolving fund			142,000
Liquor license fee enhancement fund			62,000
Liquor license revenue			6,796,600
Liquor purchase revolving fund			10,962,200
State general fund/general purpose		**$**	**0**
Sec. 105. OCCUPATIONAL REGULATION			
Full-time equated classified positions	804.0		

Bureau of community and health systems--FTEs	156.0	$	25,173,600
Bureau of construction codes--FTEs	129.0		25,286,100
Bureau of fire services--FTEs	85.0		14,038,200
Bureau of professional licensing--FTEs	182.0		40,285,800
Bureau of survey and certification--FTEs	160.0		27,043,200
Corporations, securities, and commercial licensing bureau--FTEs	92.0		14,442,700
Urban search and rescue			1,000,000
GROSS APPROPRIATION		**$**	**147,269,600**
Appropriated from:			
Federal revenues:			
DHS, fire training systems			528,000
DOT, hazardous materials training and planning			20,000
EPA, underground storage tanks			820,600
HHS-Medicaid, certification of health care providers and suppliers			9,118,700
HHS-Medicare, certification of health care providers and suppliers			14,647,000
Special revenue funds:			
Aboveground storage tank fees			343,700
Accountancy enforcement fund			1,155,100
Adult foster care facilities licenses fund			373,600
Boiler inspection fund			2,410,200
Builder enforcement fund			518,700
Construction code fund			10,926,300
Corporation fees			9,892,900
Division on deafness fund			73,400
Elevator fees			6,776,600

Fire alarm fees			138,300
Fire safety standard and enforcement fund			32,300
Fire service fees			5,115,800
Fireworks safety fund			1,249,400
Health professions regulatory fund			25,802,300
Health systems fees			4,139,500
Licensing and regulation fund			10,899,200
Liquor purchase revolving fund			156,100
Marihuana regulatory fund			500,000
Mobile home code fund			1,712,200
Nurse aide and medication aide registration fund			1,657,800
Nurse professional fund			1,884,100
PMECSEMA fund			2,458,300
Property development fees			155,100
Real estate appraiser education fund			62,700
Real estate education fund			576,500
Real estate enforcement fund			722,500
Refined petroleum fund			2,656,200
Securities fees			4,685,100
Securities investor education and training fund			438,800
Security business fund			210,400
Survey and remonumentation fund			727,600
State general fund/general purpose		**$**	**23,684,600**
Sec. 106. CANNABIS REGULATORY AGENCY			
Full-time equated classified positions	145.0		
Cannabis regulatory agency--FTEs	145.0	$	28,649,200
Cannabis regulatory agency enforcement			5,000,000

GROSS APPROPRIATION		**$**	**33,649,200**
Appropriated from:			
Special revenue funds:			
Industrial hemp licensing and registration fund			295,900
Marihuana registry fund			3,233,300
Marihuana regulation fund			21,973,600
Marihuana regulatory fund			8,146,400
State general fund/general purpose		**$**	**0**
Sec. 107. MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES			
Full-time equated classified positions	162.0		
Michigan office of administrative hearings and rules--FTEs	162.0	$	34,037,600
GROSS APPROPRIATION		**$**	**34,037,600**
Appropriated from:			
Interdepartmental grant revenues:			
IDG revenues - administrative hearings and rules			23,345,200
Special revenue funds:			
Construction code fund			24,200
Corporation fees			3,870,500
Health professions regulatory fund			782,400
Health systems fees			147,700
Licensing and regulation fund			817,900
Liquor purchase revolving fund			435,300
Marihuana regulation fund			226,800
Marihuana regulatory fund			88,300
Public utility assessments			2,635,800

Securities fees				928,100
Tax tribunal fund				735,400
State general fund/general purpose			**$**	**0**
Sec. 108. COMMISSIONS				
Full-time equated classified positions	18.0			
Michigan indigent defense commission--FTEs	18.0		$	2,735,200
Michigan unarmed combat commission				126,200
GROSS APPROPRIATION			**$**	**2,861,400**
Appropriated from:				
Special revenue funds:				
Michigan unarmed combat fund				126,200
State general fund/general purpose			**$**	**2,735,200**
Sec. 109. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS				
Full-time equated classified positions	27.0			
De-escalation training			$	500,000
In-service training--FTEs	7.0			18,271,100
Justice training grants				10,000,000
Public safety officers benefit fund--FTE	1.0			303,000
Standards and training--FTEs	19.0			4,017,200
Training only to local units				855,000
GROSS APPROPRIATION			**$**	**33,946,300**
Appropriated from:				
Federal revenues:				
DOJ				280,400
Special revenue funds:				
Law enforcement officers training fund				25,000
Marihuana regulatory fund				3,353,200

Michigan justice training fund			10,000,000
Private security licensing fees			5,000
Retired law enforcement officer safety fund			25,000
Secondary road patrol and training fund			855,000
State general fund/general purpose		**$**	**19,402,700**
Sec. 110. GRANTS			
Firefighter training grants		$	2,300,000
Liquor law enforcement grants			9,900,000
Marihuana operation and oversight grants			3,000,000
Michigan indigent defense commission grants			208,345,300
Remonumentation grants			6,800,000
Utility consumer representation			2,100,000
GROSS APPROPRIATION		**$**	**232,445,300**
Appropriated from:			
Special revenue funds:			
Fireworks safety fund			2,300,000
Liquor license revenue			9,900,000
Local indigent defense reimbursement			300,000
Marihuana regulation fund			3,000,000
Survey and remonumentation fund			6,800,000
Utility consumer representation fund			2,100,000
State general fund/general purpose		**$**	**208,045,300**
Sec. 111. INFORMATION TECHNOLOGY			
Information technology services and projects		$	23,451,200
GROSS APPROPRIATION		**$**	**23,451,200**
Appropriated from:			
Interdepartmental grant revenues:			

IDG revenues - administrative hearings and rules	1,313,900
Federal revenues:	
DOT, gas pipeline safety	139,600
EPA, underground storage tanks	91,400
HHS-Medicaid, certification of health care providers and suppliers	352,200
HHS-Medicare, certification of health care providers and suppliers	586,900
Special revenue funds:	
Aboveground storage tank fees	31,600
Accountancy enforcement fund	1,000
Boiler inspection fund	352,500
Construction code fund	1,208,900
Corporation fees	5,263,500
Elevator fees	460,400
Fire safety standard and enforcement fund	2,700
Fire service fees	492,500
Fireworks safety fund	66,600
Health professions regulatory fund	2,526,500
Health systems fees	333,500
Industrial hemp licensing and registration fund	3,700
Licensing and regulation fund	856,600
Liquor license revenue	214,300
Liquor purchase revolving fund	4,345,500
Marihuana registry fund	176,100
Marihuana regulation fund	1,117,100
Marihuana regulatory fund	501,100

Michigan unarmed combat fund		6,200
Mobile home code fund		186,600
Nurse aide and medication aide registration fund		6,400
PMECSEMA fund		62,600
Public utility assessments		1,845,400
Real estate appraiser education fund		900
Real estate education fund		3,900
Refined petroleum fund		215,100
Securities fees		421,200
Securities investor education and training fund		5,100
Survey and remonumentation fund		69,000
Tax tribunal fund		190,700
State general fund/general purpose	**$**	**0**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $524,459,700.00 and total state spending under part 1 from state sources to be paid to local units of government is $255,786,800.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS		
Firefighter training grants	$	2,300,000

In-service training	14,586,000
Justice training grants	10,000,000
Liquor law enforcement grants	9,900,000
Marihuana operation and oversight grants	3,000,000
Michigan indigent defense commission grants	208,345,300
Remonumentation grants	6,800,000
Training only to local units	855,500
TOTAL	**$ 255,786,800**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of licensing and regulatory affairs.

(b) "DHS" means the United States Department of Homeland Security.

(c) "Director" means the director of the department.

(d) "DOJ" means the United States Department of Justice.

(e) "DOT" means the United States Department of Transportation.

(f) "EPA" means the United States Environmental Protection Agency.

(g) "FOIA" means the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(h) "FTE" means full-time equated position in the classified service of this state.

(i) "HHS" means the United States Department of Health and Human Services.

(j) "IDG" means interdepartmental grant.

(k) "MCOLES" means the Michigan commission on law enforcement standards.

(*l*) "MDIFS" means the Michigan department of insurance and financial services.

(m) "PMECSEMA" means pain management education and controlled substances electronic monitoring and antidiversion.

(n) "Standard report recipients" means the senate and house appropriations subcommittees on licensing and regulatory affairs and insurance and financial services, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of

comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 208. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state budget office shall submit the report to the standard report

recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 209. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for federal contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 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 authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 210. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 211. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate

with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 212. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 213. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 214. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 215. To the extent possible, the department shall not

expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 216. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 217. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits earned during the course of employment or generally applicable

retirement benefits.

Sec. 218. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must report to the office before beginning fieldwork. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 219. (1) Funds appropriated in part 1 that are used for grants or grant programs are subject to the following conditions:

(a) Grant funds are to be provided only to an entity that has been established or is operating in this state or another state for at least 36 months before approval or disbursement of grant funds.

(b) Grant funds are to be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if

any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant

funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that confirms the department reviewed and affirmed compliance by each grant recipient to program scope and expenditure of grant funding.

(b) A statement that confirms the department reviewed applicable program reports and requests for reimbursement.

Sec. 220. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States or known foreign adversaries. Foreign adversaries include

all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 221. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC section 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 222. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts

expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 223. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $27,633,000.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $24,923,300.00. Total appropriations for retiree health care legacy costs for the department are estimated at $2,709,700.00.

Sec. 224. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department shall notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 225. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other

relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 226. Not later than November 15, the department must disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 227. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs, including initiatives or programs outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 228. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits.

Sec. 229. (1) The department may charge registration fees to attendees of informational, training, or special events that are sponsored by the department and related to activities under the department's purview.

(2) The registration fees must reflect the costs for the

department to sponsor the informational, training, or special events.

(3) Revenue generated by the registration fees is appropriated on receipt and may be expended by the department to cover the department's costs of sponsoring informational, training, or special events.

(4) Revenue generated by registration fees in excess of the department's costs of sponsoring informational, training, or special events carries forward to the subsequent fiscal year and does not lapse to the general fund.

(5) The amount appropriated under subsection (3) must not exceed $500,000.00.

Sec. 230. The department may provide to interested entities otherwise unavailable customized listings of nonconfidential information, such as the names and addresses of licensees, in the department's possession. The department may establish and collect a reasonable fee to provide this service. Revenue generated from this service is appropriated on receipt and must be used to offset the expenses of the service. Any balance of this revenue collected and unexpended at the end of the fiscal year lapses to the appropriate restricted fund.

Sec. 231. (1) The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents reverts to the department. In addition to the funds appropriated in part 1, funds received by the department under this subsection may be expended by the department upon receipt by the department of treasury. This subsection applies for only the following:

(a) Corporation and securities division documents, reports,

and papers required or permitted by law in accordance with section 1060(6) of the business corporation act, 1972 PA 284, MCL 450.2060.

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

(c) The mobile home commission act, 1987 PA 96, MCL 125.2301 to 125.2350; the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192; and the uniform securities act (2002), 2008 PA 551, MCL 451.2101 to 451.2703.

(d) Construction code manuals.

(e) Copies of transcripts from administrative law hearings.

(2) In addition to the funds appropriated in part 1, funds appropriated for the department under sections 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution.

(3) Unexpended funds at the end of the fiscal year carry forward to the subsequent fiscal year and do not lapse to the general fund.

Sec. 232. (1) Not later than December 31, the department shall submit a report that pertains to licensing and regulatory programs overseen by the following agencies:

(a) Liquor control commission.

(b) Bureau of fire services.

(c) Bureau of construction codes.

(d) Corporations, securities, and commercial licensing bureau.

(e) Bureau of professional licensing.

(f) Bureau of community and health systems.

(2) The report under subsection (1) must be in a format that is consistent between the agencies listed in subsection (1) and must provide, but is not limited to, the following information for the previous fiscal year, as applicable, for each agency:

(a) Revenue generated by and expenditures disbursed for each regulatory product.

(b) Revenue generated, by regulatory product or regulated activity.

(c) The renewal cycle and amount of each fee charged.

(d) Number of initial applications.

(e) Number of initial applications denied.

(f) Number of license renewals.

(g) Average amount of time to approve or deny completed applications.

(h) Number of examinations proctored for initial applications.

(i) A description of the types of complaints received.

(j) A description of the process used to resolve complaints.

(k) Number of complaints received.

(*l*) Number of complaints investigated.

(m) Number of complaints closed with no action.

(n) Number of complaints resulting in administrative actions or citations.

(o) Average amount of time to complete investigations.

(p) Number of enforcement actions, including license revocations, suspensions, and fines.

(q) A description of the types of enforcement actions taken against licensees.

(r) Number of administrative hearing adjudications.

(3) An agency listed in subsection (1)(a) or (b) shall report

by regulated activity and an agency listed in subsection (1)(c), (d), (e), or (f) shall report by regulatory product or regulated activity, or both.

(4) As used in this section:

(a) "Regulated activity" means the particular activities, entities, facilities, and industries regulated by the agencies specified in subsection (1).

(b) "Regulatory product" means each occupation, profession, trade, or program, which includes licensure, certification, registration, inspection, review, permitting, approval, or any other regulatory service provided by the agencies specified in subsection (1) for each regulated activity.

Sec. 233. The department shall submit a report to the standard report recipients by September 30 detailing any expenditure of funds for a television or radio production that was made to a third-party vendor in the fiscal year ending September 30, 2026. The report must include the following information for each expenditure:

(a) Total amount of the expenditure.

(b) Fund source for the expenditure.

(c) Name of any vendor that created the production and the amount paid to each vendor.

(d) Purpose of the production.

Sec. 234. Pending litigation related to a licensee must not delay investigations and licensing actions taken by the department toward that licensee under its statutory authority, unless otherwise prohibited by law.

Sec. 235. From the funds appropriated in part 1, the department shall make accessible to the senate and house

appropriations subcommittees on licensing and regulatory affairs and insurance and financial services, and post on a publicly accessible website, a report describing materials that department employees and contractors are required to review or complete as part of their mandatory training, including mandatory examinations, surveys, audio or visual recordings, and reading materials. All current training materials and future trainings shall be made available for review by members of the subcommittees or their designees. Contract-based trainings from outside entities must include allowing members of the subcommittees, or their designees, to view the training materials. The report shall be updated and resubmitted to the subcommittees when department training requirements change.

Sec. 236. It is the intent of the legislature that the department establish an employee performance monitoring process that is consistent throughout the department, in addition to current civil service commission evaluations. The department shall submit quarterly reports to the standard report recipients on changes to the employee performance monitoring process that are planned or implemented, as well as the number of employee evaluations performed.

Sec. 237. (1) From the funds appropriated in part 1 for administrative services, the department shall expend not less than $250,000.00 to provide 1 hour of customer service and business ethics training to each classified employee and 2 hours of customer service and business ethics training to each unclassified employee. This training must include, but is not limited to, instruction in customer service professionalism, consumer support, and ethics in business.

(2) Not later than November 3, the department shall submit a report to the standard report recipients containing all of the following information:

(a) The number of classified and unclassified employees that received the customer service and business ethics training.

(b) A copy of the material that was presented in the customer service and business ethics training.

(c) Information on the entity that provided the customer service and business ethics training.

Sec. 238. The department shall allow the chairs, majority vice chairs, and minority vice chairs of the senate and house appropriations committees and the chairs, majority vice chairs, and minority vice chairs of the senate and house subcommittees on licensing and regulatory affairs and insurance and financial services access to all facilities managed by the department at any time Monday through Friday, 8 a.m. to 5 p.m.

PUBLIC SERVICE COMMISSION

Sec. 301. The public service commission administers the low-income energy assistance grant program on behalf of the Michigan department of health and human services via an interagency agreement. Funds supporting the grant program are appropriated to the department upon the awarding of grants and may be expended for grant payments and administrative-related expenses incurred in the operation of the grant program.

Sec. 302. (1) From the funds appropriated in part 1, the Michigan public service commission shall conduct at least 4 public hearings in this state. Subject to the requirements of this section, if there is a city in this state with a population between

195,000 and 700,000 according to the most recent federal decennial census, a public hearing required under this section must be conducted in that city.

(2) Not later than September 30, the Michigan public service commission shall submit a report to the standard report recipients that details the outcomes of the 4 public hearings required under this section and summarizes the public comments that were received during the public hearings.

LIQUOR CONTROL COMMISSION

Sec. 401. (1) From the funds appropriated in part 1 from the direct shipper enforcement revolving fund, the liquor control commission shall expend the funds as required under section 203(11) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1203, to investigate and audit unlawful direct shipments of wine by unlicensed wineries and retailers, with priority directed toward unlicensed out-of-state retailers and third-party marketers. In addition to other investigative methods, the commission shall use shipping records available to the commission under section 203(21) of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1203, to assist with the effort to investigate and audit unlawful direct shipments of wine by unlicensed wineries and retailers. The liquor control commission shall refer all identified unlicensed out-of-state retailers and third-party marketers to the attorney general.

(2) Not later than February 1, the liquor control commission shall provide a report to the legislature and to the standard report recipients that details the commission's activities to investigate and audit the illegal shipping of wine and the results

of the activities. The report must include all of the following:

(a) Work hours spent, specific actions performed, and the number of full-time equated positions dedicated to identifying and stopping unlicensed out-of-state retailers, third-party marketers, and wineries that ship illegally in Michigan.

(b) General overview of expenditures associated with efforts to identify and stop unlicensed out-of-state retailers, third-party marketers, and wineries that ship illegally in Michigan.

(c) Number of out-of-state entities found to have illegally shipped wine into Michigan and total number of 750 ml bottles, number of cases with 750 ml bottles, number of liters, number of gallons, or weight of illegally shipped wine. These items must be itemized by total number of retailers and total number of wineries.

(d) Suggested areas of focus on how to address direct shipper enforcement and illegal importation in the future.

(3) From the funds appropriated in part 1 from the direct shipper enforcement revolving fund, the liquor control commission shall send a notice to each unlicensed out-of-state entity found to have illegally shipped wine into Michigan. The notice must include all of the following statements:

(a) That shipping wine into Michigan by unlicensed out-of-state retailers and third-party marketers is illegal, and wineries shipping into Michigan must obtain a direct shipper license.

(b) That under section 909 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1909, making unlawful shipments of wine into Michigan may be a felony punishable by imprisonment for not more than 4 years or a fine of not more than $5,000.00, or both.

(c) That the matter has been referred to the attorney general.

OCCUPATIONAL REGULATION

Sec. 501. The department shall not expend the funds appropriated under this part and part 1 for the bureau of fire services unless, in accordance with section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan review fees are charged according to the following fee schedule:

Operation and maintenance inspection fee

Facility type	Facility size	Fee
Hospitals	Any	$8.00 per bed

Plan review and construction inspection fees for hospitals and schools

Project cost range	Fee
$101,000.00 or less	minimum fee of $155.00
$101,001.00 to $1,500,000.00	$1.60 per $1,000.00
$1,500,001.00 to $10,000,000.00	$1.30 per $1,000.00
$10,000,001.00 or more	$1.10 per $1,000.00
	or a maximum fee of $60,000.00.

Sec. 502. The funds collected by the department for licenses, permits, and other elevator regulation fees under the Michigan Administrative Code and as determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the fiscal year carry forward to the subsequent fiscal year.

Sec. 503. Not later than February 15, the department shall submit a report to the standard report recipients that provides all of the following information:

(a) The number of veterans who were separated from service in the Armed Forces of the United States with an honorable character

of service or under honorable conditions (general) character of service, individually or if the veteran holds a majority interest of a corporation or limited liability company, that were exempted from paying licensure, registration, filing, or any other fees collected under each licensure or regulatory program administered by the bureau of construction codes, the bureau of professional licensing, and the corporations, securities, and commercial licensing bureau during the previous fiscal year.

(b) The specific fees and total amount of revenue exempted under each licensure or regulatory program administered by the bureau of construction codes, the bureau of professional licensing, and the corporations, securities, and commercial licensing bureau during the previous fiscal year.

(c) The actual costs of providing licensing and other regulatory services to veterans exempted from paying licensure, registration, filing, or any other fees during the previous fiscal year and a description of how the actual costs were calculated.

(d) The estimated amount of revenue that will be exempted under each licensure or regulatory program administered by the bureau of construction codes, the bureau of professional licensing, and the corporations, securities, and commercial licensing bureau in both the current and subsequent fiscal years and a description of how the exempted revenue was estimated.

Sec. 504. Revenue collected by the department for health systems administration from fees and collections that exceeds the amount appropriated in part 1 may be carried forward into the subsequent fiscal year. The revenue carried forward under this section must be used as the first source of funds in the subsequent fiscal year.

Sec. 505. (1) To defray the costs associated with responding to false final inspection appointments and to discourage the practice of calling for final inspections when a project is incomplete or noncompliant with a plan of correction previously provided by the bureau of fire services, the bureau of fire services may assess a fee of not more than $200.00 for responding to a second or subsequent confirmed false inspection appointment. Fees collected under this section must be deposited into the restricted account described in section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, and explicitly identified within the statewide integrated governmental management applications system.

(2) Not later than September 30, the department shall submit a report to the standard report recipients that provides all of the following:

(a) The amount of the fee assessed under subsection (1).

(b) The number of fees assessed and issued per region.

(c) The cost allocation for the work performed and reduced as a result of this section.

(d) Any recommendations for consideration by the legislature.

Sec. 506. Not later than November 30, the department shall submit a report to the standard report recipients on the Michigan automated prescription system. The report must include, but is not limited to, the total number of all of the following:

(a) Licensed health professionals registered to the Michigan automated prescription system.

(b) Dispensers registered to the Michigan automated prescription system.

(c) Prescribers using the Michigan automated prescription system.

(d) Dispensers using the Michigan automated prescription system.

(e) Cases related to overprescribing, overdispensing, and drug diversion where the department took administrative action because of information and data generated from the Michigan automated prescription system.

(f) Hospitals, doctor's offices, pharmacies, and other health facilities that have integrated the Michigan automated prescription system into the facility's electronic health records systems.

(g) Delegate users registered to the Michigan automated prescription system.

Sec. 507. (1) From the funds appropriated in part 1 for bureau of construction codes, not less than $900,000.00 must be allocated for additional inspections and enforcement activities related to the carnival-amusement safety act of 1966, 1966 PA 225, MCL 408.651 to 408.670, and the ski area safety act of 1962, 1962 PA 199, MCL 408.321 to 408.344.

(2) Not later than March 30, the department shall submit a report to the standard report recipients that details the allocation of funds under this section. The report must include an itemized listing of how the funds were used.

Sec. 508. Funds remaining in the homeowner construction lien recovery fund are appropriated to the department for payment of court-ordered homeowner construction lien recovery fund judgments entered before August 23, 2010. Subject to available funds, the payment of final judgments must be made in the order in which the final judgments were entered and began accruing interest.

Sec. 509. From the funds appropriated in part 1 for the bureau of fire services, in accordance with the requirements under section

21c of the fire prevention code, 1941 PA 207, MCL 29.21c, the bureau shall perform or work in cooperation with local units of government to perform inspections at places of public assembly that pose the highest risk to occupants for injury or fatality based on the size, density, or the nature of activities performed within the facility.

Sec. 510. From the funds appropriated in part 1 for bureau of survey and certification, the department shall submit a report pertaining to bureau activities, including surveys and investigations of nursing homes, to the standard report recipients not later than March 30.

Sec. 511. The department shall not enforce any directive requiring the masking of children less than 5 years of age and shall not take any licensing or administrative action against any licensee for failure to enforce or require the masking of children less than 5 years of age.

Sec. 512. Not later than February 1, the department shall submit a report to the standard report recipients providing the following information:

(a) The total amount of reimbursements made to local units of government for delegated inspections of fireworks retail locations pursuant to section 11 of the Michigan fireworks safety act, 2011 PA 256, MCL 28.461, from the funds appropriated in part 1 for the bureau of fire services during the preceding fiscal year.

(b) The amount of reimbursement for delegated inspections of fireworks retail locations for each local unit of government that received reimbursement from the funds appropriated in part 1 for the bureau of fire services during the preceding fiscal year.

Sec. 513. From the amount appropriated in part 1 for bureau of

community and health systems administration, upon receipt of the order of suspension of a licensed adult foster care home, home for the aged, or nursing home, the department shall serve the facility and provide contemporaneous notice to the offices of legislators representing a district where the licensed facility is situated and to the senate and house subcommittees on health and human services.

Sec. 514. From the funds appropriated in part 1 for bureau of professional licensing, the department must expend not less than $200,000.00 for grants to a professional accounting association for the maintenance and operation of the continuing professional education tracker and web portal.

Sec. 515. From the funds appropriated in part 1 for bureau of professional licensing, the department must expend not less than $400,000.00 for grants to a professional realtors association for the tracking and approval of continuing education credits.

Sec. 516. (1) From the funds appropriated in part 1 for bureau of fire services, the bureau of fire services shall expend not less than $1,000,000.00 for the purchasing and distribution of sealed-battery smoke detectors to the residents of this state. The bureau of fire services may purchase smoke detectors with additional capabilities for individuals with physical or psychological conditions that require an accommodative technology.

(2) Not later than September 30, the department shall submit a report to the standard report recipients that contains all of the following information:

(a) The number of smoke detectors that the bureau of fire services purchased.

(b) The per-unit price that the bureau paid for the smoke detectors.

(c) An itemized list of all cities, villages, or townships that received smoke detectors and the number of smoke detectors distributed to each city, village, or township.

CANNABIS REGULATORY AGENCY

Sec. 601. Not later than January 31, the department shall submit a comprehensive report to the standard report recipients for all marihuana programs administered by the cannabis regulatory agency. This report must include, but is not limited to, all of the following information for the previous fiscal year regarding the marihuana programs under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430, the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967:

(a) The number of initial applications received, by license category.

(b) The number of initial applications approved and the number of initial applications denied, by license category.

(c) The average amount of time, from receipt to approval or denial, to process an initial application, by license category.

(d) The number of renewal applications approved, by license category and by county.

(e) The number of renewal applications received, by license category and by county, if applicable.

(f) The number of renewal applications denied, by license category and by county.

(g) The average amount of time, from receipt to approval or denial, to process a renewal application, by license category, if

applicable.

(h) The percentage of initial applications not approved or denied within the time requirements established in the respective act, by license category, if applicable.

(i) The percentage of renewal applications not approved or denied within the time requirements established in the respective act, by license category, if applicable.

(j) The total amount collected from application fees or established regulatory assessment and the specific fund the amount is deposited into, by license category.

(k) The costs of administering the licensing program under each act.

(*l*) The registered names and addresses of all facilities licensed under each act, by license category and by county.

(m) The number of complaints received pertaining to each act, by license type or regulatory activity.

(n) A description of the types of complaints received.

(o) A description of the process used to resolve complaints.

(p) The number of investigations opened pertaining to each license category.

(q) The number of investigations closed pertaining to each license category.

(r) The average amount of time to complete investigations pertaining to each license category.

(s) The number of enforcement actions pertaining to each license category.

(t) A description of the types of enforcement actions taken against licensees.

(u) The number of administrative-hearing adjudications

pertaining to each license type.

(v) A list of the fees charged for license applications, license renewals, and registry cards.

Sec. 602. From the funds appropriated in part 1, the cannabis regulatory agency shall post on a publicly accessible website a list of all of the following:

(a) The number of investigative reports that identify violations of the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430, the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, or the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967, or violations of administrative rules promulgated under the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430, the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, or the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967.

(b) The number of investigative reports that identify suspected marihuana product that does not have the tracking numbers assigned by the statewide monitoring system affixed, tagged, or labeled as required by law.

(c) The number of complaints filed by the public with the agency that concern either of the following:

(*i*) Marihuana product that does not have the tracking numbers assigned by the statewide monitoring system affixed, tagged, or labeled as required by law.

(*ii*) Unlicensed commercial production or sale of delta-8 THC.

(d) The number and outcome of all agency disciplinary proceedings initiated against any licensee subject to the reports or complaints in subdivisions (a), (b), and (c).

(e) The number of reports the agency referred to the department of state police or other appropriate law enforcement agency.

(f) For any licensee subject to disciplinary proceedings initiated by the agency:

(*i*) Name of the licensee.

(*ii*) Description of the allegation.

(*iii*) Complaint type.

(*iv*) Process used to resolve the allegation.

(*v*) Name of the law enforcement agency the allegation was referred to, including the date of the referral.

(*vi*) Fines or other penalties issued.

Sec. 603. Not later than January 31, the department shall submit a comprehensive report to the standard report recipients for all hemp programs administered by the cannabis regulatory agency. The report must include, but is not limited to, all of the following:

(a) The total amount of fees collected by the cannabis regulatory agency from regulatory and licensing activities related to hemp and hemp processor-handlers.

(b) The total cost of administering hemp regulatory and licensing programs.

(c) The total number of hemp processor-handlers and any other hemp licensees licensed in this state, by county.

(d) A list and description of any fees that the cannabis regulatory agency assesses on hemp licensees.

Sec. 604. The cannabis regulatory agency shall not exhibit undue partiality toward or bias against any licensee.

Sec. 605. (1) From the funds appropriated in part 1 for

cannabis regulatory agency enforcement, not more than $5,000,000.00 is allocated for the cannabis regulatory agency for actions to investigate and regulate the cannabis black market in this state. This includes, but is not limited to, actions designed to curtail the following:

(a) Marihuana grown or produced at an unlicensed facility being inserted into the regulated market.

(b) Marihuana grown or produced at an out-of-state source being inserted into the regulated market.

(c) Synthetic marihuana products being sold at gas stations and smoke shops, including products synthesized from legal hemp products.

(2) From the remaining funds appropriated in part 1 for cannabis regulatory agency enforcement, each city, village, and township shall receive a distribution proportional to the amount of licensed marihuana facilities operating in their community. These funds must be utilized to curtail the amount of fentanyl in their community.

COMMISSIONS

Sec. 801. If Byrne formula grant funding is awarded to the Michigan indigent defense commission created under section 5 of the Michigan indigent defense commission act, 2013 PA 93, MCL 780.985, the Michigan indigent defense commission may receive and expend Byrne formula grant funds as an interdepartmental grant from the department of state police. The Michigan indigent defense commission may receive and expend federal grant funds from the United States Department of Justice.

Sec. 802. From the funds appropriated in part 1, not later

than September 30, the Michigan indigent defense commission shall submit a report to the standard report recipients on the incremental costs associated with the standard development process, the compliance plan process, and the collection of data from all indigent defense systems and attorneys providing indigent defense. The Michigan indigent defense commission shall place particular emphasis on the costs that may be avoided after standards are developed and compliance plans are in place.

Sec. 803. Not later than March 1, the Michigan indigent defense commission shall submit a report to the standard report recipients that contains all of the following:

(a) A detailed explanation of the total cost calculation for each indigent defense standard for which grant recipients are receiving state grant funding. The explanation must include a comprehensive itemization of the types of costs included for each standard.

(b) An itemized listing of how much funding each grant recipient is receiving for each indigent defense standard.

(c) An explanation of the specific causal factors associated with any increase or decrease of Michigan indigent defense commission grant funding from the previous fiscal year level.

Sec. 804. From the funds appropriated in part 1, the Michigan indigent defense commission shall notify the standard report recipients not more than 60 days after the adoption of any new indigent defense standard. The notification must include an estimated cost projection to fund the adopted indigent defense standard for the initial and subsequent fiscal years.

Sec. 805. A grant distributed by the Michigan indigent defense commission must not be used by an indigent defense system to

support any construction expenses for a new structure. This section does not prohibit expenditures for renovations to existing structures, if such a renovation is part of an indigent defense system's approved compliance plan.

Sec. 806. A grant distributed by the Michigan indigent defense commission must not be used to provide criminal defense services to individuals who are not citizens of the United States, unless the individual is a qualified alien as that term is defined under 8 USC section 1641.

Sec. 807. From the unexpended and unencumbered funds appropriated for the Michigan indigent defense commission in 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 that were designated as work project appropriations, the department shall work with the state budget director to lapse a total of $2,049,000.00. The $2,049,000.00 in work project lapse funds must be made available for expenditure by the state appellate defender office to support costs of ensuring this state's compliance with *People v Czarnecki*, ___ Mich ___ (2025), and *People v Taylor*, ___ Mich ___ (2025), by providing competent, resourced, and supervised counsel in cases that involve resentencing individuals who are serving a life sentence for an offense committed when the individuals were 19 or 20 years of age.

MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Sec. 901. (1) MCOLES shall establish standards for the selection, employment, training, education, licensing, and licensure revocation of all law enforcement officers and provide the basic law enforcement training curriculum for law enforcement training academy programs statewide.

(2) MCOLES shall maintain staffing and resources necessary to update law enforcement standards within 120 days of the enactment date of any new legislation.

(3) From the funds appropriated in part 1, MCOLES, by March 1, shall submit a report to the standard report recipients that includes a summary of MCOLES activities during the prior calendar year. The report required under this subsection must include, but is not limited to, both of the following pieces of information:

(a) An account of the distribution of training funds administered by MCOLES.

(b) A list of recipients that received training funds under subdivision (a) and the amount received by each recipient and for what purpose it was used.

Sec. 902. The general fund/general purpose funds appropriated in part 1 for the public safety officers benefit fund must be deposited into the public safety officers benefit fund created in section 3 of the public safety officers benefit act, 2004 PA 46, MCL 28.633. All funds in the public safety officers benefit fund are appropriated and available for expenditure in accordance with section 3 of the public safety officers benefit act, 2004 PA 46, MCL 28.633.

Sec. 903. Funds appropriated in part 1 for in-service training must be deposited into the law enforcement officers training fund created in section 11(7) of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.611. All funds in the law enforcement officers training fund are appropriated and available for expenditure to support the implementation of required annual in-service training standards for all licensed law enforcement officers, in accordance with rules promulgated under

section 11(2) of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.611.

GRANTS

Sec. 1001. (1) From the funds appropriated in part 1 for marihuana operation and oversight grants, the department shall expend the funds for grants to counties for education and outreach programs that relate to the Michigan medical marihuana program and the adult-use marihuana program, in accordance with section 6(*l*) of the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26426, and section 14 of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27964. The grant funds may be generated from application and license fees authorized under section 8(1)(b) of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27958. The grants must be distributed proportionately based on the number of registry identification cards issued to or renewed for the residents of each county that applied for a grant under subsection (2). For the purposes of this subsection, operation and oversight grants are for education, communication, and outreach regarding the Michigan Medical Marihuana Act, 2008 IL 1, MCL 333.26421 to 333.26430, and the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27951 to 333.27967. Grants provided under this section must not be used for law enforcement purposes.

(2) Not later than December 1, the department shall post a listing of potential grant funds available to each county on the department's website. In addition, the department shall work collaboratively with counties regarding the availability of the grant funds. A county that requests grant funds shall apply on a

form developed by the department and available on the department's website. The form must contain the county's specific projected plan for use of the grant funds and its agreement to maintain all records and to submit documentation to the department to support the use of the grant funds.

(3) To be eligible to receive a grant under subsection (1), a county shall apply not later than January 1 and submit a report to the department not later than September 15 on how the grant was expended. The department shall submit a report to the standard report recipients not later than October 15 of the subsequent fiscal year that details the grant amounts by recipient and the reported uses of the grants in the previous fiscal year.

Sec. 1002. (1) The funds appropriated in part 1 for firefighter training grants must be expended only for payments to counties to reimburse organized fire departments for firefighter training and other activities required under the firefighters training council act, 1966 PA 291, MCL 29.361 to 29.377.

(2) If the funds appropriated in part 1 for firefighter training grants are expended by the firefighters training council created under section 3 of the firefighters training council act, 1966 PA 291, MCL 29.363, for payments to counties under section 14 of the firefighters training council act, 1966 PA 291, MCL 29.374, all of the following apply to the extent otherwise permissible by law:

(a) The funds appropriated in part 1 for firefighter training grants must be allocated in accordance with section 14(2) of the firefighters training council act, 1966 PA 291, MCL 29.374.

(b) If the funds allocated to any county under subdivision (a) are less than $5,000.00, the funds allocated to each county under

subdivision (a) must be adjusted to provide for a minimum payment of $5,000.00 to each county.

(3) Not later than February 1, the department shall submit a financial report to the standard report recipients that identifies all of the following information for the previous fiscal year:

(a) The amount of the payments that would be made to each county if the distribution formula described in section 14(2) of the firefighters training council act, 1966 PA 291, MCL 29.374, would have been utilized to allocate the total amount appropriated in part 1 for firefighter training grants.

(b) The amount of the payments approved by the firefighters training council for allocation to each county.

(c) The amount of the payments actually expended or encumbered within each county.

(d) A description of any other payments or expenditures made under the authority of the firefighters training council.

(e) The amount of payments approved for allocations to counties that was not expended or encumbered and lapsed back to the fireworks safety fund.

ARTICLE 12

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

APPROPRIATION SUMMARY

Full-time equated unclassified positions	9.0		
Full-time equated classified positions	1,051.0		
GROSS APPROPRIATION		**$**	**295,039,600**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			101,800
ADJUSTED GROSS APPROPRIATION		**$**	**294,937,800**
Federal revenues:			
Total federal revenues			142,464,800
Special revenue funds:			
Total local revenues			0
Total private revenues			100,000
Total other state restricted revenues			13,221,400
State general fund/general purpose		**$**	**139,151,600**
Sec. 102. MILITARY			
Full-time equated unclassified positions	9.0		
Full-time equated classified positions	418.5		
Unclassified salaries--FTEs	9.0	$	1,823,400
Headquarters and armories--FTEs	103.0		22,533,800
Michigan National Guard child care assistance--FTEs	4.0		2,322,000
Michigan National Guard member healthcare reimbursement			1,640,000
Michigan National Guard tuition assistance fund--FTEs	3.5		7,277,500
Michigan youth challeNGe academy--FTEs	68.0		10,340,500
Military family relief fund			150,000
Military retirement			2,585,600

Military training sites and support facilities--FTEs	240.0		45,928,900
National Guard operations			600,500
Office of defense and aerospace innovation			5,000,000
GROSS APPROPRIATION		**$**	**100,202,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG - state police			101,800
Federal revenues:			
DOD - DOA - NGB			61,368,100
Federal counternarcotics revenues			100,000
Special revenue funds:			
Private donations			90,000
Billeting fund			1,378,200
Military family relief fund			150,000
Morale, welfare, and recreation fund			100,000
National Guard facilities rental fund			187,500
National Guard test projects fund			100,000
State general fund/general purpose		**$**	**36,626,600**
Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY			
Full-time equated classified positions	61.0		
County veteran service grants--FTEs	2.0	$	4,253,300
Michigan veterans affairs agency administration--FTEs	49.0		10,150,600
Veterans service grants--FTEs	2.0		4,253,300
Veterans trust fund administration--FTEs	8.0		1,175,300
Veterans trust fund grants			2,500,000
GROSS APPROPRIATION		**$**	**22,332,500**

1	Appropriated from:			
2	Federal revenues:			
3	USDVA - VHA			750,000
4	Special revenue funds:			
5	Private donations			10,000
6	Michigan veterans trust fund			3,675,300
7	Michigan veterans engagement fund			50,000
8	**State general fund/general purpose**		**$**	**17,847,200**
9	**Sec. 104. MICHIGAN VETERANS' FACILITY AUTHORITY**			
10	Full-time equated classified positions	571.5		
11	Chesterfield Township home for veterans--FTEs	115.0	$	32,511,400
12	D.J. Jacobetti home for veterans--FTEs	200.0		25,927,700
13	Grand Rapids home for veterans--FTEs	238.0		38,827,500
14	Information technology services and projects			1,474,100
15	Michigan veteran homes administration--FTEs	18.0		4,622,600
16	Veterans cemetery--FTEs	0.5		90,200
17	**GROSS APPROPRIATION**		**$**	**103,453,500**
18	Appropriated from:			
19	Federal revenues:			
20	USDVA - VHA			39,864,200
21	HHS-HCFA, Medicare, hospital insurance			1,754,700
22	HHS-HCFA, title XIX, Medicaid			8,469,900
23	Special revenue funds:			
24	Income and assessments			6,580,400
25	**State general fund/general purpose**		**$**	**46,784,300**
26	**Sec. 105. CAPITAL OUTLAY**			
27	Armory maintenance		$	1,000,000
28	Land and acquisitions			1,000,000

Special maintenance - National Guard		30,000,000
Special maintenance - veterans' facilities		500,000
GROSS APPROPRIATION	**$**	**32,500,000**
Appropriated from:		
Federal revenues:		
DOD - DOA - NGB		30,000,000
Special revenue funds:		
Michigan National Guard construction fund		1,000,000
State general fund/general purpose	**$**	**1,500,000**
Sec. 106. INFORMATION TECHNOLOGY		
Information technology services and projects	$	551,400
GROSS APPROPRIATION	**$**	**551,400**
Appropriated from:		
Federal revenues:		
DOD - DOA - NGB		157,900
State general fund/general purpose	**$**	**393,500**
Sec. 107. ONE-TIME APPROPRIATIONS		
Selfridge Air National Guard base	$	26,000,000
State veterans cemetery		5,000,000
Veterans nonprofit improvement grants		5,000,000
GROSS APPROPRIATION	**$**	**36,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**36,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the

state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $152,373,000.00 and total state spending under part 1 from state sources to be paid to local units of government is $4,389,800.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
County veteran service grants	$	4,253,300
Michigan veterans affairs agency administration		90,000
Military training sites and support facilities		46,500
TOTAL	**$**	**4,389,800**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "CMS" means the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services.

(b) "Department" means the department of military and veterans affairs.

(c) "DHHS" means the department of health and human services.

(d) "Director" means the director of the department.

(e) "FTE" means full-time equated position in the classified service of this state.

(f) "IDG" means interdepartmental grant.

(g) "MVAA" means the Michigan veterans affairs agency created by Executive Reorganization Order No. 2013-2, MCL 32.92.

(h) "MVFA" means the Michigan veterans' facility authority created under section 3 of the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.103.

(i) "MVH" means the Michigan veteran homes as that term is defined in the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.102.

(j) "MYCA" means the Michigan youth challeNGe academy.

(k) "Standard report recipients" means the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(*l*) "USDVA" means the United States Department of Veterans Affairs.

(m) "USDVA-VHA" means the USDVA Veterans Health Administration.

(n) "VSO" means veterans service organization.

(o) "Veterans' facility" means that term as defined in section 2 of the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.102.

(p) "Work project" means that term as defined in section 404 of the management and budget act, 1984 PA 431, MCL 18.1404, and that meets the criteria in section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a.

Sec. 204. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff

unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 206. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 207. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 208. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the

total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Consistent with section 217 of the management and

budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 213. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 214. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, the senate and house

appropriations committees, and the joint committee on administrative rules.

Sec. 215. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 216. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must

report to the office before beginning field work. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 217. (1) Funds appropriated in part 1 that are used for grants or grant programs are subject to the following conditions:

(a) Grant funds must be provided only to an entity that has been established or is operating in this state or another state for at least 36 months before approval or disbursement of grant funds.

(b) Grant funds must be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each

entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that confirms the department reviewed and affirmed compliance by each grant recipient to program scope and expenditure of grant funding.

(b) A statement that confirms the department reviewed applicable program reports and requests for reimbursement.

Sec. 218. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subparagraphs (a) to (h).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 219. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 221. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $8,600,000.00 for federal contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 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 $1,100,000.00 for state restricted contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management

and budget act, 1984 PA 431, MCL 18.1393.

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

Sec. 222. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September

30, 2026 are estimated at $11,475,400.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $10,350,100.00. Total appropriations for retiree health care legacy costs for the department are estimated at $1,125,300.00.

Sec. 225. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department shall notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 226. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned, as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 227. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding

was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 228. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs or as outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 229. Not later than January 1, the department shall submit an updated departmental strategic plan to the senate and house appropriations subcommittees on the department budget and the senate and house fiscal agencies.

Sec. 230. The funds appropriated in part 1 for office of defense and aerospace innovation must be used to protect and grow the defense and homeland security industry in Michigan by protecting the state's current defense missions, infrastructure, and industry, including securing new missions and increasing defense and homeland security spending in this state, in accordance with the United States Department of Defense mission. These funds may be used for, but are not limited to, the following:

(a) Helping Michigan businesses identify federal defense contract opportunities.

(b) Providing technical assistance for bid responses to federal defense contracts.

(c) Strengthening cybersecurity compliance at Michigan

businesses to qualify for federal defense contracts.

MILITARY

Sec. 301. (1) Not later than October 30, the department shall report a list of the current unclassified positions, which shall include the official titles and responsibilities of each position.

(2) Upon the department being granted a request for an additional unclassified employee position from the civil service commission, or for any substantive changes to the duties of an existing unclassified employee position, the department shall report on these changes within 15 days.

Sec. 302. (1) The department shall operate and maintain National Guard armories and implement a system to measure the condition and adequacy of those armories.

(2) Not later than January 15, the department shall evaluate armories and submit an annual report on the status of the armories that includes the following information:

(a) An assessment of the grounds and facilities of each armory to objectively measure and determine the current facility condition and capability to support authorized manpower, unit training, and operations.

(b) Recommendations for the placement of new armories, the relocation or consolidation of existing armories, or a change in the mission of units assigned to armories to ideally position the National Guard in current or projected population centers.

(c) Recommendations for the enhanced use of armories to facilitate family support programs during deployments.

(d) An analysis of the feasibility, potential costs, and benefits of use of armories shared with other local, state, or

federal agencies to improve responses to local emergencies as well as the community support provided to armories.

(e) An investment strategy and proposed funding amounts in a prioritized project list to correct the most critical facility shortfalls across the inventory of armories in this state.

(f) A review of the status of construction activities and expenditures of the armory modernization project funded in section 107 of article 10 of 2022 PA 166 and section 104 of 2022 PA 194.

Sec. 303. (1) The department shall maintain the MYCA to provide values, skills, education, and self-discipline instruction for at-risk youth as provided under 32 USC 509.

(2) The department shall take steps to recruit candidates to the MYCA from economically-disadvantaged areas, including those with low-income and high-unemployment backgrounds.

(3) The department shall partner with the DHHS to identify youth who may be eligible for MYCA from those youth served by DHHS services programs. The department shall give these eligible youth priority for enrollment.

(4) The department shall maintain the MYCA to graduate at least the target number of graduates consistent with the state's cooperative agreement with the National Guard Bureau regarding program operations.

(5) The department shall ensure individual academic success as measured by the number of individuals who have received a general equivalency diploma, high school diploma, or high school credit recovery or by the improvement of tests of adult basic education scores, or both.

(6) Any unexpended and unencumbered private donations to support the MYCA at the close of this fiscal year do not lapse to

the general fund and must be carried forward to the subsequent fiscal year.

(7) Not later than March 1, the department shall submit a report to the standard report recipients with the following information for the previous calendar year:

(a) The number of MYCA participants and graduates.

(b) Descriptions of the programs and training offered during each cycle of the MYCA program.

(c) The number of Michigan job challeNGe program participants and graduates.

(d) If known, the employment rate for individuals who graduated from the Michigan job challeNGe program.

(e) For each FTE position appropriated in part 1 for the Michigan youth challeNGe academy, a description of the position's functions, assigned responsibilities, and, if applicable, the length of time that the position has been vacant.

Sec. 304. (1) Not later than January 15, the department shall provide a report on the revenues, expenditures, and fund balance of the military family relief fund. The department shall itemize expenditures in the report by purpose, including, but not limited to, for advertising and assistance grants. The report must also include information on the number of applications for assistance received, approved, and denied.

(2) From the funds appropriated in part 1, the department shall provide outreach to the Michigan families of members of the reserve component of the Armed Forces of the United States called into active duty on the availability of assistance through the military family relief fund.

(3) As used in this section, "military family relief fund"

means the military relief fund created in section 3 of the military family relief fund act, 2004 PA 363, MCL 35.1213.

Sec. 305. (1) The department shall do all of the following:

(a) Provide Army and Air National Guard forces, when directed, for state and local emergencies and in support of national military requirements.

(b) Operate and maintain Army National Guard training facilities, including Fort Custer and Camp Grayling.

(c) Maintain a system that measures the condition and adequacy of air facilities using both quality and functionality criteria.

(d) Operate and maintain Air National Guard air bases, including Selfridge Air National Guard base, Battle Creek Air National Guard base, and Alpena combat readiness training center.

(2) Not later than March 1, the department shall report the following information for the previous calendar year:

(a) The apportioned and assigned strength of the Michigan Army National Guard.

(b) The apportioned and assigned strength of the Michigan Air National Guard.

(c) Recruiting, retention, and attrition data, including measurement against stated performance goals, for the Michigan Army National Guard.

(d) Recruiting, retention, and attrition data, including measurement against stated performance goals, for the Michigan Air National Guard.

Sec. 306. (1) The billeting fund is created within the state treasury.

(2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall

direct the investment of money in the fund and credit interest and earnings from the investments to the fund.

(3) All of the fees and other revenues generated from the operation of the chargeable transient quarters program must be deposited in the fund.

(4) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(5) The department is the administrator of the fund for auditing purposes.

(6) The department shall expend money from the fund to support program operations and the maintenance and operations of the chargeable transient quarters program as appropriated in part 1.

(7) Not later than January 15, the department shall submit an annual report of operations and expenditures regarding the fund for the previous fiscal year.

Sec. 307. (1) The department shall maintain a Michigan National Guard tuition assistance program under the Michigan National Guard tuition assistance act, 2014 PA 259, MCL 32.431 to 32.433. The Michigan National Guard tuition assistance program must do all of the following:

(a) Bolster military readiness by increasing recruitment and retention of Michigan Army and Air National Guard members.

(b) Fill federally authorized strength levels for the state.

(c) Improve the Michigan Army and Air National Guard's competitive draw from other military enlistment options in the state.

(d) Enhance the ability of the Michigan Army and Air National Guard to compete for guard members and federal dollars with surrounding states.

(e) Increase the pool of eligible candidates within the Michigan Army and Air National Guard to become commissioned officers.

(2) The department shall make efforts to increase the number of National Guard members who have received a credential or are still enrolled in the Michigan National Guard tuition assistance program after their initial term of enlistment. To evaluate the effectiveness of the program, the department shall monitor the number of new recruits and new reenlistments and the percentage of those who become participants in the program to determine whether the percentage of authorized Michigan Army and Air National Guard strength obtained and retained is competitive in comparison with the neighboring army and air national guards from Illinois, Indiana, Ohio, and Wisconsin.

(3) Not later than March 1, the department shall provide a report on the Michigan National Guard tuition assistance program. The report must include, but is not limited to, the following information for the previous fiscal year:

(a) The number of guard members, spouses, and dependents that received tuition assistance, broken down by the number of each type of recipient and each type of educational or training program for which tuition assistance was received.

(b) The educational institutions from which those guard members, spouses, and dependents received education or training under the program, broken down by the number of each type of recipient and each type of educational or training program for which tuition assistance was received.

(c) The total amount of financial assistance received by each educational institution.

(d) The total funds expended on the program for financial assistance for each type of recipient and each type of educational or training program.

(e) The total funds expended on the program for administrative costs of the department.

(f) For each FTE position appropriated in part 1 for the Michigan National Guard tuition assistance program, a description of the position's functions, assigned responsibilities, and, if applicable, the length of time that the position has been vacant.

(g) The total number of applications for tuition assistance approved and denied.

(h) The number of guard members, spouses, and dependents receiving tuition assistance that successfully completed an educational or training program for which tuition assistance was received.

(i) A description of each educational or training program offered through the Michigan National Guard tuition assistance program.

(j) A list of any educational institutions and training programs removed from eligibility and the rationale for that removal.

(k) The balance of the Michigan National Guard tuition assistance fund at the close of the fiscal year.

(*l*) An explanation of any identified barriers to the successful utilization of the program, or other unmet needs of the program and applicable proposals for legislative action to address those barriers and needs.

(m) An analysis of the ways that the program has affected the recruitment and retention efforts of the Michigan National Guard.

(4) The general fund/general purpose funds appropriated in part 1 for the National Guard tuition assistance fund must be deposited into the restricted Michigan National Guard tuition assistance fund. All funds in the restricted Michigan National Guard tuition assistance fund are appropriated and available for expenditure to support the Michigan National Guard tuition assistance program.

(5) As used in this section, "Michigan National Guard tuition assistance fund" means the Michigan National Guard tuition assistance fund created in section 4 of the Michigan National Guard tuition assistance act, 2014 PA 259, MCL 32.434.

Sec. 309. (1) The National Guard test projects fund is created within the state treasury.

(2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall direct the investment of money in the fund and credit interest and earnings from the investments to the fund.

(3) All of the fees and other revenues generated from the operation of the test projects program shall be deposited in the fund.

(4) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(5) The department is the administrator of the fund for auditing purposes.

(6) Money in the fund shall be available for expenditure for the support of program operations as appropriated in part 1.

Sec. 310. (1) The morale, welfare, and recreation fund is created within the state treasury.

(2) The state treasurer shall deposit money and other assets

received from any source into the fund. The state treasurer shall direct the investment of money in the fund and shall credit interest and earnings from the investments to the fund.

(3) The department is the administrator of the fund for auditing purposes.

(4) All of the fees and other revenues generated from the operation of the morale, welfare, and recreation program must be deposited in the morale, welfare, and recreation fund. Money in the fund is available for expenditure for the support of program operations as appropriated in part 1.

(5) Money remaining in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

Sec. 311. (1) The National Guard facilities rental fund is created in the state treasury.

(2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall direct the investment of money in the fund and shall credit interest and earnings from the investments to the fund.

(3) All of the fees and other revenues generated from the operation of the National Guard facilities rental program must be deposited in the fund.

(4) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(5) The department is the administrator of the fund for auditing purposes.

(6) Money in the fund is available for expenditure for the support of program operations as appropriated in part 1.

Sec. 312. Not later than February 1, the department shall provide the report required under section 251(7) of the Michigan

military act, 1967 PA 150, MCL 32.651.

Sec. 313. The Michigan Army National Guard and Air National Guard shall work to provide a culture that is free of sexual assault, through an environment of prevention, education and training, response capability, victim support, reporting procedures, and appropriate accountability that enhances the safety and well-being of all guard members.

Sec. 314. (1) The Michigan National Guard member healthcare reimbursement fund is created within the state treasury.

(2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall direct the investment of money in the fund and credit interest and earnings from the investments to the fund.

(3) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(4) The department is the administrator of the fund for auditing purposes.

(5) The department shall create and operate a Tricare premium reimbursement program.

(6) Funds appropriated in part 1 for Michigan National Guard member healthcare reimbursement must be deposited into the Michigan National Guard member healthcare reimbursement fund. All funds in the Michigan National Guard member healthcare reimbursement fund are appropriated and available for expenditure to support the Tricare premium reimbursement program created in subsection (5).

(7) Under the Tricare premium reimbursement program created in subsection (5), the department may reimburse eligible Michigan National Guard members for a premium paid for any of the following:

(a) Individual coverage under the Tricare dental program.

(b) Individual coverage through the Tricare reserve select program.

(8) The department shall promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, as necessary to implement and administer the Tricare premium reimbursement program created in subsection (5).

(9) As used in this section:

(a) "Eligible member" means a member of the Michigan National Guard who is eligible for coverage under the Tricare dental program or the Tricare reserve select program and meets any other eligibility criteria established by the department.

(b) "Tricare dental program" means a voluntary dental health insurance plan for eligible members who are not on active duty and are not covered by a traditional assistance management program, an existing health insurance program through an employer, or a private market plan.

(c) "Tricare reserve select program" means a voluntary health insurance plan for eligible members who are not on active duty and are not covered by a traditional assistance management program, an existing health insurance program through an employer, or a private market plan.

Sec. 315. (1) The Michigan National Guard child care assistance fund is created within the state treasury.

(2) The state treasurer shall deposit money and other assets received from any source into the fund. The state treasurer shall direct the investment of money in the fund and credit interest and earnings from the investments to the fund.

(3) Money in the fund at the close of the fiscal year remains in the fund and does not lapse to the general fund.

(4) The department is the administrator of the fund for auditing purposes.

(5) The department shall create and administer a child care assistance program.

(6) Funds appropriated in part 1 for Michigan National Guard child care assistance must be deposited into the Michigan National Guard child care assistance fund. All funds in the Michigan National Guard child care assistance fund are appropriated and available for expenditure to support the child care assistance program.

(7) To receive assistance under the child care assistance program, an eligible member must submit an application to the department. If there is sufficient money in the Michigan National Guard child care assistance fund, the department shall approve, subject to the limitations under subsection (8), an application to cover the amount of child care assistance applied for if either of the following applies:

(a) The eligible member is a single parent.

(b) The eligible member's spouse is also an eligible member.

(8) The department shall issue a stipend at a rate established annually by the department to each eligible member who applies and is approved for child care assistance under the program. The department shall determine the amount of child care assistance that may be provided under this subsection for each fiscal year. The amount of child care assistance determined by the department under this subsection applies to all eligible members who apply and are approved under the program. The department shall not approve child care assistance for more than 12 hours a day for weekend drills and annual training and for not more than 39 days a year.

(9) The department shall promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, as necessary to implement and administer the child care assistance program.

(10) Not later than March 1, the department shall provide a report on the child care assistance program. The report must include, but is not limited to, the following information:

(a) The number of eligible members receiving child care assistance under the program, broken down by service branch and including the amount of the stipend issued, and the total number of National Guard members by service branch.

(b) The number of children for whom a stipend was paid and the associated number of hours paid broken down by service branch.

(c) The hourly rate paid.

(d) The total funds expended on the program for child care stipends.

(e) The total funds expended on the program for administrative costs of the department.

(f) Any other pertinent information, as determined by the department, on the program's operations and administration.

(11) As used in this section:

(a) "Child care assistance program" or "program" means the child care assistance program created under subsection (5).

(b) "Eligible member" means a member of the Michigan National Guard who meets all of the following:

(*i*) Is in active service as that term is defined in section 105 of the Michigan military act, 1967 PA 150, MCL 32.505.

(*ii*) Is not absent without leave or under charges described in the Michigan code of military justice of 1980, 1980 PA 523, MCL

32.1001 to 32.1148.

(*iii*) Any other criteria established by the department that is consistent with Michigan National Guard recruiting and retention requirements.

(c) "Michigan National Guard child care assistance fund" means the Michigan National Guard child care assistance fund created under subsection (1).

Sec. 316. The department shall not use funds appropriated in part 1 to support any projects, studies, staff effort, consultant expenses, or any other activity related to the development, financing, construction, operation, or implementation of a hypersonic and extreme environment testing program at Selfridge Air National Guard Base. As used in this section, "hypersonic and extreme environment testing" means any activity intended to imitate, simulate, or replicate the extreme conditions of hypersonic flight for the purposes of developing, testing, improving, or validating the effectiveness or performance of materials for use in hypersonic or counter-hypersonic vehicles or technology.

MICHIGAN VETERANS AFFAIRS AGENCY

Sec. 404. (1) Money privately donated to the department for the MVAA in excess of the appropriation in part 1 is appropriated and available for expenditure for the benefit and life enrichment of veterans and for the purpose designated by the private source, if specified and in compliance with this section.

(2) Any unexpended and unencumbered private donations to support the MVAA at the close of this fiscal year do not lapse to the general fund and must be carried forward to the subsequent

fiscal year.

(3) Not later than January 15, the department must submit a report that provides the amount of private donations received by the department for the MVAA and the purpose for which the funds will be expended, if known. In addition to the annual report required under this subsection, if a donation described under this section is $10,000.00 or greater, the department must submit a report within 14 calendar days after receiving that donation providing the amount of the donation and the purpose for which the funds will be expended, if known.

Sec. 405. (1) The Michigan veterans' trust fund board together with the MVAA shall provide emergency grants for disbursement from the Michigan veterans' trust fund, as provided under the following program authorities:

(a) Sections 37, 38, and 39 of article IX of the state constitution of 1963.

(b) 1946 (1st Ex Sess) PA 9, MCL 35.602 to 35.610.

(c) R 35.1 to R 35.7 of the Michigan Administrative Code.

(d) R 35.621 to R 35.623 of the Michigan Administrative Code.

(2) Not later than January 15, the MVAA shall provide a detailed report of the Michigan veterans' trust fund that includes, for the previous fiscal year, the following information:

(a) Details concerning the methodology of allocations and the selection of emergency grant program authorized agents.

(b) A description of how the emergency grant program is administered in each county.

(c) A detailed breakdown of the Michigan veterans' trust fund expenditures for the emergency grant program, including the amount distributed to each county for operating costs, administrative

costs and emergency grants.

(d) Expenditures for state operating costs and administrative costs.

(e) The number of approved emergency grant applications, by category of assistance, and the number of denied applications, by reason of denial.

(f) A description of the MVAA's efforts to reduce program administrative costs and maintain the Michigan veterans' trust fund corpus at or above its original amount of $50,000,000.00.

(g) The overall financial status of the Michigan veterans' trust fund, including revenues and year-end balance.

(h) Expenditures for program partnerships, delineated by organization, and expenditures for any other program initiatives.

Sec. 406. The MVAA shall do all of the following:

(a) Provide outreach services to Michigan veterans to advise them on the benefits to which they are entitled, as provided under Executive Reorganization Order No. 2013-2, MCL 32.92.

(b) Develop and operate an outreach program that communicates benefit eligibility information to at least 50% of Michigan's population of veterans, as assessed by annual census estimates, with a goal of reaching 100% and enabling 100% to access benefit information online.

(c) Communicate veteran benefit information pertaining to the Michigan military family relief fund, Michigan veterans' trust fund, and USDVA health, financial, and memorial benefits to which veterans are entitled.

(d) Fulfill requests for military discharge certificates (DD-214) upon request.

(e) Not later than January 1, submit a report on the

percentage of Michigan veterans contacted through its outreach programs, with a goal of 90%, and report that percentage on the status of outreach.

Sec. 408. From the funds appropriated in part 1, the MVAA shall provide for the regional coordination of services and do all of the following:

(a) Coordinate with veteran benefit counselors throughout a specified region.

(b) Coordinate services with all state departments and agencies.

(c) Coordinate with regional workforce and economic development agencies.

(d) Coordinate activities among local foundations, nonprofit organizations, and community groups to improve accessibility, enrollment, and utilization of the array of health care, education, employment assistance, and quality of life services provided at the local level.

(e) Work with MVAA service officers, county veteran counselors, VSO service officers, and other service providers to increase awareness of available mental health care resources and support services veterans may be eligible to receive.

(f) Coordinate with the DHHS to identify Medicaid recipients who are veterans and who may be eligible for federal veterans health care benefits or other benefits, to the extent that the identification does not violate applicable confidentiality requirements.

(g) Collaborate with the department of corrections to create and maintain a process by which prisoners can obtain a copy of their DD-214 form or other military discharge documentation if

necessary.

(h) Ensure that all MVAA service officers and VSO service officers receive appropriate training in processing applications for benefits payable to veterans due to military sexual trauma, post-traumatic stress disorder, depression, anxiety, substance use disorder, or other mental health issues.

Sec. 410. (1) The MVAA shall provide claims processing services to Michigan veterans in support of benefit claims submitted to the USDVA for the health, financial, and memorial benefits for which they are eligible. The MVAA shall report annually on the number of benefit claims, by type, submitted to the USDVA by MVAA and maintain the staffing and resources necessary to process a minimum of 500 claims per year.

(2) The MVAA shall develop and implement a process to ensure that all county veterans counselors receive the training and accreditation necessary to provide quality services to veterans and shall report information annually on the number and percentage of county veterans counselors trained by the MVAA, and the number and percentage who received funding from the MVAA to attend training, with an overall goal of 100% of county veterans counselors trained.

(3) From the funds appropriated in part 1 for MVAA, the MVAA is authorized to expend up to $100,000.00 to hire legal services to represent veterans benefit cases before federal court to maintain accreditation under 38 CFR 14.628(d)(1)(iv).

Sec. 411. (1) From the funds appropriated in part 1 for veterans service grants, the MVAA shall establish, administer, and award competitive grants to 1 or more congressionally chartered VSOs or a coalition of VSOs. The MVAA shall award grants to support efforts to connect veterans and their dependents with federal

compensation and pension benefits and state veterans' benefits, including emergency grants through the Michigan veterans' trust fund and other local or nonprofit assistance that may be available to veterans and their dependents. The MVAA shall establish a competitive grant process that satisfies all of the following:

(a) Utilizes a service provision model to provide services across the state and can be tracked regionally to ensure that veterans and their dependents in this state, including those within tribal communities, are provided with services, advocacy, and outreach as close to the communities in which they live as possible.

(b) Ensures that grantees are providing adequate veteran services and advocacy, through in-person and virtual meetings, that enable the organization to meet performance goals established in the grant agreement.

(c) Fosters innovative and transformative approaches and techniques for the grantee to use when providing services, advocacy, and outreach for veterans and their dependents.

(d) Requires grantees to use an MVAA-designated internet-based claims data system to manage caseloads. License fees associated with the claims data system described in this subdivision are considered an allowable expenditure and may be reimbursed with grant funds.

(e) Requires grantees, in coordination with the MVAA, to provide services to incarcerated veterans who are within 1 year of their earliest release date.

(f) Ensures that each grantee is issued performance goals.

(g) Ensures that each grantee expends grant awards as prescribed in the grant agreement.

(h) Requires each grantee to report not less than quarterly on all of the following:

(*i*) An accounting for all grant fund expenditures.

(*ii*) The number and type of claims originated and submitted by the grantee to the USDVA.

(*iii*) The number and type of claims originated by an organization other than the grantee and submitted by the grantee to the USDVA.

(*iv*) The services provided to veterans and their dependents.

(*v*) Progress in achieving monthly performance benchmark goals.

(i) Ensures that each grantee is issued monthly performance benchmark goals that each grantee must aim to achieve and require each grantee to report to the MVAA, in order to ensure that benchmark goals are being achieved, or on target to be achieved, in the fiscal year.

(2) The MVAA shall do all of the following:

(a) Follow all generally accepted accounting principles in accordance with sections 141 and 485 of the management and budget act, 1984 PA 431, MCL 18.1141 and 18.1485.

(b) When establishing, modifying, or amending the competitive grant process described in subsection (1), consult and collaborate with congressionally chartered VSOs in the state, or a coalition of VSOs, and other stakeholders to ensure a comprehensive approach to providing services, advocacy, and outreach to veterans and their dependents.

(c) Provide notice to current grantees of any MVAA-proposed modifications or amendments to the competitive grant process and provide those grantees with an opportunity to respond through written communication.

(d) Assess the accuracy rate of claims reported by grantees.

(e) Review and audit grantees' expenditure of grant funds to ensure compliance with the grant agreement, as provided under section 470 of the management and budget act, 1984 PA 431, MCL 18.1470.

(3) Not later than January 15, the MVAA shall provide a report summarizing grant activities for the previous fiscal year, including the amount of expenditures, number of service and advocacy hours, number of claims for benefits submitted by type of claim, and other information deemed appropriate by the MVAA.

(4) The unexpended funds appropriated in part 1 for veterans service grants are designated as a work project appropriation, and any unencumbered or unallotted funds do not lapse at the end of the fiscal year and must be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to administer and award competitive grants to 1 or more congressionally chartered VSOs or a coalition of VSOs.

(b) The project will be accomplished by state employees and grantees.

(c) The tentative completion date is September 30, 2026.

Sec. 413. (1) The funds appropriated in part 1 for county veteran service grants must be deposited into the restricted county veteran service fund created in section 3a of 1953 PA 192, MCL 35.623a. All available funds in the restricted county veteran service fund are appropriated and available for expenditure as provided by law.

(2) The MVAA shall provide a report not later than January 15 that includes the following information for the previous fiscal year:

(a) A list of counties that received a grant under this section and details concerning the methodology of allocations, including, but not limited to, all program information distributed by the MVAA to counties and any applicable timelines and deadlines imposed by the MVAA.

(b) The base, per capita, and total amounts of grant funding each county received pursuant to sections 3a(6) and 3a(7) of 1953 PA 192, MCL 35.623a, including any amount of funding provided under the emergent need relief program pursuant to section 3a(10) of 1953 PA 192, MCL 35.623a.

(c) A summary of each county's expenditures of grant funding.

(d) The amount of any unexpended grant funding disbursed to the counties that has been recovered and returned to the county veteran service fund.

(e) The balance of the county veteran service fund at the close of the fiscal year.

(f) A list of counties that have requested funds in the current fiscal year, the amount requested by each county, and the total of these amounts.

(g) A list of counties that did not request funds in the current fiscal year.

(h) The amount of any funds recovered by the MVAA through the MVAA's finding of misused grant funds.

(i) An explanation of any obstacles or reasons for counties not applying for or spending their eligible amount of grant funding.

(j) The amount expended by the MVAA for grant administration and implementation costs.

(k) Details concerning the methodology of allocations and the selection of emergency grant program authorized agents.

(3) The MVAA shall notify the legislature not later than 30 days after any changes, alterations, or modifications are made to the amount of grant funding awarded to a county under section 3a of 1953 PA 192, MCL 35.623a.

(4) On a quarterly and annual basis, but not more than quarterly, a county that receives grant funding under section 3a of 1953 PA 192, MCL 35.623a, shall submit a report to the MVAA that includes, but is not limited to, all of the following:

(a) A line-item accounting of all expenditures made using grant funds, including, but not limited to, salaries, training, outreach, equipment, transportation, and operational expenses.

(b) A breakdown of the number of veterans served using grant funds, including the number of veterans assisted, the types of services provided, and the number and types of claims submitted.

(c) A comparison of the costs associated with delivering services or products to veterans to the amount of grant funding spent on delivering those services or products.

(d) A verification of county match funding, including documentation that the county has maintained at least 70% of the funding level from the previous fiscal year for veteran services.

(e) A description of how county expenditures align with the intended outcomes of the county veteran service grant program, including any challenges or deviations from planned activities.

(f) A certification, signed by the county veteran service officer and a county fiscal officer, affirming that all

expenditures comply with county veteran service grant conditions and applicable law.

Sec. 414. Not later than January 15, the department shall provide a report on the status of the construction, operations, and finances of the state veterans cemetery funded under the veterans cemetery act, 2022 PA 267, MCL 35.1251 to 35.1259.

Sec. 415. (1) From the funds appropriated in part 1 for Michigan veterans affairs agency administration, the MVAA shall complete a study and submit a report to the standard report recipients not later than January 15 that includes all of the following:

(a) Data on the estimated number of homeless veterans, by county, in this state.

(b) Challenges to securing housing for homeless veterans.

(c) Recommendations for future long-term partnerships between the Michigan state housing development authority, the MVAA, municipalities, and nonprofit organizations that could assist in eliminating homelessness among veterans in this state. Recommendations under this subdivision must minimize additional costs to local units of government.

(d) A summary of ongoing projects and grant programs designed to combat veteran homelessness in the state, including, if applicable, the amounts spent on these projects and grant programs.

(2) As used in this section:

(a) "Homeless" means that term as defined in section 103 of the McKinney-Vento homeless assistance act of 2009, 42 USC 11302.

(b) "Veteran" means an individual who served in the United States Armed Forces, including the reserve components and National Guard, and was discharged or released under conditions other than

dishonorable. Veteran includes an individual who died while on active duty in the United States Armed Forces.

Sec. 416. From the funds appropriated in part 1, the department may partner with the DHHS to facilitate and administer a program to contract with or provide grants to local health care providers to accelerate the clinical research and deployment of promising investigational treatments for suicide prevention that have been granted breakthrough therapy designation by the United States Food and Drug Administration and are eligible for expanded access as defined by the United States Food and Drug Administration, specifically for the treatment of post-traumatic stress disorder, major depressive disorder, or treatment-resistant depression in veterans of the United States military and first responders.

MICHIGAN VETERANS' FACILITY AUTHORITY

Sec. 501. (1) Money privately donated to the MVH, the MVFA, or a veterans' facility in excess of the appropriation in part 1 is appropriated and is available for expenditure for the benefit and life enrichment of resident members and for the purpose designated by the private source, if specified and in compliance with this section.

(2) Not later than January 15, the MVH must submit a report that provides the amount of the private donations described under subsection (1) and the purpose for which the funds will be expended, if known. In addition to the annual report required under this subsection, if the MVH, the MVFA, or a veterans' facility receives a private donation that is $10,000.00 or greater, the MVH must submit a report within 14 calendar days after receiving that

donation providing the amount of the donation and the purpose for which the funds are to be expended, if known.

(3) Any unexpended and unencumbered private donations to support the MVH at the close of this fiscal year do not lapse to the general fund and must be carried forward to the subsequent fiscal year.

Sec. 502. (1) From the funds appropriated in part 1, the MVH and the MVFA shall provide compassionate and quality nursing care services at each veterans' facility in this state so that resident members can achieve their highest potential of wellness, independence, self-worth, and dignity. The MVFA and the MVH shall provide nursing care services to veterans in accordance with federal standards and report the results of the annual USDVA and CMS surveys and certification as proof of compliance.

(2) Appropriations in part 1 for a veterans' facility shall not be used for any purpose other than expenses related to the operations of the veterans' facility.

Sec. 503. All contractors providing health care services at a veterans' facility shall provide services in a manner that complies with applicable USDVA and CMS regulations for state veterans' homes and skilled nursing facilities, any rules governing the operation of nursing homes licensed in this state, and any training and education requirements associated with staff licensure or certification.

Sec. 504. (1) The MVFA shall report and investigate all complaints of abuse or neglect at a veterans' facility in compliance with USDVA and CMS regulations for state veterans' homes and skilled nursing facilities. The MVFA shall report on a bimonthly basis the following information:

(a) A description of the process by which resident members and others may file complaints of alleged abuse or neglect at a veterans' facility.

(b) Summary statistics on the number and general nature of complaints of abuse or neglect.

(c) Summary statistics on the final disposition of complaints of abuse or neglect received.

(2) The MVFA shall display in high-traffic areas throughout the veterans' facility the process by which visitors, resident members, and staff of the veterans' facility may register complaints.

Sec. 505. The MVH shall do the following regarding member care:

(a) Provide board-certified psychiatric care for all resident members with mental health disorders in order to ensure that those resident members receive needed services in a professional and timely manner.

(b) Provide all resident members and staff a safe and secure environment.

(c) Ensure that the veterans' facility effectively develops, executes, and monitors all comprehensive care plans in accordance with federal regulations and the veterans' facility's internal policies, with a goal that a comprehensive care plan is fully developed for all resident members.

Sec. 506. The MVH shall establish and implement internal controls regarding all of the following:

(a) The use and management of food, maintenance, and pharmaceutical and medical supply inventories.

(b) Calculating resident member maintenance assessments in

order to accurately calculate resident member maintenance assessments for each billing cycle and ensure that all past due resident member maintenance assessments are addressed within 30 days.

(c) Monetary donations and donated goods.

(d) The handling of resident member funds to ensure the release of funds within 15 calendar days upon the resident member leaving the home and to ensure that a representative of a resident member is provided a full accounting of that resident member's funds within 30 calendar days after the death of that resident member.

(e) Financial reporting and accounting.

Sec. 507. (1) The MVH shall post on its website the following:

(a) All policies adopted by the MVFA and the veterans' facility related to the administrative operations of the veterans' facility.

(b) The agenda and minutes of public meetings of the MVFA board.

(2) The MVH shall provide a report with copies of each veterans' facility's USDVA State Veteran Home quarterly report. These quarterly reports shall also be posted on the MVH website.

(3) Not later than January 15, the MVH shall provide a report on the following:

(a) Census data for each veterans' facility, including information on level of care, service era of its resident members, payer source, and average income and assessment rate.

(b) Per patient daily care hours provided by each veterans' facility, by level of care.

(4) The MVH shall provide a bimonthly report on the financial

status of each veterans' facility and central MVFA/MVH administration. Information shall include, but not be limited to, actual year-to-date and projected year-end revenues and expenditures, by fund source.

(5) The MVH shall provide a report on the results of any annual or for-cause survey conducted by any entity with oversight over the veterans' facility and any corresponding corrective action plan. This information shall also be made available publicly through the MVH website.

(6) In addition to the information required under section 12(1) of the Michigan veterans' facility authority act, 2016 PA 560, MCL 36.112, not later than January 15, the MVFA shall provide a report detailing the strategies and actions taken to maximize revenues from non-general fund sources and cost savings strategies.

Sec. 508. In addition to the funds appropriated in part 1, private revenues held by the MVH on a nonfiduciary basis for a resident member of a veterans' facility are appropriated to pay medical expenses, member assessments, and other expenses incurred by that resident member. Any unexpended or unencumbered private revenues held on a nonfiduciary basis by the MVH at the close of the fiscal year do not lapse to the general fund and must be carried forward into the subsequent fiscal year.

Sec. 509. Not later than January 1, the MVFA shall provide a report on the construction, operation, and finances of the new Marquette veterans home funded in article 14 of 2022 PA 166.

Sec. 510. Except as otherwise provided by law, any unexpended and unencumbered federal revenues received by the MVFA do not lapse to the state general fund and must be carried forward into the subsequent fiscal year.

CAPITAL OUTLAY

Sec. 601. (1) The department shall provide for the acquisition and disposition of National Guard armories, facilities, and lands as provided under sections 368, 382, and 382a of the Michigan military act, 1967 PA 150, MCL 32.768, 32.782, and 32.782a.

(2) The department shall provide a listing of property sales and acquisitions annually.

Sec. 602. (1) The appropriations for armory maintenance and special maintenance - National Guard must be expended in accordance with the requirements of sections 302 and 305 of this part and must be expended according to the maintenance priorities of the department to repair and modernize military training sites and support facilities, including armories.

(2) Not later than January 15, the department shall provide a report providing information on the status, projected costs, and projected completion date of current and planned special maintenance projects at the armories and other National Guard facilities funded from capital outlay appropriations made in part 1 and in previous fiscal years.

Sec. 603. (1) The appropriations for special maintenance - veterans' facilities must be expended in accordance with the requirements of section 502 of this part and must be expended according to the maintenance priorities of the MVFA to repair and modernize the state's veterans' facility, which may include physical plant expansions, renovations, or enhancements, and other projects designed to enhance the quality of life and medical care of resident members.

(2) Not later than January 15, the MVH shall provide a report

providing information on the status, projected costs, and projected completion date of current and planned special maintenance projects at each veterans' facility funded from capital outlay appropriations made in part 1 and in previous fiscal years.

ONE-TIME APPROPRIATIONS

Sec. 701. (1) Funds appropriated in part 1 for Selfridge Air National Guard Base must be used to support costs of complying with air installation compatible use zone program recommendations, including, but not limited to, both of the following:

(a) Capital improvements necessary to shift the runway to the north and repair airfield and non-airfield features of the base and surrounding community impacted by the shift.

(b) Infrastructure projects repairing roadways, vehicle access to the base and museum, stormwater drain and culvert repairs and modernization, force protection features, and airfield features.

(2) Not later than January 15, the department shall submit a report to the standard report recipients that includes, but is not limited to, the following information pertaining to capital improvements and infrastructure projects undertaken pursuant to subsection (1):

(a) The total cost of each improvement or project completed at any time during the previous fiscal year.

(b) The year-to-date cost, the total estimated cost, and the tentative completion date of each improvement or project that was ongoing or was not completed as of the close of the previous fiscal year.

(c) A description of each improvement or project under subdivisions (a) and (b).

(d) A breakdown of the fund sources used for each improvement or project under subdivisions (a) and (b).

(e) A description, if applicable, of the department's efforts to secure federal funds to support any improvements and projects under subsection (1).

Sec. 702. (1) It is the intent of the legislature that the federal revenues authorized by and made available from the federal government for capital improvements and infrastructure projects at Selfridge Air National Guard Base pursuant to section 701 should be used before general fund appropriations in part 1 for the same expenditures.

(2) Federal revenues authorized by and available from the federal government in excess of the appropriations in part 1 for Selfridge Air National Guard Base are appropriated and may be received and expended by the department for purposes authorized under state law and subject to federal requirements. The total amount of federal revenues that may be received and expended under this section must not exceed $90,000,000.00.

(3) The department shall notify the standard report recipients before expending federal revenues received and appropriated under subsection (2). The notice required under this subsection must include, but is not limited to, the amount and funding source of the additional revenues and the projected use of the funds to be expended.

(4) Pursuant to state law and subject to federal requirements, the department may credit excess federal revenues received under this section to the general fund to offset the expenditure of general fund appropriations in part 1 for Selfridge Air National Guard Base.

Sec. 703. From the funds appropriated in part 1 for state veterans cemetery, the department shall expend those funds for the same purposes as provided under section 601 of article 10 of 2022 PA 166.

Sec. 704. (1) From the funds appropriated in part 1 for veterans nonprofit improvement grants, the MVAA shall create and operate a competitive grant program that provides grants not to exceed $300,000.00 to nonprofit organizations that provide, or assist in providing, services to veterans residing in this state. The MVAA shall award grants to support efforts to improve or upgrade facilities that are owned by the nonprofit organization requesting the grant. Priority must be given to applicants with demonstrable deterioration in infrastructure, as evidenced by facility condition assessments, safety inspection reports, code violations, or deferred maintenance records. Additional priority is given to applicants that can demonstrate increased liability exposure resulting from facility disrepair, including documented legal claims, insurance notices, incident reports, or other evidence of potential harm to staff, residents, or visitors. Further priority shall be given to applicants that serve a higher volume of veterans on an ongoing basis, as demonstrated by program enrollment records, service logs, or other verifiable documentation of veteran engagement. Grant funding must be used to support costs related to improving or upgrading facilities owned by the nonprofit organization requesting the grant.

(2) The MVAA shall require a nonprofit organization requesting a grant described in subsection (1) to submit a grant application. The grant application required under this subsection must include, but is not limited to, an itemized list of the facilities and

proposed improvements to those facilities, broken down by the subunit of the nonprofit organization that operates the facilities, if applicable.

(3) From the funds appropriated in part 1 for veterans nonprofit improvement grants, $300,000.00 must be allocated to cover necessary administrative and implementation costs incurred by the MVAA.

(4) Not later than January 15, the MVAA shall provide a report summarizing grant activities for the fiscal year ending September 30, 2026 and shall include the following information for each grant issued under this grant program:

(a) The name of each grant recipient.

(b) The amount of the grant provided.

(c) The street address of each facility for which grant funds were expended under this section.

(d) A brief summary of grant expenditures, broken down by each grant recipient.

(5) As used in this section:

(a) "Facility" means a building or structure and a building's or structure's grounds, approaches, services, and appurtenances that are owned by a nonprofit organization, including, but not limited to, office buildings, recreational structures, garages, warehouses, parking lots, or any other framework or project situated on a parcel owned by a nonprofit organization.

(b) "Nonprofit organization" means a statewide chapter organization that satisfies the requirements of section 217 and the requirements to be exempt under section 501(c)(19) of the internal revenue code of 1986, 26 USC 501.

ARTICLE 13

DEPARTMENT OF NATURAL RESOURCES

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of natural resources for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF NATURAL RESOURCES			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	5.0		
Full-time equated classified positions	2,105.5		
GROSS APPROPRIATION		**$**	**481,292,100**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			207,000
ADJUSTED GROSS APPROPRIATION		**$**	**481,085,100**
Federal revenues:			
Total federal revenues			95,340,700
Special revenue funds:			
Total local revenues			0
Total private revenues			7,509,200
Total other state restricted revenues			338,665,000
State general fund/general purpose		**$**	**39,570,200**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	5.0		
Full-time equated classified positions	104.1		
Unclassified salaries--FTEs	5.0	$	814,400

Accounting service center			1,569,600
Executive direction--FTEs	10.6		2,176,600
Finance and operations--FTEs	70.5		15,701,600
Gifts and pass-through transactions			5,003,600
Legal services--FTEs	4.0		704,800
Minerals management--FTEs	16.0		2,480,500
Natural resources commission			77,100
Office of public lands--FTEs	3.0		1,328,200
Property management			3,440,600
GROSS APPROPRIATION		**$**	**33,297,000**
Appropriated from:			
Interdepartmental grant revenues:			
IDG, land acquisition services-to-work orders			207,000
Federal revenues:			
Federal funds			449,100
Special revenue funds:			
Private funds			5,003,600
Deer habitat reserve			168,100
Forest development fund			4,523,600
Forest land user charges			8,000
Forest recreation account			55,200
Game and fish protection account			6,195,300
Land exchange facilitation and management fund			4,553,700
Local public recreation facilities fund			226,300
Marine safety fund			887,200
Michigan natural resources trust fund			1,679,100
Michigan state parks endowment fund			3,748,800
Nongame wildlife fund			14,100

Off-road vehicle safety education fund			700
Off-road vehicle trail improvement fund			245,800
Public use and replacement deed fees			30,200
Recreation improvement account			89,800
Snowmobile registration fee revenue			51,100
Snowmobile trail improvement fund			133,100
Sportsmen against hunger fund			500
State park improvement account			2,114,000
Turkey permit fees			81,000
Waterfowl fees			3,400
Waterways account			933,500
Wildlife resource protection fund			44,600
State general fund/general purpose		**$**	**1,850,200**
Sec. 103. DEPARTMENT INITIATIVES			
Full-time equated classified positions	15.0		
Great Lakes restoration initiative		$	2,904,200
Invasive species prevention and control--FTEs	15.0		4,809,200
GROSS APPROPRIATION		**$**	**7,713,400**
Appropriated from:			
Federal revenues:			
Federal funds			2,904,200
State general fund/general purpose		**$**	**4,809,200**
Sec. 104. COMMUNICATION AND CUSTOMER SERVICES			
Full-time equated classified positions	95.8		
Marketing and outreach--FTEs	60.8	$	13,632,800
Michigan historical center--FTEs	35.0		5,396,400
Michigan wildlife council			1,400,000
GROSS APPROPRIATION		**$**	**20,429,200**

Appropriated from:			
Federal revenues:			
Federal funds			2,654,700
State park improvement, federal			322,200
Special revenue funds:			
Forest development fund			172,900
Forest recreation account			18,600
Game and fish protection account			6,539,300
Land exchange facilitation and management fund			51,400
Marine safety fund			39,100
Michigan historical center operations fund			1,220,200
Michigan state parks endowment fund			119,600
Nongame wildlife fund			11,900
Off-road vehicle trail improvement fund			118,400
Recreation passport fees			646,700
Snowmobile registration fee revenue			21,300
Snowmobile trail improvement fund			105,100
Sportsmen against hunger fund			250,000
State park improvement account			4,395,300
Waterways account			163,900
Wildlife management public education fund			1,400,000
Youth hunting and fishing education and outreach fund			43,500
State general fund/general purpose		**$**	**2,135,100**
Sec. 105. WILDLIFE MANAGEMENT			
Full-time equated classified positions	181.5		
Natural resources heritage--FTEs	8.0	$	509,200
Wildlife management--FTEs	173.5		43,739,200

GROSS APPROPRIATION		**$**	**44,248,400**
Appropriated from:			
Federal revenues:			
Federal funds			26,472,600
Special revenue funds:			
Private funds			315,700
Cervidae licensing and inspection fees			85,100
Deer habitat reserve			1,824,600
Forest development fund			277,600
Game and fish protection account			12,984,400
Nongame wildlife fund			330,700
Pheasant hunting license fees			175,000
Turkey permit fees			1,098,000
Waterfowl fees			114,100
State general fund/general purpose		**$**	**570,600**
Sec. 106. FISHERIES MANAGEMENT			
Full-time equated classified positions	171.0		
Aquatic resource mitigation--FTEs	2.0	$	737,200
Fish production--FTEs	53.0		9,516,400
Fisheries resource management--FTEs	116.0		19,903,200
GROSS APPROPRIATION		**$**	**30,156,800**
Appropriated from:			
Federal revenues:			
Federal funds			12,127,700
Special revenue funds:			
Private funds			136,700
Fisheries settlement			737,100
Game and fish protection account			17,155,200

Invasive species fund			100
State general fund/general purpose		**$**	**0**
Sec. 107. LAW ENFORCEMENT			
Full-time equated classified positions	235.0		
Body cameras for conservation officers--FTEs	5.0	$	857,500
General law enforcement--FTEs	230.0		47,037,500
GROSS APPROPRIATION		**$**	**47,895,000**
Appropriated from:			
Federal revenues:			
Federal funds			6,991,100
Special revenue funds:			
Cervidae licensing and inspection fees			53,400
Forest development fund			45,400
Forest recreation account			72,800
Game and fish protection account			21,473,200
Marine safety fund			1,397,400
Michigan state parks endowment fund			71,400
Off-road vehicle safety education fund			171,500
Off-road vehicle trail improvement fund			2,864,100
Snowmobile registration fee revenue			726,800
State park improvement account			72,800
Waterways account			21,700
Wildlife resource protection fund			1,160,700
State general fund/general purpose		**$**	**12,772,700**
Sec. 108. PARKS AND RECREATION DIVISION			
Full-time equated classified positions	965.6		
Forest recreation and trails--FTEs	77.7	$	13,263,400
MacMullan Conference Center--FTEs	11.0		652,200

Recreational boating--FTEs	161.3		20,830,400
State parks--FTEs	715.6		98,291,400
GROSS APPROPRIATION		**$**	**133,037,400**
Appropriated from:			
Federal revenues:			
Federal funds			144,200
Michigan state waterways fund, federal			1,747,800
Special revenue funds:			
Private funds			428,300
Forest recreation account			5,989,300
MacMullan Conference Center account			652,200
Michigan state parks endowment fund			11,470,900
Off-road vehicle safety education fund			7,700
Off-road vehicle trail improvement fund			2,229,100
Pure Michigan trails fund			100
Recreation improvement account			585,500
Recreation passport fees			220,300
Snowmobile registration fee revenue			16,800
Snowmobile trail improvement fund			2,019,500
State park improvement account			84,891,500
State park improvement account - Belle Isle subaccount			875,000
Waterways account			19,109,200
State general fund/general purpose		**$**	**2,650,000**
Sec. 109. MACKINAC ISLAND STATE PARK COMMISSION			
Full-time equated classified positions	11.0		
Historical facilities system--FTEs	9.0	$	1,313,300
Mackinac Island State Park operations--FTEs	2.0		42,300

GROSS APPROPRIATION		**$**	**1,355,600**
Appropriated from:			
Special revenue funds:			
Mackinac Island State Park fund			1,313,300
Mackinac Island State Park operation fund			42,300
State general fund/general purpose		**$**	**0**
Sec. 110. FOREST RESOURCES DIVISION			
Full-time equated classified positions	326.5		
Adopt-a-forest program		$	25,000
Cooperative resource programs--FTEs	9.0		1,350,600
Forest fire equipment			931,500
Forest management and timber market development--FTEs	179.0		46,286,100
Forest management initiatives--FTEs	8.5		944,200
Wildfire protection--FTEs	130.0		20,969,000
GROSS APPROPRIATION		**$**	**70,506,400**
Appropriated from:			
Federal revenues:			
Federal funds			5,249,500
Federal national forest timber fund			9,101,000
Special revenue funds:			
Private funds			1,624,900
Commercial forest fund			26,000
Fire equipment fund			668,700
Forest development fund			41,777,100
Forest land user charges			246,000
Game and fish protection account			825,800
Waterways account			55,000

State general fund/general purpose	**$**	**10,932,400**
Sec. 111. GRANTS		
Dam management grant program	$	350,000
Deer habitat improvement partnership initiative		200,000
Federal - clean vessel act grants		400,000
Federal - forest stewardship grants		2,000,000
Federal - rural community fire protection		1,050,000
Fisheries habitat improvement grants		1,250,000
Grants to communities - federal oil, gas, and timber payments		3,450,000
Grants to counties - marine safety		3,074,700
National recreational trails		3,909,200
Nonmotorized trail development and maintenance grants		200,000
Off-road vehicle safety training grants		60,000
Off-road vehicle trail improvement grants		5,415,500
Recreation improvement fund grants		916,800
Recreation passport local grants		2,000,000
Snowmobile law enforcement grants		380,100
Snowmobile local grants program		7,090,400
Trail easements		700,000
Wildlife habitat improvement grants		1,502,500
GROSS APPROPRIATION	**$**	**33,949,200**
Appropriated from:		
Federal revenues:		
Federal funds		12,476,600
Special revenue funds:		
Deer habitat reserve		200,000

Game and fish protection account			2,752,500
Local public recreation facilities fund			2,000,000
Marine safety fund			1,407,300
Off-road vehicle safety education fund			60,000
Off-road vehicle trail improvement fund			5,415,500
Permanent snowmobile trail easement fund			700,000
Recreation improvement account			916,800
Snowmobile registration fee revenue			380,100
Snowmobile trail improvement fund			7,090,400
State general fund/general purpose	**$**		**550,000**
Sec. 112. INFORMATION TECHNOLOGY			
Information technology services and projects	$		9,153,700
GROSS APPROPRIATION	**$**		**9,153,700**
Appropriated from:			
Special revenue funds:			
Commercial forest fund			2,100
Deer habitat reserve			61,600
Forest development fund			1,567,700
Forest land user charges			23,900
Forest recreation account			43,800
Game and fish protection account			3,573,300
Land exchange facilitation and management fund			30,600
Marine safety fund			165,200
Michigan natural resources trust fund			24,600
Michigan state parks endowment fund			1,357,600
Nongame wildlife fund			30,500
Off-road vehicle safety education fund			10,400
Off-road vehicle trail improvement fund			24,300

Pure Michigan trails fund			100
Recreation improvement account			49,200
Snowmobile registration fee revenue			11,600
Snowmobile trail improvement fund			75,500
Sportsmen against hunger fund			600
State park improvement account			1,513,500
Turkey permit fees			33,800
Waterfowl fees			3,300
Waterways account			506,400
Wildlife resource protection fund			42,100
Youth hunting and fishing education and outreach fund			2,000
State general fund/general purpose	**$**		**0**
Sec. 113. CAPITAL OUTLAY			
(1) RECREATIONAL LANDS AND INFRASTRUCTURE			
Federal - land and water conservation fund payments	$	12,900,000	
Off-road vehicle trail development and maintenance			1,000,000
Snowmobile trail development and maintenance			1,000,000
State parks repair and maintenance			20,050,000
Wetland restoration, enhancement, and acquisition			2,800,000
GROSS APPROPRIATION	**$**		**37,750,000**
Appropriated from:			
Federal revenues:			
Federal funds			12,900,000
Special revenue funds:			

Michigan state parks endowment fund		4,600,000
Off-road vehicle trail improvement fund		1,000,000
Recreation passport fees		13,950,000
Snowmobile trail improvement fund		1,000,000
Waterfowl hunt stamp		1,000,000
State general fund/general purpose	**$**	**3,300,000**
(2) WATERWAYS BOATING PROGRAM		
Local boating infrastructure maintenance and improvements	$	3,500,000
State boating infrastructure maintenance		8,300,000
GROSS APPROPRIATION	**$**	**11,800,000**
Appropriated from:		
Federal revenues:		
Federal funds		1,500,000
Michigan state waterways fund, federal		300,000
Special revenue funds:		
Waterways account		10,000,000
State general fund/general purpose	**$**	**0**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending from state sources under part 1 is $378,235,200.00 and total state spending under part 1 from state sources to be paid to local units of government is $11,252,900.00. The following itemized statement identifies appropriations from

which spending to local units of government will occur:

DEPARTMENT OF NATURAL RESOURCES		
Dam management grant program	$	175,000
Fisheries habitat improvement grants		125,000
Grants to counties - marine safety		1,407,300
Invasive species prevention and control		2,360,000
Local boating infrastructure maintenance and improvements		3,500,000
Nonmotorized trail development and maintenance grants		100,000
Off-road vehicle safety training grants		60,000
Off-road vehicle trail improvement grants		903,500
Recreation improvement fund grants		91,700
Recreation passport local grants		2,000,000
Snowmobile law enforcement grants		380,100
Wildlife habitat improvement grants		150,300
TOTAL	**$**	**11,252,900**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of natural resources.

(b) "Director" means the director of the department.

(c) "FTE" means full-time equated.

(d) "IDG" means interdepartmental grant.

(e) "Standard report recipients" means the senate appropriations subcommittee on agriculture and natural resources, the house appropriations subcommittee on agriculture and rural development and natural resources, the senate and house fiscal

agencies, the senate and house policy offices, and the state budget office.

Sec. 204. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this part, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. The department shall not take disciplinary action against an employee of the department for communicating with a member of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 206. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 207. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes

transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 208. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on the estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and the chairpersons of the senate and house appropriations committees.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that

includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(d) The number of active department employees by job classification.

(e) The number of in-person hours and remote hours worked by employees by job classification. In-person and remote work hours must be listed by month and the fourth quarter report must include a cumulative total for the fiscal year.

(f) Job specifications and wage rates.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel by classified and unclassified employees outside this state in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related expenses of each

travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, and other revenues.

Sec. 213. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the senate and house appropriations committees and the standard report recipients.

Sec. 214. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act number. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 215. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and the senate and house appropriations committees, any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of

severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation that is both payable or paid upon the termination of employment and in addition to either wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 216. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must report to the office before beginning fieldwork. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 217. (1) Funds appropriated in part 1 that are utilized for grants or grant programs are subject to the following conditions:

(a) Grant funds must be provided only to an entity that is established or operating in this state or another state for more

than 3 years before approval or disbursement of grant funds.

(b) Grant funds shall be provided only to an entity that has an office in this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, program goals, measurement for meeting program goals, and how all grant funds will be used and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are

prohibited from serving on any state board that has direct or indirect responsibility for approving of or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that the department reviewed and confirmed each grant recipient's compliance with conditions on the use of the grant funds and other program requirements.

(b) A statement that confirms the department reviewed applicable program reports and requests for reimbursement.

Sec. 218. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under provisions of this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 219. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to individuals who are not citizens of the United States, unless the individuals are qualified aliens under 8 USC 1641. Nothing in this section prohibits the department, political subdivision, state university, or other state agency from expending

funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 221. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $5,000,000.00 for state restricted contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 222. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $30,101,500.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $27,149,700.00. Total department appropriations for retiree health care legacy costs are estimated at $2,951,800.00.

Sec. 225. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department must notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 226. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 227. Not later than November 15, the department must disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount and source of funding received, the purpose for which funding was expended, and the amount of any remaining funds, if any. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 228. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs or as outlined in

Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8614 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 229. (1) In addition to the money appropriated in part 1, there is appropriated, from the following state restricted funds and accounts of the Michigan conservation and recreation legacy fund, the following amounts to the following departments and officers:

(a) Department of technology, management, and budget:

Game and fish protection account	$	455,000
Waterways account		111,600
State park improvement account		122,000
Forest development fund		239,000

(b) Department of attorney general:

Game and fish protection account	$	614,200
Waterways account		136,700

(c) Legislative auditor general:

Game and fish protection account	$	38,000
Waterways account		13,700

(d) Department of treasury:

Game and fish protection account	$	4,374,900
Waterways account		466,100
Michigan natural resources trust fund		3,289,700

(2) In addition to the money appropriated in part 1, there is appropriated from the following state restricted funds to the civil

service commission the amount calculated for each fund pursuant to section 5 of article XI of the state constitution of 1963:

(a) Michigan conservation and recreation legacy fund.

(b) Forest development fund.

(c) Michigan natural resources trust fund.

(d) Michigan state parks endowment fund.

(e) Michigan nongame fish and wildlife trust fund.

Sec. 230. Pursuant to section 43703(3) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43703, there is appropriated from the Michigan game and fish protection trust fund to the game and fish protection account of the Michigan conservation and recreation legacy fund, $6,000,000.00 for the fiscal year ending September 30, 2026.

Sec. 231. The department may contract with or provide grants to local units of government, institutions of higher education, or nonprofit organizations to support activities authorized by appropriations in part 1. As used in this section, contracts and grants include, but are not limited to, contracts and grants for research, wildlife and fisheries management, forest management, invasive species monitoring and control, and natural-resource-related programs.

Sec. 232. (1) The department may accept monetary and nonmonetary gifts, bequests, donations, contributions, or grants from any private or public source to support, in whole or in part, a departmental function or program. The department shall expend or use such gifts, bequests, donations, contributions, or grants for the purposes designated by the private or public source, if the purpose is specified.

(2) Amounts remaining from revenue collected by the department

under this section that are unexpended and unencumbered must not lapse to the general fund but must be carried forward to the subsequent fiscal year.

Sec. 233. Funds appropriated in part 1 must not be expended for utility scale solar or wind development projects.

DEPARTMENT INITIATIVES

Sec. 251. From the amounts appropriated in part 1 for invasive species prevention and control, the department shall allocate not less than $3,600,000.00 for grants for the prevention, detection, eradication, and control of invasive species.

Sec. 252. (1) In addition to the funds appropriated in part 1, revenue deposited in the invasive species fund created in section 41311 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.41311, is appropriated and may be expended for invasive species immediate response efforts.

(2) The department shall annually notify the house and senate appropriations subcommittees on natural resources and the house and senate fiscal agencies of any expenditure of funds appropriated under subsection (1).

DEPARTMENT SUPPORT SERVICES

Sec. 302. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2026, and for prior fiscal years, a standard percentage fee to recover actual costs, and may use the revenue derived to fund the land acquisition service charges provided for in part 1.

Sec. 303. As appropriated in part 1, the department may charge both application fees and transaction fees related to the exchange

or sale of state-owned land or rights in land authorized by part 21 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 to 324.2165. To the extent consistent with part 21, fees shall be set by the director at a rate that allows the department to recover its costs for providing these services.

COMMUNICATION AND CUSTOMER SERVICES

Sec. 408. By December 1, the department shall submit to the senate and house appropriations subcommittees on natural resources a report on all land transactions approved by the natural resources commission in the prior fiscal year. For each land transaction, the report shall include the size of the parcel, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source affected by the transaction, and whether the transaction is by purchase, public auction, transfer, exchange, or conveyance.

FISHERIES MANAGEMENT

Sec. 501. Funds appropriated in part 1 for fisheries resource management must not be used to designate the Little Manistee River as a natural river, as defined in part 305 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.30501 to 324.30515.

LAW ENFORCEMENT DIVISION

Sec. 601. All FTE positions appropriated in part 1 for general law enforcement must be conservation officers as described under section 1606 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1606.

PARKS AND RECREATION DIVISION

Sec. 701. The department must provide the choice to opt in to purchasing a recreation passport.

Sec. 702. From the funds appropriated in part 1, the department must establish a 1-day pass option to visit all state park facilities. The fee for a 1-day pass may not exceed 1/2 of the annual fee for the annual recreation passport.

FOREST RESOURCES DIVISION

Sec. 802. From the funds appropriated in part 1, the department shall, by January 1, prepare and submit to the senate appropriations subcommittee on agriculture and natural resources, the house appropriations subcommittee on agriculture and rural development and natural resources, and the standing committees of the senate and house with primary responsibility for natural resources issues a report on all of the following:

(a) The number of acres of state forestland prepared for timber harvesting in the prior fiscal year.

(b) The number of acres of state forestland timber sold in the prior fiscal year.

(c) The amount of revenue generated by the timber sale and harvesting of state land in the prior fiscal year.

Sec. 803. In addition to the money appropriated in part 1, the department may receive and expend money from federal sources to provide response to wildfires and hazard incidents as required by a compact with the federal government. If additional expenditure authorization is required, the department shall so notify the state budget office. The department shall notify the senate

appropriations subcommittee on agriculture and natural resources, the house appropriations subcommittees subcommittee on agriculture and rural development and natural resources, and the house and senate fiscal agencies by November 15 of the expenditures under this section during the prior fiscal year.

Sec. 807. (1) In addition to the funds appropriated in part 1, there is appropriated from the disaster and emergency contingency fund up to $800,000.00 to cover department costs related to any disaster as defined in section 2 of the emergency management act, 1976 PA 390, MCL 30.402.

(2) Funds appropriated under subsection (1) shall not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations. By December 1 each year, the department shall provide a report to the senate and house fiscal agencies and the state budget office on the use of the disaster and emergency contingency fund during the prior fiscal year.

(3) If Federal Emergency Management Agency (FEMA) reimbursement is approved for costs paid from the disaster and emergency contingency fund, the federal revenue shall be deposited into the disaster and emergency contingency fund.

GRANTS

Sec. 1001. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 for grants to communities - federal oil, gas, and timber payments and that do not require additional state matching funds are appropriated for the purposes intended. By November 30, the department shall report to the senate

appropriations subcommittee on agriculture and natural resources, the house appropriations subcommittee on agriculture and rural development and natural resources, the senate and house fiscal agencies, and the state budget director on all amounts appropriated under this section during the prior fiscal year.

Sec. 1002. Unless the county board of commissioners of a county adopts a resolution committing the county to enforce federal executive orders and statutes related to immigration, the county is not eligible to receive funding in part 1 for grants to counties - marine safety.

CAPITAL OUTLAY

Sec. 1103. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent with section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

ARTICLE 14

DEPARTMENT OF STATE POLICE

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of state police for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF STATE POLICE		
APPROPRIATION SUMMARY		
Full-time equated unclassified positions	2.0	
Full-time equated classified positions	3,420.5	
GROSS APPROPRIATION		**$ 886,821,100**

Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			27,189,800
ADJUSTED GROSS APPROPRIATION		**$**	**859,631,300**
Federal revenues:			
Total federal revenues			97,107,300
Special revenue funds:			
Total local revenues			4,975,700
Total private revenues			35,000
Total other state restricted revenues			162,555,200
State general fund/general purpose		**$**	**594,958,100**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	2.0		
Full-time equated classified positions	99.0		
Unclassified salaries--FTEs	2.0	$	648,900
Department services--FTEs	25.0		8,299,100
Departmentwide			49,000,000
Executive direction--FTEs	45.0		7,359,900
Mobile office and system support--FTEs	29.0		6,089,700
GROSS APPROPRIATION		**$**	**71,397,600**
Appropriated from:			
IDG from department of transportation, state trunkline fund			41,100
IDG from department of treasury, casino gaming fees			406,000
IDG, training academy charges			192,200
IDT, auto theft funds			1,500

IDT, truck safety funds	54,500
Federal revenues:	
DHS	32,400
DOJ	12,800
DOJ, interest bearing	9,900
DOT	262,500
Federal indirect funds	1,716,600
Special revenue funds:	
Local funds - AFIS fees	100
Local funds - LEIN fees	800
Local funds - reimbursed services	300
Local funds - school bus revenue	7,200
Auto theft prevention fund	29,600
Criminal justice information center service fees	2,567,800
Drunk driving prevention and training fund	3,000
Forensic science reimbursement fees	48,800
Hazardous materials training center fees	47,900
Highway safety fund	257,000
Marihuana regulatory fund	254,700
Michigan justice training fund	3,700
Michigan merit award trust fund	15,900
Motor carrier fees	337,800
Narcotics-related forfeiture revenue	400
Nuclear plant emergency planning reimbursement	22,500
Precision driving track fees	800
Reimbursed services	300
Secondary road patrol and training fund	100

Sex offenders registration fund			800
State forensic laboratory fund			84,600
State police administrator and coordinator 911 fund			25,800
State police service fees			400
State services fee fund			208,700
Tobacco tax revenue			111,000
Traffic law enforcement and safety fund			476,600
Vehicle sales proceeds			604,000
State general fund/general purpose		**$**	**63,557,500**
Sec. 103. LAW ENFORCEMENT SERVICES			
Full-time equated classified positions	576.0		
Biometrics and identification--FTEs	60.0	$	11,563,600
Criminal justice information center--FTEs	154.0		29,473,200
Forensic science--FTEs	277.0		49,443,200
Grants and community services--FTEs	40.0		23,334,300
Office of school safety--FTEs	6.0		1,379,700
State 911 administration--FTEs	5.0		1,140,200
Training operations--FTEs	34.0		7,739,500
Trooper recruit school onboarding, training, and outfitting			5,000,000
GROSS APPROPRIATION		**$**	**129,073,700**
Appropriated from:			
IDG from department of state			405,000
IDG from department of transportation, state trunkline fund			753,900
IDG, training academy charges			2,810,600
Intradepartmental transfers			750,000

Federal revenues:			
DOJ			14,593,700
DOJ, interest bearing			4,011,700
DOT			662,700
Special revenue funds:			
Local funds - SRMS fees			919,200
Private donations			20,000
Auto theft prevention fund			8,242,800
Criminal justice information center service fees			24,889,700
Drunk driving prevention and training fund			200,800
Forensic science reimbursement fees			1,017,900
Motor carrier fees			142,200
Precision driving track fees			335,100
Sex offenders registration fund			395,800
State forensic laboratory fund			767,600
State police administrator and coordinator 911 fund			1,140,200
State services fee fund			8,217,700
Student safety fund			250,000
Traffic crash revenue			581,700
State general fund/general purpose		**$**	**57,965,400**
Sec. 104. FIELD SERVICES			
Full-time equated classified positions	2,098.5		
Investigative services--FTEs	148.5	$	41,386,200
Post operations--FTEs	1,950.0		379,438,500
Trooper pay increases and economic adjustments			46,327,900
GROSS APPROPRIATION		**$**	**467,152,600**

Appropriated from:			
IDG from department of transportation, state trunkline fund			2,100
IDG from department of treasury, casino gaming fees			6,243,600
IDT, auto theft funds			1,150,500
Federal revenues:			
DOJ			4,655,900
DOT			2,152,000
Forfeiture revenue			544,100
Reimbursed services, federal investigations			3,997,700
Special revenue funds:			
Local funds - reimbursed services			1,235,500
Bottle bill enforcement fund			777,600
Highway safety fund			10,524,700
Marihuana regulation fund			3,196,900
Marihuana regulatory fund			2,507,600
Michigan merit award trust fund			857,300
Narcotics-related forfeiture revenue			1,541,100
Nonnarcotic forfeiture revenue			50,600
Rental of department aircraft			900
State police service fees			6,444,000
Tobacco tax revenue			5,251,100
Traffic law enforcement and safety fund			28,164,200
Trooper school recruitment fund			5,073,900
State general fund/general purpose		**$**	**382,781,300**
Sec. 105. SPECIALIZED SERVICES			
Full-time equated classified positions	647.0		

Commercial vehicle enforcement--FTEs	211.0	$	39,235,700
Emergency management and homeland security--FTEs	64.0		16,973,800
Hazardous materials programs--FTEs	25.0		23,636,000
Highway safety planning--FTEs	25.0		20,519,800
Intelligence operations--FTEs	233.0		35,424,200
Secondary road patrol program--FTE	1.0		15,008,200
Special operations--FTEs	88.0		20,375,500
GROSS APPROPRIATION		**$**	**171,173,200**
Appropriated from:			
IDG from department of transportation, state trunkline fund			11,702,900
IDG from department of treasury, public safety answer point training 911 fund			100,000
Intradepartmental transfers			2,055,200
Federal revenues:			
DHS			31,924,100
DOT			31,570,800
Special revenue funds:			
Local funds - school bus revenue			1,860,900
Private donations			15,000
Bottle bill enforcement fund			230,000
Criminal justice information center service fees			427,400
Hazardous materials training center fees			749,700
Marihuana regulation fund			256,900
Marihuana regulatory fund			389,900
Motor carrier fees			9,067,000

Nuclear plant emergency planning reimbursement		2,430,000
Reimbursed services		1,722,200
Rental of department aircraft		51,500
Secondary road patrol and training fund		15,008,200
State police dispatch operator 911 fund		681,900
Truck driver safety fund		3,975,700
State general fund/general purpose	**$**	**56,953,900**
Sec. 106. INFORMATION TECHNOLOGY		
Information technology services and projects	$	28,224,000
GROSS APPROPRIATION	**$**	**28,224,000**
Appropriated from:		
IDG from department of transportation, state trunkline fund		364,700
IDG from department of treasury, casino gaming fees		122,800
IDG, training academy charges		11,500
Intradepartmental transfers		21,700
Federal revenues:		
DHS		119,400
DOJ		580,400
DOT		260,600
Special revenue funds:		
Local funds - AFIS fees		80,000
Local funds - LEIN fees		851,300
Local funds - school bus revenue		20,400
Auto theft prevention fund		5,800
Criminal justice information center service fees		9,763,100

Drunk driving prevention and training fund		3,400
Forensic science reimbursement fees		71,400
Highway safety fund		86,300
Marihuana regulatory fund		722,500
Michigan merit award trust fund		3,200
Motor carrier fees		392,700
Nuclear plant emergency planning reimbursement		12,000
Sex offenders registration fund		213,300
State forensic laboratory fund		105,500
State police administrator and coordinator 911 fund		6,700
State police dispatch operator 911 fund		64,300
State services fee fund		78,800
Tobacco tax revenue		20,000
Traffic crash revenue		230,600
Traffic law enforcement and safety fund		111,600
State general fund/general purpose	**$**	**13,900,000**
Sec. 107. ONE-TIME APPROPRIATIONS		
Cold case investigations	$	600,000
Disaster and emergency contingency fund		8,200,000
Law enforcement training for communicating with limited English speaking communities and those deaf and hard of hearing		1,000,000
Public safety academy assistance programs		10,000,000
GROSS APPROPRIATION	**$**	**19,800,000**
Appropriated from:		
State general fund/general purpose	**$**	**19,800,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for fiscal year ending September 30, 2026, total state spending under part 1 from state sources is $757,513,300.00 and total state spending under part 1 from state sources to be paid to local units of government is $34,200,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE POLICE		
Disaster and emergency contingency fund	$	8,200,000
Law enforcement communication training		1,000,000
Public safety academy assistance programs		10,000,000
Secondary road patrol program		15,000,000
TOTAL	**$**	**34,200,000**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "AFIS" means the automated fingerprint identification system.

(b) "CJIS" means Criminal Justice Information Systems.

(c) "Department" means the department of state police.

(d) "DHS" means the United States Department of Homeland Security.

(e) "Director" means the director of the department.

(f) "DNA" means deoxyribonucleic acid.

(g) "DOJ" means the United States Department of Justice.

(h) "DOT" means the United States Department of Transportation.

(i) "FTE" means full-time equated position in the classified service of this state.

(j) "IDG" means interdepartmental grant.

(k) "LEIN" means the law enforcement information network.

(*l*) "MCOLES" means the Michigan commission on law enforcement standards created in section 3 of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.603.

(m) "SIGMA" means the statewide integrated governmental management application.

(n) "SRMS" means the state records management system.

(o) "Standard report recipients" means the senate and house appropriations subcommittees on state police, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

Sec. 204. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, inter-transfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 206. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the

following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 207. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 208. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program area. The state

budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was

funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 213. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 214. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 215. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 216. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in-person 5 days per week for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of the office must report to the office before beginning field work. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and

construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 217. (1) Funds appropriated in part 1 that are used for grants or grant programs are subject to the following conditions:

(a) Grant funds must be provided only to an entity that has been established or is operating in this state or another state for at least 36 months before approval or disbursement of grant funds.

(b) Grant funds must be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to

generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving of or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that confirms the department reviewed and

affirmed compliance by each grant recipient to program scope and expenditure of grant funding.

(b) A statement that confirms the department reviewed applicable program reports and requests for reimbursement.

Sec. 218. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 219. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 221. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for federal contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 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 $4,000,000.00 for state restricted contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 222. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 223. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 224. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $170,365,800.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $130,016,600.00. Total appropriations for retiree health care legacy costs for the department are estimated at $40,349,200.00.

Sec. 225. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department shall notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 226. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior

legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 227. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 228. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs or as outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 229. (1) The department may accept monetary and nonmonetary gifts, bequests, donations, contributions, or grants from any private or public source to support, in whole or in part, a departmental function or program. The department shall expend or

use the gifts, bequests, donations, contributions, or grants accepted under this subsection for the purposes designated by the private or public source, if the purpose is specified.

(2) Revenue collected by the department under this section that is unexpended and unencumbered must not lapse to the general fund but must be carried forward to the subsequent fiscal year.

(3) Private revenues received under this section that exceed the appropriations in part 1 are appropriated and may be received and expended by the department for the purposes for which the funds are received.

(4) If additional authorization is approved in SIGMA by the state budget office under this section, the department shall notify the senate and house appropriations subcommittees on state police and the senate and house fiscal agencies within 10 days after the approval. The notification must include the amount and funding source of the additional authorization, the date of the approval, and the projected use of the funds to be expended.

Sec. 230. (1) Federal revenues authorized by and available from the federal government in excess of the appropriations in part 1 are appropriated and may be received and expended by the department for purposes authorized under state law and subject to federal requirements. The total amount of federal revenues that may be received and expended under this section and section 604(3) must not exceed $750,000,000.00.

(2) The department shall notify the standard report recipients before expending federal revenues received and appropriated under subsection (1).

(3) If additional authorization is approved in SIGMA by the state budget office under this section, the department shall notify

the senate and house appropriations subcommittees on state police and the senate and house fiscal agencies within 10 days after the approval. The notification must include the amount and funding source of the additional authorization, the date of its approval, and the projected use of the funds to be expended.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. Based on the availability of federal funding and demonstrated need, as indicated by applications submitted to the state court administrative office, the department shall provide $1,500,000.00 in Byrne justice assistance grant program funding to the judiciary by interdepartmental grant.

Sec. 302. The department shall notify the standard report recipients when it recommends to close or consolidate any state police post. The notification must include a local and state impact study of the proposed post closure or consolidation.

Sec. 303. If the department presents a plan to the state employer to privatize, the department shall submit a complete project plan to the standard report recipients. The plan must include the criteria under which the privatization initiative will be evaluated. The evaluation must be completed and submitted to the standard report recipients within 30 months.

Sec. 304. (1) When the department provides contractual services to a local unit of government, the department shall be reimbursed for all costs incurred in providing the services.

(2) The department shall define service cost models for those services requiring reimbursement.

(3) Contractual services provided to an entity other than a local unit of government may be provided by department personnel,

but only on an overtime basis outside the normal work schedule of the personnel. All costs incurred in providing the services are eligible for reimbursement.

(4) This section does not apply to services provided to state agencies.

(5) Revenues received for contractual or reimbursed services in excess of the appropriations in part 1 are appropriated and may be received and expended by the department for the purposes for which the funds are received.

(6) If additional authorization is approved in SIGMA by the state budget office under this section, the department shall notify the senate and house appropriations subcommittees on state police and the senate and house fiscal agencies within 10 days after the approval. The notification must include the amount and funding source of the additional authorization, the date of its approval, and the projected use of the funds to be expended.

Sec. 305. The department may establish and collect fees for publications, videos, conferences, workshops, and related materials. Fees collected under this section must be used to offset expenditures for costs of the publications, videos, workshops, conferences, and related materials. The department shall not collect fees under this section that exceed the cost of the expenditures.

Sec. 306. A law enforcement officer funded under part 1 shall not be required to issue a predetermined or specified number of citations for violations of the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, or of a local ordinance that substantially corresponds to the provisions of the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, including parking or standing

violations. A law enforcement officer's performance evaluation system must not require a predetermined or specified number of citations to be issued.

Sec. 307. From the funds appropriated in part 1, the director shall establish and maintain local headquarters in various places, and may do so by agreement, lease, or otherwise, as provided under section 7 of 1935 PA 59, MCL 28.7.

Sec. 308. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $2,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $4,000,000.00 for state restricted contingency authorization. Authorized funds are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 309. The department's investigative response team must submit any compiled findings of an investigation of a critical incident to the prosecutor of the county in which the critical incident occurred for review. As used in this section, "critical incident" means either of the following:

(a) Any event that results in the death or infliction of great bodily harm to an employee of the department or to any other individual while the individual is in the custody of a law enforcement officer employed by the department or while a law enforcement officer employed by the department is attempting to

gain control of the individual.

(b) Any accident involving a vehicle owned by the department that was operated by an employee of the department at the time of the accident that results in the death or infliction of great bodily harm to the employee or any other individual involved in the accident.

LAW ENFORCEMENT SERVICES

Sec. 401. (1) The department shall develop and deliver professional, innovative, and quality training that supports the enforcement and public safety efforts of the criminal justice community.

(2) The department shall provide performance data, as provided under section 225, for days of training being conducted by the academy.

(3) From the funds appropriated in part 1 for training operations, the department may provide or obtain the following training:

(a) Training that directly relates to the individual's job description and role within the department.

(b) Professional development training.

(c) Training that provides the individual with the ability to seek expanded opportunities within the department.

(d) Advanced education training.

(4) Not later than January 1, the department shall submit a report to the standard report recipients and to the senate and house appropriations committees that includes the following information about the funds appropriated in part 1 for training operations:

(a) The training courses that the department's employees completed.

(b) If a training course is developed by the department, a description of that course's curriculum and its purpose.

(c) The number of the department's employees who have received and completed training pursuant to this section.

(5) The department shall distribute and review course evaluations to ensure that quality training is provided.

Sec. 402. (1) In accordance with applicable state and federal laws and regulations, the department shall maintain and ensure compliance with CJIS databases and applications in the support of public safety and law enforcement communities.

(2) The department shall improve the accuracy, timeliness, and completeness of criminal history information by conducting a minimum of 30 outreach activities targeted to criminal justice agencies. The department shall report the number of these outreach activities conducted, as provided under section 225.

(3) The department shall provide for the compilation of crime statistics consistent with the uniform crime reporting (UCR) program and the national incident-based report system (NIBRS).

(4) The department shall provide for the compilation and evaluation of traffic crash reports and the maintenance of the state accident data collection system.

(5) The department shall make individual traffic crash reports available for a fee of $10.00 per incident. The department may also sell an extract of electronic traffic crash data for a fee of $0.25 per incident, provided that the name, address, and any other personal identifying information have been excluded.

(6) By March 1, the department shall submit a report to the

standard report recipients detailing the number of traffic crash reports provided, the amount of revenue collected, and all expenditures incurred for activities under subsection (5) in the preceding fiscal year. The report must include an analysis of whether revenue from department activities under subsection (5) is sufficient to offset all costs incurred for those activities and must provide information regarding any deficit or surplus of revenue.

(7) In accordance with applicable state and federal laws and regulations, the department shall provide for the maintenance and dissemination of criminal history records and juvenile records, including to the extent necessary to exchange criminal history records information with the Federal Bureau of Investigation and other states through the interstate identification index, the National Crime Information Center, and other federal CJIS databases and indices.

(8) The department shall, in accordance with applicable state and federal laws, provide for the maintenance of records, including criminal history records regarding firearms licensure, as provided under 1927 PA 372, MCL 28.421 to 28.435.

(9) The department shall provide information on the number of background checks processed through the internet criminal history access tool (ICHAT), as provided in section 225.

(10) The following unexpended and unencumbered revenues deposited into the criminal justice information center service fees must not lapse to the general fund, but must be carried forward into the subsequent fiscal year:

(a) Fees for fingerprinting and criminal record checks and name-based criminal record checks under 1935 PA 120, MCL 28.271 to

28.274.

(b) Fees for application and licensing for initial and renewal concealed pistol licenses under 1927 PA 372, MCL 28.421 to 28.435.

(c) Fees for searching, copying, and providing public records under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(d) Revenue from other sources, including, but not limited to, investment and interest earnings.

(11) Unexpended and unencumbered revenue generated by state records management system fees must not lapse to the general fund, but must be carried forward into the subsequent fiscal year.

Sec. 403. (1) The department shall provide forensic testing and analysis/profiling of DNA evidence to aid in law enforcement investigations in this state.

(2) The department shall ensure its ability to maintain accreditation by a federally designated accrediting agency, as provided under 34 USC 12592.

(3) The department shall provide forensic science services with an average turnaround time of 55 days, assuming an annual caseload volume commensurate with the average annual caseload received by the forensic science division during the preceding 5 fiscal years, and shall work to achieve a goal of a 30-day average turnaround time across all forensic science disciplines.

(4) The department shall provide the following data as provided in section 225:

(a) The average turnaround time for processing forensic evidence across all disciplines.

(b) Forensic laboratory staffing levels, including scientists in training, and vacancies.

(c) The number of backlogged cases in each discipline.

Sec. 404. (1) The biometrics and identification division shall maintain and manage the automated biometric identification system, statewide network of agency photographs, and combined offender DNA index system biometric databases.

(2) The department shall provide data on the number of 10-print and palm-print submissions to the database, as provided in section 225.

(3) The department shall maintain the staffing and resources necessary to have a 28-day average wait time for scheduling a polygraph examination, assuming an annual caseload received commensurate with the average annual caseload received during the preceding 5 fiscal years, with a goal of achieving a 15-day average wait time.

(4) If changes are made to the department's protocol for retaining and purging DNA analysis samples and records, the department shall post a copy of the protocol changes on the department's website.

Sec. 405. Not later than December 1, the department shall submit a report to the standard report recipients that includes, but is not limited to, all of the following information:

(a) Sexual assault kit analysis backlog at the beginning of the previous fiscal year.

(b) The number of sexual assault kits collected or submitted for analysis during the previous fiscal year.

(c) The number of sexual assault kits analyzed and the number of associated DNA profiles created and uploaded during the previous fiscal year.

(d) Sexual assault kit analysis backlog at the end of the

previous fiscal year.

(e) The average turnaround time to analyze sexual assault kits and to create and upload associated DNA profiles for the previous fiscal year.

Sec. 406. The department shall provide administrative support for the following grant and community service programs:

(a) The operations of the automobile theft prevention authority.

(b) Administration of the Edward Byrne memorial justice assistance program and other grant programs, including the department's community policing efforts.

(c) Administration of the office of school safety.

(d) Administration and outreach of the OK2SAY program.

Sec. 407. Not later than March 30, the office of school safety shall provide a school safety report to the legislature and the senate and house fiscal agencies that must include reports of both of the following:

(a) The incidents of school violence or threats reported to the state police by local law enforcement or local school districts, or received through the Michigan incident crime report (MICR).

(b) OK2SAY-based incidences and activities.

(c) Based upon an evaluation of school safety incidents and analysis of school safety grants, recommendations on best practices, and other safety measures to ensure school safety in this state.

Sec. 408. (1) The department shall make an organized, strategic effort to recruit, onboard, train, and outfit trooper school candidates and other new employees.

(2) From the funds appropriated in part 1 for trooper recruit school onboarding, training, and outfitting, the department shall organize and operate not fewer than 2 trooper, motor carrier, or state properties security recruit schools in the fiscal year ending September 30, 2026.

(3) The department shall submit a report to the standard report recipients within 60 days of the conclusion of any trooper, motor carrier, or state properties security recruit school. The report must include all of the following:

(a) The number of veterans and the number of MCOLES-certified police officers who were admitted to and the number who graduated from the recruit school.

(b) The total number of recruits who were admitted to the recruit school, the number of recruits who graduated from the recruit school, and the location at which each of these recruits is assigned.

(4) The department may use the funds appropriated in part 1 that represent attrition savings to offset the cost of recruiting efforts described under subsection (1).

(5) The unexpended and unencumbered general fund/general purpose funds appropriated in part 1 for trooper recruit school onboarding, training, and outfitting must not lapse to the general fund at the end of the fiscal year but must be deposited into the trooper recruit school fund created under section 819b of the Michigan vehicle code, 1949 PA 300, MCL 257.819b.

(6) If money in the trooper recruit school fund created under section 819b of the Michigan vehicle code, 1949 PA 300, MCL 257.819b, is insufficient to support the cost of recruiting efforts authorized under this section, the department may utilize funds

appropriated in part 1 for training operations to fulfill the requirements of this section. If the department utilizes funds pursuant to this subsection, the department shall notify the standard report recipients not later than 30 days after the expenditure of those funds. The notice required under this subsection must include information about the amount of funds expended and the purposes for which those funds were used or will be used.

Sec. 409. (1) From the funds appropriated in part 1, the department shall, in collaboration with the department of civil rights and MCOLES, provide the following training to local police departments or officers free of charge:

(a) Cultural awareness and competency.

(b) Conflict management.

(c) Use of force on vulnerable individuals, including children, individuals with disabilities, individuals with unmet mental health needs, individuals under the influence of substances, and pregnant individuals.

(d) Mental health and wellness for law enforcement officers.

(2) The training provided under subsection (1) may be offered online in order to facilitate easy access and may be given by department staff, contractors, or external vendors.

(3) On a quarterly basis, the department shall submit a report to the standard report recipients on the number of officers, by police department, that received training under this section.

Sec. 410. The department, in collaboration with the department of health and human services and the department of education, shall advise on initiatives in schools and other educational organizations that include, but are not limited to, training for

educators, teachers, and other personnel in school settings for all of the following:

(a) Utilization of trauma-informed practices.

(b) Age-appropriate education and information on human trafficking.

(c) Age-appropriate education and information on sexual abuse prevention.

FIELD SERVICES

Sec. 501. (1) Department enlisted personnel who are employed to enforce traffic laws as provided in section 629e of the Michigan vehicle code, 1949 PA 300, MCL 257.629e, are not prohibited from responding to crimes in progress or other emergency situations and are responsible for making every effort to protect all residents of this state.

(2) The department shall maintain the staffing and resources necessary to continually work to enhance traffic safety throughout this state and shall dedicate a minimum of 455,200 hours to statewide patrol. The department shall work to improve public safety efforts within distressed cities by enhancing data analysis capabilities and identifying crime trends and areas with high occurrence of crime.

(3) The department shall report on the number of residence checks of registered sex offenders conducted, as provided under section 225.

Sec. 502. (1) The department shall identify and apprehend criminals through criminal investigations in this state.

(2) The department shall maintain the staffing and resources necessary to provide a comparable number of hours investigating

crimes as the average annual number provided during the preceding 5 fiscal years.

(3) The department shall maintain the staffing and resources necessary to annually meet or exceed a case clearance rate of 62%.

(4) The department shall provide training opportunities to local law enforcement partners with the goal of increasing their knowledge of gambling laws, legal issues, opioid-related investigations, and other emerging law enforcement issues.

(5) The department shall maintain the staffing and resources necessary to investigate the average annual number of opioid-related investigations conducted by multijurisdictional task forces and hometown security teams during the preceding 5 fiscal years. The department shall work to enhance investigative and drug interdiction efforts by enhancing data analysis capabilities and linking investigations among multijurisdictional task forces and hometown security teams.

Sec. 503. (1) The department shall provide protection to this state, its economy, welfare, and vital state-sponsored programs through the prevention and suppression of organized smuggling of untaxed tobacco products in this state, through enforcement of the tobacco products tax act, 1993 PA 327, MCL 205.421 to 205.436, and other laws pertaining to combating criminal activity in this state, and by maintaining a tobacco tax enforcement unit.

(2) The department shall submit an annual report on December 1 to the standard report recipients and to the senate and house appropriations subcommittees on general government that details expenditures and activities related to tobacco tax enforcement for the previous fiscal year.

Sec. 504. The department shall provide fire investigation

training and investigative assistance to public safety agencies in this state.

Sec. 505. The department shall not take disciplinary action against an employee of the department for providing, upon request, assistance or mutual aid to a law enforcement officer employed by a law enforcement agency of this state who is engaged in the fresh pursuit of an individual on a freeway. As used in this section:

(a) "Fresh pursuit" means that term as defined in section 5 of the uniform act on fresh pursuit, 1937 PA 189, MCL 780.105.

(b) "Freeway" means that term as defined in section 18a of the Michigan vehicle code, 1949 PA 300, MCL 257.18a.

Sec. 506. From the funds appropriated in part 1 for trooper pay increases and economic adjustments, the department shall expend the funds appropriated for costs associated with pay increases for Michigan state police troopers of up to the same amounts approved by the civil service commission and effective October 1, 2025.

SPECIALIZED SERVICES

Sec. 601. (1) The department shall operate the Michigan intelligence operations center for homeland security as this state's primary federally designated fusion center to receive, analyze, gather, and disseminate threat-related information among federal, state, local, tribal, and private sector partners.

(2) The department shall ensure public safety by providing public and private sector partners with timely and accurate information regarding critical information key resource threats, as reported to or discovered by the Michigan intelligence operations center for homeland security, and shall increase public awareness on how to report suspicious activity through website or telephone

communications.

(3) The department shall maintain the staffing and resources necessary to support the cyber section, including the Michigan cyber command center, the computer crimes unit, and the internet crimes against children task force. The department shall maintain the staffing and resources necessary to complete the average annual number of cases completed by the computer crimes unit during the preceding 5 fiscal years. The computer crimes unit shall pursue process improvement initiatives to effectively utilize staff resources in providing investigatory assistance and evidentiary analysis for law enforcement and criminal justice agencies statewide. The department shall maintain the staffing and resources necessary to complete the average annual casework that the Michigan cyber command center completed during the preceding 5 fiscal years.

(4) The department shall maintain the staffing and resources necessary to provide digital forensic analysis services with a goal of decreasing backlogs of digital forensic analysis cases annually until the department maintains a 60-day turnaround time.

Sec. 602. (1) The department shall provide specialized services in support of, and to enhance, local, state, and federal law enforcement operations within this state, in accordance with all applicable state and federal laws and regulations.

(2) The department shall maintain the staffing and resources necessary to provide training to maintain readiness to respond appropriately to at least the average annual number of requests for specialty services which occurred during the preceding 5 fiscal years.

(3) The canine unit shall be available for call out statewide 100% of the time.

(4) The bomb squad unit shall be available for call out statewide 100% of the time.

(5) Aviation services shall be available for call out statewide 100% of the time, unless prohibited by weather or unexpected mechanical breakdowns.

(6) The department shall maintain the staff and resources necessary to provide security services at the State Capitol Complex facilities, the State Secondary Complex, and other state-owned or leased properties, as provided under section 6c of 1935 PA 59, MCL 28.6c. The department shall also maintain the staff and resources necessary to respond to emergencies at the State Capitol Complex, State Secondary Complex, House Office Building, Binsfeld Office Building, Townsend Parking Ramp, Roosevelt Parking Ramp, and other areas as directed. The department shall maintain a goal of annually conducting 35,000 property inspections of state owned and leased facilities.

Sec. 603. (1) The department shall maintain commercial vehicle regulation, school bus inspections, and enforcement activities, including enforcement of requirements concerning size, weight, and load restrictions; operating authority; registration; fuel taxes; transportation of hazardous materials; new entrant operations; commercial driver licenses; and inspections pursuant to the federal motor carrier assistance program.

(2) The department shall maintain the staffing and resources necessary to meet inspection goals consistent with the department's federal motor carrier assistance program activities.

(3) Revenue collected under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.42, must be expended in accordance with that act. Unexpended and unencumbered revenues must not lapse to the

general fund but must be carried forward into the subsequent fiscal year.

Sec. 604. (1) The department shall coordinate the mitigation, preparation, response, and recovery activities of municipal, county, state, and federal governments, and other governmental entities, for all hazards, disasters, and emergencies.

(2) The state director of emergency management may expend money appropriated under part 1 to call on any agency or department of this state or any resource of this state to protect life or property or to provide for the health or safety of the population in any area of this state in which the governor proclaims a state of emergency or state of disaster under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. The state director of emergency management may expend the amounts the director considers necessary to accomplish these purposes. The director shall submit to the state budget director, as soon as possible, a complete report of all actions taken under the authority of this section. The report must contain, as a separate item, a statement of all money expended that is not reimbursable from federal funding. The state budget director shall review the expenditures and submit recommendations to the legislature in regard to any possible need for a supplemental appropriation.

(3) In addition to the funds appropriated in part 1, the department may receive and expend money from local, private, federal, or state sources for the purpose of providing emergency management training to local or private interests and for the purpose of supporting emergency preparedness, response, recovery, and mitigation activity. If additional expenditure authorization in SIGMA is approved by the state budget office under this section,

the department and the state budget office shall notify the senate and house appropriations subcommittees on state police and the senate and house fiscal agencies within 10 days after the approval. The notification must include the amount and source of the additional authorization, the date of its approval, and the projected use of the funds to be expended under the authorization. The total amount of federal revenues that may be received and expended under this section and section 230 must not exceed $750,000,000.00.

(4) The department shall foster, promote, and maintain partnerships to protect this state and homeland from all hazards.

(5) The department shall maintain the staffing and resources necessary to do all of the following:

(a) Serve approximately 105 local emergency management preparedness programs and 88 local emergency planning committees in this state.

(b) Operate and maintain the state's emergency operations center and provide command and control in support of emergency response services.

(c) Maintain readiness, including training and equipment to respond to civil disorders and natural disasters commensurate with the capabilities of fiscal year 2010-2011.

(d) Perform hazardous materials response training.

(6) The department shall conduct a minimum of 3 training sessions to enhance safe response in the event of natural or manmade incidents, emergencies, or disasters.

(7) In addition to the funds appropriated in part 1, there is appropriated from the disaster and emergency contingency fund an amount necessary to cover costs related to any disaster or

emergency as defined in the emergency management act, 1976 PA 390, MCL 30.401 to 30.421. Funds must be expended as provided under sections 18 and 19 of the emergency management act, 1976 PA 390, MCL 30.418 and 30.419, and R 30.51 to R 30.61 of the Michigan Administrative Code.

(8) If, in a particular month, expenditures are made from the disaster and emergency contingency fund, the department shall submit a report for that month to the senate and house fiscal agencies detailing the purpose of the expenditures. The monthly report required under this subsection must be submitted within 30 days after the end of the month during which funds from the disaster and emergency contingency fund were expended.

(9) The department shall track and report on a biannual basis, as provided in section 225 of this part, the status of the department's assessment of critical infrastructure vulnerabilities, including the protection status of critical infrastructure items identified by the assessment. The department is not required to report any information that could compromise the security of any critical infrastructure.

(10) Revenue collected by the department under this section for the emergency management and homeland security training center that is unexpended and unencumbered at the end of the fiscal year must not lapse to the general fund, but must be carried forward into the subsequent fiscal year.

Sec. 605. The department shall provide for the planning, administration, and implementation of highway traffic safety programs to save lives and reduce injuries on roads in this state, in partnership with other public and private organizations.

Sec. 606. (1) Funds appropriated in part 1 for the secondary

road patrol program must be used to provide grants to sheriffs under the secondary road patrol program described under section 76 of 1846 RS 14, MCL 51.76.

(2) The sheriffs' duties under the secondary road patrol program, as outlined in section 76(2) of 1846 RS 14, MCL 51.76, are to do all of the following:

(a) Patrol and monitor traffic violations.

(b) Enforce the criminal laws of this state, violations of which are observed by or brought to the attention of the sheriff's department while patrolling and monitoring secondary roads.

(c) Investigate accidents involving motor vehicles.

(d) Provide emergency assistance to persons on or near a highway or road the sheriff is patrolling and monitoring.

Sec. 607. The department shall serve as an active liaison between the department of technology, management, and budget and state, local, regional, and federal public safety agencies on matters pertaining to the Michigan public safety communications system and shall report user issues to the department of technology, management, and budget.

ONE-TIME APPROPRIATIONS

Sec. 701. The general fund/general purpose funds appropriated in part 1 for the disaster and emergency contingency fund must be deposited to the restricted disaster and emergency contingency fund created in section 18 of the emergency management act, 1976 PA 390, MCL 30.418.

Sec. 702. (1) From the funds appropriated in part 1 for law enforcement training for communication with limited English speaking communities and those deaf and hard of hearing, the

department shall coordinate with MCOLES to provide training to law enforcement officers to assist in the officers communication with members of the public who experience a language barrier or may be hard of hearing or deaf. The training required under this section must be developed by an entity that is MCOLES approved in a manner prescribed by the commission and holds an oral transliteration certificate. Any training course provided for under this section must be certified by the international accreditors for continuing education and training.

(2) The unexpended funds appropriated in part 1 for law enforcement training for communication with limited English speaking communities and those deaf and hard of hearing are designated as a work project appropriation, and any unencumbered or unallotted funds must not lapse at the end of the fiscal year and must be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is the training of law enforcement officers.

(b) The project will be accomplished by utilizing contracts with service providers.

(c) The estimated cost of this project is $1,000,000.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 703. (1) From the funds appropriated in part 1 for cold case investigations, the department shall create and administer a competitive grant program that provides grants not to exceed $200,000.00 to Michigan universities that operate a cold case

program. As used in this section, "cold case program" means an academic program administered by a university that provides, but is not limited to, workforce development training related to criminal investigation tactics, forensic science and law, and review of cold homicide and missing person cases.

(2) The department shall not approve a grant application under this section if a university does not satisfy either of the following:

(a) The university has operated a cold case program for over a year as of October 1, 2024.

(b) The university will begin a cold case program with the department not later than October 1, 2026.

(3) Funds disbursed under this section must be used only for programmatic and operational expenses of the university's cold case program.

Sec. 705. (1) From the funds appropriated in part 1 for public safety academy assistance programs, the department shall do all of the following:

(a) Pay the salaries of training academy recruits from public safety agencies.

(b) Pay the salaries of individuals who receive scholarships under subdivision (c).

(c) Allocate funds to MCOLES to establish and administer a competitive scholarship program that provides police academy scholarships of up to $20,000.00 per recruit on a first-come, first-served basis to an individual in a public safety agency who meets the requirements of subsection (2) and any necessary requirements to enroll in a police academy program.

(2) An individual must meet both of the following requirements

to receive a scholarship under this section:

(a) Have applied to at least 1 law enforcement basic training academy approved by MCOLES.

(b) Have completed an interview and received approval for the scholarship from the public safety agency that the individual intends to serve.

(3) For the purposes of this section, no more than 25 scholarships may be approved by a particular public safety agency.

(4) MCOLES is authorized to use up to $140,000.00 for administration of the scholarship program established and administered by MCOLES under this section.

(5) The unexpended funds appropriated in part 1 for public safety academy assistance programs are designated as a work project appropriation. Unencumbered or unallotted funds must not lapse at the end of the fiscal year and must be available for expenditures under this section until the project has been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide salaries and scholarships for public safety recruits.

(b) The project will be accomplished by utilizing state employees, contracts with vendors, or local partners.

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

(d) The tentative completion date is September 30, 2027.

ARTICLE 15

STATE TRANSPORTATION DEPARTMENT

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the state transportation department for the fiscal year ending September 30, 2026, from the following funds:

DEPARTMENT OF TRANSPORTATION		
APPROPRIATION SUMMARY		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	2,805.1	
GROSS APPROPRIATION		**$ 10,243,751,700**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		4,366,200
ADJUSTED GROSS APPROPRIATION		**$ 10,239,385,500**
Federal revenues:		
Total federal revenues		2,308,754,300
Special revenue funds:		
Total local revenues		85,448,500
Total private revenues		16,800,000
Total other state restricted revenues		7,151,382,700
State general fund/general purpose		**$ 677,000,000**
Sec. 102. DEBT SERVICE		
Airport safety and protection plan		$ 3,618,200
Blue Water Bridge fund		3,320,300
Economic development		234,300
Local bridge fund		77,300
State trunkline		333,554,100
GROSS APPROPRIATION		**$ 340,804,200**
Appropriated from:		
Special revenue funds:		

Blue Water Bridge fund		3,320,300
Bond repayment fund		333,554,100
Economic development fund		234,300
Local bridge fund		77,300
State aeronautics fund		3,618,200
State general fund/general purpose	**$**	**0**

Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES

CTF grant to civil service commission	$	225,300
CTF grant to department of technology, management, and budget		34,500
CTF grant to department of treasury		46,900
CTF grant to legislative auditor general		47,100
MTF grant to department of environment, Great Lakes, and energy		1,491,400
MTF grant to department of state for collection of revenue and fees		20,000,000
MTF grant to department of treasury		3,011,900
MTF grant to legislative auditor general		382,400
SAF grant to civil service commission		140,000
SAF grant to department of technology, management, and budget		26,000
SAF grant to department of treasury		72,200
SAF grant to legislative auditor general		37,000
STF grant to civil service commission		6,321,000
STF grant to department of state police		12,154,500
STF grant to department of technology, management, and budget		1,173,100

STF grant to department of treasury			148,800
STF grant to legislative auditor general			888,300
GROSS APPROPRIATION		**$**	**46,200,400**
Appropriated from:			
Special revenue funds:			
Comprehensive transportation fund			353,800
Michigan transportation fund			24,885,700
State aeronautics fund			275,200
State trunkline fund			20,685,700
State general fund/general purpose		**$**	**0**
Sec. 104. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	249.0		
Unclassified salaries--FTEs	6.0	$	964,300
Asset management council			2,300,000
Business support services--FTEs	48.5		9,728,700
Commission audit and support services--FTEs	23.5		4,158,300
Economic development and enhancement programs--FTEs	9.6		1,706,000
Finance, contracts, and support services--FTEs	167.4		24,321,900
Property management			6,957,400
Worker's compensation			1,616,600
GROSS APPROPRIATION		**$**	**51,753,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG for accounting service center user charges			4,366,200
Special revenue funds:			

Comprehensive transportation fund			1,884,400
Economic development fund			413,800
Michigan transportation fund			5,080,700
State aeronautics fund			746,500
State trunkline fund			39,261,600
State general fund/general purpose		**$**	**0**
Sec. 105. INFORMATION TECHNOLOGY			
Information technology services and projects		$	36,631,100
GROSS APPROPRIATION		**$**	**36,631,100**
Appropriated from:			
Federal revenues:			
Federal aid - transportation programs			520,500
Special revenue funds:			
Blue Water Bridge fund			58,500
Comprehensive transportation fund			238,200
Economic development fund			39,400
Michigan transportation fund			311,200
State aeronautics fund			185,700
State trunkline fund			35,277,600
State general fund/general purpose		**$**	**0**
Sec. 106. TRANSPORTATION PLANNING			
Full-time equated classified positions	134.4		
Planning services--FTEs	134.4	$	43,874,800
Grants to regional planning councils			488,800
GROSS APPROPRIATION		**$**	**44,363,600**
Appropriated from:			
Federal revenues:			
Federal aid - transportation programs			26,000,000

Special revenue funds:				
Comprehensive transportation fund				359,900
Michigan transportation fund				11,338,200
State aeronautics fund				30,800
State trunkline fund				6,634,700
State general fund/general purpose			**$**	**0**
Sec. 107. DESIGN AND ENGINEERING SERVICES				
Full-time equated classified positions	1,540.5			
Business services--FTEs	50.8	$	11,771,700	
Program development and delivery--FTEs	918.7		112,902,900	
System operations management--FTEs	571.0		117,518,100	
GROSS APPROPRIATION			**$**	**242,192,700**
Appropriated from:				
Federal revenues:				
Federal aid - transportation programs				23,529,800
Special revenue funds:				
Comprehensive transportation fund				187,100
Michigan transportation fund				19,350,800
State trunkline fund				199,125,000
State general fund/general purpose			**$**	**0**
Sec. 108. HIGHWAY MAINTENANCE				
Full-time equated classified positions	720.2			
State trunkline operations--FTEs	720.2	$	462,967,300	
GROSS APPROPRIATION			**$**	**462,967,300**
Appropriated from:				
Special revenue funds:				
State trunkline fund				462,967,300
State general fund/general purpose			**$**	**0**

Sec. 109. ROAD AND BRIDGE PROGRAM	
Cities and villages	$ 743,830,200
Cities and villages - HB 4183 motor fuel tax impact	204,500,000
Cities and villages - HB 4187 income tax impact	459,200,000
Cities and villages - HB 4187 general fund	260,000,000
County road commissions	1,334,117,400
County road commissions - HB 4183 motor fuel tax impact	366,800,000
County road commissions - HB 4187 income tax impact	562,500,000
County road commissions - general fund	318,500,000
Grants to local programs	33,000,000
Local agency wetland mitigation bank fund	2,000,000
Local bridge program	26,417,100
Local bridge program - HB 4230 neighborhood road fund	100,000,000
Local federal aid and road and bridge construction	428,999,800
Local road agency bridge inspection program	20,000,000
Movable bridge	16,309,000
Neighborhood road fund - cities and villages from HB 4230	155,400,000
Neighborhood road fund - county road commissions from HB 4230	119,600,000
Rail grade crossing	3,000,000
Rail grade crossing - surface improvements	5,000,000
Rail grade separation grant program	88,500,000

State trunkline federal aid and road and bridge construction			2,005,049,100
State trunkline road and bridge programs - efficiency savings			67,876,300
State trunkline road and bridge programs - HB 4183 motor fuel tax impact			366,800,000
State trunkline road and bridge programs - HB 4187 income tax impact			126,300,000
GROSS APPROPRIATION		**$**	**7,813,698,900**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			1,744,266,200
Special revenue funds:			
Local funds			30,003,500
Private funds			10,000,000
Blue Water Bridge fund			32,757,700
Corporate income tax redirect			1,148,000,000
Local bridge fund			26,417,100
Michigan transportation fund			2,718,556,600
Neighborhood road fund			375,000,000
State trunkline fund			1,051,697,800
State general fund/general purpose		**$**	**677,000,000**
Sec. 110. BLUE WATER BRIDGE			
Full-time equated classified positions	38.5		
Blue Water Bridge operations--FTEs	38.5	$	6,714,700
GROSS APPROPRIATION		**$**	**6,714,700**
Appropriated from:			
Special revenue funds:			

Blue Water Bridge fund			6,714,700
State general fund/general purpose		**$**	**0**
Sec. 111. TRANSPORTATION ECONOMIC DEVELOPMENT			
Forest roads		$	7,000,000
Rural county primary			10,431,600
Rural county urban system			2,500,000
Target industries/economic redevelopment			24,363,100
Urban county congestion			10,431,600
GROSS APPROPRIATION		**$**	**54,726,300**
Appropriated from:			
Special revenue funds:			
Economic development fund			54,726,300
State general fund/general purpose		**$**	**0**
Sec. 112. AERONAUTICS SERVICES			
Full-time equated classified positions	48.0		
Air service program		$	50,000
Aviation services--FTEs	48.0		10,926,600
GROSS APPROPRIATION		**$**	**10,976,600**
Appropriated from:			
Special revenue funds:			
State aeronautics fund			10,976,600
State general fund/general purpose		**$**	**0**
Sec. 113. PUBLIC TRANSPORTATION SERVICES			
Full-time equated classified positions	39.3		
Passenger transportation services--FTEs	39.3	$	6,389,400
GROSS APPROPRIATION		**$**	**6,389,400**
Appropriated from:			
Federal revenues:			

Federal aid – transportation programs			2,000,000
Special revenue funds:			
Comprehensive transportation fund			4,389,400
State general fund/general purpose		**$**	**0**
Sec. 114. LOCAL BUS TRANSIT			
Local bus operating		$	226,750,000
Local bus operating - efficiency incentive program			59,800,000
Nonurban operating/capital			40,626,500
GROSS APPROPRIATION		**$**	**327,176,500**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			38,626,500
Special revenue funds:			
Local funds			2,000,000
Comprehensive transportation fund			286,550,000
State general fund/general purpose		**$**	**0**
Sec. 115. INTERCITY PASSENGER AND FREIGHT			
Full-time equated classified positions	35.2		
Detroit/Wayne County Port Authority		$	600,000
Freight property management			1,300,000
Intercity services			9,635,400
Marine passenger service			20,205,000
Office of rail--FTEs	35.2		6,636,700
Rail operations and infrastructure			147,688,500
GROSS APPROPRIATION		**$**	**186,065,600**
Appropriated from:			
Federal revenues:			

Federal aid – transportation programs			53,885,000
Special revenue funds:			
Local funds			760,000
Private funds			2,800,000
Comprehensive transportation fund			119,527,500
Intercity bus equipment fund			45,400
Michigan transportation fund			2,211,800
Rail freight fund			6,000,000
State trunkline fund			835,900
State general fund/general purpose	**$**		**0**
Sec. 116. PUBLIC TRANSPORTATION DEVELOPMENT			
Municipal credit program	$		2,000,000
Specialized services			30,342,700
Transit capital			250,724,200
Van pooling			195,000
GROSS APPROPRIATION	**$**		**283,261,900**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			160,099,300
Special revenue funds:			
Local funds			35,185,000
Private funds			2,000,000
Comprehensive transportation fund			85,977,600
State general fund/general purpose	**$**		**0**
Sec. 117. CAPITAL OUTLAY			
AIRPORT IMPROVEMENT PROGRAMS			
Airport safety, protection, and improvement program	$		182,242,300

Detroit Metropolitan Wayne County Airport		12,760,000
IIJA airport infrastructure grants		104,827,000
GROSS APPROPRIATION	**$**	**299,829,300**
Appropriated from:		
Federal revenues:		
Federal aid – transportation programs		259,827,000
Special revenue funds:		
Local funds		17,500,000
Private funds		2,000,000
Qualified airport fund		12,760,000
State aeronautics fund		7,742,300
State general fund/general purpose	**$**	**0**
Sec. 118. ONE-TIME APPROPRIATIONS		
Maritime and port facility fund	$	7,500,000
Railroad heritage preservation program		7,500,000
Non-motorized trails		7,500,000
State aeronautics fund deposit		7,500,000
GROSS APPROPRIATION	**$**	**30,000,000**
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		30,000,000
State general fund/general purpose	**$**	**0**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September

30, 2026, total state spending under part 1 from state sources is $7,828,382,700.00 and state spending under part 1 from state sources to be paid to local units of government is $5,248,615,700.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

STATE TRANSPORTATION DEPARTMENT	
Grants to regional planning councils	$ 488,800
Cities and villages	743,830,200
Cities and villages - HB 4183 motor fuel tax impact	204,500,000
Cities and villages - HB 4187 income tax impact	459,200,000
Cities and villages - general fund	260,000,000
County road commissions	1,334,117,400
County road commissions - HB 4183 motor fuel tax impact	366,800,000
County road commissions - HB 4187 income tax impact	562,500,000
County road commissions - general fund	318,500,000
Grants to local programs	33,000,000
Local bridge program	26,417,100
Local bridge program - HB 4230 neighborhood road fund	100,000,000
Local road agency bridge inspection program	20,000,000
Local agency wetland mitigation	2,000,000
Movable bridge	6,309,000
Neighborhood road fund - cities and villages	155,400,000

Neighborhood road fund - county road commissions	119,600,000
Rail grade crossing	1,500,000
Rail grade surface crossing improvements	5,000,000
Rail grade separation fund - general fund	88,500,000
Transportation economic development	45,468,300
Air service program	50,000
Local bus operating	226,750,000
Local bus operating - efficiency incentive	59,800,000
Detroit/Wayne County Port Authority	600,000
Marine passenger service	2,000,000
Municipal credit program	2,000,000
Specialized services	13,000,000
Transit capital	70,782,600
Airport safety, protection, and improvement program	7,742,300
Detroit Metropolitan Wayne County Airport	12,760,000
Total payments to local units of government	**$ 5,248,615,700**

Sec. 202. The appropriations under this part and part 1 are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "CTF" means comprehensive transportation fund.

(b) "Department" means the state transportation department.

(c) "Director" means the director of the department.

(d) "DOT" means the United States Department of Transportation.

(e) "DOT-FHWA" means DOT, Federal Highway Administration.

(f) "FTE" means full-time equated position in the classified service of this state.

(g) "IDG" means interdepartmental grant.

(h) "IIJA" means the infrastructure investment and jobs act, 2021, Public Law 117-58.

(i) "MTF" means Michigan transportation fund.

(j) "SAF" means state aeronautics fund.

(k) "Standard report recipients" means the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(*l*) "STF" means state trunkline fund.

Sec. 204. The department shall use the internet to fulfill the reporting requirements of this part. This requirement includes transmitting reports to the standard report recipients and any other required recipients by email and posting the reports on an internet site.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and

operated by veterans, if they are competitively priced and of comparable quality.

Sec. 206. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff, unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses not later than January 1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The department shall submit the report to the standard report recipients and to the senate and house appropriations committees. The report must include the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The state

budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $500,000,000.00 for federal contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $40,000,000.00 for state restricted contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $1,000,000.00 for local contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 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 $11,000,000.00 for private contingency authorization. Amounts appropriated under this subsection are not available for expenditure until they have been transferred to another line item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 211. (1) The department shall cooperate with the department of technology, management, and budget to maintain a

searchable website accessible by the public at no cost that includes, but is not limited to, all of the following for the department:

(a) Fiscal year-to-date expenditures by category.

(b) Fiscal year-to-date expenditures by appropriation unit.

(c) Fiscal year-to-date payments to a selected vendor, including the vendor name, payment date, payment amount, and payment description.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 212. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 216. On a quarterly basis, the department shall report on the number of full-time equated positions in pay status by civil service classification, including a comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period. The report must be submitted to the standard report recipients and to the senate and house appropriations committees.

Sec. 219. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department

shall follow federal and state law and guidelines for short-term and long-term retention of records. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 222a. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 222b. The department shall submit a quarterly report that summarizes all work project accounts. The report must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 223. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under part 1, the legislature may, by a concurrent

resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 225. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report to the standard report recipients and to the senate and house appropriations committees any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the prior fiscal year and the total number of former department employees that were remitted severance pay during the prior fiscal year.

(2) As used in this section, "severance pay" means compensation to which either of the following apply:

(a) The compensation is either payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 226. (1) The department shall maximize the efficiency of the state workforce. The department shall prioritize employees working in person 5 days per week for each division within the department. Employees with job responsibilities that require the

employees to serve in their capacities outside of the office must report to the office before beginning fieldwork. Field service employees include, but are not limited to, protective services workers, parole and probation officers, conservation officers, state troopers assigned to road patrol, inspectors, and construction and trade workers.

(2) The department shall establish a policy and process for verifying that all employees are working their jobs during normal business hours.

(3) The department shall provide information on employee badge scanning when requested by a member of the legislature.

Sec. 227. (1) Funds appropriated in part 1 that are utilized for grants or grant programs are subject to the following conditions:

(a) Grant funds must be provided only to an entity that has been established or is operating in this state or another state for at least 36 months before approval or disbursement of grant funds.

(b) Grant funds must be provided only to an entity that has had an office within this state or in the service area covered under the grant for at least 12 months before approval or disbursement of grant funds.

(c) Before awarding or disbursing grant funds, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used and must indicate if any grant funds will be provided to a third party or subrecipient.

(d) Up to 20% of grant funds may be spent on administrative costs and salaries. Up to 10% is authorized for contingencies.

(e) Each department or agency responsible for awarding or

disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each entity must submit information requested by the department to confirm compliance.

(f) Each department and agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(g) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving of or auditing grant funds awarded or disbursed by any department or agency.

(h) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's website in a conspicuous place for public review.

(2) On a quarterly basis, the department shall submit a report to the standard report recipients on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) The remaining amount to be distributed to each grant recipient.

(d) Any changes to scope or costs of program.

(3) The report under subsection (2) must include the following statements made by the department:

(a) A statement that confirms the department reviewed and affirmed compliance by each grant recipient to program scope and expenditure of grant funding.

(b) A statement that confirms the department reviewed applicable program reports and requests for reimbursement.

Sec. 228. (1) The department shall require as a condition of each contract or subcontract that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States.

(2) The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall submit a report to the standard report recipients not later than March 1 that describes the processes it has developed and implemented under this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States, or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 229. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants, or programming to an individual who is not a citizen of the United States, unless the individual is a qualified alien as that term is defined in 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 234. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2026 are estimated at $41,805,400.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $37,705,900.00. Total appropriations for retiree health care legacy costs for the department are estimated at $4,099,500.00.

Sec. 235. (1) The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks,

and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department must notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 236. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 237. Not later than November 15, the department shall disclose on a publicly accessible website private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds. The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 238. State funds must not be used for diversity, equity, and inclusion, or DEI, initiatives or programs or as outlined in Exec. Order No. 14151, 90 Fed. Reg. 8339 (Jan. 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing",

Exec. Order No. 14168, 90 Fed. Reg. 8615 (Jan. 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. The department may establish a fee schedule and collect fees sufficient to cover the costs to issue the permits that the department is authorized by law to issue on request, unless otherwise stipulated by law. All permit fees are nonrefundable application fees and must be credited to the appropriate fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

Sec. 302. Not later than February 1, 2026, the department shall report to the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget office on STF debt service. The report must include all of the following:

(a) An accounting of the prior fiscal year's STF debt service payments, including a calculation of STF debt service payments as a percentage of STF revenue secured by constitutionally restricted revenue.

(b) A projection of STF debt service obligations for the fiscal year ending September 30, 2026, including a calculation of STF debt service obligations as a percentage of estimated STF revenue secured by constitutionally restricted revenue.

(c) A description of all bond sales planned for the fiscal year ending September 30, 2026.

Sec. 303. (1) When the department places signs identifying trunkline construction projects as bond-financed, the signs shall identify the total cost of the project and the estimated borrowing costs associated with the bonds used to finance the project. Text and numeric figures identifying estimated borrowing costs associated with bonds used to finance projects shall be the same font and font size as the text and numeric figures identifying trunkline construction projects as bond-financed.

(2) The department must remove all signs identifying trunkline construction projects as bond-financed that are not in compliance with this section.

Sec. 304. If, as a requirement of bidding on a highway project, the department requires a contractor to submit financial or proprietary documentation as to how the bid was calculated, the department shall keep that bid documentation confidential and shall not disclose that bid documentation other than to a department representative without the contractor's written consent. The department may disclose the bid documentation if necessary to address or defend a claim by a contractor.

Sec. 306. (1) The amounts appropriated in part 1 to support tax and fee collection, law enforcement, and other program services provided to the department and to transportation funds by other state departments must be expended from transportation funds pursuant to annual contracts between the department and those other state departments. The contracts must be executed before the expenditure or obligation of those funds. The contracts must provide, but are not limited to, the following data applicable to each state department:

(a) Estimated costs to be recovered from transportation funds.

(b) Description of services provided to the department and/or transportation funds and financed with transportation funds.

(c) Detailed cost allocation methods appropriate to the type of services being provided and the activities financed with transportation funds.

(2) Not later than 2 months after publication of the state of Michigan annual comprehensive financial report, each state department receiving funding pursuant to an interdepartment contract with the department shall submit a written report to the department, the state budget director, the house and senate fiscal agencies, and the auditor general stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds.

Sec. 307. Before March 1, the department shall provide to the legislature, the state budget director, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 310. The department shall post in a timely manner copies of the agenda, approved minutes, and audio recording of state transportation commission meetings.

Sec. 311. (1) The department shall prepare a report on all of the following:

(a) CRRSAA – highway infrastructure – local bridge bundling initiative established in section 113(2) of article 14 of 2021 PA 87.

(b) Local bridge bundling initiative established in section 118 of article 15 of 2023 PA 119.

(2) The report must identify the status of bridge projects selected, funds expended under the program, and funds remaining.

(3) The report shall be submitted to the standard report recipients on or before March 30, 2026.

Sec. 313. (1) From funds appropriated in part 1, the department may increase a state infrastructure bank program and grant or loan funds in accordance with regulations of the state infrastructure bank program of the United States Department of Transportation. The department shall administer the state infrastructure bank for the purpose of providing a revolving, self-sustaining resource for financing transportation infrastructure projects.

(2) In addition to funds provided in subsection (1), money received by this state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by this state as a result of projects funded by the program and interest earned on that money must be deposited in the revolving state infrastructure bank fund and must be available for transportation infrastructure projects. At the close of the fiscal year, any unencumbered funds remaining in the state infrastructure bank fund remain in the fund and carry forward into the succeeding fiscal year.

(3) The department shall prepare a report on the status of the state infrastructure bank and submit the report to the standard report recipients on or before December 31, 2025. The report must include all of the following:

(a) The balance in the state infrastructure bank on September

30, 2025, including a breakdown of the balance by cash and cash equivalents, outstanding loans, and balance available for loan to local agencies.

(b) A breakdown of the state infrastructure loan balance by amounts originating from federal sources and the amounts originating from nonfederal sources.

(c) A list of outstanding loans by agency, original loan amount, project description, loan term, and amount outstanding.

Sec. 319. The department shall post signs at each rest area to identify the agency or contractor responsible for maintenance of the rest area. The signs shall include a department telephone number and shall indicate that unsafe or unclean conditions at the rest area may be reported to that telephone number

Sec. 353. The department shall review its contractor payment process and ensure that all prime contractors are paid promptly. The department shall ensure that prime contractors are in compliance with special provision 109.10 regarding the prompt payment of subcontractors.

Sec. 356. For all contracts and procurements funded under this act, the department shall prioritize the awarding of contracts to Michigan-based manufacturers and businesses that employ Michigan residents, including, but not limited to, contracts for either of the following:

(a) Pigment for road markings.

(b) Cement for road building and other concrete building projects.

Sec. 357. When presented with complete local federal aid project submittals, the department shall complete all necessary reviews and inspections required to let local federal aid projects

within 120 days of receipt. The department shall implement a system for monitoring the local federal aid project review process.

Sec. 358. Except as required to receive federal funding, the department shall not utilize bridge bundling contracting methods for projects involving the construction, rehabilitation, or replacement of state or locally owned bridges. If a bridge bundling contracting method is required as a condition of federal participation in project costs, all of the following conditions apply:

(a) A bridge bundling project package is limited to a maximum of 5 bridges.

(b) Each bridge bundling project package must be confined to a single department region.

(c) Except for standard prequalification requirements, the department shall not limit the number of eligible bidders for a bridge bundling project package.

Sec. 375. The department is prohibited from reimbursing contractors or consultants for costs associated with groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded, in whole or in part, by revenue appropriated in part 1.

Sec. 381. (1) The bond repayment fund is created within the department of treasury and shall be administered by the state transportation department.

(2) From the unexpended and unencumbered funds appropriated in 2021 PA 87, 2022 PA 166, 2023 PA 119, and 2024 PA 121 that were designated as work project appropriations, the state transportation department shall work with the state budget director to lapse a total of $2,400,000,000.00. The $2,400,000,000.00 in work project

lapse funds must be made available for expenditure for debt service payments on STF refunding and rebuilding Michigan bonds issued after January 2020.

Sec. 382. In administering a contract with a county road commission, city, or village that allocates costs of construction or reconstruction of highways, roads, and streets as provided in section 18d of 1951 PA 51, MCL 247.668d, the department shall submit the final cost-sharing bill to the county road commission, city, or village not later than 2 years after the date of the final contract payment to the construction contractor.

Sec. 383. (1) The department shall prepare a report on use of department-owned aircraft during the fiscal year ending September 30, 2025. With respect to each department-owned aircraft, the report must include all of the following:

(a) Total hours of usage.

(b) Description of specific flights including dates of travel, names of passengers including state agency, university, or local government affiliation, travel origin and destination, and total estimated costs associated with the air travel.

(2) The department shall submit the report to the standard report recipients no later than February 1, 2026.

(3) The department shall maintain a system for recovering the cost of operating department-owned aircraft through charges to aircraft users.

Sec. 384. (1) Except as otherwise provided in subsection (2), the department shall not obligate this state to expend any state transportation revenue for construction planning or construction of the Gordie Howe International Crossing or a renamed successor. In addition, except as provided in subsection (2), the department

shall not commit this state to any new contract related to the construction planning or construction of the Gordie Howe International Crossing or a renamed successor that would obligate this state to expend any state transportation revenue. An expenditure for staff resources used in connection with project activities that is subject to full and prompt reimbursement from Canada is not considered an expenditure of state transportation revenue.

(2) If the legislature enacts specific enabling legislation for the construction of the Gordie Howe International Crossing or a renamed successor, subsection (1) does not apply once the enabling legislation goes into effect.

Sec. 385. (1) The department shall submit monthly reports to the standard report recipients, the speaker of the house of representatives, the house of representatives minority leader, the senate majority leader, and the senate minority leader on all of the following:

(a) All expenditures made by this state related to the Gordie Howe Bridge.

(b) All reimbursements made by Canada under section 384(1) of this part to this state for expenditures for staff resources used in connection with project activities.

(c) All eminent domain and condemnation powers used, the related real estate involved in any governmental taking, the price paid for those properties, and the beneficiary's name or associated corporation.

(2) The department shall submit the initial report required under subsection (1) on or before December 1, 2025. The initial report must cover the fiscal year ending September 30, 2025.

Sec. 386. By not later than May 1, the department shall submit a report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on the department's toll credit program. The report must include the following information:

(a) The amount of toll credits earned and certified by the DOT-FHWA in the prior fiscal year.

(b) The value of toll credits used by programs and projects in the prior fiscal year.

(c) The balance of available toll credits at the end of the prior fiscal year.

(d) A discussion of the department's strategy for using toll credits.

Sec. 387. Within 90 days of completion of any formal traffic study, formal traffic control study, or formal traffic mitigation study, the department shall post the results of the study on the department's website.

Sec. 388. From the funds appropriated in part 1, the department shall not expend any state funds or other resources in support of federal U.S. Department of Transportation grant 693JJ22440000Y430MI24A0815.

Sec. 389. (1) Within 30 days after entering into a long-term agreement with a private contractor, a public agency, or a partnership between 1 or more private contractors or public agencies, the department shall notify the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies of the agreement, including the subject of the agreement, the term of the agreement, and financial obligations under the agreement.

(2) As used in this section, "long-term agreement" means an agreement that obligates the department for a period of 5 years or more and that actually or contingently obligates the department to make payments over the contract period of $5,000,000.00 or more.

Sec. 390. For the 2025 and 2026 budget, the department shall not expend or continue to expend funds in eminent domain proceedings in pending or future litigation or otherwise regarding the valuation of outdoor advertising structures and their leaseholds where the department is presented with lawful relocation opportunities for replacement at alternate locations or other reasonable and lawful accommodations that the affected owner advises the department that the owner is willing to accept in lieu of the payment of all or a portion of offered just compensation. When no accommodation in lieu of just compensation can be reached, the department will value the affected outdoor advertising structure and its leasehold using an income- or market-based valuation approach and not a cost-based valuation approach for all pending or future condemnation proceedings.

Sec. 394. The department and local road agencies shall make the preservation of their existing road networks a funding priority.

Sec. 395. From the funds appropriated in part 1 for state trunkline federal aid road and bridge construction, the department may expend up to $10,000,000.00 on highway maintenance activities to support safety-related, high-priority, and other deferred routine maintenance needs on the state trunkline network.

Sec. 398. The department shall continue to work to eliminate fatalities and serious injuries on the state trunkline network and shall maintain the Toward Zero Deaths statewide safety campaign.

Sec. 399. In developing its state trunkline road and bridge construction program, the department shall prioritize spending on capital preventative maintenance. From the funds appropriated in part 1 for state trunkline road and bridge construction, not less than $100,000,000.00 must be allocated for capital preventative maintenance treatments for pavement preservation.

FEDERAL

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to this state shall be allocated to transportation programs administered by local jurisdictions in accordance with section 10o of 1951 PA 51, MCL 247.660o. A local road agency, with respect to a project approved for federal aid funding in a state transportation improvement program, may enter into a voluntary buyout agreement with the department or with another local road agency to exchange the federal aid with state restricted transportation funds as agreed to by the respective parties. The state restricted transportation funds received in exchange for federal aid funds shall be used for the same purpose as the federal aid funds were originally intended.

MICHIGAN TRANSPORTATION FUND

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.42, and not appropriated to the department of licensing and regulatory affairs or the department of state police is deposited in the Michigan transportation fund.

Sec. 503. (1) At the close of the fiscal year, funds appropriated in part 1 for the transportation economic development program shall lapse to the transportation economic development

fund.

(2) At the close of the fiscal year, funds appropriated in part 1 for the local bridge program shall carry forward and are appropriated for the purposes defined in section 10(5) of 1951 PA 51, MCL 247.660.

(3) Interest earned in the transportation economic development fund and local bridge fund shall remain in the respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

(4) In addition to the funds appropriated in part 1, the transportation economic development fund and local bridge fund may receive federal, local, or private funds or restricted source funds such as interest earnings. These funds are appropriated for projects that are consistent with the purposes of the respective funds.

(5) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

Sec. 504. Funds from the Michigan transportation fund must be distributed to the comprehensive transportation fund, the economic development fund, the recreation improvement fund, and the state trunkline fund, in accordance with this part and part 1 and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as specified in this part and part 1, 1951 PA 51, MCL 247.651 to 247.675, and part 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

Sec. 505. The part 1 appropriation for local road agency bridge inspection program must be used for the costs incurred by

local road agency bridge owners in attaining compliance with DOT-FHWA national bridge inspection standards codified under 23 CFR 650, subpart C.

STATE TRUNKLINE FUND

Sec. 601. (1) The department shall maintain documentation to support initial acceptance of warrantied projects, interim and final inspections, and notifications to contractors that the warranty period had expired. The department also shall review and evaluate consultant evaluation requirements or recommendations and update existing policies and procedures accordingly.

(2) The department shall review its warranty administration processes, procedures, and associated manuals to ensure that all of the following occur:

(a) Initial notifications of needed corrective action are sent prior to warranty expiration.

(b) Consistent and timely second notifications of needed corrective action are sent if contractors do not respond within 30 days of an initial notification.

(c) The department has an effective process to establish time frames for corrective action completion.

(d) Daily inspector reports on all warranty segments are completed consistently.

(3) The department shall report on the review described in subsection (2) and changes resulting from the review. The department shall submit the report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies not later than March 31, 2026.

Sec. 603. The department shall report to the senate and house appropriations subcommittees on transportation by December 31, 2025 on the operational condition of the Mackinac bridge, its long-term viability, the costs of preventative maintenance and potential upgrades, and the cost and feasibility of constructing a separate method of transporting commercial, emergency, and passenger vehicle traffic.

Sec. 604. At the close of the fiscal year, any unencumbered and unexpended balance in the state trunkline fund remains in the state trunkline fund and carries forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.

Sec. 612. (1) The department shall report on incentives and disincentives provided under state trunkline construction contracts. The report must include all of the following:

(a) Guidelines governing use of incentive and disincentive provisions.

(b) A list of incentive and disincentive payments made on projects completed in the prior calendar year, including the amount of incentive or disincentive payments by contract or project, and the reason for the incentive or disincentive payment.

(2) The department shall submit the report described in this section to the standard report recipients by not later than March 31, 2026.

Sec. 614. From the funds appropriated in part 1, the department shall use $60,000.00 for safety enhancements, including, but not limited to, cabling and guardrail on M-53 in Washington Township in Macomb County.

Sec. 660. (1) The legislature encourages the department to

examine the use of alternative road surface materials and develop criteria and specifications for their use in both department-managed and contracted projects.

(2) From funds appropriated in part 1, the department shall establish the Michigan state transportation innovation council to review innovative road materials and innovative road and bridge design and construction specifications. The Michigan state transportation innovation council shall include, but is not limited to, a representative of the DOT-FHWA, an appointee chosen by the speaker of the house of representatives, and an appointee chosen by the senate majority leader.

TRANSIT AND RAIL RELATED FUNDS

Sec. 701. The department shall establish an intercity bus equipment and facility fund as a subsidiary fund within the comprehensive transportation fund created under section 10b of 1951 PA 51, MCL 247.660b. Proceeds received by this state from the sale of state-owned intercity bus equipment must be credited to the intercity bus equipment and facility fund for the purchase and repair of intercity bus equipment, as appropriated. Security deposits not returned to a lessee of state-owned intercity bus equipment under terms of the lease agreement must be credited to the intercity bus equipment and facility fund for the repair of intercity bus equipment, as appropriated. Money received by the department from lease payments for state-owned intercity bus equipment, and facility maintenance charges under terms of leases of state-owned intercity facilities, must be credited to the intercity bus equipment and facility fund for the purchase and repair of intercity bus equipment or for the maintenance and

rehabilitation of state-owned intercity facilities, as appropriated. At the close of the fiscal year, any funds remaining in the intercity bus equipment and facility fund remain in the fund and are carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by this state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects must be deposited in the rail freight fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds remaining in the rail freight fund remain in the fund and are carried forward into the succeeding fiscal year.

Sec. 703. (1) The department shall distribute the funds appropriated in part 1 for local bus operating – efficiency incentive to eligible authorities and eligible governmental agencies as a percentage of eligible operating expenses.

(2) The distribution of local bus operating – efficiency incentive funds shall be made only to eligible authorities and eligible governmental agencies that achieve the following farebox recovery as a percentage of eligible operating expenses:

(a) For service provided in an area with a population greater than 100,000, 10%.

(b) For service provided in an area with a population less than or equal to 100,000, 6%.

(3) As used in this section, "eligible authority" and "eligible governmental agency" mean those terms as defined in section 10c of 1951 PA 51, MCL 247.660c.

Sec. 704. From the funds appropriated in part 1, the

department shall prepare and transmit a report that includes the department's current rolling 5-year rail plan and detail regarding the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure. The report must include a breakdown of the appropriation by program, year-to-date obligations under each program itemized by project, and an estimate of future obligations under each program itemized by project for the remainder of the fiscal year. The department shall submit the report to the standard report recipients on or before December 1, 2025.

Sec. 705. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

Sec. 706. The Detroit/Wayne County Port Authority shall issue a complete operations assessment and a financial disclosure statement. The operations assessment shall include operational goals for the next 5 years and recommendations to improve land acquisition and development efficiency. The report shall be completed and submitted to the house and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies by June 30 of each fiscal year for the prior fiscal year.

Sec. 707. (1) Before March 1, 2026, the department shall provide to the legislature, the state budget office, and the house and senate fiscal agencies its rail strategic plan. The strategic

plan must include, but is not limited to, a rolling 5-year rail plan and a summary of the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure.

(2) The rolling 5-year rail plan must include, but is not limited to, all of the following:

(a) A listing by county of all rail infrastructure projects on rail lines within this state utilizing state funds, and the estimated cost of each project.

(b) The actual or projected state expenditures for operation of passenger rail service.

(c) The actual or projected state expenditures for maintenance of passenger service rail lines.

(3) The period of the rolling 5-year rail plan must include the fiscal year ending September 30, 2026 and the immediately following 4 fiscal years.

(4) The summary of the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure must include a breakdown of the appropriation by program, year-to-year obligations under each program itemized by project, and an estimate of future obligations under each program itemized by project for the remainder of the fiscal year.

Sec. 720. It is the intent of the legislature that all transit agencies in Michigan should strive to achieve a farebox recovery rate of not less than 6%.

Sec. 721. The part 1 appropriation for maritime and port facility fund must be credited to the maritime and port facility assistance fund established in section 7 of the maritime and port facility assistance grant program act, 2022 PA 159, MCL 120.157.

Sec. 722. The part 1 appropriation for rail grade separation fund must be credited to the local grade separation fund created under section 11i of 1951 PA 51, MCL 247.661i.

Sec. 723. The part 1 appropriation for nonmotorized trails shall be used to establish and maintain a system of trails in this state for nonmotorized use.

Sec. 724. The part 1 appropriation for state aeronautics fund deposit shall be credited to the state aeronautics fund established under the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, and used for capital improvements and air service improvements at general aviation airports in this state.

Sec. 735. For the fiscal year ending September 30, 2026, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is $0.

Sec. 736. No funds from the appropriations in part 1 may be used for a rail freight development project to support the cessation of energy pipeline operations across the Straits of Mackinac.

Sec. 752. The legislature encourages the department to meet with representatives of a rail industry trade association to provide information on the availability of rail infrastructure loan and grant funding programs and freight economic development project opportunities.

Sec. 753. From the funds appropriated in part 1 for the railroad heritage preservation program, the department shall establish a railroad heritage preservation program to provide funding to organizations for the promotion of railroading in this state with a focus on Michigan railroad history. The department shall administer the program as a competitive grant program.

Applicants must be qualified tax exempt organizations under section 501(c)(3) of the internal revenue code, 26 USC 501. Grants must be awarded only for capital infrastructure repair or rehabilitation.

AERONAUTICS FUND

Sec. 801. Except as otherwise provided in section 903 of this part for capital outlay, at the close of the fiscal year, any unobligated and unexpended balance in the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, lapses to the state aeronautics fund and may be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 802. From the funds appropriated in part 1 for aviation services, the department shall reestablish and maintain air service between Marquette and Lansing with services provided in the following order of priority:

(a) Emergencies.

(b) Routine travel for elected state officials.

(c) Other uses.

CAPITAL OUTLAY

Sec. 901. (1) From federal-state-local project appropriations contained in part 1 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the state transportation department may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion must not exceed the amount appropriated in part 1.

(2) Political entities and subdivisions shall provide not less than 5% of the cost of any project under this section, unless a total nonfederal share less than 10% is otherwise specified in federal law. State money must not be allocated until local money is allocated. State money for any 1 project must not exceed 1/3 of the total appropriation in part 1 from state funds for airport improvement programs.

(3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is authorized in this part and part 1 and the project application is approved by the governing body of each political subdivision or public agency making the application and by the Michigan aeronautics commission.

Sec. 903. The appropriations in part 1 for capital outlay are carried forward at the end of the fiscal year consistent with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.