Act No. 21
Public Acts of 2026
Approved by the Governor
July 21, 2026
Filed with the Secretary of State
July 21, 2026
EFFECTIVE DATE: July 21, 2026

STATE OF MICHIGAN
103RD LEGISLATURE
REGULAR SESSION OF 2026

Introduced by Senator Anthony

ENROLLED SENATE BILL No. 878

AN ACT to make, supplement, adjust, and consolidate appropriations for various state departments and agencies, the judicial branch, the legislative branch, and capital outlay purposes for the fiscal years ending September 30, 2026 and September 30, 2027; to provide for certain conditions on appropriations; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

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, 2027, from the following funds:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	540.0		
GROSS APPROPRIATION		**$**	**135,935,700**
Total interdepartmental grants and intradepartmental transfers			306,600
ADJUSTED GROSS APPROPRIATIONS		**$**	**135,629,100**
Federal revenues:			
Total federal revenues			14,845,000
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			48,638,700
State general fund/general purpose		**$**	**72,145,400**

			For Fiscal Year Ending Sept. 30, 2027
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	31.0		
Unclassified salaries—FTE positions	6.0	$	1,096,200
Accounting service center			1,206,700
Commissions and boards			23,800
Emergency management—FTEs	8.0		2,799,700
Emerging contaminants in food and agriculture—FTEs	6.0		1,368,700
Executive direction—FTEs	17.0		2,549,600
Property management			953,200
GROSS APPROPRIATION		**$**	**9,997,900**
Appropriated from:			
Federal revenues:			
HHS, multiple grants			450,200
USDA, multiple grants			600,000
Deferred federal revenue funding			15,000
Special revenue funds:			
Agriculture licensing and inspection fees			86,500
Dairy and food safety fund			321,100
Feed control fund			600
Freshwater protection fund			52,600
Gasoline inspection and testing fund			102,500
Industry support funds			58,300
Michigan craft beverage council fund			8,800
Private forestland enhancement fund			19,600
State general fund/general purpose		**$**	**8,282,700**
Sec. 103. INFORMATION TECHNOLOGY			
Information technology services and projects		$	2,832,300
GROSS APPROPRIATION		**$**	**2,832,300**
Appropriated from:			
Interdepartmental grant revenues:			
Special revenue funds:			
Agriculture licensing and inspection fees			84,600
Dairy and food safety fund			294,500
Feed control fund			20,200
Fertilizer control fund			200
Freshwater protection fund			40,100
Gasoline inspection and testing fund			119,700
Industrial hemp fund			15,000
Weights and measures regulation fees			100,000
State general fund/general purpose		**$**	**2,158,000**
Sec. 104. FOOD SAFETY AND ANIMAL HEALTH			
Full-time equated classified positions	212.0		
Animal disease prevention and response—FTEs	63.0	$	11,360,700
Animal feed safety—FTEs	10.0		2,165,200
Food safety and quality assurance—FTEs	103.0		18,656,600
Indemnification - livestock depredation			15,000
Milk safety and quality assurance—FTEs	36.0		6,160,700
GROSS APPROPRIATION		**$**	**38,358,200**
Appropriated from:			
Federal revenues:			
HHS, multiple grants			2,952,100
USDA, multiple grants			1,211,300
Special revenue funds:			
Agriculture licensing and inspection fees			89,800

			For Fiscal Year Ending Sept. 30, 2027
Animal welfare fund		$	150,000
Consumer and industry food safety education fund			242,500
Dairy and food safety fund			9,186,500
Feed control fund			1,478,300
Industry food safety education fund			114,100
Marihuana regulatory fund			50,500
State general fund/general purpose		**$**	**22,883,100**
Sec. 105. ENVIRONMENT AND SUSTAINABILITY			
Full-time equated classified positions	114.5		
Environmental stewardship - MAEAP—FTEs	27.0	$	10,675,800
Local conservation districts			3,000,000
Pesticide and plant pest management—FTEs	76.0		13,832,100
Right-to-farm—FTEs	6.5		1,041,500
Soil health/regenerative agriculture—FTEs	5.0		2,056,000
GROSS APPROPRIATION		**$**	**30,605,400**
Appropriated from:			
IDG from MDEGLE, biosolids			65,800
Federal revenues:			
Department of interior			96,300
EPA, multiple grants			1,093,100
USDA, multiple grants			2,199,900
Special revenue funds:			
Agriculture licensing and inspection fees			4,110,900
Fertilizer control fund			1,417,800
Freshwater protection fund			8,100,600
Horticulture fund			70,000
Industrial hemp fund			592,300
Industry support funds			228,100
State general fund/general purpose		**$**	**12,630,600**
Sec. 106. AGRICULTURE DEVELOPMENT			
Full-time equated classified positions	71.0		
Agricultural preservation easement grants		$	1,900,000
Agricultural support—FTEs	5.0		914,900
Agriculture development—FTEs	16.0		4,727,800
Farm to family—FTEs	6.0		3,021,100
Farmland and open space preservation—FTEs	10.0		1,639,800
Food and agriculture investment program			2,224,300
Food and agriculture supply chain—FTE	1.0		205,000
Fruit and vegetable inspections—FTEs	8.0		1,330,400
Intercounty drain—FTEs	5.0		900,700
Michigan craft beverage council—FTE	1.0		1,353,000
Migrant labor housing—FTEs	9.0		1,433,500
Producer security/grain dealers—FTEs	6.0		1,039,800
Qualified forest program—FTEs	4.0		2,347,600
GROSS APPROPRIATION		**$**	**23,037,900**
Appropriated from:			
Federal revenues:			
USDA, multiple grants			2,691,600
Special revenue funds:			
Agricultural preservation fund			3,539,800
Agriculture licensing and inspection fees			5,100
Commodity inspection fees			708,900
Grain dealers fee fund			897,500
Industry support funds			227,400

			For Fiscal Year Ending Sept. 30, 2027
Michigan craft beverage council fund		$	1,323,000
Migratory labor housing fund			147,800
Private forestland enhancement fund			1,080,100
State general fund/general purpose		**$**	**12,416,700**
Sec. 107. LABORATORY AND CONSUMER PROTECTION			
Full-time equated classified positions	111.5		
Integrated solutions—FTEs	25.0	$	3,900,400
Consumer protection program—FTEs	39.0		7,094,200
Laboratory services—FTEs	38.5		8,445,900
USDA monitoring—FTEs	9.0		1,774,300
GROSS APPROPRIATION		**$**	**21,214,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from LARA (LCC), liquor quality testing fees			240,800
Federal revenues:			
EPA, multiple grants			180,600
HHS, multiple grants			1,579,400
USDA, multiple grants			1,775,500
Special revenue funds:			
Agriculture licensing and inspection fees			440,000
Agricultural preservation fund			44,600
Dairy and food safety fund			959,800
Feed control fund			157,000
Fertilizer control fund			23,500
Freshwater protection fund			133,800
Gasoline inspection and testing fund			2,281,500
Grain dealers fee fund			8,400
Industrial hemp fund			322,200
Migratory labor housing fund			29,900
Refined petroleum fund			3,620,400
Testing fees			365,000
Weights and measures regulation fees			778,100
State general fund/general purpose		**$**	**8,274,300**
Sec. 108. FAIRS AND EXPOSITIONS			
Fairs and racing		$	258,600
Purses and supplements - fairs/licensed tracks			2,073,600
Standardbred breeders' awards			345,900
Standardbred purses and supplements - licensed tracks			991,100
Standardbred sire stakes			720,000
GROSS APPROPRIATION		**$**	**4,389,200**
Appropriated from:			
Special revenue funds:			
Agriculture equine industry development fund			4,389,200
State general fund/general purpose		**$**	**0**
Sec. 109. ONE-TIME APPROPRIATIONS			
Michigan animal agriculture alliance		$	500,000
Fair food network - double up food bucks			4,000,000
Fresh Food in Schools			500,000
Farm to Family			500,000
GROSS APPROPRIATION		**$**	**5,500,000**
Appropriated from:			
Special revenue funds:			
State general fund/general purpose		**$**	**5,500,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending under part 1 from state sources is $120,784,100.00 and total state spending under part 1 from state sources to be paid to local units of government is $10,400,000.00. 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		4,100,000
Local conservation districts		3,000,000
Qualified forest program		1,400,000
TOTAL	**$**	**10,400,000**

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 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 house and senate appropriations committees, the house and senate appropriations subcommittees on agriculture and rural development, the house and senate fiscal agencies, the house and senate 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. 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. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department’s website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department’s website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. 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.

Sec. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department must do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office with an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, identifying all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar timeframe as would be reported under subsection (1), subsection (1) does not apply.

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 house and senate 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 house and senate appropriations committees.

Sec. 211. 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 house and senate appropriations committees.

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 previous fiscal year that was funded in whole or in part with funds appropriated in the department's or agency's budget. The department shall submit the report to the standard report recipients and to the house 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 costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and other revenues.

Sec. 213. On a quarterly basis, the department or agency receiving appropriations in part 1, 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 house and senate appropriations committees and to 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 house and senate appropriations committees, and the joint committee on administrative rules.

Sec. 215. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. (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. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $6,633,500.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $6,633,500.00. Total appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the department shall submit an annual 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. 221. 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. 222. 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. 223. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, and in-person and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. Each agency shall complete a space utilization assessment by July 1, 2027, using a form developed by the department of technology, management, and budget, for all space assigned under its building occupancy agreement and leased office locations and post on their website. Agencies shall develop, in coordination with the department of technology, management, and budget, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with space standards established by the department of technology, management, and budget unless an exception is approved by the department of technology, management, and budget.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1, shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. No later than December 31, 2026, and again by June 1, 2027, the department must provide a report to the standard report recipients that includes detail regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Within 30 days of enactment of this act, the house and senate shall provide to the state budget office a jointly-agreed-upon list of legislatively directed spending items funded in part 1 as defined in 2025 PA 32 and 2025 PA 33. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with 2025 PA 32 and 2025 PA 33.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026 are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026 and any subsequent financial closeout period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of American rescue plan act of 2021, Public Law 117-2, must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and the house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 231. The department must establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements prior to contract execution. The department must report back to the standard report recipients by March 31, 2027 on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

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 notify members of the legislature of grants or contracts awarded to recipients located within a member's legislative district.

(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. (1) 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.

(2) The unexpended funds appropriated in part 1 for emerging contaminants in food and agriculture 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 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.

(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 $1,368,700.00.

(d) The tentative completion date for the work project is September 30, 2029.

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 standard report recipients 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.

Sec. 406. From the funds appropriated in part 1 for Michigan animal agriculture alliance, the department shall work with animal industry representatives and state research universities for an animal research grant program.

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. 502. (1) The purpose of the part 1 appropriation for soil health/regenerative agriculture is to advance the adoption and implementation of best regenerative agricultural practices and new environmentally sustainable technologies, promoting soil health and regenerative agriculture principles throughout the state.

(2) From the funds appropriated in part 1 for soil health/regenerative agriculture, the department shall do both of the following:

(a) Promote the principles of soil health and regenerative agriculture through at least the following:

(*i*) The maintenance of soil cover.

(*ii*) The minimization of soil disturbance.

(*iii*) The maximization of plant and crop diversity.

(*iv*) The maximization of the presence of living roots.

(*v*) The integration of livestock into the cropping systems.

(b) Ensure that program outcomes include at least the following:

(*i*) The increase of soil organic matter content.

(*ii*) The improvement of soil water infiltration capacity.

(*iii*) The increase in soil water holding capacity.

(*iv*) The improvement of soil biological capacity to break down plant residue and other substances and to maintain soil aggregation.

(*v*) The improvement of soil nutrient sequestration and cycling capacity.

(*vi*) The reduction of nutrient losses.

(3) From the funds appropriated in part 1 for soil health/regenerative agriculture, the department shall promote practices of soil health and regenerative agriculture, including the use of no-till farming, intercropping, cover crops, multispecies cover crops, roller crimping, managed rotational grazing, and other practices identified that utilize natural biological processes to advance the goals of soil health and regenerative agriculture.

(4) Funds appropriated in part 1 for soil health/regenerative agriculture shall not be used for applied research into the precision application of fertilizer, pesticides, or herbicides.

(5) It is the intention of the legislature that the department engage with program partners to achieve the purposes of the soil health/regenerative agriculture programs through research, education, and outreach. Agreements with program partners receiving funds through soil health/regenerative agriculture appropriations must describe intended outcomes and how intended outcomes will be measured and require the provision of a report to the department on uses of funding received and a progress report on outcomes.

(6) In the report required under section 501 of this part, the department shall provide information on the program described in this section, including department activities, uses of program funds by activity or project, contractors, grantees, and a summary of projects and project results.

(7) Of the funds appropriated in part 1 for soil health/regenerative agriculture, not less than $1,000,000.00 must be used by the department to partner with the state land grant university through MSU Extension and AgBioResearch to develop, implement, and evaluate a soil health/regenerative agriculture program. The partnership described in this subsection must be focused on researching and assisting the agricultural industry in implementing soil health/regenerative agricultural principles and techniques. Partnership goals must include, but are not limited to, establishing program priorities, developing metrics, implementing goals, evaluating outcomes, and engaging with stakeholders.

Sec. 503. Not later than April 1, the department shall prepare a final report to be posted on the department's website and provided to the relevant house and senate standing committees and appropriations subcommittees as well as to the fiscal agencies and state budget office. The report must contain the following information for agriculture nutrient best management voluntary practices program:

(a) The number and location of acres enrolled in nutrient management or other best management practices.

(b) The number of acres enrolled that were not previously verified under the MAEAP.

(c) A summary of practices implemented and available incentive programs.

(d) The starting and ending balances of the program.

(e) A summary of outreach and training efforts.

(f) Testing results.

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. Within 30 days, 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. (1) From the appropriations in part 1 for local conservation districts, $3,000,000.00 must be distributed through a grant program to local conservation districts in this state that were in operation in the previous fiscal year based upon criteria established by the department.

(2) On or before April 1, the department shall report on the previous calendar year's activities of local conservation districts. The report must include descriptions of local conservation district activities and the use of funding. In preparing this report, the department shall coordinate with representatives of local conservation districts.

AGRICULTURE DEVELOPMENT BUREAU

Sec. 601. (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, 2029.

(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 5% from the funds appropriated in part 1 for the food and agriculture investment program for administrative purposes.

(9) In awarding grants under the food and agriculture investment program, the department shall identify and encourage applications from women, veterans, and beginning farmers and ranchers. In awarding grants under the food and agriculture investment program, the department must also prioritize Michigan-based small businesses, nonprofits, and organizations promoting agriculture and food security activities.

(10) The department shall implement and maintain internal control systems consistent with statewide standards for fiscal integrity, risk management, and fraud prevention.

Sec. 606. (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. 607. Unexpended industry support fund revenues at the end of the fiscal year shall be carried forward into the industry support fund in the succeeding fiscal year and do not lapse to the general fund.

Sec. 608. (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. 609. 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. 610. 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.

<u>LABORATORY AND CONSUMER PROTECTION BUREAU</u>

Sec. 701. The department shall report by April 1 on the previous calendar year's activities of the laboratory bureau.

Sec. 702. No funds from the appropriations in part 1 may be used for the purpose of consolidating state-run laboratories.

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, 2026, 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.

ONE-TIME APPROPRIATIONS

Sec. 901. (1) From the funds appropriated in part 1 for fair food network - double up food bucks, the department shall work with the organization to ensure that at least 90% of the funds allocated to the 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 farmers markets in this state with bridge cards.

(b) Notify recipients of food assistance program benefits about the program and that it is administered by the organization. Food assistance program recipients shall receive information about the program.

(3) The department shall work with the organization to expand access to the program in each of this state's counties with grocery stores or farmers 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 program. The report must contain all of the following:

(a) The counties in this state with participating program vendors, the number of vendors by county, and the name and location of vendors, as of May 1, 2025.

(b) The counties in this state with participating program vendors, the number of vendors by county, and the name of location of vendors, as of May 1, 2026. The report must highlight counties and vendors added to the program since May 1, 2025.

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

Sec. 902. (1) From the funds appropriated in part 1 for Fresh Food in Schools, funds must be allocated to the scratch cooking pilot program.

(2) A local education agency providing locally produced agriculture products for schools may submit an application to the department for a grant under the pilot program. The application must include both of the following:

(a) A needs assessment to evaluate equipment needs, equipment utilization, procurement process, and workforce capabilities for the pilot program.

(b) A strategic plan identifying all of the following:

(*i*) How the local education agency will use the grant funding.

(*ii*) How project activities will be monitored and evaluated.

(*iii*) All proposed costs with a clear explanation about how the costs were determined.

(3) Grants shall be used by a local education agency to promote scratch cooking, which may include any of the following:

(a) Implementing professional development and training related to preparing, procuring, advertising, serving, and creating menus of scratch-cooked meals that prioritize fresh, locally procured items.

(b) Purchasing kitchen equipment or making infrastructure modifications necessary for scratch cooking.

(c) Hiring of staff or third-party entities whose primary focus is creating sustainable, actionable change within a school food program to increase their scratch cooking that sustains beyond the grant period.

(d) Providing technical assistance, pupil engagement, and education related to scratch cooking, such as taste tests, recipe development, and culinary education.

(e) Investing in K to 12 software and technology systems for procurement to support scratch cooking.

(f) Carrying out any additional activities to promote scratch cooking that will help local education agencies meet or exceed nutrition standards.

(4) In evaluating grant applications, the department shall give priority to local education agencies that serve the greatest proportion of students eligible for free or reduced-price lunch.

(5) Not later than 180 days after the expiration of the pilot program, each local education agency that received a grant shall submit a report to the department that compares the change at the end of the grant period to the school year immediately preceding the beginning of the grant period, including all of the following:

(a) Recipes prepared.

(b) Nutrient analysis information.

(c) Invoices or bid lists identifying the cost of equipment needed for scratch cooking.

(d) The number of staff, type of staff, and time required to prepare each meal.

(e) Salary and benefit rates for each food service employee involved in food preparation of selected meals.

(f) Production record and meal counts.

(g) Free and reduced-price meal eligibility and average daily lunch participation.

(h) Pre- and post-program scratch cooked menu analysis.

(i) Pre- and post-program local procured item analysis.

(j) Program cost savings.

(k) Any other information required by the department.

(6) Not later than 1 year following the expiration of the pilot program, the department shall submit a report to the chairpersons and minority chairpersons of the committees and subcommittees with jurisdictions over education and agriculture in the house and senate that includes at least the following information:

(a) The number of and amount of grants.

(b) The names of and reports provided by participating local education agencies.

(c) Recommendations on the continuation or expansion of the pilot program.

(d) Any other information required by the department.

ARTICLE 2
DEPARTMENT OF CORRECTIONS

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the department of corrections for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF CORRECTIONS			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	16.0		
Full-time equated classified positions	12,648.0		
GROSS APPROPRIATION		**$**	**2,197,337,000**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**2,197,337,000**
Federal revenues:			
Total federal revenues			5,222,600
Special revenue funds:			
Total local revenues			275,000
Total private revenues			0
Total other state restricted revenues			30,559,800
State general fund/general purpose		**$**	**2,161,279,600**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	16.0		
Full-time equated classified positions	389.0		
Unclassified salaries—FTEs	16.0	$	2,433,800

			For Fiscal Year Ending Sept. 30, 2027
Administrative hearings officers		$	4,229,600
Budget and operations administration—FTEs	302.0		46,106,500
Compensatory buyout and union leave bank			100
County jail reimbursement program			14,564,600
Employee wellness programming—FTEs	9.0		2,593,300
Equipment and special maintenance			1,559,700
Executive direction—FTEs	28.0		5,411,700
New custody staff training			24,677,100
Prison industries operations—FTEs	50.0		10,449,400
Property management			2,638,000
Prosecutorial and detainer expenses			2,301,000
Worker's compensation			8,584,100
GROSS APPROPRIATION		**$**	**125,548,900**
Appropriated from:			
Federal revenues:			
DOJ, prison rape elimination act grant			674,700
Special revenue funds:			
Correctional industries revolving fund			10,449,400
Correctional industries revolving fund 110			721,600
Jail reimbursement program fund			5,900,000
State general fund/general purpose		**$**	**107,803,200**
Sec. 103. OFFENDER SUCCESS ADMINISTRATION			
Full-time equated classified positions	330.9		
Community corrections comprehensive plans and services		$	15,198,100
Community residential services			13,575,500
Education/skilled trades/career readiness programs—FTEs	260.9		40,532,500
Higher education in prison			1,450,000
Offender success community partners			18,925,000
Offender success federal grants			751,000
Offender success programming			16,042,200
Offender success services—FTEs	70.0		13,074,500
GROSS APPROPRIATION		**$**	**119,548,800**
Appropriated from:			
Federal revenues:			
DOJ, prisoner reintegration			751,000
Federal education revenues			1,643,800
State general fund/general purpose		**$**	**117,154,000**
Sec. 104. FIELD OPERATIONS ADMINISTRATION			
Full-time equated classified positions	1,616.5		
Field operations—FTEs	1,585.5	$	228,128,100
Parole board operations—FTEs	31.0		3,399,100
Parole/probation services			940,000
GROSS APPROPRIATION		**$**	**232,467,200**
Appropriated from:			
Special revenue funds:			
Community tether program reimbursement			275,000
Reentry center offender reimbursements			10,000
Supervision fees			6,630,500
Supervision fees set-aside			940,000
State general fund/general purpose		**$**	**224,611,700**
Sec. 105. CORRECTIONAL FACILITIES ADMINISTRATION			
Full-time equated classified positions	678.0		
Body-worn cameras—FTEs	8.0	$	3,848,700
Central records—FTEs	43.0		4,785,200
Contraband prevention			3,750,000
Correctional facilities administration—FTEs	37.0		7,089,300

			For Fiscal Year Ending Sept. 30, 2027
Housing inmates in federal institutions		$	511,000
Inmate housing fund			100
Inmate legal services			270,900
Intelligence unit—FTEs	30.0		4,135,000
Leased beds and alternatives to leased beds			100
Prison food service—FTEs	324.0		79,029,100
Prison store operations—FTEs	32.0		3,745,300
Transportation—FTEs	204.0		36,578,600
GROSS APPROPRIATION		**$**	**143,743,300**
Appropriated from:			
Federal revenues:			
DOJ-BOP, federal prisoner reimbursement			411,000
SSA-SSI, incentive payment			272,000
Special revenue funds:			
Correctional industries revolving fund 110			901,900
Resident stores			3,745,300
State general fund/general purpose		**$**	**138,413,100**
Sec. 106. HEALTH CARE			
Full-time equated classified positions	1,475.3		
Clinical complexes—FTEs	1,000.8	$	205,230,400
Health care administration—FTEs	18.0		3,805,400
Healthy Michigan plan administration—FTEs	12.0		1,085,000
Hepatitis C treatment			5,000,000
Interdepartmental grant to health and human services, eligibility specialists			120,200
Mental health and substance use disorder treatment services—FTEs	444.5		68,887,100
Prisoner health care services			129,540,700
Vaccination program			641,200
GROSS APPROPRIATION		**$**	**414,310,000**
Appropriated from:			
Federal revenues:			
Federal revenues and reimbursements			435,300
Special revenue funds:			
Prisoner health care co-payments			257,200
State general fund/general purpose		**$**	**413,617,500**
Sec. 107. CORRECTIONAL FACILITIES			
Full-time equated classified positions	8,158.3		
Alger Correctional Facility - Munising—FTEs	259.0	$	32,528,200
Baraga Correctional Facility - Baraga—FTEs	279.8		29,576,100
Bellamy Creek Correctional Facility - Ionia—FTEs	414.1		53,691,900
Carson City Correctional Facility - Carson City—FTEs	422.4		57,116,100
Central Michigan Correctional Facility - St. Louis—FTEs	385.0		55,879,200
Charles E. Egeler Correctional Facility - Jackson—FTEs	374.6		53,956,200
Chippewa Correctional Facility - Kincheloe—FTEs	443.6		53,753,900
Cooper Street Correctional Facility - Jackson—FTEs	254.6		31,190,000
Earnest C. Brooks Correctional Facility - Muskegon—FTEs	248.2		35,936,700
G. Robert Cotton Correctional Facility - Jackson—FTEs	375.0		44,923,000
Gus Harrison Correctional Facility - Adrian—FTEs	285.4		41,750,300
Ionia Correctional Facility - Ionia—FTEs	286.3		40,613,000
Kinross Correctional Facility - Kincheloe—FTEs	222.0		34,240,400
Lakeland Correctional Facility - Coldwater—FTEs	272.4		39,446,400
Macomb Correctional Facility - New Haven—FTEs	313.3		45,258,600
Marquette Branch Prison - Marquette—FTEs	319.7		36,096,800
Muskegon Correctional Facility - Muskegon—FTEs	217.3		33,155,200
Newberry Correctional Facility - Newberry—FTEs	200.1		29,180,600
Oaks Correctional Facility - Eastlake—FTEs	289.4		41,756,100
Parnall Correctional Facility - Jackson—FTEs	262.5		34,569,800

			For Fiscal Year Ending Sept. 30, 2027
Richard A. Handlon Correctional Facility - Ionia—FTEs	268.3	$	37,301,200
Saginaw Correctional Facility - Freeland—FTEs	268.6		39,493,000
Special Alternative Incarceration Program - Jackson—FTEs	26.2		3,363,700
St. Louis Correctional Facility - St. Louis—FTEs	302.9		43,379,100
Thumb Correctional Facility - Lapeer—FTEs	295.6		42,132,400
Women's Huron Valley Correctional Complex - Ypsilanti—FTEs	494.8		68,374,300
Woodland Correctional Facility - Whitmore Lake—FTEs	287.2		45,281,600
Northern region administration and support—FTEs	42.0		4,685,400
Southern region administration and support—FTEs	48.0		16,334,700
GROSS APPROPRIATION		**$**	**1,124,963,900**
Appropriated from:			
Federal revenues:			
DOJ, state criminal assistance program			1,034,800
Special revenue funds:			
State restricted fees, revenues and reimbursements			102,100
State general fund/general purpose		**$**	**1,123,827,000**
Sec. 108. INFORMATION TECHNOLOGY			
Information technology services and projects		$	31,754,900
GROSS APPROPRIATION		**$**	**31,754,900**
Appropriated from:			
Special revenue funds:			
Correctional industries revolving fund 110			183,000
Supervision fees set-aside			718,800
State general fund/general purpose		**$**	**30,853,100**
Sec. 109. ONE-TIME APPROPRIATIONS			
Clinical complexes		$	500,000
Contraband prevention			450,000
Correctional facility count and callout process automation			450,000
Education/skilled trades/career readiness programs			2,000,000
Goodwill Flip the Script			850,000
Higher education in prison			500,000
Peer-supported reentry			250,000
GROSS APPROPRIATION		**$**	**5,000,000**
Appropriated from:			
State general fund/general purpose		**$**	**5,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending under part 1 from state sources is $2,191,839,400.00 and total state spending under part 1 from state sources to be paid to local units of government is $122,247,200.00. 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	$	15,198,100
Community residential services		13,575,500
County jail reimbursement program		14,564,600
Field Operations		76,607,900
Leased beds and alternatives to leased beds		100
Prosecutorial and detainer expenses		2,301,000
TOTAL	**$**	**122,247,200**

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) "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.

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

(j) "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.

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

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

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

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

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

(p) "Standard report recipients" means the senate and house appropriations committees, 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. 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. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. (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. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department shall do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that includes an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, and identifies all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information in a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

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 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. 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. 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 by 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 costs 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 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 to the joint committee on administrative rules.

Sec. 215. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. 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.

Sec. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $133,039,600.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $133,039,600.00. Total appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or not later than April 15, the department shall submit reports that summarize all work project accounts. The reports 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. 221. 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. 222. 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. 223. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on timesheets were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, and in-person and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. The department shall complete a space utilization assessment by July 1 using a form developed by the department of technology, management, and budget for all space assigned under its building occupancy agreement and leased office locations and posted on their website. The department shall develop, in coordination with the department of technology, management, and budget, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with department of technology, management, and budget-established space standards unless an exception is approved by the department of technology, management, and budget.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services or supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. Not later than December 31, 2026, and again by June 1, 2027, the department shall provide a report to the standard report recipients that includes details regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Within 30 days after enactment of this act, the senate and house shall provide to the state budget office a jointly agreed-upon list of legislatively directed spending items as that term is defined in section 364 of the management and budget act, 1984 PA 431, MCL 18.1364, funded in part 1. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department or agency shall include in the report the most comprehensive information the department or agency has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026, are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026, and any subsequent financial close-out period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of Public Law 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report on 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. 231. The department shall establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements prior to contract execution. The department shall report back to the standard report recipients by March 31, 2027 on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

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. 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 is not 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. 303. 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.

(d) A summary of 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. 304. 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. 305. 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. 306. From the funds appropriated in part 1, the department shall issue a report not later than March 1 for all vendor 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 in the previous fiscal year.

(d) The number and amount of fines in the previous fiscal year for service-level agreement noncompliance for each vendor broken down by area of noncompliance.

Sec. 307. (1) The department shall 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 shall provide notice to the public and standard report recipients at least 45 days in advance of any changes to telephone rates.

(2) To the extent that department intelligence operations are funded in part 1 rather than funds received through the telephone contract, any resulting savings to this state and the telephone contract must be passed to telephone system users in the negotiated phone call rate.

Sec. 308. 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. 309. From the funds appropriated in part 1, the department shall issue reports for all correctional facilities by January 1 and July 1 that include 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 status of any major capital or maintenance projects.

(e) The current utility costs.

(f) The expected future capital improvement costs.

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

(h) The expected future useful life.

Sec. 310. 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. 311. (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. 312. (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. 313. 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. 314. 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. 315. 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. 316. From the funds appropriated in part 1, the department shall provide an annual statistical report for the preceding calendar year on the department's website not later than June 30. The statistical report must include, but is not limited to, the types of information as provided in the 2022 statistical report.

Sec. 317. From the funds appropriated in part 1, the department shall report the reincarceration recidivism rates of offenders based on available data.

Sec. 318. (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. 319. (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. 320. On a quarterly basis, the department shall report on all of the following:

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

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

Sec. 321. 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. 322. According to the terms of payment section of contract number MA240000000326 with the State of Michigan, VitalCore Physicians Group of Michigan, PLLC, is responsible for ensuring that all approved claims are submitted and are paid within 45 days utilizing electronic fund transfers, and that all collection notices are resolved within 90 days of notification of the collection notice.

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 strive to do the following:

(a) Develop workforce and training opportunities in consultation with employers and state and local workforce agencies.

(b) Assist individuals leaving prison with securing employment or training prior to or following release, or both.

(c) Work with faith-based and secular organizations to provide reentry supports and voluntary programming opportunities that have been demonstrated to reduce prison violence and recidivism.

(d) Provide information on accessing mental health care following release and, if appropriate, coordinate referral to community mental health services.

(e) Ensure that inmates have potential employer matches in the communities to which the inmates will return prior to each inmate's initial parole hearing.

Sec. 404. Funds awarded for community 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 appropriated in part 1 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 April 1 on all of the following, by correctional facility, for the previous fiscal year:

(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 education/skilled trades/career readiness programs, 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. 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. 411. 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, 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. 412. 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 as soon as reasonably possible 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. (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 who had a high school equivalency or high school diploma before incarceration in prison, the number of offenders who received a high school equivalency while in prison, and the number of offenders who 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. 502. 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 who were reviewed.

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

(c) The number of prisoners who 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.

Sec. 503. From the funds appropriated in part 1, the department shall submit a report not later than March 1 on the medically frail parole process for the previous fiscal year. The report must include, but not be limited to, the following:

(a) A de-identified list of incarcerated individuals who were considered for medically frail parole the previous year, including the following:

(*i*) Demographic data, including race or ethnicity, gender, and age.

(*ii*) The controlling offense of the individual.

(*iii*) A categorization of the medical condition that resulted in the individual being considered for medically frail parole.

(*iv*) If the individual was granted medically frail parole or not, and if not, the reason why medically frail parole was denied.

(b) The number of individuals who were previously granted medically frail parole that were returned to prison for a new offense or technical violation of parole.

(c) The number of individuals who were previously granted medically frail parole that were discharged from further parole supervision.

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.

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. (1) From the funds appropriated in part 1, the department shall support medication-assisted treatment clinics at designated correctional facilities that allow the department to treat prisoners with opioid and alcohol use disorder while incarcerated. The department shall collaborate with substance use disorder treatment providers and community-based clinics to provide postrelease assessment and treatment. 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 encouraged to receive 1 injection of nonaddictive medication, if clinically appropriate, before being released from prison into the community.

(2) The department shall submit quarterly reports on the 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) A listing of medications used in medication-assisted therapies at each clinic site.

(c) The number of prisoners prescribed each medication under subdivision (b), including if the medication is an oral or injectable treatment.

(d) Total expenditures on clinic medications, including oral and injectable medications.

(e) The number of prisoners who received treatment in the community for a duration of at least 3 months.

Sec. 607. From the funds appropriated in part 1, the department shall submit a report not later than March 1 that includes for the previous fiscal year the total amount of all medical co-payments collected by prisoners under section 67a of the corrections code of 1953, 1953 PA 232, MCL 791.267a.

Sec. 608. From the funds appropriated in part 1, the department shall request that the appropriate medical examiner conduct an autopsy for all unexpected or unexplained deaths, for deaths occurring under suspicious circumstances, for unattended deaths, and for deaths that are non-natural or injury related that occur within a prison. The department shall submit a biannual report, by not later than March 1 and September 1 of each year, that contains a de-identified list of prisoner deaths that occurred in the previous 6 months within correctional facilities. This report must include, but not be limited to, all of the following:

(a) The date of death.

(b) The correctional facility or other location at which the death occurred.

(c) The official cause of death, as documented on the death certificate.

(d) In cases where the cause of death is determined to be a drug overdose, the type of drug used, if known.

CORRECTIONAL FACILITIES AND ADMINISTRATION

Sec. 701. (1) 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.

(2) To the extent possible, the department shall work with its food supplier to source products grown and produced in this state if they are of similar quality and price to products from non-Michigan sources.

Sec. 702. From the funds appropriated in part 1, the department shall provide a report on the cost per prisoner per day for each security custody level not later than January 15. This cost 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) Inmate legal services.

(k) Leased beds and alternatives to leased beds.

(*l*) Prison food service.

(m) Prison store operations.

(n) Transportation.

(o) Health care.

(p) Correctional facilities.

(q) Northern and southern region administration and support.

Sec. 704. The department shall allow the Michigan Braille transcribing fund program to operate at the G. Robert Cotton Correctional Facility and the Women's Huron Valley Correctional Complex. The department shall continue to encourage the Michigan Braille transcribing fund program to produce high-quality materials for use by the visually impaired.

Sec. 705. (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, the implementation of a phase plan or similar significant restriction on activity within a facility, a drug overdose or suspected overdose that results in inpatient hospitalization, and an unexpected death of a prisoner.

Sec. 706. 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. 707. (1) From the funds appropriated in part 1, the department shall focus on providing core programming interventions to prisoners as early as possible during the prisoner's sentence to impact the prisoner's behavior while incarcerated, and prioritize individuals 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 treatment programming, and core cognitive programming. Nothing in this section makes parole denial appealable in court.

(2) The department shall submit a quarterly report detailing enrollment in sex abuse prevention programming, violence prevention programming, substance use treatment programming, and core cognitive programming. At a minimum, the report must include all of the following:

(a) The current number of individuals who are required to complete 1 or more of these types of 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) The number of individuals who have completed 1 or more of these types of programming during their current term of incarceration.

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

Sec. 708. If a pregnant prisoner in a facility funded from appropriations in part 1 consents to a visitor being present, the department shall allow 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. 709. 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. 710. From the funds appropriated in part 1, the department shall submit a report by April 1, for the previous fiscal year, with the following information:

(a) The number of times prisoners were placed in punitive segregation/detention and the reason for the placements.

(b) The number of prisoners who were classified to administrative segregation, including a chart listing the number of prisoners housed in administrative segregation for each of the following time periods:

(*i*) A continuous period of 3 months or longer but less than 6 months.

(*ii*) A continuous period of 6 months or longer but less than 12 months.

(*iii*) A continuous period of 12 months or longer.

(c) 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.

(d) The department shall report the number of prisoners classified to an administrative segregation unit or cell who, at any time during the current or a prior prison term, were diagnosed with serious mental illness or have a developmental disorder.

Sec. 711. 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 access to institutional programming and ongoing mental health 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. 712. 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 less than 18 years of age who are not on Holmes youthful trainee act status.

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

(c) The total number of inmates between the ages of 18 and 23 who are on Holmes youthful trainee act status.

Sec. 713. From the funds appropriated in part 1, the department shall submit a report on the number of prisoners who lost visiting privileges. The report required under this section must be submitted not later than November 15 and include data for the previous fiscal year. The report must include all of the following information:

(a) The number of prisoners who lost visiting privileges by race and by violation type.

(b) The number of prisoners who applied to have visiting privileges restored.

(c) The number of prisoners who had visiting privileges restored.

(d) The number of prisoners who had visiting restrictions extended.

Sec. 714. 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.

Sec. 715. (1) From the funds appropriated in part 1, the department shall 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 as soon as reasonably possible before program 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 shall 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 as soon as reasonably possible after the prison closure, consolidation, or relocation.

Sec. 716. From the funds appropriated in part 1, the department shall consult with the legislature and other appropriate state agencies to develop a framework to provide investment in communities that have formerly operational state correctional facilities that have been closed. This framework must include plans to ensure that vacant state correctional facilities do not become a nuisance or danger to the community.

Sec. 717. 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. 718. From the funds appropriated in part 1, the department shall 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. 719. (1) Funds appropriated in part 1 for contraband prevention must be used by the department to enhance a multifaceted approach to contraband prevention 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 contraband introductions and maintaining safe and secure correctional facilities.

(2) Funds appropriated in part 1 for contraband prevention must be used by the department to support the prevention of contraband in correctional facilities, including increasing the frequency and enhancing the methods of screening all items and all individuals entering into correctional facilities. Under this section, individuals who must be screened include, but are not limited to, all department employees, contractors, third-party vendors, visitors, and volunteers. Emergency response personnel may be exempt from being screened when arriving at correctional facilities in response to emergent emergencies.

(3) From the funds appropriated in part 1, the department shall develop and implement contraband prevention policies that are uniform across all correctional facilities.

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

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

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

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

Sec. 720. The department shall ensure that Policy Directive 04.01.110 "Access to Correctional Facilities" does not require active legislative members in good standing to provide prior notice before being granted access to a department facility when conducting official legislative business.

Sec. 721. (1) From the funds appropriated in part 1, the department shall conduct a 1-year pilot program covering at least 5 facilities selected by the department that does the following:

(a) At the selected facilities, all incarcerated individuals participating in contact visits at the facility shall pass through a body scanner at the conclusion of their visits to search for contraband. If a body scanner is temporarily unavailable or inoperable, the pilot site shall comply with existing policy requiring a routine strip search after each contact visit. The department shall document these body scanner searches.

(b) At the selected facilities, incarcerated individuals participating in contact visits at the facility may also be randomly selected to be strip searched to search for contraband at the conclusion of a visit in addition to passing through the body scanner. An incarcerated individual who is randomly selected to participate in a strip search shall comply with all requirements. This random sampling shall be selected via an impartial process, such as a random number selection generator. The department shall document these strip searches.

(2) The department shall retain the authority to conduct suspicion-based strip searches of any individual who has participated in a visit based on the belief that they may possess contraband or be involved in smuggling. The department shall document these suspicion-based searches.

(3) At the conclusion of the 1-year pilot program, the department shall produce data including, but not limited to, the following:

(a) The number of individuals who are searched using a body scanner after a visit and the incidents of contraband being discovered during this search process at the pilot facilities.

(b) The number of individuals who were randomly selected to be strip searched after a contact visit and the incidents of contraband being discovered during this search process at the pilot facilities.

(c) The number of individuals who were subject to suspicion-based searches after a contact visit at the pilot facilities and the incidents of contraband being discovered during this search process at the pilot facilities.

(d) The total number of substance use and smuggling misconducts issued during the year within each facility.

(e) Any other information the department believes should be publicly released related to the results of the pilot.

(4) The department shall review the process of conducting strip searches to ensure that the search process is conducted in a consistent manner that allows for complete and thorough searches while minimizing the time that a person is in a state of complete undress.

Sec. 722. From the funds appropriated in part 1, the department shall provide a report, by facility, not later than April 1 on the prisoner benefit fund. The report must include, for each facility, all of the following information:

(a) The balance of the fund as of September 30 of the previous fiscal year.

(b) The total amount deposited into the fund in the previous fiscal year, categorized by the source of deposit.

(c) The total amount spent from the fund in the previous fiscal year.

(d) The general categories of the expenditure of the funds and the amounts spent by category.

Sec. 723. From the funds appropriated in part 1, it is the intent of the legislature that except as otherwise provided under this section, the department shall allow a prisoner at least 1 in-person visit per 6-month period, regardless of the prisoner's violation status, and including a prisoner who is on restricted visitation due to substance use. However, a prisoner who is on restricted visitation for violence against other prisoners or violence against any department staff is excluded from the 1 in-person visit requirement under this section. In addition, the department shall do all of the following regarding the visits required under this section:

(a) Explore the use of staggered time frames for visiting sign up.

(b) Ensure visitation areas are child-friendly by providing toys and other child-friendly games and activities.

(c) Work with the vending contractor to provide healthy food choices in vending machines located in visitation areas of correctional facilities subject to there being sufficient demand to consistently sell these products.

(d) Provide a report, not later than April 1, detailing the efforts taken to meet the requirements of subdivisions (a), (b), and (c) and the outcomes of these changes and effects on visitation privileges for prisoners.

Sec. 724. From the funds appropriated in part 1, the department shall provide a report not later than April 1 that includes the number of medical accommodations issued for wheelchairs, by type and facility. This report must also include a count of the number of wheelchairs available for use at each facility, as well as the number of incarcerated persons assigned institutional jobs as wheelchair attendants, and the number of individuals with an accommodation for an attendant.

Sec. 725. From the funds appropriated in part 1, the department shall provide a copy of the medical examiner's report and autopsy report, subject to appropriate redactions consistent with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, to the subcommittee chairs, vice chairs, and minority vice chairs, as well as the legislative corrections ombudsman. These reports shall be shared within 30 days of being received by the department. This section is not subject to boilerplate requirements under this act requiring the posting or dissemination of information to the public.

ONE-TIME APPROPRIATIONS

Sec. 801. (1) The one-time funds appropriated in part 1 for Goodwill Flip the Script must be expended for administration of the program. The program must serve a population of individuals aged 16 to 39 and must target individuals who are entering the criminal justice system for the first or second time. The program must assist those individuals through the following program types:

(a) Alternative sentencing programs in partnership with a local district or circuit court.

(b) Educational recovery for special adult populations with high rates of illiteracy.

(c) Career development and continuing education.

(d) Financial counseling and coaching services.

(2) Not later than March 30, Goodwill Flip the Script shall report on all of the following:

(a) Program performance measurements.

(b) The number of individuals diverted from incarceration.

(c) The number of individuals served.

(d) The outcomes of participants who completed the program.

Sec. 802. From the one-time funds appropriated in part 1 for peer-supported reentry, the department shall conduct a competitive process for selecting an organization that primarily employs individuals who have been incarcerated to provide reentry or other supportive services, as determined by the department, to those leaving prison and returning to 1 or more regions of this state.

ARTICLE 3

DEPARTMENT OF EDUCATION

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the department of education for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF EDUCATION			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	565.5		
GROSS APPROPRIATION		**$**	**159,693,200**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**159,693,200**
Federal revenues:			
Total federal revenues			81,839,300
Special revenue funds:			
Total local revenues			5,937,300
Total private revenues			2,552,900
Total other state restricted revenues			10,843,000
State general fund/general purpose		**$**	**58,520,700**
Sec. 102. STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	11.0		
Unclassified salaries—FTE positions	6.0	$	1,225,900
Education commission of the states			120,800
State board of education, per diem payments			24,400
State board/superintendent operations—FTEs	11.0		2,549,100
GROSS APPROPRIATION		**$**	**3,920,200**
Appropriated from:			
Federal revenues:			
Federal revenues			317,800

			For Fiscal Year Ending Sept. 30, 2027
Special revenue funds:			
Private foundations		$	80,000
Certification fees			853,000
State general fund/general purpose		**$**	**2,669,400**
Sec. 103. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated classified positions	44.6		
Central support operations—FTEs	41.6	$	6,864,200
Federal and private grants			3,006,200
Grant and contract operations—FTEs	3.0		1,913,000
Property management			4,194,800
Terminal leave payments			353,300
Training and orientation workshops			150,000
Worker’s compensation			10,000
GROSS APPROPRIATION		**$**	**16,491,500**
Appropriated from:			
Federal revenues:			
Federal indirect revenues			2,367,900
Federal revenues			5,490,500
Special revenue funds:			
Private foundations			1,006,200
Certification fees			638,900
Teacher testing fees			84,800
Training and orientation workshop fees			150,000
State general fund/general purpose		**$**	**6,753,200**
Sec. 104. INFORMATION TECHNOLOGY			
Information technology services and projects		$	5,090,600
GROSS APPROPRIATION		**$**	**5,090,600**
Appropriated from:			
Federal revenues:			
Federal indirect revenues			2,580,400
Federal revenues			70,600
Special revenue funds:			
Certification fees			1,040,600
State general fund/general purpose		**$**	**1,399,000**
Sec. 105. SPECIAL EDUCATION SERVICES			
Full-time equated classified positions	47.0		
Special education operations—FTEs	47.0	$	9,891,100
GROSS APPROPRIATION		**$**	**9,891,100**
Appropriated from:			
Federal revenues:			
Federal revenues			9,125,600
Special revenue funds:			
Private foundations			111,800
Certification fees			50,000
State general fund/general purpose		**$**	**603,700**
Sec. 106. MICHIGAN SCHOOLS FOR THE DEAF AND BLIND			
Full-time equated classified positions	82.0		
ASL literacy resources		$	250,000
Camp Tuhsmeheta—FTE	1.0		1,004,900
Low incidence outreach program			1,000,000
Michigan schools for the deaf and blind operations—FTEs	81.0		13,893,400
Private gifts - blind			200,000
Private gifts - deaf			150,000
GROSS APPROPRIATION		**$**	**16,498,300**

			For Fiscal Year Ending Sept. 30, 2027
Appropriated from:			
Federal revenues:			
Federal revenues		$	7,750,000
Special revenue funds:			
Local cost sharing (schools for deaf/blind)			5,937,300
Gifts, bequests, and donations			1,354,900
Low incidence outreach fund			1,000,000
Student insurance revenue			206,100
State general fund/general purpose		**$**	**250,000**
Sec. 107. EDUCATOR EXCELLENCE			
Full-time equated classified positions	46.0		
Educator excellence operations—FTEs	45.0	$	9,776,200
Educator recruitment and preparation programs—FTE	1.0		1,191,100
GROSS APPROPRIATION		**$**	**10,967,300**
Appropriated from:			
Federal revenues:			
Federal revenues			2,388,200
Special revenue funds:			
Certification fees			4,801,100
Teacher testing fees			204,300
State general fund/general purpose		**$**	**3,573,700**
Sec. 108. SYSTEMS, EVALUATION, AND TECHNOLOGY			
Full-time equated classified positions	19.0		
Office of systems, evaluation, and technology operations—FTEs	19.0	$	3,512,600
GROSS APPROPRIATION		**$**	**3,512,600**
Appropriated from:			
Federal revenues:			
Federal indirect revenues			151,700
Federal revenues			2,184,100
Special revenue funds:			
Certification fees			11,500
State general fund/general purpose		**$**	**1,165,300**
Sec. 109. STRATEGIC PLANNING AND IMPLEMENTATION			
Full-time equated classified positions	6.0		
Strategic planning and implementation operations—FTEs	6.0	$	1,191,200
GROSS APPROPRIATION		**$**	**1,191,200**
Appropriated from:			
Federal revenues:			
Federal revenues			617,400
State general fund/general purpose		**$**	**573,800**
Sec. 110. ADMINISTRATIVE LAW SERVICES			
Full-time equated classified positions	2.0		
Administrative law operations—FTEs	2.0	$	1,430,800
GROSS APPROPRIATION		**$**	**1,430,800**
Appropriated from:			
Federal revenues:			
Federal revenues			573,200
Special revenue funds:			
Certification fees			750,300
State general fund/general purpose		**$**	**107,300**
Sec. 111. ACCOUNTABILITY SERVICES			
Full-time equated classified positions	56.6		
Accountability services operations—FTEs	56.6	$	14,154,300
GROSS APPROPRIATION		**$**	**14,154,300**

			For Fiscal Year Ending Sept. 30, 2027
Appropriated from:			
Federal revenues:			
Federal revenues		$	12,175,100
State general fund/general purpose		**$**	**1,979,200**
Sec. 112. SCHOOL SUPPORT SERVICES			
Full-time equated classified positions	92.6		
Adolescent and school health		$	338,800
Office of health and safety—FTEs	23.0		3,052,100
Office of nutrition services—FTEs	69.6		13,636,300
GROSS APPROPRIATION		**$**	**17,027,200**
Appropriated from:			
Federal revenues:			
Federal revenues			13,422,700
Special revenue funds:			
Commodity distribution fees			150,000
State general fund/general purpose		**$**	**3,454,500**
Sec. 113. EDUCATIONAL SUPPORTS			
Full-time equated classified positions	86.7		
Educational supports operations—FTEs	86.7	$	17,730,300
School board member training			150,000
GROSS APPROPRIATION		**$**	**17,880,300**
Appropriated from:			
Federal revenues:			
Federal revenues			12,765,200
Special revenue funds:			
Certification fees			602,400
State general fund/general purpose		**$**	**4,512,700**
Sec. 114. CAREER AND TECHNICAL EDUCATION			
Full-time equated classified positions	23.0		
Career and technical education operations—FTEs	23.0	$	5,904,900
GROSS APPROPRIATION		**$**	**5,904,900**
Appropriated from:			
Federal revenues:			
Federal revenues			4,140,100
State general fund/general purpose		**$**	**1,764,800**
Sec. 115. LIBRARY OF MICHIGAN			
Full-time equated classified positions	34.0		
Library of Michigan operations—FTEs	32.0	$	5,176,400
Library services and technology programs—FTE	1.0		5,631,900
Michigan eLibrary—FTE	1.0		1,853,400
Renaissance zone reimbursements			1,830,000
State aid to libraries			16,567,700
GROSS APPROPRIATION		**$**	**31,059,400**
Appropriated from:			
Federal revenues:			
Federal revenues			5,631,900
Special revenue funds:			
Library fees			300,000
State general fund/general purpose		**$**	**25,127,500**
Sec. 116. PARTNERSHIP DISTRICT SUPPORT			
Full-time equated classified positions	15.0		
Partnership district support operations—FTEs	15.0	$	3,673,500
GROSS APPROPRIATION		**$**	**3,673,500**

		For Fiscal Year Ending Sept. 30, 2027
Appropriated from:		
Federal revenues:		
Federal revenues	$	86,900
State general fund/general purpose	**$**	**3,586,600**
Sec. 117. ONE-TIME APPROPRIATIONS		
Artificial intelligence tools	$	250,000
Education support services		750,000
GROSS APPROPRIATION	**$**	**1,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**1,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending under part 1 from state sources is $69,363,700.00 and state spending under part 1 from state sources to be paid to local units of government is $18,547,700.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF EDUCATION		
Renaissance zone reimbursements	$	1,830,000
School board member training		150,000
State aid to libraries		16,567,700
TOTAL	**$**	**18,547,700**

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) “Department” means the department of education.

(b) “DHHS” means the department of health and human services.

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

(d) “FTE” means full-time equated position in the classified service of this state.

(e) “HHS” means the United States Department of Health and Human Services.

(f) “Standard report recipients” means the senate and house appropriations committees, the senate and house appropriations subcommittees on the department, 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, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department’s website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department’s website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. (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. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department must do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office with an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, identifying all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

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 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. 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 the 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. 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 by 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. 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, 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.

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 and to the joint committee on administrative rules.

Sec. 215. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $5,000,000.00 for federal contingency 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 $400,000.00 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 $1,500,000.00 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. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $6,940,300.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $6,940,300.00. Total appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the department shall submit an annual 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. 221. 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. 222. 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. 223. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, and in-person and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. Each agency shall complete a space utilization assessment by July 1, 2027, using a form developed by the department of technology, management, and budget, for all space assigned under its building occupancy agreement and leased office locations and post on their website. Agencies shall develop, in coordination with the department of technology, management, and budget, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with space standards established by the department of technology, management, and budget unless an exception is approved by the department of technology, management, and budget.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. No later than December 31, 2026, and again by June 1, 2027, the department must provide a report to the standard report recipients that includes detail regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Within 30 days after enactment of this act, the house and senate shall provide to the state budget office a jointly agreed-upon list of legislatively directed spending items as that term is defined in section 364 of the management and budget act, 1984 PA 431, MCL 18.1364, funded in part 1. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026 are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026 and any subsequent financial closeout period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of Public Law 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report on 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. 231. The department must establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements prior to contract execution. The department must report back to the standard report recipients by March 31, 2027 on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

DEPARTMENT-SPECIFIC GENERAL SECTIONS

Sec. 301. From the funds appropriated in part 1, the department shall provide through the internet the state board of education agenda and all supporting documents, and shall notify the state budget director and the senate and house fiscal agencies that the agenda and supporting documents are available on the internet, at the time the agenda and supporting documents are provided to state board of education members.

Sec. 302. From the funds appropriated in part 1, the department may assist the department of health and human services, other departments, intermediate school districts, and local school districts to secure reimbursement for eligible services provided in Michigan schools from the federal Medicaid program. The department may submit reports of direct expenses related to this effort to the department of health and human services for reimbursement.

Sec. 303. From the funds appropriated in part 1, the department shall do both of the following:

(a) Post on its website a link to the federal Institute of Education Sciences' What Works Clearinghouse.

(b) Disseminate knowledge about the What Works Clearinghouse to districts and intermediate school districts so that it may be used to improve reading proficiency for pupils in grades K to 3.

Sec. 304. From the funds appropriated in part 1, the department shall coordinate with the other departments to streamline state services and resources, reduce duplication, and increase efficiency, including, but not limited to, all of the following:

(a) Working with the department of treasury to coordinate with the financial independence team and overseeing deficit districts.

(b) Working with the department of health and human services and the department of lifelong education, advancement, and potential to coordinate with early childhood programs and overseeing child care providers.

Sec. 305. (1) As a condition of receiving appropriations in part 1, the department shall, in collaboration with the department of health and human services, promote and support 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) Using trauma-informed practices.

(b) Age-appropriate education and information on human trafficking.

(c) Age-appropriate education and information on sexual abuse prevention.

(2) If requested by the department, the department of state police and the department of attorney general shall consult with the department in the promotion and support of initiatives in schools and other educational organizations under subsection (1).

Sec. 306. From the funds appropriated in part 1, the department shall ensure that the most recently issued report of regional in-demand occupations issued by the department of technology, management, and budget is distributed in electronic or paper form to all high schools in each school district, intermediate school district, and public school academy, to the standard report recipients, and to the members of the senate and house standing committees on education.

Sec. 307. Funds appropriated in part 1 are prohibited from being provided to the Michigan Organization on Adolescent Sexual Health.

STATE BOARD OF EDUCATION/OFFICE OF THE SUPERINTENDENT

Sec. 351. (1) The department may use the appropriations from the state board of education, per diem payments in part 1 for per diem payments to the state board members for meetings at which a quorum is present or for performing official business authorized by the state board. The per diem payments are set at the following rates:

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

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

(2) The department shall not pay a state board of education member a per diem for more than 30 days per year.

SPECIAL EDUCATION SERVICES

Sec. 401. From the funds appropriated in part 1 for special education operations, the department shall use $100,000.00 to design and distribute to all parents and legal guardians of a student with a disability the following information:

(a) Federal and state mandates regarding the rights and protections of students with disabilities, including, but not limited to, individualized education programs to ensure that parents and legal guardians are fully informed about laws, rules, procedural safeguards, and problem-solving options.

(b) Any other education-related information the department determines is necessary to allow parents and legal guardians to provide meaningful input in collaboration with districts to develop and implement an individualized education program.

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

Sec. 451. From the funds appropriated in part 1, the employees at the Michigan Schools for the Deaf and Blind who work on a school-year basis are considered annual employees for purposes of service credits, retirement, and insurance benefits.

Sec. 452. For each student enrolled at the Michigan Schools for the Deaf and Blind, the department shall assess the intermediate school district of residence 100% of the cost of operating the student's instructional program, excluding room and board related costs and the cost of weekend transportation between the school and the student's home.

Sec. 456. (1) From the funds appropriated in part 1, the Michigan Schools for the Deaf and Blind may promote its residential program as a possible appropriate option for children who are deaf or hard of hearing or who are blind or visually impaired. From the funds appropriated in part 1, the Michigan Schools for the Deaf and Blind shall distribute information detailing its services to all intermediate school districts in this state.

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

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

Sec. 457. Revenue received by the Michigan Schools for the Deaf and Blind from gifts, bequests, and donations that is unexpended at the end of the state fiscal year may be carried over to the succeeding fiscal year and does not revert to the general fund.

Sec. 458. (1) The funds appropriated in part 1 for the low incidence outreach fund are appropriated from money collected by the Michigan Schools for the Deaf and Blind and the low incidence outreach program for providing qualified services and may be used for any expenses necessary to provide the qualified services. Any money that is unexpended at the end of the current fiscal year does not revert to the general fund and may be carried forward into the succeeding fiscal year.

(2) As used in this section, "qualified services" means any of the following:

(a) Document reproduction and services.

(b) Conducting conferences, workshops, and training classes.

(c) Providing specialized equipment, facilities, and software.

Sec. 459. When conducting a due process hearing resulting from a parent's appeal of that parent's child's individualized education program team's decision on the child's educational placement, a state administrative law judge shall consider designating the Michigan School for the Deaf as 1 of the options for the least restrictive environment under federal law for the parent's child who is deaf, deafblind, or hard of hearing.

Sec. 460. From the funds appropriated in part 1 for ASL literacy resources, the department shall expend the funds to comply with all requirements in section 1705 of the revised school code, 1976 PA 451, MCL 380.1705.

EDUCATOR EXCELLENCE

Sec. 501. From the funds appropriated in part 1 for educator excellence, the department shall maintain certificate revocation and felony conviction files of educational personnel.

Sec. 503. From the funds appropriated in part 1, the department shall, if requested by the Michigan Virtual Learning Research Institute, consult with the Michigan Virtual Learning Research Institute and external stakeholders in connection with the department's implementation and administration of professional development training described in section 35a of the state school aid act of 1979, 1979 PA 94, MCL 388.1635a, including, but not limited to, the online training of educators of pupils in grades K to 3 described in that section.

Sec. 504. (1) From the funds appropriated in part 1 for educator recruitment and preparation programs, the department shall award $500,000.00 to districts and nonpublic schools for both of the following:

(a) Educator preparation program tuition, program fees, testing fees, and substitute permit costs for any individual employed in grades pre-K to 12 working toward certification or an additional endorsement.

(b) Program costs associated with hands-on learning experiences for students in grades 6 to 12 interested in the field of education, with supervision and mentoring from educators who are champions of, and committed to, the success of the profession.

(2) Not later than September 30, the department shall prepare and submit a report to the standard report recipients that includes the districts and nonpublic schools that received funds awarded under this section and how much each district or nonpublic school received.

Sec. 505. From the funds appropriated in part 1 for educator recruitment and preparation programs, not less than $190,000.00 and not fewer than 1.0 FTE position is allocated for educator recruitment and preparation programs.

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

Sec. 507. From the funds appropriated in part 1, the department shall adopt a teacher certification test that ensures that all newly certified elementary teachers have the skills to deliver evidence-based literacy instruction grounded in the science of reading. The department may use teacher certification or teacher testing fee revenue to the extent allowable under law to implement this section, or may pass along increased testing fees to teachers as allowable and appropriate.

SCHOOL SUPPORT SERVICES

Sec. 601. From the funds appropriated in part 1 for adolescent and school health, the department shall use the funds to replace federal funding reductions from the HHS - Centers for Disease Control and Prevention to the department and section 39a(2)(a) of the state school aid act of 1979, 1979 PA 94, MCL 388.1639a.

Sec. 602. (1) From the funds appropriated in part 1 for school board member training, there is appropriated $150,000.00 for school board member training. The department shall approve 1 or more training programs for school board members that include courses of instruction for school board members in 1 or more of the following topic areas:

(a) Conflicts of interest, including, but not limited to, the application of section 1203 of the revised school code, 1976 PA 451, MCL 380.1203.

(b) Labor relations, including, but not limited to, a school board's role in collective bargaining agreements in 1947 PA 336, MCL 423.201 to 423.217, and in other laws related to employment.

(c) Education law, including, but not limited to, the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and 1937 (Ex Sess) PA 4, MCL 38.71 to 38.191, dealing with teacher tenure.

(d) School finance, including, but not limited to, the creation and management of school district budgets.

(e) Board governance, including, but not limited to, roles and responsibilities, parliamentary procedure, and best practices.

(f) Rater reliability training.

(g) District requirements established under section 1280f of the revised school code, 1976 PA 451, MCL 380.1280f.

(2) On completion of an eligible training program, a school board member may apply for reimbursement for the cost of the eligible training program through the board member's local district, up to $100.00 per course. The department may determine the form and manner of the application to reimburse the district for the cost.

(3) The department shall create a process for the provider of a course in a topic listed in subsection (1) to apply to the department to have the course approved and be eligible for a school board member to be reimbursed for completing that course as provided under subsection (2).

(4) As used in this section:

(a) "Eligible training program" means a training program that is approved under subsection (1).

(b) "School board member" means a member of the board of a school district or intermediate school district or a member of the board of directors of a public school academy in this state.

Sec. 604. (1) From the funds appropriated in part 1, not less than $159,500.00 and not fewer than 1.0 FTE position shall provide technical assistance to all eligible districts to make them effective at using Medicaid dollars for mental health.

(2) As used in this section, "eligible district" means a school district or intermediate school district that receives funding under section 31n of the state school aid act of 1979, 1979 PA 94, MCL 388.1631n.

EDUCATIONAL SUPPORTS

Sec. 702. From the funds appropriated in part 1, there is appropriated an amount not less than $1,000,000.00 for implementation costs associated with programs for literacy funded under section 35a of the state school aid act of 1979, 1979 PA 94, MCL 388.1635a.

CAREER AND TECHNICAL EDUCATION

Sec. 750. From the funds appropriated in part 1 for career and technical education operations, the department shall develop and implement a reporting mechanism for school districts to report on career and technical education participation and workforce development participation. The department shall prepare and submit a report to the standard report recipients detailing all of the following:

(a) The number of students participating in career and technical education programs.

(b) The number of students in the graduating class of the current school year that took at least 1 career and technical education course while in high school.

(c) The number of students in the graduating class of the previous school year that enrolled in a postsecondary workforce development program in the current school year.

LIBRARY OF MICHIGAN

Sec. 801. (1) The funds appropriated in part 1 for library fees are appropriated from money collected by the library of Michigan for providing qualified services and may be used for any expenses necessary to provide the qualified services. Any money that is unexpended at the end of the current fiscal year does not lapse to the general fund and may be carried forward into the succeeding fiscal year.

(2) As used in this section, "qualified services" means any of the following:

(a) Document reproduction and services.

(b) Conducting conferences, workshops, and training classes.

(c) Providing specialized equipment, facilities, and software.

Sec. 804. (1) The department shall use the funds appropriated in part 1 for renaissance zone reimbursements to reimburse public libraries under section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for taxes levied in 2026. The department shall allocate the funds not later than 60 days after the department of treasury certifies to the department and to the state budget director that the department of treasury has received all necessary information to properly determine the amounts due to each eligible recipient.

(2) If the amount appropriated under this section is not sufficient to fully pay obligations under this section, the department shall prorate payments on an equal basis among all eligible recipients.

ONE-TIME APPROPRIATIONS

Sec. 1000. From the funds appropriated in part 1 for artificial intelligence tools, there is allocated an amount not to exceed $250,000.00 for the fiscal year 2026-2027 only for the department to develop state artificial intelligence model policies, guidelines, and implementation tools and begin integrating artificial intelligence into department teaching, learning, and assessment services and supports for school districts.

Sec. 1001. From the funds appropriated in part 1 for education support services, $375,000.00 shall be added to the state aid for libraries line item in part 1 for fiscal year 2026-2027 and shall be disbursed to Michigan public and cooperative libraries pursuant to the state aid to public libraries act, 1977 PA 89, MCL 397.551 to 397.576. The remaining $375,000.00 shall be allocated to the department's eLibrary services for the purpose of expanding the Michigan eLibrary's free online access to articles, books, and other research information to the public.

ARTICLE 4

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the department of environment, Great Lakes, and energy for the fiscal year ending September 30, 2027, 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	1,635.0		
GROSS APPROPRIATION		**$**	**671,422,600**

			For Fiscal Year Ending Sept. 30, 2027
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers		$	4,237,600
ADJUSTED GROSS APPROPRIATION		**$**	**667,185,000**
Federal revenues:			
Total federal revenues			194,743,400
Special revenue funds:			
Total local revenues			0
Total private revenues			1,892,500
Total other state restricted revenues			361,405,500
State general fund/general purpose		**$**	**109,143,600**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	106.0		
Unclassified salaries—FTEs	6.0	$	1,022,500
Accounting service center			1,496,800
Administrative hearings officers			606,600
Environmental investigations—FTEs	12.0		2,507,700
Environmental support—FTEs	56.0		10,072,500
Executive direction—FTEs	20.0		4,506,400
Facilities management			1,200,000
Financial support—FTEs	18.0		12,928,600
Property management			11,158,700
GROSS APPROPRIATION		**$**	**45,499,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of state police			91,300
IDG from state transportation department			139,300
Federal revenues:			
Federal funds			766,600
Special revenue funds:			
Private funds			1,200,000
Air emissions fees			1,072,300
Aquatic nuisance control fund			71,900
Campground fund			27,100
Cleanup and redevelopment fund			4,581,000
Coal ash care fund			19,200
Electronic waste recycling fund			24,200
Environmental education fund			239,900
Environmental pollution prevention fund			384,900
Fees and collections			18,000
Financial instruments			11,417,700
Great Lakes protection fund			550,500
Groundwater discharge permit fees			153,000
Infrastructure construction fund			3,800
Laboratory services fees			681,600
Land and water permit fees			217,700
Medical waste emergency response fund			32,800
Metallic mining surveillance fee revenue			5,300
Mineral well regulatory fee revenue			10,400
Nonferrous metallic mineral surveillance			15,500
NPDES fees			309,400
Oil and gas regulatory fund			449,100
Orphan well fund			16,100
Public swimming pool fund			54,200

			For Fiscal Year Ending Sept. 30, 2027
Public utility assessments		$	212,500
Public water supply fees			391,300
Refined petroleum fund			2,824,000
Renew Michigan fund			5,168,100
Sand extraction fee revenue			5,300
Scrap tire regulatory fund			373,300
Septage waste program fund			44,800
Settlement funds			2,000,400
Sewage sludge land application fees			66,500
Soil erosion and sedimentation control training fund			10,400
Solid waste management fund - staff account			545,800
Stormwater permit fees			159,500
Technologically enhanced naturally occurring radioactive material			54,800
Underground storage tank cleanup fund			268,200
Wastewater operator training fees			42,100
Water quality protection fund			7,100
Water use reporting fees			21,700
State general fund/general purpose		**$**	**10,751,200**
Sec. 103. WATER RESOURCES DIVISION			
Full-time equated classified positions	407.0		
Aquatic nuisance control program—FTEs	6.0	$	1,009,600
Federal - Great Lakes remedial action plan grants			583,800
Fish contaminant monitoring			316,100
Great Lakes restoration initiative—FTEs	9.0		11,319,500
Nonpoint source pollution prevention and control project program			4,083,300
Technology advancements for water monitoring			500,000
Water quality programs—FTEs	223.0		37,069,000
Water quality protection grants			100,000
Water resource programs—FTEs	169.0		29,220,100
GROSS APPROPRIATION		**$**	**84,201,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from state transportation department			2,086,300
Federal revenues:			
Federal funds			35,360,900
Special revenue funds:			
Aquatic nuisance control fund			1,009,600
Environmental response fund			590,000
Groundwater discharge permit fees			2,276,700
Infrastructure construction fund			52,400
Land and water permit fees			4,399,500
NPDES fees			4,591,600
Refined petroleum fund			456,000
Sewage sludge land application fees			929,700
Soil erosion and sedimentation control training fund			143,500
Stormwater permit fees			2,391,300
Wastewater operator training fees			317,800
Water pollution control revolving fund			152,500
Water quality protection fund			100,000
State general fund/general purpose		**$**	**29,343,600**
Sec. 104. AIR QUALITY DIVISION			
Full-time equated classified positions	225.0		
Air quality programs—FTEs	225.0	$	39,223,600
GROSS APPROPRIATION		**$**	**39,223,600**

			For Fiscal Year Ending Sept. 30, 2027
Appropriated from:			
Federal revenues:			
Federal funds		$	7,855,500
Special revenue funds:			
Air emissions fees			11,417,800
Asbestos inspection fund			2,017,300
Fees and collections			214,300
Oil and gas regulatory fund			148,700
Public utility assessments			150,000
Refined petroleum fund			2,148,800
State general fund/general purpose		**$**	**15,271,200**
Sec. 105. REMEDIATION AND REDEVELOPMENT DIVISION			
Full-time equated classified positions	329.0		
Contaminated site remediation and redevelopment programs—FTEs	329.0	$	86,543,100
Emergency cleanup actions			2,000,000
Environmental cleanup and redevelopment program			44,800,000
Superfund cleanup			9,000,000
GROSS APPROPRIATION		**$**	**142,343,100**
Appropriated from:			
Federal revenues:			
Federal funds			16,769,200
Special revenue funds:			
Cleanup and redevelopment fund			73,076,100
Environmental response fund			1,442,100
Laboratory services fees			14,486,300
Public water supply fees			334,000
Refined petroleum fund			34,135,400
State brownfield redevelopment fund			2,100,000
State general fund/general purpose		**$**	**0**
Sec. 106. UNDERGROUND STORAGE TANK AUTHORITY			
Full-time equated classified positions	12.0		
Underground storage tank cleanup program—FTEs	12.0	$	32,156,600
GROSS APPROPRIATION		**$**	**32,156,600**
Appropriated from:			
Special revenue funds:			
Underground storage tank cleanup fund			32,156,600
State general fund/general purpose		**$**	**0**
Sec. 107. RENEWING MICHIGAN'S ENVIRONMENT			
Full-time equated classified positions	163.0		
Information management—FTEs	22.0	$	6,884,200
Renew Michigan program—FTEs	141.0		70,982,300
GROSS APPROPRIATION		**$**	**77,866,500**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of state police			8,800
IDG from state transportation department			13,600
Federal revenues:			
Federal funds			5,800
Special revenue funds:			
Air emissions fees			93,000
Aquatic nuisance control fund			7,000
Campground fund			2,600
Cleanup and redevelopment fund			244,900
Coal ash care fund			1,900

		For Fiscal Year Ending Sept. 30, 2027
Electronic waste recycling fund	$	2,300
Environmental pollution prevention fund		28,900
Fees and collections		1,800
Financial instruments		8,800
Great Lakes protection fund		3,600
Groundwater discharge permit fees		14,900
Infrastructure construction fund		400
Laboratory services fees		55,700
Land and water permit fees		21,200
Medical waste emergency response fund		3,200
Metallic mining surveillance fee revenue		500
Mineral well regulatory fee revenue		1,000
Nonferrous metallic mineral surveillance		1,500
NPDES fees		29,600
Oil and gas regulatory fund		43,300
Orphan well fund		1,500
Public swimming pool fund		5,300
Public utility assessments		18,900
Public water supply fees		37,600
Refined petroleum fund		248,100
Renew Michigan fund		71,482,600
Sand extraction fee revenue		500
Scrap tire regulatory fund		36,500
Septage waste program fund		4,300
Sewage sludge land application fees		6,400
Soil erosion and sedimentation control training fund		1,000
Solid waste management fund - staff account		46,400
Stormwater permit fees		15,500
Technologically enhanced naturally occurring radioactive material		5,400
Underground storage tank cleanup fund		26,100
Wastewater operator training fees		4,100
Water quality protection fund		700
Water use reporting fees		2,100
State general fund/general purpose	**$**	**5,329,200**
Sec. 108. INFORMATION TECHNOLOGY		
Information technology services and projects	$	10,527,400
GROSS APPROPRIATION	**$**	**10,527,400**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of state police		24,800
IDG from state transportation department		38,000
Federal revenues:		
Federal funds		2,079,300
Special revenue funds:		
Air emissions fees		254,900
Aquatic nuisance control fund		19,600
Campground fund		7,500
Cleanup and redevelopment fund		1,319,500
Coal ash care fund		5,200
Electronic waste recycling fund		6,600
Environmental pollution prevention fund		81,600
Fees and collections		4,900
Financial instruments		853,500
Great Lakes protection fund		10,000

			For Fiscal Year Ending Sept. 30, 2027
Groundwater discharge permit fees		$	41,700
Infrastructure construction fund			1,000
Laboratory services fees			155,000
Land and water permit fees			59,600
Medical waste emergency response fund			9,000
Metallic mining surveillance fee revenue			1,400
Mineral well regulatory fee revenue			2,800
Nonferrous metallic mineral surveillance			4,200
NPDES fees			83,300
Oil and gas regulatory fund			121,500
Orphan well fund			4,400
Public swimming pool fund			14,700
Public utility assessments			52,800
Public water supply fees			105,600
Refined petroleum fund			891,300
Renew Michigan fund			1,460,200
Sand extraction fee revenue			1,400
Scrap tire regulatory fund			102,000
Septage waste program fund			12,200
Sewage sludge land application fees			18,100
Soil erosion and sedimentation control training fund			2,800
Solid waste management fund - staff account			124,900
Stormwater permit fees			43,700
Technologically enhanced naturally occurring radioactive material			15,000
Underground storage tank cleanup fund			73,200
Wastewater operator training fees			11,500
Water pollution control revolving fund			33,300
Water quality protection fund			2,000
Water use reporting fees			6,000
State general fund/general purpose		**$**	**2,367,400**
Sec. 109. DRINKING WATER AND ENVIRONMENTAL HEALTH			
Full-time equated classified positions	160.0		
Drinking water and environmental health—FTEs	160.0	$	42,393,900
GROSS APPROPRIATION		**$**	**42,393,900**
Appropriated from:			
Federal revenues:			
Federal funds			13,804,000
Special revenue funds:			
Campground fund			388,800
Fees and collections			34,700
Public swimming pool fund			766,100
Public water supply fees			6,577,000
Refined petroleum fund			765,500
Septage waste program fund			838,500
Wastewater operator training fees			275,000
State general fund/general purpose		**$**	**18,944,300**
Sec. 110. MATERIALS MANAGEMENT DIVISION			
Full-time equated classified positions	133.0		
Energy programs—FTEs	13.0	$	6,316,300
Material management programs—FTEs	120.0		29,782,300
GROSS APPROPRIATION		**$**	**36,098,600**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of state police			1,611,700

			For Fiscal Year Ending Sept. 30, 2027
Federal revenues:			
Federal funds		$	7,390,400
Special revenue funds:			
Private funds			652,500
Cleanup and redevelopment fund			3,905,300
Coal ash care fund			268,500
Community pollution prevention fund			1,250,000
Electronic waste recycling fund			337,000
Energy efficiency and renewable energy revolving loan fund			250,100
Environmental pollution prevention fund			4,237,700
Medical waste emergency response fund			460,800
Public utility assessments			1,815,400
Retired engineers technical assistance program fund			491,200
Scrap tire regulatory fund			5,668,600
Small business pollution prevention revolving loan fund			134,400
Solid waste management fund - staff account			6,307,500
Technologically enhanced naturally occurring radioactive material			467,200
State general fund/general purpose		**$**	**850,300**
Sec. 111. GEOLOGIC RESOURCES MANAGEMENT DIVISION			
Full-time equated classified positions	73.0		
Geologic resources management—FTEs	73.0	$	21,706,200
GROSS APPROPRIATION		**$**	**21,706,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of licensing and regulatory affairs			223,800
Federal revenues:			
Federal funds			155,200
Infrastructure investment and jobs act fund			5,155,400
Special revenue funds:			
Private funds			40,000
Aquifer protection revolving fund			520,000
Metallic mining surveillance fee revenue			92,500
Mineral well regulatory fee revenue			219,200
Native copper mine fund			50,000
Nonferrous metallic mineral surveillance			389,600
Oil and gas regulatory fund			4,002,900
Orphan well fund			2,357,100
Sand extraction fee revenue			91,000
Water use reporting fees			353,200
State general fund/general purpose		**$**	**8,056,300**
Sec. 112. WATER INFRASTRUCTURE			
Full-time equated classified positions	27.0		
Lead service line replacement		$	9,601,300
Municipal assistance—FTEs	27.0		6,804,200
Water state revolving funds			120,000,000
GROSS APPROPRIATION		**$**	**136,405,500**
Appropriated from:			
Federal revenues:			
Federal funds			105,401,100
Special revenue funds:			
Revolving loan revenue bonds			15,000,000
Water pollution control revolving fund			774,300
State general fund/general purpose		**$**	**15,230,100**

		For Fiscal Year Ending Sept. 30, 2027
Sec. 113. ONE-TIME APPROPRIATIONS		
Michigan geological survey one-time	$	2,700,000
Watershed council grants		300,000
GROSS APPROPRIATION	**$**	**3,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**3,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending under part 1 from state resources is $470,549,100.00 and state spending under part 1 from state sources to be paid to local units of government is $20,433,300.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY		
Drinking water and environmental health	$	8,486,000
Emergency cleanup actions		116,000
Energy programs		460,000
Lead service line replacement		9,601,300
Material management programs		1,270,000
Technology advancements for water monitoring		500,000
TOTAL	**$**	**20,433,300**

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 and house appropriations committees, the senate and house appropriations subcommittees 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 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. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's website not later than the due date required for each report.
(2) In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.
(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. (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. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department must do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that includes an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, and identifies all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

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 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) 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 all of the following information:

(a) The amount of funding received.

(b) The specific source of funding received.

(c) The purpose for which funding was expended.
(d) The amount of any remaining funds.
(2) The report must be submitted to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

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 by 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 or agency's budget. The department or agency 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 or agency receiving appropriations in part 1 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, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 215. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000,000.00 for federal contingency 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 $3,000,000.00 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 $10,000,000.00 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. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $19,364,100.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $19,364,100.00. Total appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 219. 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. 220. Not later than 6 months after the state budget office issues work project letters, and again on or not later than April 15, the department shall submit an annual 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. 221. 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. 222. 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. 223. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set by the office of the state employer to meet the in-person and vacancy rate objectives outlined by the office of the state employer.

(3) The department shall adhere to the rules and regulations of civil service, which state that the standard biweekly work period for a full-time employee in the classified service is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, and in-person and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. Each agency shall complete a space utilization assessment by July 1, 2027, using a form developed by the department of technology, management, and budget for all space assigned under its building occupancy agreement and leased office locations and posted on their website. Agencies shall develop, in coordination with the department of technology, management, and budget, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with department of technology, management, and budget-established space standards unless an exception is approved by the department of technology, management, and budget.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services, supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services or supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. Not later than December 31, 2026, and again by June 1, 2027, the department must provide a report to the standard report recipients that includes details regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Within 30 days after enactment of this act, the senate and house shall provide to the state budget office a jointly agreed-upon list of legislatively directed spending items as that term is defined in section 364 of the management and budget act, 1984 PA 431, MCL 18.1364, funded in part 1. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department or agency shall include in the report the most comprehensive information the department or agency has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026, are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026, and any subsequent financial close-out period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of Public Law 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report on 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. 231. The department must establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements prior to contract execution. The department must report back to the standard report recipients by March 31, 2027 on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

Sec. 232. Revenues that remain in the settlements fund at the end of the fiscal year carry forward into the succeeding fiscal year. In addition to the funds appropriated in part 1 from the settlements fund, the department is authorized to expend an additional $4,000,000.00 to address dam safety emergencies.

Sec. 234. (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, 2017 PA 107, and 2025 PA 22 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, 2024 PA 121, and 2025 PA 22 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, 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, 2024 PA 121, and 2025 PA 22 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, 2023 PA 119, 2024 PA 121, and 2025 PA 22 are appropriated for expenditure.

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 of representatives subcommittees on the environment, Great Lakes, and energy and the state budget director.

Sec. 238. The department shall submit a report to the senate and house of representatives 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.

(j) 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. 242. If the department responds to a significant incident to protect life or property, as soon as possible and within 24 hours after the department responds to the significant incident, the department shall notify, in writing, the senate and house of representatives members whose district includes the site.

Sec. 257. From the funds appropriated in part 1, the department shall update the permitting guidebooks funded in 2025 PA 22 as needed and make available updated paper copies upon request.

Sec. 258. (1) For any permit application, as defined in part 13 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.1301 to 324.1317, the department shall approve or deny the permit application by the processing deadline. For any permit application where the department fails to approve or deny the permit by the processing deadline, the department shall refund the applicant an amount equal to 15% of the greater of the following, as applicable:

(a) The amount of the application fee for that permit.

(b) If an assessment or other fee is charged on an annual or other periodic basis by the department to a person holding the permit for which the application was submitted, the amount of the first periodic charge of that assessment or other fee for that permit.

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

Sec. 259. Up to $2,000,000.00 of revenues remaining in the asbestos inspection fund created in section 5519a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5519a, at the end of the fiscal year carry forward into the succeeding fiscal year.

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. 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) Not later than 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.

WATER RESOURCES DIVISION

Sec. 405. If a certified health department does not exist in a city, county, or district or does not fulfill its responsibilities under part 117 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11701 to 324.11721, then the department may spend funds appropriated in part 1 for drinking water and environmental health in accordance with section 11716 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11716.

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 must 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.

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, 2027 of the expenditures incurred under this section during the fiscal year ending September 30, 2026.

WATER INFRASTRUCTURE

Sec. 951. The funds appropriated in part 1 for lead service line replacement must be used to support water infrastructure projects, including, but not limited to, lead service line replacement and associated activities, drinking water projects, wastewater management, or stormwater management to promote coordinated water infrastructure work.

Sec. 952. From the funds appropriated in part 1 for water state revolving funds, the department shall submit a report to the standard report recipients detailing the percentage of funds awarded to systems based on population served.

ARTICLE 5

GENERAL GOVERNMENT

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, from the following funds:

TOTAL GENERAL GOVERNMENT			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	44.0		
Full-time equated classified positions	7,708.2		
GROSS APPROPRIATION		**$**	**5,083,247,700**
Total interdepartmental grants and intradepartmental transfers			1,151,386,200
ADJUSTED GROSS APPROPRIATION		**$**	**3,931,861,500**
Federal revenues:			
Total federal revenues			45,421,300
Special revenue funds:			
Total local revenues			19,298,800
Total private revenues			1,903,500
Total other state restricted revenues			2,728,831,800
State general fund/general purpose		**$**	**1,136,406,100**
Sec. 102. DEPARTMENT OF ATTORNEY GENERAL			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	674.0		
GROSS APPROPRIATION		**$**	**127,437,300**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			39,899,600
ADJUSTED GROSS APPROPRIATION		**$**	**87,537,700**

			For Fiscal Year Ending Sept. 30, 2027
Federal revenues:			
Total federal revenues		$	10,710,500
Special revenue funds:			
Total local revenues			0
Total private revenues			961,400
Total other state restricted revenues			30,618,100
State general fund/general purpose		**$**	**45,247,700**
(2) ATTORNEY GENERAL OPERATIONS			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	674.0		
Attorney general		$	112,500
Unclassified salaries—FTEs	5.0		1,022,900
Alcohol and gambling enforcement division—FTEs	17.0		2,926,300
Assistance with convictions and expungements—FTEs	27.0		4,734,600
Child elder family financial crimes division—FTEs	20.5		5,154,400
Child support enforcement division—FTEs	25.0		4,141,300
Children and youth services division—FTEs	28.0		5,392,700
Civil rights and elections—FTEs	12.0		2,435,100
Collections—FTEs	15.5		2,818,800
Corporate oversight division—FTEs	48.0		9,364,500
Corrections—FTEs	40.0		7,759,500
Criminal appellate division—FTEs	17.0		2,421,600
Criminal investigations—FTEs	46.0		2,979,900
Criminal trials—FTEs	37.0		10,824,500
Environment, natural resources, and agriculture division—FTEs	34.0		6,840,500
Executive office—FTEs	7.0		1,313,100
Finance division—FTEs	11.0		2,414,400
Fiscal management—FTEs	9.0		1,234,500
Health care fraud division—FTEs	35.0		6,289,100
Health education and family services—FTEs	34.0		5,831,900
Human resources—FTEs	7.0		1,135,500
Labor division—FTEs	34.0		5,300,200
Licensing and regulation division—FTEs	38.0		5,014,900
Office of communications—FTEs	9.0		1,143,200
Office of legislative affairs—FTEs	2.0		322,100
Opinions review board—FTE	1.0		332,300
Public administration—FTEs	3.0		427,700
Public service division—FTEs	14.0		2,509,600
Revenue and tax—FTEs	27.0		5,640,100
Sexual assault law enforcement—FTEs	5.0		1,507,100
Solicitor general—FTEs	4.0		1,647,900
Special litigation—FTEs	5.0		2,126,100
State operations—FTEs	42.0		8,646,200
Transportation—FTEs	10.0		2,579,300
Victim rights/victim services—FTEs	10.0		1,368,600
GROSS APPROPRIATION		**$**	**125,712,900**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOC			745,700
IDG from MDE			832,000
IDG from EGLE			2,468,400
IDG from MDHHS, health policy			332,100
IDG from MDHHS, human services			7,049,000
IDG from MDHHS, medical services administration			792,000

		For Fiscal Year Ending Sept. 30, 2027
IDG from MDHHS, WIC	$	380,100
IDG from MDIFS, financial and insurance services		1,644,800
IDG from LEO, Michigan occupational safety and health administration		213,100
IDG from LEO, workforce development		102,300
IDG from MDLARA, cannabis regulatory agency		2,562,700
IDG from MDLARA, fireworks safety fund		92,300
IDG from MDLARA, health professions		3,187,600
IDG from MDLARA, licensing and regulation fees		803,700
IDG from MDLARA, remonumentation fees		118,600
IDG from MDLARA, securities fees		788,600
IDG from MDLARA, unlicensed builders		1,209,000
IDG from MDMVA		185,100
IDG from MDOS, children's protection registry		45,000
IDG from MDOT, comprehensive transportation fund		112,600
IDG from MDOT, state aeronautics fund		196,900
IDG from MDOT, state trunkline fund		2,269,800
IDG from MDSP		291,400
IDG from MDTMB		1,371,100
IDG from MDTMB, civil service commission		347,900
IDG from MDTMB, risk management revolving fund		1,424,900
IDG from MILEAP		1,024,500
IDG from Michigan state housing development authority		1,305,800
IDG from Michigan strategic fund		203,800
IDG from treasury		7,798,800
Federal revenues:		
DAG, state administrative match grant/food stamps		137,000
Federal funds		3,858,500
HHS, medical assistance, medigrant		425,900
HHS-OS, state Medicaid fraud control units		6,289,100
Special revenue funds:		
Unadjudicated criminal property seizures		961,400
Antitrust enforcement collections		869,600
Attorney general's operations fund		1,127,800
Attorney general support fund		8,112,200
Auto repair facilities fees		376,900
Franchise fees		434,900
Game and fish protection account		693,300
Human trafficking commission fund		170,000
Lawsuit settlement proceeds fund		2,725,100
Liquor purchase revolving fund		1,673,900
Michigan employment security act - administrative fund		2,550,700
Michigan merit award trust fund		550,800
Michigan opioid healing and recovery fund		203,100
Mobile home code fund		278,600
Prisoner reimbursement		804,300
Public utility assessments		2,255,900
Reinstatement fees		293,600
Retirement funds		1,184,600
Second injury fund		680,500
Self-insurers security fund		414,700
Silicosis and dust disease fund		119,800
State building authority revenue		135,100
State casino gaming fund		2,018,700
State lottery fund		397,800

			For Fiscal Year Ending Sept. 30, 2027
Utility consumer representation fund		$	1,974,300
Waterways account			156,300
Worker's compensation administrative revolving fund			415,600
State general fund/general purpose		**$**	**43,523,300**
(3) INFORMATION TECHNOLOGY			
Information technology services and projects		$	1,724,400
GROSS APPROPRIATION		**$**	**1,724,400**
Appropriated from:			
State general fund/general purpose		**$**	**1,724,400**
Sec. 103. DEPARTMENT OF CIVIL RIGHTS			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	168.0		
GROSS APPROPRIATION		**$**	**29,444,300**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**29,444,300**
Federal revenues:			
Total federal revenues			3,435,200
Special revenue funds:			
Total local revenues			0
Total private revenues			18,700
Total other state restricted revenues			58,500
State general fund/general purpose		**$**	**25,931,900**
(2) CIVIL RIGHTS OPERATIONS			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	168.0		
Unclassified salaries—FTEs	6.0	$	895,900
Complaint investigation and enforcement—FTEs	112.0		18,804,800
Disability rights and compliance—FTEs	11.0		1,729,000
Division on deaf, deaf/blind, and hard of hearing—FTEs	6.0		773,100
Executive office—FTEs	25.0		3,330,300
Public affairs—FTEs	14.0		2,354,000
GROSS APPROPRIATION		**$**	**27,887,100**
Appropriated from:			
Federal revenues:			
EEOC, state and local antidiscrimination agency contracts			1,768,500
HUD, grant			1,651,700
Special revenue funds:			
Private revenues			18,700
State restricted indirect funds			58,500
State general fund/general purpose		**$**	**24,389,700**
(3) INFORMATION TECHNOLOGY			
Information technology services and projects		$	1,557,200
GROSS APPROPRIATION		**$**	**1,557,200**
Appropriated from:			
Federal revenues:			
EEOC, state and local antidiscrimination agency contracts			15,000
State general fund/general purpose		**$**	**1,542,200**
Sec. 104. EXECUTIVE OFFICE			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	86.2		
GROSS APPROPRIATION		**$**	**9,890,200**

			For Fiscal Year Ending Sept. 30, 2027
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**9,890,200**
Federal revenues:			
Total federal revenues			0
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			0
State general fund/general purpose		**$**	**9,890,200**
(2) EXECUTIVE OFFICE OPERATIONS			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	86.2		
Unclassified salaries—FTEs	8.0	$	1,720,800
Governor			159,300
Lieutenant governor			111,600
Executive office—FTEs	86.2		7,898,500
GROSS APPROPRIATION		**$**	**9,890,200**
Appropriated from:			
State general fund/general purpose		**$**	**9,890,200**
Sec. 105. LEGISLATURE			
(1) APPROPRIATION SUMMARY			
GROSS APPROPRIATION		**$**	**239,318,300**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			7,668,900
ADJUSTED GROSS APPROPRIATION		**$**	**231,649,400**
Federal revenues:			
Total federal revenues			0
Special revenue funds:			
Total local revenues			0
Total private revenues			474,700
Total other state restricted revenues			8,091,700
State general fund/general purpose		**$**	**223,083,000**
(2) LEGISLATURE			
Senate		$	52,837,900
Senate automated data processing			3,339,300
Senate fiscal agency			5,054,500
House of representatives			77,597,300
House automated data processing			3,339,300
House fiscal agency			5,054,500
GROSS APPROPRIATION		**$**	**147,222,800**
Appropriated from:			
State general fund/general purpose		**$**	**147,222,800**
(3) LEGISLATIVE COUNCIL			
Legislative corrections ombudsman		$	1,657,900
Legislative council			17,221,200
Legislative service bureau automated data processing			3,880,800
Michigan veterans' facility ombudsman			385,300
National association dues			735,700
Office of tribal legislative liaison			522,700
Sentencing commission			100
Worker's compensation			185,200
GROSS APPROPRIATION		**$**	**24,588,900**
Appropriated from:			
State general fund/general purpose		**$**	**24,588,900**

		For Fiscal Year Ending Sept. 30, 2027
(4) LEGISLATIVE RETIREMENT SYSTEM		
Actuarially determined contribution	$	100
General nonretirement expenses		6,521,000
GROSS APPROPRIATION	**$**	**6,521,100**
Appropriated from:		
Special revenue funds:		
Court fees		1,483,300
State general fund/general purpose	**$**	**5,037,800**
(5) PROPERTY MANAGEMENT		
Binsfeld Office Building and other properties	$	10,313,400
Cora Anderson Building		7,135,200
GROSS APPROPRIATION	**$**	**17,448,600**
Appropriated from:		
State general fund/general purpose	**$**	**17,448,600**
(6) STATE CAPITOL HISTORIC SITE		
Bond/lease obligations	$	100
General operations		6,858,600
Restoration, renewal, and maintenance		4,020,500
GROSS APPROPRIATION	**$**	**10,879,200**
Appropriated from:		
Special revenue funds:		
Private - gifts and bequests		474,700
Capitol historic site fund		4,020,500
State general fund/general purpose	**$**	**6,384,000**
(7) OFFICE OF THE AUDITOR GENERAL		
Unclassified positions	$	453,200
Field operations		32,204,500
GROSS APPROPRIATION	**$**	**32,657,700**
Appropriated from:		
Interdepartmental grant revenues:		
IDG, commercial mobile radio system emergency telephone fund		46,900
IDG, contract audit administration fees		85,900
IDG, deferred compensation funds		118,300
IDG, emp ben div postemployment life insurance benefit		24,000
IDG from LEO, self-insurers security fund		101,400
IDG from MDHHS, human services		39,800
IDG from MDLARA, liquor purchase revolving fund		137,600
IDG from MDMVA, Michigan veterans facility authority		109,600
IDG from MDOT, comprehensive transportation fund		49,200
IDG from MDOT, Michigan transportation fund		399,800
IDG from MDOT, state aeronautics fund		38,700
IDG from MDOT, state trunkline fund		928,600
IDG, legislative retirement system		41,900
IDG, Michigan economic development corporation		159,500
IDG, Michigan education trust fund		76,600
IDG, Michigan finance authority		323,700
IDG, Michigan justice training commission fund		61,700
IDG, Michigan strategic fund		261,100
IDG, office of retirement services		937,700
IDG, other restricted funding sources		26,800
IDG, Pension schedules of employer allocations funds		127,600
IDG, single audit act		3,484,100
IDG, state sponsored group insurance fund		88,400

			For Fiscal Year Ending Sept. 30, 2027
Special revenue funds:			
21st century jobs trust fund		$	122,200
Brownfield development fund			35,800
Game and fish protection account			39,800
MDTMB, civil service commission			225,300
Michigan state housing development authority fees			143,900
Michigan veterans' trust fund			2,000
Michigan veterans' trust fund income and assessments			23,000
Motor transport revolving fund			9,300
Office services revolving fund			12,900
State disbursement unit, office of child support			72,600
State services fee fund			1,886,700
Waterways account			14,400
State general fund/general purpose		**$**	**22,400,900**
Sec. 106. DEPARTMENT OF STATE			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	1,601.0		
GROSS APPROPRIATION		**$**	**300,237,300**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			20,000,000
ADJUSTED GROSS APPROPRIATION		**$**	**280,237,300**
Federal revenues:			
Total federal revenues			1,460,000
Special revenue funds:			
Total local revenues			0
Total private revenues			50,100
Total other state restricted revenues			266,798,000
State general fund/general purpose		**$**	**11,929,200**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	126.0		
Secretary of state		$	112,500
Unclassified salaries—FTEs	5.0		853,100
Executive direction—FTEs	28.0		5,246,600
Operations—FTEs	98.0		27,404,800
Property management			11,668,900
Worker's compensation			125,400
GROSS APPROPRIATION		**$**	**45,411,300**
Appropriated from:			
Special revenue funds:			
Abandoned vehicle fees			239,800
Auto repair facilities fees			125,800
Children's protection registry fund			274,400
Driver fees			2,593,300
Enhanced driver license and enhanced official state personal identification card fund			2,175,700
Personal identification card fees			101,900
Scrap tire fund			78,600
Transportation administration collection fund			38,537,400
State general fund/general purpose		**$**	**1,284,400**
(3) LEGAL SERVICES			
Full-time equated classified positions	179.0		
Operations—FTEs	179.0	$	26,008,500
GROSS APPROPRIATION		**$**	**26,008,500**

			For Fiscal Year Ending Sept. 30, 2027
Appropriated from:			
Special revenue funds:			
Auto repair facilities fees		$	3,305,800
Driver education provider and instructor fund			150,000
Driver fees			1,658,500
Enhanced driver license and enhanced official state personal identification card fund			2,957,700
Reinstatement fees - operator licenses			598,500
Transportation administration collection fund			16,374,600
Vehicle theft prevention fees			757,600
State general fund/general purpose		**$**	**205,800**
(4) CUSTOMER DELIVERY SERVICES			
Full-time equated classified positions	1,216.0		
Branch operations—FTEs	888.0	$	102,019,600
Central operations—FTEs	326.0		54,862,100
Digital ID			100,000
Motorcycle safety education administration—FTEs	2.0		657,600
Motorcycle safety education grants			2,100,000
Organ donor program			129,100
GROSS APPROPRIATION		**$**	**159,868,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOT, Michigan transportation fund			20,000,000
Federal revenues:			
DOT			860,000
OHSP			600,000
Special revenue funds:			
Private funds			100
Thomas Daley gift of life fund			50,000
Abandoned vehicle fees			450,900
Auto repair facilities fees			763,700
Child support clearance fees			100,000
Driver fees			22,881,500
Driver improvement course fund			800,000
Enhanced driver license and enhanced official state personal identification card fund			14,671,600
Expedient service fees			3,014,100
Marine safety fund			1,596,300
Michigan state police auto theft fund			123,000
Mobile home commission fees			512,800
Motorcycle safety and education awareness fund			350,000
Motorcycle safety fund			2,107,600
Off-road vehicle title fees			170,700
Parking ticket court fines			518,400
Personal identification card fees			2,399,500
Recreation passport fee revenue			1,000,000
Reinstatement fees - operator licenses			1,028,200
Snowmobile registration fee revenue			390,000
Transportation administration collection fund			83,606,600
Vehicle theft prevention fees			786,000
State general fund/general purpose		**$**	**1,087,400**
(5) ELECTION REGULATION			
Full-time equated classified positions	80.0		
County clerk education and training fund		$	100,000

			For Fiscal Year Ending Sept. 30, 2027
Election administration and services—FTEs	80.0		28,820,800
Fees to local units		$	109,800
GROSS APPROPRIATION		**$**	**29,030,600**
Appropriated from:			
Special revenue funds:			
Election administration support fund			20,255,500
Notary education and training fund			100,000
Notary fee fund			200,000
State general fund/general purpose		**$**	**8,475,100**
(6) INFORMATION TECHNOLOGY			
Information technology services and projects		$	39,168,500
GROSS APPROPRIATION		**$**	**39,168,500**
Appropriated from:			
Special revenue funds:			
Administrative order processing fee			11,800
Auto repair facilities fees			129,800
Driver fees			789,600
Enhanced driver license and enhanced official state personal identification card fund			2,066,300
Expedient service fees			803,300
Personal identification card fees			174,000
Transportation administration collection fund			34,885,500
Vehicle theft prevention fees			181,700
State general fund/general purpose		**$**	**126,500**
(7) ONE-TIME APPROPRIATIONS			
ADA compliance		$	750,000
GROSS APPROPRIATION		**$**	**750,000**
Appropriated from:			
State general fund/general purpose		**$**	**750,000**
Sec. 107. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	3,254.5		
GROSS APPROPRIATION		**$**	**1,726,718,400**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			1,071,532,000
ADJUSTED GROSS APPROPRIATION		**$**	**655,186,400**
Federal revenues:			
Total federal revenues			4,493,200
Special revenue funds:			
Total local revenues			3,094,500
Total private revenues			354,300
Total other state restricted revenues			147,277,100
State general fund/general purpose		**$**	**499,967,300**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	935.0		
Unclassified salaries—FTEs	6.0	$	1,168,600
Administrative services—FTEs	160.0		24,811,800
Budget and financial management—FTEs	199.0		43,810,500
Building operation services—FTEs	275.0		117,038,000
Business support services—FTEs	108.0		18,053,600
Design and construction services—FTEs	54.0		10,011,600

			For Fiscal Year Ending Sept. 30, 2027
Executive operations—FTEs	33.5	$	5,760,000
Michigan center for data and analytics—FTEs	42.0		7,020,700
Motor vehicle fleet—FTEs	39.0		107,598,800
Office of the state employer—FTEs	10.0		1,939,200
Property management			9,007,500
State archives—FTEs	14.5		2,339,800
GROSS APPROPRIATION		**$**	**348,560,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from accounting service centers user charges			6,937,300
IDG from building occupancy and parking charges			119,583,000
IDG from MDHHS, human services			759,100
IDG from MDLARA			100,000
IDG from motor transport fund			107,598,800
IDG from technology user fees			11,753,700
IDG from user fees			10,101,800
Federal revenues:			
Federal funds			4,493,200
Special revenue funds:			
Local funds			35,000
Local - MPSCS subscriber and maintenance fees			22,800
Private funds			354,300
Health management funds			443,200
Other agency charges			1,329,600
SIGMA user fees			2,156,100
Special revenue, internal service, and pension trust funds			25,785,900
State restricted indirect funds			3,684,300
State general fund/general purpose		**$**	**53,422,000**
(3) TECHNOLOGY SERVICES			
Full-time equated classified positions	1,650.5		
Enterprise user experience—FTEs	14.0	$	4,292,600
Homeland security initiative/cyber security—FTEs	58.0		28,136,500
Information technology investment fund			35,000,000
Information technology services—FTEs	1,441.5		808,865,400
Michigan public safety communications system—FTEs	137.0		52,907,400
GROSS APPROPRIATION		**$**	**929,201,900**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from technology user fees			808,865,400
Special revenue funds:			
Local - MPSCS subscriber and maintenance fees			3,036,700
State general fund/general purpose		**$**	**117,299,800**
(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**

			For Fiscal Year Ending Sept. 30, 2027
(5) SPECIAL PROGRAMS			
Full-time equated classified positions	199.0		
Capital city services		$	1,000,000
Office of the child advocate—FTEs	22.0		4,073,100
Property management executive			1,560,800
Retirement services—FTEs	177.0		30,680,500
GROSS APPROPRIATION		**$**	**37,314,400**
Appropriated from:			
Special revenue funds:			
Deferred compensation			5,347,200
Pension trust funds			25,260,500
State general fund/general purpose		**$**	**6,706,700**
(6) STATE BUILDING AUTHORITY RENT			
State building authority rent - community colleges		$	38,116,500
State building authority rent - state agencies			54,765,200
State building authority rent - universities			142,153,900
GROSS APPROPRIATION		**$**	**235,035,600**
Appropriated from:			
State general fund/general purpose		**$**	**235,035,600**
(7) CIVIL SERVICE COMMISSION			
Full-time equated classified positions	470.0		
Agency services—FTEs	113.0	$	18,528,000
Employee benefits—FTEs	29.0		6,747,500
Executive direction—FTEs	35.0		10,022,200
Human resources operations—FTEs	293.0		40,345,800
Information technology services and projects			12,222,700
GROSS APPROPRIATION		**$**	**87,866,200**
Appropriated from:			
Special revenue funds:			
State restricted funds 1%			35,077,800
State restricted indirect funds			14,482,600
State sponsored group insurance			11,556,200
State general fund/general purpose		**$**	**26,749,600**
(8) CAPITAL OUTLAY			
Enterprisewide special maintenance for state facilities		$	22,000,000
Major special maintenance, remodeling, and addition for state agencies			3,800,000
GROSS APPROPRIATION		**$**	**25,800,000**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from building occupancy charges			3,800,000
State general fund/general purpose		**$**	**22,000,000**
(9) INFORMATION TECHNOLOGY			
Information technology services and projects		$	53,040,200
GROSS APPROPRIATION		**$**	**53,040,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from building occupancy and parking charges			723,200
IDG from user fees			209,700
Special revenue funds:			
Deferred compensation			2,600
Pension trust funds			15,323,000
SIGMA user fees			2,037,700
Special revenue, internal service, and pension trust funds			2,706,500
State restricted indirect funds			2,083,900
State general fund/general purpose		**$**	**29,953,600**

			For Fiscal Year Ending Sept. 30, 2027
(10) ONE-TIME APPROPRIATIONS			
Legal services		$	8,300,000
Office of the state employer - state employee loan forgiveness			500,000
GROSS APPROPRIATION		**$**	**8,800,000**
Appropriated from:			
State general fund/general purpose		**$**	**8,800,000**
Sec. 108. DEPARTMENT OF TREASURY			
(1) APPROPRIATION SUMMARY			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	1,924.5		
GROSS APPROPRIATION		**$**	**2,650,201,900**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			12,285,700
ADJUSTED GROSS APPROPRIATION		**$**	**2,637,916,200**
Federal revenues:			
Total federal revenues			25,322,400
Special revenue funds:			
Total local revenues			16,204,300
Total private revenues			44,300
Total other state restricted revenues			2,275,988,400
State general fund/general purpose		**$**	**320,356,800**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	10.0		
Full-time equated classified positions	450.5		
Unclassified salaries—FTEs	10.0	$	1,350,400
Bureau of accounting and financial services—FTEs	65.0		10,218,700
Bureau of operational excellence—FTEs	27.0		4,437,300
Collections services bureau—FTEs	189.0		29,845,500
Enterprise services—FTEs	77.0		10,300,500
Executive direction and operations—FTEs	33.5		5,368,200
Office of security and data risk management—FTEs	27.0		4,114,400
Property management			6,307,100
Unclaimed property—FTEs	32.0		5,824,000
Worker's compensation			19,100
GROSS APPROPRIATION		**$**	**77,785,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG, data/collection services fees			339,100
IDG, accounting service center user charges			424,900
IDG, MDHHS, title IV-D			846,500
IDG, levy/warrant cost assessment fees			3,774,400
IDG, state agency collection fees			2,574,100
Federal revenues:			
DED-OPSE, federal lenders allowance			518,800
DED-OPSE, higher education act of 1965 insured loans			555,600
Special revenue funds:			
Local - city income tax fund			140,500
Delinquent tax collection revenue			41,975,500
Escheats revenue			5,824,000
Garnishment fees			2,915,500
Justice system fund			458,800
Marihuana regulation fund			1,314,300
Marihuana regulatory fund			197,300
MFA, bond and loan program revenue			690,700

			For Fiscal Year Ending Sept. 30, 2027
State lottery fund		$	337,200
State restricted indirect funds			288,900
State services fee fund			384,500
Treasury fees			47,200
State general fund/general purpose		**$**	**14,177,400**
(3) LOCAL GOVERNMENT PROGRAMS			
Full-time equated classified positions	102.0		
Flint settlement payment		$	35,000,000
Local finance—FTEs	18.0		2,633,600
Michigan infrastructure council—FTEs	3.0		3,039,000
Property tax assessor training—FTE	1.0		802,900
Supervision of the general property tax law—FTEs	80.0		17,843,800
GROSS APPROPRIATION		**$**	**59,319,300**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOT, Michigan transportation fund			256,600
Special revenue funds:			
Local - assessor training fees			802,900
Local - audit charges			631,600
Local - equalization study chargeback			40,000
Local - revenue from local government			100,000
Delinquent tax collection revenue			1,699,800
Land reutilization fund			2,075,500
Municipal finance fees			608,100
State general fund/general purpose		**$**	**53,104,800**
(4) TAX PROGRAMS			
Full-time equated classified positions	725.0		
Bottle act implementation		$	250,000
Home heating assistance			3,139,700
Insurance provider assessment program—FTEs	8.0		2,253,900
Living donor tax credit			750,000
Office of revenue and tax analysis—FTEs	25.0		4,933,600
Tax administration services—FTEs	351.0		46,989,800
Tax and economic policy—FTEs	74.0		14,251,000
Tax compliance—FTEs	256.0		43,174,200
Tobacco tax enforcement—FTEs	11.0		1,656,600
GROSS APPROPRIATION		**$**	**117,398,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDOT, Michigan transportation fund			2,947,900
IDG from MDOT, state aeronautics fund			72,200
Federal revenues:			
HHS-SSA, low-income energy assistance			3,139,700
Special revenue funds:			
Bottle deposit fund			250,000
Brownfield redevelopment fund			214,200
Comprehensive road funding fund			500,000
Delinquent tax collection revenue			77,925,200
Insurance provider fund			2,253,900
Marihuana regulation fund			2,704,300
Marihuana regulatory fund			119,300
Qualified heavy equipment rental personal property exemption reimbursement fund			425,500
Tobacco tax revenue			4,301,700
Waterways account			107,100
State general fund/general purpose		**$**	**22,437,800**

			For Fiscal Year Ending Sept. 30, 2027
(5) FINANCIAL PROGRAMS			
Full-time equated classified positions	134.0		
Investments—FTEs	81.0	$	23,031,900
Savings, access, and financial empowerment—FTEs	34.0		20,518,100
State and authority finance—FTEs	19.0		4,816,100
GROSS APPROPRIATION		**$**	**48,366,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG, fiscal agent service fees			215,600
Federal revenues:			
DED-OPSE, federal lenders allowance			3,451,200
DED-OPSE, higher education act of 1965 insured loans			17,066,900
Special revenue funds:			
Defined contribution administrative fee revenue			300,000
Michigan finance authority bond and loan program revenue			2,862,300
Retirement funds			17,832,200
School bond fees			954,100
Treasury fees			5,131,000
State general fund/general purpose		**$**	**552,800**
(6) DEBT SERVICE			
Clean Michigan initiative		$	11,944,000
Great Lakes water quality bond			84,915,000
Quality of life bond			620,000
GROSS APPROPRIATION		**$**	**97,479,000**
Appropriated from:			
State general fund/general purpose		**$**	**97,479,000**
(7) GRANTS			
Convention facility development distribution		$	128,730,700
Election administration support fund			20,255,500
Emergency 9-1-1 payments			49,147,300
Health and safety fund grants			1,220,900
Qualified heavy equipment rental personal property exemption reimbursement distribution			27,000,000
Recreational marihuana grants			94,300,000
Senior citizen cooperative housing tax exemption program			12,525,400
Wrongful imprisonment compensation fund			5,000,000
GROSS APPROPRIATION		**$**	**338,179,800**
Appropriated from:			
Special revenue funds:			
Convention facility development fund			128,730,700
Emergency 9-1-1 fund			49,147,300
Health and safety fund			1,220,900
Marihuana regulation fund			94,300,000
Qualified heavy equipment rental personal property exemption reimbursement fund			27,000,000
State general fund/general purpose		**$**	**37,780,900**
(8) BUREAU OF STATE LOTTERY			
Full-time equated classified positions	210.0		
Lottery information technology services and projects		$	3,886,200
Lottery operations—FTEs	210.0		35,031,100
GROSS APPROPRIATION		**$**	**38,917,300**
Appropriated from:			
Special revenue funds:			
State lottery fund			38,917,300
State general fund/general purpose		**$**	**0**

			For Fiscal Year Ending Sept. 30, 2027
(9) MICHIGAN GAMING CONTROL BOARD			
Full-time equated classified positions	223.0		
Casino gaming control operations—FTEs	197.0	$	43,167,300
Gaming information technology services and projects			5,395,900
Horse racing—FTEs	6.0		2,169,700
Michigan gaming control board			113,500
Millionaire party regulation—FTEs	20.0		3,302,100
GROSS APPROPRIATION		**$**	**54,148,500**
Appropriated from:			
Special revenue funds:			
Casino gambling agreements			1,035,800
Equine development fund			2,290,500
Fantasy contest fund			1,086,100
Internet gaming fund			16,177,200
Internet sports betting fund			3,039,500
State services fee fund			30,519,400
State general fund/general purpose		**$**	**0**
(10) PAYMENTS IN LIEU OF TAXES			
Commercial forest reserve		$	3,603,900
Purchased lands			14,201,700
Swamp and tax reverted lands			23,977,800
GROSS APPROPRIATION		**$**	**41,783,400**
Appropriated from:			
Special revenue funds:			
Private funds			44,300
Game and fish protection account			4,812,400
Michigan natural resources trust fund			3,618,700
Waterways account			417,700
State general fund/general purpose		**$**	**32,890,300**
(11) REVENUE SHARING			
City, village, and township revenue sharing		$	333,547,300
Constitutional state general revenue sharing grants			1,000,545,600
County revenue sharing			291,111,400
Financially distressed cities, villages, or townships			2,500,000
Public safety revenue sharing grants			50,000,000
GROSS APPROPRIATION		**$**	**1,677,704,300**
Appropriated from:			
Special revenue funds:			
Sales tax			1,677,704,300
State general fund/general purpose		**$**	**0**
(12) STATE BUILDING AUTHORITY			
Full-time equated classified positions	4.0		
State building authority—FTEs	4.0	$	1,034,800
GROSS APPROPRIATION		**$**	**1,034,800**
Appropriated from:			
Special revenue funds:			
State building authority revenue			1,034,800
State general fund/general purpose		**$**	**0**
(13) CITY INCOME TAX ADMINISTRATION PROGRAM			
Full-time equated classified positions	76.0		
City income tax administration program—FTEs	76.0	$	12,214,800
GROSS APPROPRIATION		**$**	**12,214,800**
Appropriated from:			
Special revenue funds:			
Local - city income tax fund			12,214,800
State general fund/general purpose		**$**	**0**

		For Fiscal Year Ending Sept. 30, 2027
(14) INFORMATION TECHNOLOGY		
Treasury operations information technology services and projects	$	50,870,600
GROSS APPROPRIATION	**$**	**50,870,600**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from MDOT, Michigan transportation fund		834,400
Federal revenues:		
DED-OPSE, federal lenders allowance		590,200
Special revenue funds:		
Local - city income tax fund		2,274,500
Delinquent tax collection revenue		18,495,600
Marihuana regulation fund		778,200
Retirement funds		829,700
Tobacco tax revenue		134,200
State general fund/general purpose	**$**	**26,933,800**
(15) ONE-TIME APPROPRIATIONS		
Local government financial reporting	$	2,000,000
Local prosecutor support grants		20,047,000
Local prosecutor support adjustment grants		2,953,000
Public safety academy assistance grant program		10,000,000
GROSS APPROPRIATION	**$**	**35,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**35,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending under part 1 from state sources is $3,865,237,900.00 and state spending under part 1 from state sources to be paid to local units of government is $2,123,828,400.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE		
Election administration and services	$	10,000,000
Fees to local units		500
Motorcycle safety education grants		1,415,900
Subtotal	$	11,416,400
DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET		
Capital city services	$	1,000,000
Subtotal	$	1,000,000
DEPARTMENT OF TREASURY		
Airport parking distribution pursuant to section 909	$	46,000,000
City, village, and township revenue sharing		333,547,300
Commercial forest reserve		3,603,900
Constitutional state general revenue sharing grants		1,000,545,600
Convention facility development fund distribution		128,730,700
County revenue sharing		291,111,400
Emergency 9-1-1 payments		49,147,300
Financially distressed cities, villages, or townships		2,500,000
Health and safety fund grants		1,220,900

		For Fiscal Year Ending Sept. 30, 2027
Local prosecutor support grants	$	20,047,000
Local prosecutor support adjustment grants		2,953,000
Public safety academy assistance grant program		10,000,000
Public safety revenue sharing grants		50,000,000
Purchased lands		14,201,700
Qualified heavy equipment rental personal property exemption reimbursement distribution		27,000,000
Recreational marihuana grants		94,300,000
Senior citizen cooperative housing tax exemption		12,525,400
Swamp and tax reverted lands		23,977,800
Subtotal	$	2,111,412,000
TOTAL	**$**	**2,123,828,400**

(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, 2027, total state spending from state sources is estimated at $47,639,094,000.00 and total state spending from state sources to be paid to local units of government is estimated at $25,678,101,800.00. The proportion of total state spending from state sources to be paid to local units is estimated at 53.9%.

(3) If payments to local units of government and state spending from state sources for the fiscal year ending September 30, 2027 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, 2027 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, 2027.

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.

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

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

(g) "Geographically disadvantaged business enterprise" means a geographically-disadvantaged business enterprise as that term is defined by Executive Directive No. 2019-8.

(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) "MDLEO" means the Michigan department of labor and economic opportunity.

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

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

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

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

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

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

(aa) "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.

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

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

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

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

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

(gg) "NERE" means nonexclusively represented employees.

(hh) "PA" means public act.

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

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

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

(*ll*) "Standard report recipients" means the senate and house appropriations committees, 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.

(mm) "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 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. 205. (1) A department or agency shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department's or agency's website, a department or agency shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) A department or agency shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. A department or agency shall receive and retain copies of all reports funded from appropriations in part 1. A department or agency shall follow federal and state law and 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. 207. (1) 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 the 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.

(2) A department or agency shall cooperate with the MDTMB to update the searchable website on a quarterly basis.

Sec. 208. (1) In addition to any other requirements under this part, if a department or agency is authorized under this part to expend funds in addition to those appropriated in part 1, the department or agency shall do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department or agency in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose.

(b) Not later than 60 days after receiving the funds authorized under this part, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office with an estimate of funding authorized by this part that the department or agency anticipates it will receive in the subsequent fiscal year that details all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total GF/GP appropriation lapses at the close of the previous 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 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, a department or agency 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. Not later than November 15, a department or agency shall report on private and other third-party funds received by the department or agency 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. 212. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, a department or agency shall prepare a report on out-of-state travel expenses by 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 or agency's budget. The department or agency shall submit the report to the standard report recipients and to the house 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 costs of each travel occurrence and the proportions funded with state GF/GP revenues, state restricted revenues, federal revenues, 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 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 shall report on each specific policy change made to implement a public act affecting the department or agency that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department or agency 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. Not later than April 1, a department or agency shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. A department or agency shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 219. 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. 220. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, each department or agency shall submit an annual report that summarizes all work project accounts. The reports 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. 221. 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. 222. A department or agency shall not take disciplinary action against an employee of the department or agency because the employee communicates 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. 223. (1) A department or agency shall maximize the efficiency of the state workforce and utilization and occupancy of office space, leased or owned, for each division within the department. Employees with job responsibilities that require employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on timesheets are actually worked.

(2) A department or agency shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are at least 80% or higher, subject to market conditions.

(3) A department or agency shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. Each department or agency shall establish policies and processes to ensure all employees are working their jobs during agreed upon business hours.

(4) The office of the state employer must create and implement uniform policies on occupancy, utilization, in-person work, and remote work. The office of the state employer must make each uniform policy publicly available on the department's or agency's website.

Sec. 224. A department or agency shall complete a space utilization assessment by July 1 using a form developed by the MDTMB, for all space assigned under the department's or agency's building occupancy agreement and leased office locations and shall post the assessment on the department's or agency's website. A department or agency shall develop, in coordination with the MDTMB, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans must prioritize the use of state-owned facilities, wherever possible, and comply with the MDTMB-established space standards unless an exception is approved by the MDTMB.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. Each director shall strongly encourage firms with which the department or agency contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. Not later than December 31, and again by June 1, each department or agency shall provide a report to the standard report recipients that includes details regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including Public Law 119-21 and the Rural Health Transformation program under Public Law 119-21, that do, or are expected to, significantly impact the operations of the department or agency, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's or agency's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Not later than 30 days after the effective date of this act, the house and senate shall provide to the state budget office a jointly agreed-upon list of legislatively directed spending items funded in part 1. The list must include all information and documents pertaining to the legislatively directed spending items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering a legislatively directed spending item shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 and again not later than September 15 of the current fiscal year. The department or agency shall include in the report the most comprehensive information for each legislatively directed spending item that the department has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026, are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026, and any subsequent financial closeout period.

Sec. 229. (1) The state budget director shall ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. All funds reallocated are unappropriated under this subsection and are immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of the American rescue plan act of 2021, Public Law 117-2, must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making a reallocation under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department or agency to which the funds are being reallocated, and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, a department or agency shall do the following:

(a) Report on any amounts of severance pay for a director, deputy director, or other high-ranking official of the department or agency 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 or agency employees during the previous fiscal year and the total number of former department or agency 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. 231. Each department or agency shall establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements before contract execution. Each department or agency shall report to the standard report recipients by March 31, on the assessments implemented and used to evaluate contractors, and the contracts executed under the assessments.

Sec. 250. 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. 251. (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:

	2025	2026	2027
Michigan personal income (millions)	$672,972	$695,180	$720,207
Less: transfer payments	151,408	157,704	158,089
Subtotal	$521,564	$537,476	$562,118
Divided by: Detroit Consumer Price Index for 12 months ending December 31	2.979	3.078	3.17
Equals: real adjusted Michigan personal income	$175,089	$174,604	$177,311
Percentage change	N/A	0.3%	1.6%
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	YES	
Appropriation from countercyclical budget and economic stabilization fund allowed for the fiscal year ending September 30, 2027	N/A	$538.7	

(2) Notwithstanding subsection (1), there is appropriated for the fiscal year ending September 30, 2027 from GF/GP revenue for deposit into the countercyclical budget and economic stabilization fund the sum of $0.00.

Sec. 253. A department or agency that is appropriated funds in part 1 shall delegate all 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.

Sec. 254. It is the intent of the legislature that funds appropriated in part 1 shall not be expended for electric vehicle charging stations.

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 $804,300.00 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, 2027 are $10,220,500.00. From this amount, total department of attorney general appropriations for pension-related legacy costs are estimated at $10,220,500.00. Total department of attorney general appropriations for retiree health care legacy costs are estimated at $0.00.

Sec. 316. (1) From the funds appropriated in part 1 for sexual assault law enforcement efforts, the department of attorney general shall test backlogged sexual assault kits across this state. The funding provided in part 1 must be used for only 1 or more of the following purposes:

(a) To eliminate all county sexual assault kit backlogs across this state.

(b) To assist local prosecutors with investigations and prosecutions of viable sexual assault cases.

(c) To provide victim services.

(2) Not later than February 1, the department of attorney general shall submit a report to the standard report recipients. The report must include all of the following information:

(a) The number of sexual assault kits across this state that remain untested as of January 31, 2027.

(b) A detailed work plan that outlines the department of attorney general's action plan to eliminate all outstanding sexual assault kits and the time frame for completion of testing of all untested sexual assault kits.

(c) A detailed work and spending plan that outlines anticipated litigation action and expenditures resulting from findings of the sexual assault kit testing.

(3) Any funds remaining after the department of attorney general has met the obligations required under subsection (1) may be used for the purpose of retesting any previously tested sexual assault kits across this state using currently available DNA testing. Funds may be used under this subsection only for DNA testing on previously tested kits that were not tested for DNA. If there are remaining untested sexual assault kits on January 31, 2027, funds appropriated in part 1 must be used only for the testing of those kits.

Sec. 318. Not later than November 30, the department of attorney general 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:

(a) The amount of expenditures by line item and work project account made for any investigation of Native American boarding schools itemized by purpose.

(b) The number of FTEs assigned to each investigation described in subdivision (a) and the number of hours expended.

(c) Information on the activities conducted for each investigation described in subdivision (a) and any contracted vendors.

(d) The estimated date for completion of each investigation described in subdivision (a).

Sec. 319. From the funds appropriated in part 1, the attorney general shall submit a quarterly report to the standard report recipients 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) 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 listed under subsection (1), the department of attorney general shall provide a summary of activities, staffing levels, and outcomes as practicable.

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.

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 November 30, the department of civil rights shall submit a report to the standard report recipients on all expenditures related to the Native American boarding school study. The report must include both 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.

Sec. 410. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are $2,255,000.00. From this amount, total department of civil rights appropriations for pension-related legacy costs are estimated at $2,255,000.00. Total department of civil rights appropriations for retiree health care legacy costs are estimated at $0.00.

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. 605. The unexpended funds appropriated in part 1 for the legislative council 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 publication of the Michigan manual.

(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 $3,000,000.00.

(d) The tentative completion date is September 30, 2031.

Sec. 606. The unexpended funds appropriated in part 1 for property management 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, 2031.

Sec. 607. The unexpended funds appropriated in part 1 for automated data processing 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, software, and services to support and implement data processing requirements and technology improvements.

(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 $3,000,000.00.

(d) The tentative completion date is September 30, 2031.

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, 2027 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, 2027 are estimated at $15,046,800.00. From this amount, total legislature appropriations for pension-related legacy costs are estimated at $15,046,800.00. Total legislature appropriations for retiree health care legacy costs are estimated at $0.00.

Sec. 616. The appropriation in part 1 to the senate fiscal agency includes funds to pay rent charges for premises leased in a non-state-owned building. The payment of rent charges is subject to the approval of the senate fiscal agency governing board, established under section 501 of the legislative council act, 1986 PA 268, MCL 4.1501.

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

(2) If the auditor general contracts with a firm to perform audits of the principal executive departments and state agencies, the auditor general shall strongly encourage the firm to subcontract with certified minority- and women-owned and operated accounting firms, accounting firms owned and operated by persons with disabilities, and accounting firms that are geographically disadvantaged business enterprises.

(3) Not later than November 1, the auditor general shall submit a report to the standard report recipients regarding the number of contracts entered into with certified minority- and women-owned and operated accounting firms, accounting firms owned and operated by persons with disabilities, and accounting firms that are geographically disadvantaged business enterprises.

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. 627. The unexpended funds appropriated in part 1 for field operations 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 conduct the state of Michigan annual comprehensive financial report.

(b) The project will be accomplished by utilizing state employees and contract audits.

(c) The total estimated cost of the project is $3,000,000.00.

(d) The tentative completion date is September 30, 2031.

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. The auditor general shall conduct an audit of the procedure used by the secretary of state to maintain and update the voter rolls in accordance with the generally accepted government accounting standard. The audit must be completed not later than September 15.

DEPARTMENT OF STATE

Sec. 701. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,500,000.00 for federal contingency 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 $1,500,000.00 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 $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 $100,000.00 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. 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) If the MDOS receives a gift, contribution, donation, or grant of money as authorized under section 705 of article 5 of 2025 PA 22, 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 2025 PA 22.

(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 2025 PA 22.

(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. 710. The MDOS shall delegate all responsibility for the procurement, development, and maintenance of all information technology services and products to the MDTMB unless otherwise delegated the responsibility by law in an effort to streamline the procurement process and to ensure compliance with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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. From the 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) If the MDOS receives a gift, donation, or contribution of property as authorized under this section, 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. 719. Not later than February 1, the MDOS shall submit a report to the standard report recipients on all funding allocated to counties, cities, and townships from 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. 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. 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, 2027 are estimated at $14,617,600.00. From this amount, total department of state appropriations for pension-related legacy costs are estimated at $14,617,600.00. Total department of state appropriations for retiree health care legacy costs are estimated at $0.00.

Sec. 728. The MDOS shall conduct systematic reviews of the qualified voter file by comparing information in the qualified voter file to the MDOS's driver and identification data. The MDOS shall ensure that a notification is sent to individuals whose voter registration status is in question to verify information before the individual's voter registration is canceled. The MDOS shall report on various activities of the systematic reviews.

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 $50,000,000.00 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 $200,000,000.00 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 $5,000,000.00 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. 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, 2027 are estimated at $42,113,600.00. From this amount, total MDTMB appropriations for pension-related legacy costs are estimated at $42,113,600.00. Total MDTMB appropriations for retiree health care legacy costs are estimated at $0.00.

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. 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 that details annual required contribution flow per year for fiscal year 2025-2026 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. 822g. 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. 822h. (1) From the funds in part 1 for capital city services, the MDTMB shall provide reimbursements to the city of Lansing to provide support for local infrastructure and municipal services, including, but not limited to, maintenance or improvement of local roads, sidewalks, public utility infrastructure, emergency response, traffic management, or other public safety services that support the state capitol and adjacent state facilities.

(2) The MDTMB shall reimburse the city described in subsection (1) quarterly for eligible expenses if the city of Lansing provides supporting documentation related to the eligible expenses to the MDTMB and the eligible expenses are approved for reimbursement.

(3) The city of Lansing shall maintain and provide any supporting documentation that is requested for auditing purposes.

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.

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 agencies.

(2) State departments and agencies 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) 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.

(2) All money received by the MDTMB under this section must be expended for the support and maintenance of the Michigan public safety communications system.

(3) Any deposits made under this section and unencumbered funds are restricted revenues and must be carried forward into succeeding fiscal years.

(4) 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. 829a. The state budget office shall work with departments, agencies, and key stakeholders, including the house and senate fiscal agencies, to ensure that all department and agency statewide integrated governmental management application reporting needs are met. If any additional technical issues arise from any upgrade required to comply with this section, the state budget office shall work with the vendor to resolve the issues.

Sec. 829b. (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.

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 60 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 make significant customized changes to meet the requirements and specifications of the applicable department or agency work procured under the contract.

(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. The MDTMB shall provide a report to the standard report recipients on all new contracts for software development services that have a value greater than $10,000,000.00 or that are effective for a period longer than 3 years. The report must be submitted not later than January 15 and must cover the immediately preceding 12 months.

Sec. 836. (1) From the funds appropriated in part 1 for technology services, by March 1, the MDTMB shall work with departments and agencies to contract for independent verification and validation services through the request for proposal process for each information technology software development contract with a contract value that is greater than $10,000,000.00.

(2) The MDTMB shall make every effort to ensure that costs for independent verification and validation services do not exceed 5% of contract cost and must require the independent verification and validation vendor to report on at least a quarterly, but preferably monthly basis. 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. 838. (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 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 and the anticipated spending reductions or overages for each of the proposed information technology investment projects. 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.

Sec. 839. In addition to the appropriations for enterprisewide information technology investments in part 1, there is appropriated related federal and state restricted funds up to the amounts that will be earned based on the initiatives undertaken with the funds in part 1. The state budget director shall determine and authorize the appropriate manner for implementing this section.

Sec. 840. From the funds appropriated in part 1, a state department or agency shall not issue an RFP for a contract for information technology software development unless the RFP includes a clear statement of objective that is not longer than 5 pages and that communicates all essential operational requirements of the contracted service.

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. 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 the current and next fiscal year.

(c) A comparative analysis of 2022 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.

Sec. 866. (1) The energy efficiency revolving fund is created within the state treasury. The state treasurer may receive money or other assets from any source for deposit into the energy efficiency revolving fund. The state treasurer shall direct the investment of the energy efficiency revolving fund. The state treasurer shall credit to the energy efficiency revolving fund interest and earnings from energy efficiency revolving fund investments.

(2) Money in the energy efficiency revolving fund at the close of the fiscal year remains in the energy efficiency revolving fund and does not lapse to the general fund.

(3) All money received and deposited from any source into the energy efficiency revolving fund is appropriated to support qualifying projects in accordance with the terms and conditions established in subsections (4) and (5).

(4) The MDTMB shall provide oversight and direction for the energy efficiency revolving fund, coordinate a call for projects, and prioritize the award of projects that will contribute to a reduction in this state's carbon footprint. State administrative costs must be not more than 10% of the total project cost.

(5) The MDTMB shall set terms with agencies participating in the energy efficiency revolving fund program that include the scope of each project, funding commitments, data collection and reporting requirements, and any other financial terms related to realization of energy savings related to implementation of the project. The MDTMB may enter into a memorandum of understanding to memorialize these terms.

(6) Not later than February 1, the MDTMB shall submit a report to the standard report recipients on projects funded under this section in the immediately preceding fiscal year. The report must list each approved project, the amount provided from the energy efficiency revolving fund for each project, the department or agency under which the project belongs, anticipated annual savings from each project, and revenue from savings deposited into the energy efficiency revolving fund by project.

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. The unexpended funds appropriated in part 1 for legal services 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 of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is funding for legal costs incurred by the state.

(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 $8,300,000.00.

(d) The tentative completion date is September 30, 2031.

Sec. 891. From the funds for office of the state employer - state employee loan forgiveness, there is allocated an amount not to exceed $500,000.00 for fiscal year 2026-2027 for the state to initiate a pilot program to provide federal student loan reduction education for state of Michigan employees with the goal of increasing participation in the federal Public Service Loan Forgiveness Program and supporting employee recruitment and retention.

DEPARTMENT OF TREASURY OPERATION

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 annual comprehensive 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 for services to support the collection of 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 collection 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 entity 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 30 days after the state of Michigan annual comprehensive financial report is published under section 494 of the management and budget act, 1984 PA 431, MCL 18.1494, 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 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 collection 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 education, advancement, 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 department of treasury's collection efforts for delinquent accounts. 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.
(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 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. 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, 2027 are estimated at $22,584,500.00. From this amount, total department of treasury appropriations for pension-related legacy costs are estimated at $22,584,500.00. Total department of treasury appropriations for retiree health care legacy costs are estimated at $0.00.

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.

Sec. 949d. (1) From the funds appropriated in part 1 for financial review commission, the department of treasury shall continue financial review commission efforts under the Michigan financial review commission act, 2014 PA 181, MCL 141.1631 to 141.1643, 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. (1) 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, all 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.

(2) As used in this section, "Michigan infrastructure council" means the Michigan infrastructure council created in section 3 of the Michigan infrastructure council act, 2018 PA 323, MCL 21.603.

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.

Sec. 949o. (1) Grants supported with private revenues received by the department are appropriated upon receipt and are available for expenditure by the department for purposes specified within the grant agreement and as permitted under state and federal law. The funds must be used to develop materials and conduct marketing campaigns for programs that promote financial literacy among residents of this state.

(2) Not later than 10 days after the receipt of a private grant appropriated in subsection (1), the department shall notify the senate and house chairpersons of the subcommittees, the senate and house fiscal agencies, and the state budget director of the receipt of the grant, including the fund source, purpose, and amount of the grant.

(3) The amount appropriated under subsection (1) must not exceed $5,000,000.00.

(4) Not later than March 15, the department shall report to the standard report recipients the amount of private revenue generated in the previous fiscal year and the amount of private revenue carried forward into the current fiscal year.

Sec. 949p. In addition to the amounts appropriated in part 1, any amount collected from maintenance or user fees paid by the plan participants to the plan vendor or to the plan is authorized to be spent by the program. The Michigan achieving a better life experience program fees must be used to develop and conduct a marketing campaign to promote awareness to residents of this state. Eligible expenses include, but are not limited to, program administration, program awareness campaigns, planning and hosting events, or to reduce or offset plan participant fees.

Sec. 949q. From the funds appropriated in part 1, the department shall report the taxable value and local tax effort for each city, village, township, and county used to calculate the revenue sharing payments made under section 952(3) and section 955(2) to the house and senate fiscal agencies by August 30.

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) From the first $299,126,400.00 appropriated in part 1 for city, village, and township revenue sharing, each city, village, or township shall receive an amount equal to 100.0% of the revenue sharing payment for which the city, village, or township received under section 952(2) of article 5 of 2025 PA 22 rounded to the nearest dollar.

(3) The remaining amount appropriated in part 1 for city, village, and township revenue sharing after the distributions under subsection (2) must be distributed as follows:

(a) 1/3 shall be distributed as taxable value payments as provided under subsection (4).

(b) 1/3 must be distributed as unit type population payments as provided under subsection (5).

(c) 1/3 must be distributed as yield equalization payments as provided under subsection (6).

(4) A taxable value payment must be made to each city, village, and township, determined as follows:

(a) Determine the per capita taxable value for each city, village, and township by dividing the taxable value of that city, village, or township by the population of that city, village, or township.

(b) Determine the statewide per capita taxable value by dividing the total taxable value of all cities, villages, and townships by the total population of all cities, villages, and townships.

(c) Determine the per capita taxable value ratio for each city, village, and township by dividing the statewide per capita taxable value by the per capita taxable value for that city, village, or township.

(d) Determine the adjusted taxable value population for each city, village, and township by multiplying the per capita taxable value ratio as determined under subdivision (c) for that city, village, or township by the population of that city, village, or township.

(e) Determine the total statewide adjusted taxable value population, which is the sum of all adjusted taxable value population for all cities, villages, and townships.

(f) Determine the taxable value payment rate by dividing the amount to be distributed under this subsection by the total statewide adjusted taxable value population as determined under subdivision (e).

(g) Determine the taxable value payment for each city, village, and township by multiplying the result under subdivision (f) by the adjusted taxable value population for that city, village, or township.

(5) A unit type population payment must be made to each city, village, and township, determined as follows:

(a) Determine the unit type population weight factor for each city, village, and township as follows:

(*i*) For a township with a population of 5,000 or less, 1.0.

(*ii*) For a township with a population of more than 5,000 but less than 10,001, 1.2.

(*iii*) Except as otherwise provided in subparagraph (*xix*), for a township with a population of more than 10,000 but less than 20,001, 1.44.

(*iv*) For a township with a population of more than 20,000 but less than 40,001, 4.32.

(*v*) For a township with a population of more than 40,000 but less than 80,001, 5.18.

(*vi*) For a township with a population of more than 80,000, 6.22.

(*vii*) For a village with a population of 5,000 or less, 1.5.

(*viii*) For a village with a population of more than 5,000 but less than 10,001, 1.8.

(*ix*) For a village with a population of more than 10,000, 2.16.

(*x*) For a city with a population of 5,000 or less, 2.5.

(*xi*) For a city with a population of more than 5,000 but less than 10,001, 3.0.

(*xii*) For a city with a population of more than 10,000 but less than 20,001, 3.6.

(*xiii*) For a city with a population of more than 20,000 but less than 40,001, 4.32.

(*xiv*) For a city with a population of more than 40,000 but less than 80,001, 5.18.

(*xv*) For a city with a population of more than 80,000 but less than 160,001, 6.22.

(*xvi*) For a city with a population of more than 160,000 but less than 320,001, 7.46.

(*xvii*) For a city with a population of more than 320,000 but less than 640,001, 8.96.

(*xviii*) For a city with a population of more than 640,000, 10.75.

(*xix*) For a township that has a population of not less than 10,000 and certifies to the department of treasury that the township provides for or makes available all of the following, the township must receive the unit type population weight factor for a city with the same population:

(A) Fire services.

(B) Police services on a 24-hour basis either through contracting for or directly employing personnel.

(C) Water services to 50% or more of its residents.

(D) Sewer services to 50% or more of its residents.

(b) Determine the adjusted unit type population for each city, village, and township by multiplying the unit type population weight factor for that city, village, or township as determined under subdivision (a) by the population of the city, village, or township.

(c) Determine the total statewide adjusted unit type population, which is the sum of the adjusted unit type population for all cities, villages, and townships.

(d) Determine the unit type population payment rate by dividing the amount to be distributed under this subsection by the total statewide adjusted unit type population as determined under subdivision (c).

(e) Determine the unit type population payment for each city, village, and township by multiplying the result under subdivision (d) by the adjusted unit type population for that city, village, or township.

(6) A yield equalization payment must be made to each city, village, and township in an amount that is sufficient to provide the guaranteed tax base for a local tax effort, but not to exceed 0.02. The payment must be determined as follows:

(a) The guaranteed tax base is the maximum combined state and local per capita taxable value that can be guaranteed in a state fiscal year to each city, village, and township for a local tax effort, not to exceed 0.02, if an amount equal to the amount described in subsection (3)(c) is distributed to cities, villages, and townships whose per capita taxable value is below the guaranteed tax base.

(b) The full yield equalization payment to each city, village, and township is the product of the amounts determined under subparagraphs (*i*) and (*ii*):

(*i*) An amount greater than zero that is equal to the difference between the guaranteed tax base determined in subdivision (a) and the per capita taxable value of the city, village, or township.

(*ii*) The local tax effort of the city, village, or township, not to exceed 0.02, multiplied by the population of that city, village, or township.

(7) 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 2025 PA 22 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(2) of article 5 of 2025 PA 22 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. On the last business day of February 2027, cities, villages, and townships receiving a payment under section 952(3) and counties receiving a payment under section 955(3) shall receive 50% of the estimated payment to be received under section 952(3) or 955(3), as applicable. On the last business day of June 2027, cities, villages, and townships receiving a payment under section 952(3) and counties receiving a payment under 955(3) shall receive any remaining payment calculated under section 952(3) or 955(3), as applicable.

(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.

(3) If a city, village, or township that receives a payment under section 952 is determined to have a retirement pension benefit system in underfunded status under section 5 of the protecting local government retirement and benefits act, 2017 PA 202, MCL 38.2805, the city, village, or township must allocate to its pension unfunded liability an amount equal to 50% of the difference between its current year payment under section 952 and the amount the city, village or township would have been eligible to receive under section 952(2) of article 5 of 2025 PA 22, rounded to the nearest dollar. A city, village, or township that has issued a municipal security under section 518 of the revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt from this requirement.

(4) If a county that receives a payment under section 955 is determined to have a retirement pension benefit system in underfunded status under section 5 of the protecting local government retirement and benefits act, 2017 PA 202, MCL 38.2805, the county must allocate to its pension unfunded liability an amount equal to 50% of the difference between its current year payment under section 955 and the amount the county would have been eligible to receive under section 955(2) of article 5 of 2025 PA 22, rounded to the nearest dollar. A county that has issued a municipal security under section 518 of the revised municipal finance act, 2001 PA 34, MCL 141.2518, is exempt from this requirement.

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) From the first $261,069,700.00 appropriated in part 1, each county shall receive an amount equal to 100.0% of the revenue sharing payment for which the county received under section 955(2) of article 5 of 2025 PA 22, rounded to the nearest dollar.

(3) From the remaining amount appropriated in part 1 for county revenue sharing after the distributions under subsection (2), a taxable value payment must be made to each county, determined as follows:

(a) Determine the per capita taxable value for each county by dividing the taxable value of that county by the population of that county.

(b) Determine the statewide per capita taxable value by dividing the total taxable value of all counties by the total population of all counties.

(c) Determine the per capita taxable value ratio for each county by dividing the statewide per capita taxable value by the per capita taxable value for that county.

(d) Determine the adjusted taxable value population for each county by multiplying the per capita taxable value ratio as determined under subdivision (c) for that county by the population of that county.

(e) Determine the total statewide adjusted taxable value population, which is the sum of the adjusted taxable value population for all counties.

(f) Determine the taxable value payment rate by dividing the amount to be distributed under this subsection by the total statewide adjusted taxable value population as determined under subdivision (e).

(g) Determine the taxable value payment for each county by multiplying the result under subdivision (f) by the adjusted taxable value population for that county.

Sec. 956. (1) From the funds appropriated in part 1 for financially distressed cities, villages, or townships, the department of treasury shall create and operate a grant program to award grants to cities, villages, and townships that have 1 or more conditions that indicate probable financial distress, as determined by the department of treasury. A city, village, or township with 1 or more conditions that indicate probable financial distress may apply in a manner determined by the department of treasury for a grant to pay for specific projects or services that move the city, village, or township toward financial stability. Grants must be used for specific projects or services that move the city, village, or township toward financial stability. The city, village, or township must use the grants under this section to do 1 or more of the following:

(a) Make payments to reduce unfunded accrued liability.

(b) Repair or replace critical infrastructure and equipment owned or maintained by the city, village, or township.

(c) Reduce debt obligations.

(d) Pay for costs associated with a transition to shared services with another jurisdiction.

(e) Administer other projects that move the city, village, or township toward financial stability.

(2) The department of treasury shall award not more than $2,000,000.00 to any city, village, or township under this section.

(3) Not later than 30 days after grants are awarded, the department of treasury shall submit a report to the standard report recipients that includes all of the following for each grant recipient:

(a) The name of the grant recipient.

(b) The date the grant was approved.

(c) The amount of the grant.

(d) A description of the project or projects that will be paid by the grant.

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. (1) The department of treasury shall distribute funds appropriated in part 1 for public safety revenue sharing grants as provided for in subsection (9) and as follows:

(a) $3,250,000.00 to the MDHHS to establish and administer a grant program to award funds to community violence intervention programs.

(b) $35,062,500.00 for a public safety assistance payment to each city, village, or township. The public safety assistance payment must be calculated as follows:

(*i*) Determine the average violent crime count for each city, village, and township by adding the 2 highest annual violent crime counts for each city, village, and township from the 3 most recently available annual crime reports published by the MDSP as of the first day of the current fiscal year and dividing by 2.

(*ii*) Determine the statewide total violent crime count by summing the average violent crime count for each city, village, and township as determined under subparagraph (*i*).

(*iii*) Determine the proportional factor for each city, village, and township by dividing the average violent crime count for each city, village, and township as determined under subparagraph (*i*) by the statewide total violent crime count determined under subparagraph (*ii*).

(*iv*) Multiply the proportional factor determined in subparagraph (*iii*), for each city, village, and township by the total amount available for distribution under this subdivision, and round to the nearest dollar.

(2) A public safety assistance payment to a city, village, or township as determined under subsection (1)(b) is limited to not more than 25% of the total amount available for distribution under subsection (1)(b).

(3) All of the following apply to a distribution under subsection (1)(b):

(a) A city, village, or township must use the distribution only for operational and capital expenditures that serve the purposes of public safety.

(b) Not less than 75% of a public safety assistance payment distributed under subsection (1)(b) to a city, village, or township must be used to fund, either directly or indirectly through a subgrant to another governmental entity, a law enforcement agency or law enforcement officers as defined in section 2 of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.602.

(c) Not more than 25% of a public safety assistance payment distributed under subsection (1)(b) to a city, village, or township must be used to fund other non-law-enforcement-related public safety purposes, which include, but are not limited to: public safety initiatives to improve recruitment or retention efforts; training programs; equipment purchases; programs designed to reduce identified risks to public safety; crime diversion programs; operational emergency medical or firefighter services; or capital improvements to public safety buildings or structures. All local public safety initiative expenses must be related to public safety and designed to reduce identified risks to public safety and cannot include unproven intervention solutions to community violence.

(d) A distribution made under subsection (1)(b) must not be used for the following nonoperating expenses:

(*i*) Pension and other post employee benefit (OPEB) payments.

(*ii*) Lawsuits and claims payments.

(*iii*) Debt service payments.

(*iv*) The acquisition or use of a vehicle weighing more than 15,000 pounds that is designed or used for a tactical police purpose.

(*v*) The acquisition or use of facial recognition technology.

(*vi*) The acquisition or use of a chemical weapon.

(4) A city, village, or township may subgrant all or part of the distribution under subsection (1)(b) if the subgrant is used for the purpose of public safety as described under subsection (3).

(5) Subject to subsections (6), (7), and (8), not later than November 30, the director of the MDSP shall provide the department of treasury with a certified list that contains all of the following:

(a) Base crime level.

(b) Current violent crime counts.

(c) Current violent crime rates, as determined by the director of the MDSP.

(6) The current violent crime data described in subsection (5)(b) and (c) mean the calendar year annual violent crime data for each city, village, and township received and finalized by the MDSP during the immediately preceding state fiscal year and the 2 immediately preceding calendar years before the immediately preceding state fiscal year.

(7) Crimes reported by a city, village, township, or reported by a county on behalf of the city, village, or township, must be included in the certified list under subsection (5), but crimes reported by other authorities must be omitted from the certified list under subsection (5).

(8) The certified list under subsection (5) must contain all cities, villages, and townships in this state and must report a zero for cities, villages, and townships that did not submit crime data.

(9) $11,687,500.00 must be used for public safety assistance payments to counties. The payment to each county must be calculated by dividing the amount to be distributed under this subsection by the total statewide adjusted taxable value population as determined under section 955(3)(e) and multiplying the result by the adjusted taxable value population for that county as determined under section 955(3)(d). All of the following apply to a distribution made under this subsection:

(a) A county must use the distribution only for operational and capital expenditures that serve the purposes of public safety.

(b) Not less than 75% of a public safety assistance payment distributed to a county under this subsection must be used to fund, either directly or indirectly through a subgrant to another governmental entity, a law enforcement agency or law enforcement officers as defined in section 2 of the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.602.

(c) Not more than 25% of a public safety assistance payment distributed to a county under this subsection must be used to fund other non-law-enforcement-related public safety purposes, which include, but are not limited to: public safety initiatives to improve recruitment or retention efforts; training programs; equipment purchases; programs designed to reduce identified risks to public safety; crime diversion programs; operational emergency medical or firefighter services; or capital improvements to public safety buildings or structures. All local public safety initiative expenses must be related to public safety and designed to reduce identified risks to public safety and cannot include unproven intervention solutions to community violence.

(d) A distribution made under this subsection must not be used for the following nonoperating expenses:

(*i*) Pension and other post employee benefit (OPEB) payments.

(*ii*) Lawsuits and claims payments.

(*iii*) Debt service payments.

(*iv*) The acquisition or use of a vehicle weighing more than 15,000 pounds that is designed or used for a tactical police purpose.

(*v*) The acquisition or use of facial recognition technology.

(*vi*) The acquisition or use of a chemical weapon.

(10) A county may subgrant all or part of the distribution under subsection (9) if the subgrant is used for the purpose of public safety as described in subsection (9).

(11) As used in subsections (1) to (8):

(a) "Base crime level" means the average of a city, village, or township's 2 highest annual rates of violent crime, as certified by the director of the MDSP and determined by the annual crime reports published by the MDSP in the 3 calendar years immediately preceding the current calendar year.

(b) "Population" means the counts, as defined by the Federal Bureau of Investigation and used by the director of the MDSP, to determine the population for each city, village, and township.

(c) "Violent crime" means that term as defined by the director of the MDSP in accordance with the department's incident crime reporting program and the corresponding annual crime reports.

(d) "Violent crime count" means the number of violent crimes based on victim counts, as certified by the director of the MDSP. When a victim is connected to multiple offenses, the victim is counted under the highest-ranked offense, as defined by the director of the MDSP.

(e) "Violent crime rate" means the number of crimes per 100,000 people, determined by dividing a particular city, village, or township violent crime count by the population, then multiplying by 100,000 and rounding to the nearest whole number.

(12) As used in this section:

(a) "Chemical weapon" means a munition or device that is specifically designed to cause death or other harm through a toxic chemical that would be released as a result of the employment of the munition or device.

(b) "Facial recognition technology" means an automated or a semiautomated technological process that assists in identifying or verifying an individual based on the individual's face.

(13) The department of treasury shall submit a report to the standard report recipients by August 30 that includes the following information for each grant authorized under this section:

(a) The date the grant was disbursed.

(b) The grant recipient.

(c) The planned use of grant funds, including whether the grant is to be used as a subgrant.

(14) It is the intent of the legislature that not less than $50,000,000.00 be appropriated for the purposes outlined in this section in fiscal years 2026-2027 and 2027-2028.

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 must be distributed in accordance with 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 in accordance with 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. 991. The funds appropriated in part 1 for local government financial reporting shall be used to improve web portal data collection and financial reporting, audit and compliance documentation, and other information sharing capabilities between local units of government and the department of treasury.

Sec. 992. (1) From the funds appropriated in part 1 for local prosecutor support grants, the department shall issue grants to county prosecutors that received a grant under section 991 of article 5 of 2023 PA 119, section 805 of article 16 of 2025 PA 22, or section 991(1) of article 5 of 2025 PA 22. The grant amount shall be the greatest amount received under section 991 of article 5 of 2023 PA 119, section 805 of article 16 of 2025 PA 22, or section 991(1) of article 5 of 2025 PA 22.

(2) County prosecutors must show that the total amount appropriated to the county prosecutor from the county in the current fiscal year is equal to or greater than the amount received in the previous fiscal year.

(3) The department of treasury shall issue grants to county prosecutors within 10 business days after receiving documentation that the total amount appropriated to the county prosecutors is equal to or greater than the amount received in the previous fiscal year.

(4) By February 1, 2027, if counties are found ineligible under subsection (2), remaining funds shall be used for local prosecutor adjustment grants under section 993, to be disbursed in a manner as determined in section 993.

Sec. 993. (1) For the funds appropriated in part 1 for local prosecutor support adjustment grants, the department of treasury shall issue adjustment grants to county prosecutors that qualify under subsection (2) in the amount calculated under subsection (3) and distributed in order of subsection (4).

(2) County prosecutors are eligible to receive an adjustment grant under this section if both of the following conditions are met:

(a) The county prosecutors received a grant under section 991 of article 5 of 2023 PA 119 and section 805 of article 16 of 2025 PA 22.

(b) The amount that the county prosecutors received under section 991 of article 5 of 2023 PA 119 was greater than the amount that the county prosecutors received under section 805 of article 16 of 2025 PA 22.

(3) The amount of adjustment grants to each county prosecutor that is qualified under subsection (2) must be calculated as the sum of the amount received in section 991 of article 5 of 2023 PA 119 minus the amount received under section 805 of article 16 of 2025 PA 22, plus the amount received in section 991 of article 5 of 2023 PA 119 minus the amount received under section 991(1) of article 5 of 2025 PA 22.

(4) The funds calculated in subsection (3) shall be disbursed in the following order:

(a) County prosecutors that have received all funds eligible under section 991 of article 5 of 2023 PA 119 as of April 1, 2025 shall receive the amount calculated under subsection (3) within 10 business days after the effective date of this section.

(b) Remaining funds shall be disbursed to county prosecutors that receive all eligible funds under section 991 of article 5 of 2023 PA 11, 10 business days after the county prosecutor has received all eligible funds under section 991 of article 5 of 2023 PA 119, on a first-come, first-served basis.

Sec. 994. (1) From the funds appropriated in part 1 for public safety academy assistance grant program, the funds must be used by the Michigan commission on law enforcement standards to do all of the following:

(a) Subject to subsection (3), administer a competitive public safety academy assistance scholarship program that provides police academy scholarships of not more than $20,000.00 per recruit on a first-come, first-served basis to an individual who meets the requirements of subsection (2) and any necessary requirements to enroll in a police academy program.

(b) Pay the salaries of training academy recruits from local public safety agencies or pay the salaries of police cadets who are receiving tuition assistance under subsection (2), and academy tuition and eligible related costs as determined by the Michigan commission on law enforcement standards.

(2) In order to receive a scholarship under subdivision (a), an individual must have applied to at least 1 law enforcement basic training academy approved by the Michigan commission on law enforcement standards, have completed an interview, and have received approval for the scholarship from the public safety agency that the individual intends to serve.

(3) For the purposes of subsection (1)(a), not more than 25 scholarships may be approved for a particular public safety agency.

(4) The Michigan commission on law enforcement standards may use not more than $140,000.00 for administration of the scholarship program established under subsection (1)(a).

(5) The Michigan commission on law enforcement standards may set any necessary additional requirements for the distribution of the funds disbursed under subsection (1).

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 2026-2027

	Beginning Balance	Estimated Revenue	Ending Balance
OPERATING FUNDS			
General fund/general purpose	319.7	13,310.0	19.9
School aid fund	753.3	21,974.0	2.0
Federal aid	0.0	31,047.2	0.0
Transportation funds	0.0	10,904.4	0.0
Special revenue funds	3,738.5	9,442.3	3,287.0
Other funds	1,817.2	54.2	1,871.4
TOTALS	$6,628.7	$86,732.1	$5,180.3

ARTICLE 6

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the department of health and human services for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF HEALTH AND HUMAN SERVICES			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	15,271.5		
Average population	774.0		
GROSS APPROPRIATION		**$**	**30,706,808,000**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			15,504,500
ADJUSTED GROSS APPROPRIATION		**$**	**30,691,303,500**

			For Fiscal Year Ending Sept. 30, 2027
Federal revenues:			
Capped federal revenues		$	499,925,100
Social security act, temporary assistance for needy families			555,151,900
Total other federal revenues			19,991,509,000
Special revenue funds:			
Total local revenues			186,507,100
Total private revenues			188,655,200
Michigan merit award trust fund			174,768,700
Total other state restricted revenues			1,631,578,400
State general fund/general purpose		**$**	**7,463,208,100**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	992.4		
Unclassified salaries—FTEs	6.0	$	1,518,700
Administrative hearings officers			9,157,100
Child welfare institute—FTEs	59.0		9,887,600
Coordinated children's healthcare policy and supports—FTEs	74.0		27,320,800
Demonstration projects—FTEs	7.0		5,340,600
Departmental administration and management—FTEs	618.4		117,804,000
Legal services			100,000
Office of inspector general—FTEs	210.0		32,161,400
Property management			70,204,000
Terminal leave payments			5,954,500
Training and program support—FTEs	24.0		3,729,000
Worker's compensation			8,362,000
GROSS APPROPRIATION		**$**	**291,539,700**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of lifelong education, advancement, and potential			1,913,700
IDG from department of technology, management, and budget - office of retirement services			600
Federal revenues:			
Capped federal revenues			19,761,200
Social security act, temporary assistance for needy families			31,253,500
Total other federal revenues			83,360,900
Special revenue funds:			
Total local revenues			86,000
Total private revenues			4,067,900
Total other state restricted revenues			1,362,100
State general fund/general purpose		**$**	**149,733,800**
Sec. 103. CHILD SUPPORT ENFORCEMENT			
Full-time equated classified positions	189.7		
Child support enforcement operations—FTEs	183.7	$	30,291,000
Child support incentive payments			24,120,900
Legal support contracts			124,600,300
State disbursement unit—FTEs	6.0		5,108,900
GROSS APPROPRIATION		**$**	**184,121,100**
Appropriated from:			
Federal revenues:			
Capped federal revenues			15,984,400
Total other federal revenues			143,547,200
State general fund/general purpose		**$**	**24,589,500**
Sec. 104. COMMUNITY SERVICES AND OUTREACH			
Full-time equated classified positions	56.0		
Bureau of community services and outreach—FTEs	24.0	$	3,000,800
Community services and outreach administration—FTEs	17.0		6,907,000

			For Fiscal Year Ending Sept. 30, 2027
Community services block grant		$	33,170,600
Diaper assistance grant			6,404,400
Homeless programs—FTEs	4.0		29,627,700
Housing and support services			10,673,400
Kids' food basket			525,000
Runaway and homeless youth grants			11,754,500
Senior university			400,000
Weatherization assistance			22,633,700
Weatherization assistance IIJA—FTEs	11.0		40,012,400
GROSS APPROPRIATION		**$**	**165,109,500**
Appropriated from:			
Federal revenues:			
Capped federal revenues			105,751,000
Social security act, temporary assistance for needy families			23,125,400
Total other federal revenues			11,693,100
State general fund/general purpose		**$**	**24,540,000**
Sec. 105. CHILDREN'S SERVICES AGENCY - CHILD WELFARE			
Full-time equated classified positions	3,814.2		
Adoption subsidies		$	238,041,200
Adoption support services—FTEs	10.0		37,732,900
Attorney general contract			5,191,100
Child abuse and neglect - children's justice act—FTE	1.0		631,500
Child care fund			358,450,000
Child care fund - indirect cost allotment			3,500,000
Child protection			1,550,300
Child welfare administration travel			261,900
Child welfare licensing—FTEs	53.0		7,826,600
Child welfare local office staff - noncaseload compliance—FTEs	353.0		42,183,900
Child welfare medical/psychiatric evaluations			7,928,500
Children trust Michigan—FTEs	12.0		5,200,900
Children's protective services - caseload staff—FTEs	1,461.0		177,014,200
Children's protective services supervisors—FTEs	387.0		51,197,700
Children's services administration—FTEs	206.2		29,486,000
Contractual services, supplies, and materials			9,852,000
Court-appointed special advocates			2,250,000
Education planners—FTEs	15.0		1,316,000
Family preservation and prevention services administration—FTEs	9.0		1,239,800
Family preservation programs—FTEs	34.0		59,661,000
Foster care payments			372,333,400
Foster care services - caseload staff—FTEs	838.0		101,419,500
Foster care services supervisors—FTEs	227.0		31,148,200
Guardianship assistance program			13,441,200
Interstate compact			179,600
Peer coaches—FTEs	45.5		6,738,700
Permanency resource managers—FTEs	28.0		3,743,200
Prosecuting attorney contracts			8,142,800
Second line supervisors and technical staff—FTEs	126.0		20,990,800
Settlement monitor			2,546,100
Strong families/safe children			11,600,000
Title IV-E compliance and accountability office—FTEs	4.0		465,600
Youth in transition—FTEs	4.5		7,656,100
GROSS APPROPRIATION		**$**	**1,620,920,700**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of lifelong education, advancement, and potential			244,400

			For Fiscal Year Ending Sept. 30, 2027
Federal revenues:			
Capped federal revenues		$	104,157,100
Social security act, temporary assistance for needy families			277,485,500
Total other federal revenues			267,345,900
Special revenue funds:			
Local funds - county chargeback			48,226,000
Private - collections			1,637,100
Children's trust fund			2,895,300
Total other state restricted revenues			3,906,700
State general fund/general purpose		**$**	**915,022,700**
Sec. 106. CHILDREN'S SERVICES AGENCY - JUVENILE JUSTICE			
Full-time equated classified positions	190.5		
Bay Pines Center—FTEs	53.0	$	7,710,500
Committee on juvenile justice administration—FTEs	2.5		318,000
Committee on juvenile justice grants			1,317,500
Community support services—FTEs	3.0		1,185,900
County juvenile officers			3,977,600
Juvenile justice, administration and maintenance—FTEs	21.0		5,156,800
Michigan youth treatment center—FTEs	111.0		16,567,300
GROSS APPROPRIATION		**$**	**36,233,600**
Appropriated from:			
Federal revenues:			
Capped federal revenues			6,072,300
Total other federal revenues			268,200
Special revenue funds:			
Local funds - county chargeback			10,493,300
Local funds - state share education funds			1,527,500
State general fund/general purpose		**$**	**17,872,300**
Sec. 107. PUBLIC ASSISTANCE			
Full-time equated classified positions	1.0		
Emergency services local office allocations		$	7,313,500
Family independence program			74,375,500
Family independence program - clothing allowance			10,000,000
Family independence program - child supplemental payment			25,240,100
Food assistance program benefits			3,446,187,200
Indigent burial			2,534,700
Low-income home energy assistance program			154,951,600
Michigan agricultural surplus system			12,045,000
Michigan energy assistance program—FTE	1.0		100,000,000
Refugee assistance program			5,372,100
State disability assistance payments			4,151,400
State supplementation			55,415,900
GROSS APPROPRIATION		**$**	**3,897,587,000**
Appropriated from:			
Federal revenues:			
Capped federal revenues			160,323,700
Social security act, temporary assistance for needy families			93,577,800
Total other federal revenues			3,441,477,200
Special revenue funds:			
Child support collections			7,229,300
Low-income energy assistance fund			100,000,000
Public assistance recoupment revenue			4,793,000
Supplemental security income recoveries			1,642,300
State general fund/general purpose		**$**	**88,543,700**

Sec. 108. LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES			
Full-time equated classified positions	5,505.5		
Administrative support workers—FTEs	127.0	$	15,254,800
Adult services local office staff—FTEs	550.0		71,524,000
Contractual services, supplies, and materials			35,029,500
Donated funds positions—FTEs	159.0		29,187,600
MiCAFE contract			450,000
Electronic benefit transfer (EBT)			8,114,000
Employment and training support services			3,869,100
Food assistance reinvestment—FTEs	16.0		3,841,100
Local office policy and administration—FTEs	122.0		21,844,600
Local office staff travel			8,510,200
Medical/psychiatric evaluations			1,120,100
Public assistance local office staff—FTEs	4,531.5		594,183,800
SSI advocacy legal services grant			975,000
GROSS APPROPRIATION		**$**	**793,903,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of corrections			120,200
IDG from department of lifelong education, advancement, and potential			8,303,900
Federal revenues:			
Capped federal revenues			55,281,800
Social security act, temporary assistance for needy families			69,325,900
Total other federal revenues			212,471,700
Special revenue funds:			
Local funds - donated funds			4,473,100
Private funds - donated funds			10,262,500
Private revenues			250,000
State general fund/general purpose		**$**	**433,414,700**
Sec. 109. DISABILITY DETERMINATION SERVICES			
Full-time equated classified positions	628.4		
Disability determination operations—FTEs	624.3	$	106,179,800
Retirement disability determination—FTEs	4.1		662,000
GROSS APPROPRIATION		**$**	**106,841,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of technology, management, and budget - office of retirement services			838,600
Federal revenues:			
Total other federal revenues			103,235,300
State general fund/general purpose		**$**	**2,767,900**
Sec. 110. BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS			
Full-time equated classified positions	101.0		
Behavioral health program administration—FTEs	59.0	$	39,303,100
Community substance use disorder prevention, education, and treatment—FTEs	9.0		77,133,400
Family support subsidy			17,173,100
Federal and other special projects			438,300
Gambling addiction—FTEs	4.0		9,534,000
Mental health diversion council			2,957,300
Michigan clinical consultation and care			5,789,000
Office of recipient rights—FTEs	25.0		3,629,500
Opioid response activities—FTEs	4.0		102,165,100
Protection and advocacy services support			194,400
GROSS APPROPRIATION		**$**	**258,317,200**

			For Fiscal Year Ending Sept. 30, 2027
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families		$	17,173,100
Total other federal revenues			127,453,700
Special revenue funds:			
Total private revenues			2,704,700
Total other state restricted revenues			67,389,500
State general fund/general purpose		**$**	**43,596,200**
Sec. 111. BEHAVIORAL HEALTH SERVICES			
Full-time equated classified positions	16.0		
Autism services		$	552,239,000
Behavioral health community supports and services—FTEs	12.0		38,516,100
Certified community behavioral health clinic demonstration			673,720,600
Civil service charges			280,000
Community mental health non-Medicaid services			125,578,200
Federal mental health block grant—FTEs	4.0		27,491,100
Health homes			34,239,800
Healthy Michigan plan - behavioral health			392,882,000
Medicaid mental health services			3,429,794,900
Medicaid substance use disorder services			86,779,200
Multicultural integration funding			15,861,300
Nursing home PAS/ARR-OBRA			18,813,600
State disability assistance program substance use disorder services			1,865,200
GROSS APPROPRIATION		**$**	**5,398,061,000**
Appropriated from:			
Federal revenues:			
Capped federal revenues			184,500
Total other federal revenues			3,675,326,400
Special revenue funds:			
Total local revenues			9,943,600
Total other state restricted revenues			560,000
State general fund/general purpose		**$**	**1,712,046,500**
Sec. 112. STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES			
Full-time equated classified positions	2,308.6		
Average population	774.0		
Caro Regional Mental Health Center - psychiatric hospital - adult—FTEs	432.7	$	71,981,700
Average population	100.0		
Center for forensic psychiatry—FTEs	624.5		128,736,400
Average population	240.0		
Developmental disabilities council and projects—FTEs	10.0		2,878,700
Gifts and bequests for patient living and treatment environment			1,000,000
IDEA, federal special education			120,000
Kalamazoo Psychiatric Hospital - adult—FTEs	473.2		74,708,100
Average population	170.0		
Purchase of medical services for residents of hospitals and centers			445,600
Revenue recapture			431,300
Southeast Michigan state psychiatric hospital—FTEs	734.2		128,650,700
Average population	264.0		
Special maintenance			735,600
State hospital administration—FTEs	34.0		5,879,400
GROSS APPROPRIATION		**$**	**415,567,500**
Appropriated from:			
Federal revenues:			
Total other federal revenues			37,963,200

			For Fiscal Year Ending Sept. 30, 2027
Special revenue funds:			
Total local revenues		$	23,733,200
Total private revenues			1,000,000
Total other state restricted revenues			19,189,200
State general fund/general purpose		**$**	**333,681,900**
Sec. 113. HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES			
Full-time equated classified positions	74.3		
Certificate of need program administration—FTEs	11.3	$	2,783,000
Child advocacy centers			1,407,000
Child advocacy centers - supplemental grants			2,000,000
Crime victim grants administration services—FTEs	15.0		3,161,700
Crime victim justice assistance grants			56,851,000
Crime victim rights services grants			18,987,800
Crime victim rights sustaining grants—FTEs	2.0		30,000,000
Domestic violence prevention and treatment—FTEs	15.6		20,372,300
Human trafficking intervention services—FTE	1.0		200,000
Michigan essential health provider			3,276,300
Minority health grants and contracts—FTEs	3.0		1,149,300
Nurse education and research program—FTEs	3.0		828,300
Policy and planning administration—FTEs	19.9		2,650,300
Primary care services—FTEs	3.0		3,813,300
Rape prevention and services—FTEs	0.5		7,151,300
Rural health services			170,700
Uniform statewide sexual assault evidence kit tracking system			369,500
GROSS APPROPRIATION		**$**	**155,171,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of licensing and regulatory affairs			828,300
IDG from department of lifelong education, advancement, and potential			2,400
IDG from department of treasury, Michigan finance authority			117,700
Federal revenues:			
Capped federal revenues			11,912,900
Social security act, temporary assistance for needy families			6,526,000
Total other federal revenues			63,386,800
Special revenue funds:			
Total private revenues			855,000
Child advocacy centers fund			1,407,000
Compulsive gaming prevention fund			1,040,500
Crime victim's rights fund			18,798,200
Sexual assault victims' prevention and treatment fund			3,000,000
Total other state restricted revenues			3,363,000
State general fund/general purpose		**$**	**43,934,000**
Sec. 114. EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY			
Full-time equated classified positions	448.9		
Bioterrorism preparedness—FTEs	53.0	$	24,231,900
Childhood lead program—FTEs	4.5		2,337,700
Emergency medical services program—FTEs	27.0		6,776,700
Epidemiology administration—FTEs	73.5		27,097,100
Healthy homes program—FTEs	62.0		53,546,100
Laboratory services—FTEs	102.0		32,065,500
Newborn screening follow-up and treatment services—FTEs	10.5		10,370,600
PFAS and environmental contamination response—FTEs	46.0		18,724,900
Vital records and health statistics—FTEs	70.4		11,151,800
GROSS APPROPRIATION		**$**	**186,302,300**

			For Fiscal Year Ending Sept. 30, 2027
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of environment, Great Lakes, and energy		$	2,525,000
Federal revenues:			
Total other federal revenues			71,164,400
Special revenue funds:			
Total private revenues			1,342,600
Total other state restricted revenues			36,295,700
State general fund/general purpose		**$**	**74,974,600**
Sec. 115. LOCAL HEALTH AND ADMINISTRATIVE SERVICES			
Full-time equated classified positions	197.6		
AIDS prevention, testing, and care programs—FTEs	79.0	$	111,041,200
Cancer prevention and control program—FTEs	18.0		13,444,600
Chronic disease control and health promotion administration—FTEs	28.4		9,570,700
Community health programs—FTEs	5.0		17,500,000
Diabetes and kidney program—FTEs	8.0		3,825,000
Essential local public health services			80,617,800
Implementation of 1993 PA 133, MCL 333.17015			20,000
Local health services—FTEs	4.3		8,258,700
Medicaid outreach cost reimbursement to local health departments			11,613,900
Public health administration—FTEs	8.0		2,144,800
Sexually transmitted disease control program—FTEs	20.0		8,166,700
Smoking prevention program—FTEs	15.0		7,038,000
Violence prevention—FTEs	11.9		15,285,600
GROSS APPROPRIATION		**$**	**288,527,000**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			2,300
Total other federal revenues			84,230,400
Special revenue funds:			
Total local revenues			10,150,000
Total private revenues			74,556,600
Public safety and violence prevention fund			3,250,000
Total other state restricted revenues			12,042,600
State general fund/general purpose		**$**	**104,295,100**
Sec. 116. FAMILY HEALTH SERVICES			
Full-time equated classified positions	137.6		
Child and adolescent health care and centers		$	41,242,700
Dental programs—FTEs	5.3		7,033,100
Drinking water declaration of emergency			3,971,000
Family, maternal, and child health administration—FTEs	50.0		14,117,500
Family planning local agreements			15,449,500
Immunization program—FTEs	20.8		18,436,100
Local MCH services			7,018,100
Pregnancy prevention program			1,091,300
Prenatal care outreach and service delivery support—FTEs	19.5		45,116,500
Special projects			11,011,400
Sudden and unexpected infant death and suffocation prevention program			321,300
Women, infants, and children program administration and special projects—FTEs	42.0		17,942,800
Women, infants, and children program local agreements and food costs			241,285,000
GROSS APPROPRIATION		**$**	**424,036,300**
Appropriated from:			
Federal revenues:			
Social security act, temporary assistance for needy families			13,800,000
Total other federal revenues			254,208,900

			For Fiscal Year Ending Sept. 30, 2027
Special revenue funds:			
Total local revenues		$	42,817,700
Total private revenues			64,785,700
Total other state restricted revenues			3,270,500
State general fund/general purpose		**$**	**45,153,500**
Sec. 117. CHILDREN'S SPECIAL HEALTH CARE SERVICES			
Full-time equated classified positions	51.8		
Bequests for care and services—FTEs	9.8	$	2,415,300
Children's special health care services administration—FTEs	42.0		9,330,900
Medical care and treatment			480,072,700
Outreach and advocacy			6,706,700
GROSS APPROPRIATION		**$**	**498,525,600**
Appropriated from:			
Federal revenues:			
Total other federal revenues			262,024,800
Special revenue funds:			
Total private revenues			1,037,800
Total other state restricted revenues			4,582,400
State general fund/general purpose		**$**	**230,880,600**
Sec. 118. AGING SERVICES			
Community services		$	58,047,200
Employment assistance			2,483,000
Nutrition services			46,004,200
Respite care program			7,264,800
Senior volunteer service programs			4,691,200
GROSS APPROPRIATION		**$**	**118,490,400**
Appropriated from:			
Federal revenues:			
Total other federal revenues			59,770,400
Special revenue funds:			
Total private revenues			300,000
Michigan merit award trust fund			4,068,700
Total other state restricted revenues			2,800,000
State general fund/general purpose		**$**	**51,551,300**
Sec. 119. HEALTH AND AGING SERVICES ADMINISTRATION			
Full-time equated classified positions	553.0		
Aging services administration—FTEs	43.0	$	8,099,800
Health services administration—FTEs	510.0		124,512,300
GROSS APPROPRIATION		**$**	**132,612,100**
Appropriated from:			
Federal revenues:			
Total other federal revenues			82,054,700
Special revenue funds:			
Total local revenues			187,700
Total private revenues			1,721,300
Total other state restricted revenues			336,300
State general fund/general purpose		**$**	**48,312,100**
Sec. 120. HEALTH SERVICES			
Full-time equated classified positions	2.0		
Adult home help services		$	480,343,200
Ambulance services			25,136,600
Auxiliary medical services			5,313,400
Dental clinic program			1,000,000
Dental services			315,828,800
Federal Medicare pharmaceutical program			438,031,700
Federally qualified health centers			230,071,200

		For Fiscal Year Ending Sept. 30, 2027
Health plan services		$ 3,721,133,700
Healthy Michigan plan		1,747,078,300
Healthy Michigan plan - fee-for-service		582,359,500
Home health services		19,973,500
Hospice services		223,406,700
Hospital services and therapy		318,272,200
Integrated care organizations		689,865,000
Long-term care services		2,585,597,700
Maternal and child health		37,500,000
Medicaid home- and community-based services waiver		649,724,800
Medicare premium payments		1,027,586,200
Personal care services		4,988,700
Pharmaceutical services		377,804,300
Physician services		202,457,300
Program of all-inclusive care for the elderly		327,551,900
Rural health transformation program—FTEs	2.0	173,200,000
School-based services		235,753,000
Special Medicaid reimbursement		379,670,300
Transportation		24,506,300
GROSS APPROPRIATION		**$ 14,824,154,300**
Appropriated from:		
Federal revenues:		
Rural health transformation program revenues		173,200,000
Total other federal revenues		10,324,251,600
Special revenue funds:		
Total local revenues		34,863,800
Total private revenues		8,884,000
Michigan merit award trust fund		170,700,000
Total other state restricted revenues		1,259,914,400
State general fund/general purpose		**$ 2,852,340,500**
Sec. 121. INFORMATION TECHNOLOGY		
Bridges information system		$ 116,749,700
Child support automation		45,186,700
Comprehensive child welfare information system		8,761,900
Information technology services and projects		233,063,500
Michigan Medicaid information system		99,265,300
Michigan statewide automated child welfare information system		20,413,500
GROSS APPROPRIATION		**$ 523,440,600**
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of lifelong education, advancement, and potential		609,700
Federal revenues:		
Capped federal revenues		20,496,200
Social security act, temporary assistance for needy families		22,882,400
Total other federal revenues		312,777,100
Special revenue funds:		
Total local revenues		5,200
Total private revenues		5,250,000
Total other state restricted revenues		2,010,400
State general fund/general purpose		**$ 159,409,600**
Sec. 122. ONE-TIME APPROPRIATIONS		
Full-time equated classified positions	3.0	
Auburn Hills ambulance		$ 450,000
Autism supports coordination		750,000
Cancer drug repository program		$ 1,000,000
Center for behavioral health		2,000,000

			For Fiscal Year Ending Sept. 30, 2027
Certified community behavioral health clinic demonstration		$	242,342,100
Child caring institution infrastructure fund			1,975,000
Common Ground crisis center			405,000
Community-based coverage entity			1,300,000
Community opportunity hub			1,000,000
Community overcoming violent encounters			500,000
CPR and AED devices			56,000
Crisis stabilization units			5,000,000
Dental clinic			2,500,000
Dental safety net providers			1,000,000
Families and children together			2,000,000
Federally-qualified health centers - training program			1,500,000
First responder mental health			1,044,000
Health services administration—FTEs	3.0		4,000,000
Holland Hospital			1,700,000
IM Kids 3rd Meal			500,000
Infrastructure cost-share program			700,000
Medicaid outreach			1,000,000
Mobile health van			210,000
Mobile optometry for individuals with limited mobility			375,000
Multicultural integration funding			1,002,600
Northern Bay ambulance			300,000
Nursing facility staffing initiative			10,000,000
Opioid response activities			70,500,000
Permanent supportive housing			5,000,000
Prenatal care outreach and service delivery support			4,000,000
Recovery staff and training			300,000
St. Louis Center			2,000,000
State hospital administration			6,000,000
Tri-Cities Family YMCA			2,100,000
Uterine fibroid study			250,000
Victims services training			85,000
Violence prevention task force			2,500,000
Water affordability			5,000,000
Weatherization assistance			5,000,000
GROSS APPROPRIATION		**$**	**387,344,700**
Appropriated from:			
Federal revenues:			
Total other federal revenues			200,297,100
Special revenue funds:			
Total private revenues			10,000,000
Michigan opioid healing and recovery fund			70,500,000
State general fund/general purpose		**$**	**106,547,600**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

<u>GENERAL SECTIONS</u>

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 $9,269,555,200.00 and state spending under part 1 from state sources to be paid to local units of government is $2,268,359,600.00. 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	$	9,754,900
Legal support contracts		1,400

		For Fiscal Year Ending Sept. 30, 2027
COMMUNITY SERVICES AND OUTREACH		
Community services and outreach administration	$	1,000
Homeless programs		10,000
Housing and support services		138,500
CHILDREN'S SERVICES AGENCY – CHILD WELFARE		
Child care fund	$	208,675,600
Child care fund - indirect cost allotment		3,500,000
Child welfare licensing		26,500
Child welfare medical/psychiatric evaluations		15,100
Children trust Michigan		35,100
Contractual services, supplies, and materials		50,700
Family preservation programs		100
Foster care payments		2,117,400
Prosecuting attorney contracts		1,235,600
Strong families/safe children		35,000
Youth-in-transition		700
CHILDREN'S SERVICES AGENCY – JUVENILE JUSTICE		
Bay Pines Center	$	40,700
Community support services		118,400
County juvenile officers		67,900
PUBLIC ASSISTANCE		
Emergency services local office allocations	$	2,045,000
Indigent burial		2,800
Michigan energy assistance program		439,300
State disability assistance payments		256,300
LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES		
Contractual services, supplies, and materials	$	82,800
Employment and training support services		5,400
DISABILITY DETERMINATION SERVICES		
Disability determination operations	$	3,300
BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS		
Behavioral health program administration	$	42,600
Community substance use disorder prevention, education, and treatment		8,688,500
Gambling addiction		1,065,000
Mental health diversion council		113,900
Opioid response activities		927,800
BEHAVIORAL HEALTH SERVICES		
Autism services	$	184,891,300
Behavioral health community supports and services		407,300
Certified community behavioral health clinic demonstration		125,326,900
Community mental health non-Medicaid services		125,578,200
Health homes		3,163,900
Healthy Michigan plan - behavioral health		35,577,000
Medicaid mental health services		1,151,979,400
Medicaid substance use disorder services		29,765,300
Multicultural integration funding		519,000
Nursing home PAS/ARR-OBRA		3,834,900
State disability assistance program substance use disorder services		1,539,000
STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES		
Caro Regional Mental Health Center - psychiatric hospital - adult	$	68,500
Center for forensic psychiatry		696,600
Kalamazoo Psychiatric Hospital - adult		84,200
Southeast Michigan state psychiatric hospital		21,600

		For Fiscal Year Ending Sept. 30, 2027
HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES		
Crime victim rights services grants	$	4,454,800
Crime victims rights sustaining grants		7,343,700
Domestic violence prevention and treatment		72,200
Primary care services		10,300
EPIDEMIOLOGY, EMERGENCY MEDICAL SERVICES, AND LABORATORY		
Emergency medical services program	$	6,700
Epidemiology administration		521,000
Healthy homes program		1,233,400
Laboratory services		94,600
PFAS and environmental contamination response		500
LOCAL HEALTH AND ADMINISTRATIVE SERVICES		
AIDS prevention, testing, and care programs	$	2,663,100
Cancer prevention and control program		15,000
Essential local public health services		69,050,700
Local health services		1,356,800
Public health administration		200
Sexually transmitted disease control program		720,400
Smoking prevention program		242,900
FAMILY HEALTH SERVICES		
Dental programs	$	2,000,000
Drinking water declaration of emergency		70,700
Family planning local agreements		4,165,000
Immunization program		1,000,000
Pregnancy prevention program		65,000
Prenatal care outreach and service delivery support		7,464,100
CHILDREN'S SPECIAL HEALTH CARE SERVICES		
Medical care and treatment	$	943,000
Outreach and advocacy		3,176,000
AGING SERVICES		
Community services	$	32,428,100
Nutrition services		14,513,000
Respite care program		5,660,100
Senior volunteer service programs		1,142,900
HEALTH AND AGING SERVICES ADMINISTRATION		
Aging services administration	$	123,800
Health services administration		303,000
HEALTH SERVICES		
Adult home help services	$	86,000
Ambulance services		1,216,000
Dental services		717,400
Federally qualified health centers		800,100
Healthy Michigan plan		907,500
Hospital services and therapy		613,000
Long-term care services		124,067,800
Medicaid home- and community-based services waiver		15,862,900
Personal care services		24,000
Physician services		1,378,000
Transportation		401,000
ONE-TIME APPROPRIATIONS		
Certified community behavioral health clinic demonstration	$	46,045,000
TOTAL OF PAYMENTS TO LOCAL UNITS OF GOVERNMENT	**$**	**2,268,359,600**

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, 2027.

(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 benefits under the medical assistance program established under title XIX of the social security act, 42 USC 1396 to 1396w-8, and administered by the department under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

(u) "Medicare" means benefits under the federal Medicare program established under title XVIII of the social security act, 42 USC 1395 to 1395mmm.

(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 109f of the social welfare act, 1939 PA 280, MCL 400.109f.

(dd) "Previous fiscal year" means the fiscal year ending September 30, 2026.

(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 appropriations committees, 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.

(jj) "Temporary assistance for needy families" or "TANF" or "title IV-A" means part A of title IV of the social security act, 42 USC 601 to 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, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. (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. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department must do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that contains an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, and identifies all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

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 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. 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. 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 by 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 or agency's budget. The department or agency shall submit the report to the standard report recipients and to the house 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 costs 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 or agency receiving appropriations in part 1 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 to 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 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. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations in this state.

Sec. 217. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $100,000,000.00 for federal contingency 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. 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 $50,000,000.00 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 $30,000,000.00 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.

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $45,000,000.00 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. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $174,401,600.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $174,401,600.00. Total appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the department shall submit an annual 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. 221. 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. 222. 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. 223. (1) The department shall maximize the utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on timesheets are actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80 percent or higher, subject to market conditions.

(3) The department shall adhere to the rules and regulations of civil service, which state that the standard biweekly work period for a full-time employee in the classified services is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, in-person, and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. Each agency shall complete a space utilization assessment by July 1, 2027, using a form developed by the department of technology, management and budget (DTMB), for all space assigned under its building occupancy agreement and leased office locations and post on their website. Agencies shall develop, in coordination with DTMB, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with DTMB-established space standards unless an exception is approved by DTMB.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department or agency contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. No later than December 31, 2026, and again by June 1, 2027, the department must provide a report to the standard report recipients that includes detail regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Within 30 days after enactment of this act, the house and senate shall provide to the state budget office a jointly agreed-upon list of legislatively directed spending items as that term is defined in section 1364 of the management and budget act, 1984 PA 431, MCL 18.1364, funded in part 1. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grant awards.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026 are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026, and any subsequent financial close-out period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of the American rescue plan act of 2021, Public Law 117-2, must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report on 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. 231. The department must establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements prior to contract execution. The department must report back to the standard report recipients by March 31, 2027 on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

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. 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. 254. (1) The department may contract with the Michigan Public Health Institute for the design and implementation of projects and for other public health-related activities prescribed in section 2611 of the public health code, 1978 PA 368, MCL 333.2611. The department may develop a master agreement with the Michigan Public Health Institute to carry out the activities described in this subsection for up to a 1-year period.

(2) On a semiannual basis, the department shall submit, to the standard report recipients, a report that includes all of the following:

(a) A detailed description of each funded project.

(b) The amount allocated for each project, the appropriation line item from which the allocation is funded, and the source of financing for each project.

(c) The expected project duration.

(d) A detailed spending plan for each project, including a list of all subgrantees and the amount allocated to each subgrantee.

(3) On a semiannual basis, the department shall provide, to the standard report recipients, a copy of all reports, studies, and publications produced by the Michigan Public Health Institute, its subcontractors, or the department with the funds appropriated in the department's budget in the previous fiscal year and allocated to the Michigan Public Health Institute.

Sec. 255. 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. 256. 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. 257. (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. 258. 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. 259. 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. 260. 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. 261. 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. 262. 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. 263. (1) On a quarterly basis, 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.

(2) For any programmatic funding increases not reported as implemented or in the process of being implemented in the first 2 reports under subsection (1), the department shall submit, to the standard report recipients, a status update in the last 2 reports required under subsection (1).

Sec. 264. (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, MI Coordinated Health, or behavioral health unless the Medicaid managed care organization agrees to do all of the following:

(a) Continue the direct care wage increases funded at the same level as the previous fiscal year for the services noted in the department's Medicaid provider letter L 25-78 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.

(d) Require each direct care worker agency that the Medicaid managed care organization subcontracts with to maintain and submit, upon request either by the department or their contracted managed care entities, documentation that the wage increases from prior fiscal years were paid to direct care workers.

(2) The department shall pursue recoupment of funds paid to a Medicaid managed care organization if the Medicaid managed care organization does not reimburse direct care services at a rate sufficient to support the wage and employer costs described in the department's Medicaid provider letter L 25-78.

(3) 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. 265. 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. 266. For behavioral and physical 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. 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 quarterly 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, 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, and, upon the request of the legislature, identify other corrective actions if no legislative transfer or supplemental is approved. This section does not apply for line-item appropriations that are part of the May revenue estimating conference caseload and expenditure estimates.

Sec. 270. (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. 271. (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.

(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. 272. 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 10b of the medicaid false claims act, 1977 PA 72, MCL 400.610b. 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.

Sec. 273. 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. 274. (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. 275. Any public advertisement for public assistance must inform the public of the welfare fraud hotline operated by the department.

Sec. 276. 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.

Sec. 277. (1) The department may accept monetary and nonmonetary gifts, bequests, donations, contributions, or grants from any private 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 for the purposes designated by the private source, if the purpose is specified and part 1 has sufficient authorization.

(2) In the demonstration projects line item, private revenue collected by the department and amounts remaining in the fund under this section at the end of the fiscal year does not lapse to the general fund but must be carried forward to the subsequent fiscal year.

Sec. 278. (1) Within the funds appropriated in part 1, and in addition to the full-time equated positions appropriated in part 1, the department, upon approval by the state budget director, is authorized to fill up to 421.0 limited-term employees, exclusively for the following purposes:

(a) To comply with the requirements of Public Law 119-21.

(b) To reduce the payment error rate, as that term is defined in section 7 USC 2025(c)(2), in this state's supplemental nutrition assistance program.

(c) To reduce errors occurring in the administration of the child care development fund as reported in compliance with 45 CFR 98.100.

(2) The department shall include information on positions authorized in this section in the report required by section 213 of this part. Additionally, for positions authorized in this section, the department shall include in each quarterly report the number and civil service classification of all positions in an open recruitment process as defined in Michigan Civil Service Commission Regulation 3.04(4)(B), and the line item from which each open position is intended to be funded.

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. 460. From the funds appropriated in part 1 for kids' food basket, the department shall allocate $525,000.00 to Kids' Food Basket. Kids' Food Basket shall use the funds to expand its services to additional schools and communities. The funding may be used to cover employee costs, food and supplies, equipment, and other operational costs identified by the organization to support its mission and goals.

Sec. 462. From the funds appropriated in part 1 for senior university, the department shall allocate $400,000.00 to Cody Rouge Community Action Alliance to improve connectivity and computer skills to seniors.

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 allocate grants 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. Not more than 10% 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 by each entity by county.

(3) Funds appropriated for diaper assistance grant are considered work project 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 of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to provide funding for grants for eligible entities to distribute diapers free of charge.

(b) The work project will be accomplished through partnerships with diaper assistance programs, maternity homes, and other nonprofit agencies.

(c) The total estimated cost of the work project is $6,404,000.00.

(d) The tentative completion date for the work project is September 30, 2031.

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). Michigan 2-1-1 must continue to seek funding from local United Way organizations and other nonprofit organizations and foundations.

(2) Funds distributed under subsection (1) must be distributed to Michigan 2-1-1. 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. 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 who meet any of the following requirements:

(*i*) Had paid Medicaid behavioral health claims or encounters within the last year.

(*ii*) Were living in a relative placement, a child caring institution, or a licensed foster home.
(*iii*) Were within the ages of 0-5, 6-11, or 12-17.
(c) The total number of children in foster care as of October 1 of the current fiscal 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. 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 722.602, 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 county of jurisdiction.
(b) The reason for the denial of placements that were referred within the month, including, but not limited to, facility bed shortages, placement process delays, facility hold, 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; 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, 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, the type of service provided, and the number of youth receiving care.

Sec. 519. From the funds appropriated in part 1 for attorney general contract, the department must allow for contracts, interagency agreements, or any other type of agreement currently held by the department of attorney general to be competitively bid.

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. 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. Not later than February 15 of the current fiscal year, the department shall submit, to the standard report recipients, a report on the MI Family Together program. The report must include both of the following:

(a) Utilization and outcome data based on families served.

(b) For each program, information on any innovations or expansions that may increase child safety and reduce risk.

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. (1) 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.

(2) On a quarterly basis, the department shall submit to the standard report recipients a report that outlines any adverse action issued for all privately operated child welfare and juvenile justice residential facilities.

Sec. 526. From the funds appropriated in part 1 for court-appointed special advocates, the department shall allocate $2,250,000.00 to Michigan CASA to recruit, screen, train, and supervise volunteers who provide advocacy services on behalf of abused and neglected children.

Sec. 527. Not later than December 1 of the current fiscal year, the department shall submit to the standard report recipients a report listing the training models approved by the department in compliance with R 400.4128(5) of the Michigan Administrative Code for use in all licensed child caring institutions for the previous fiscal year.

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 maintain the total funding levels of the families first, family reunification, and families together building solutions family preservation programs, now known as the MI Family Together program, at an amount not less than the amount provided as of September 30, 2026.

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. 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 a renegotiation of their adoption support subsidy contract.

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 or approved relative caregivers with 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 before incentive payments 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 at a rate of $252.30 and host-home housing at a rate of $119.95. 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. 554. From the funds appropriated in part 1 for foster care payments, the department shall allocate $50,000.00 as a competitive grant to provide a shopping environment to local children in need, as well as clothing, shoes, toys, linens, nursery furniture, strollers, car seats, school supplies, hygiene products, and safety equipment to local foster children and their families free of charge.

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 the Adoptive Family Support Network to operate and expand its 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 Adoptive Family Support Network 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. 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. If the foster parent is unable to transport a foster child to parent-child visitation, the private child placing agency may provide transportation and shall receive reimbursement from the department not later than 60 days after the private child placing agency submits a request for eligible reimbursement.

Sec. 564. (1) The department shall maintain a clear policy for parent-child visitations. All of the following individuals shall meet an 85% success rate, after accounting for factors outside of caseworker control:

(a) Caseworkers and supervisors of local county offices.

(b) Caseworkers and supervisors of child placing agencies.

(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 obtained a driver license or state identification card, the number of youth who obtained a Social Security card, and the number of youth who were eligible but did not receive a driver license, state identification card, or Social Security card and an explanation as to why the youth did not receive the documents.

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 and relative caregivers for assistance with home improvements to alleviate safety concerns or obtain items needed to ensure compliance with licensing rule requirements and to accommodate 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 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 Title IV-E passthrough funds for educational programs to strengthen this state's child welfare workforce. The department shall enter into contractual arrangements with 1 or more 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 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 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 at least $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.

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 based on survey data from foster parents closing the foster parents' licenses.

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 if 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, categorized by reason for denial, 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.

(5) For any indigent burial reimbursement that is denied, the department shall notify the applicant of the reason for the denial and provide information on how to request a hearing to contest the decision.

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. 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. 625. From the funds appropriated in part 1 for SSI advocacy legal services grant, the department shall allocate $975,000.00 for a competitive grant program to qualified recipients to assist current or potential recipients of state disability assistance who have applied for or wish to apply for SSI or other federal disability benefits. The grant recipients shall provide a list of newly eligible SSI recipients to the department to verify that services are provided to department referrals.

Sec. 627. (1) The department must conduct food assistance certification renewals or redeterminations, semi-annual contacts, and mid-certification contacts in accordance with state and federal law. Upon receiving information that may affect food assistance eligibility or benefit amounts, the department must review the information, verify the accuracy of the information as required, and, where appropriate, take action, including denying, reducing, terminating, or adjusting benefits in accordance with state and federal law.

(2) The department must review information received through federal and state data matches and other information received through established eligibility and program integrity processes to determine whether eligibility or benefit amounts may require further review. These processes include, but are not limited to, as applicable, information related to deceased recipients, residency, incarceration, income, lottery winnings, or other eligibility factors.

(3) The department must review Michigan bridge card transaction data on at least a monthly basis to identify patterns of exclusive out-of-state use over a 60-day period. Cases with potential residency concerns may be reviewed through existing eligibility and program integrity processes. If appropriate, the department must refer cases to the office of inspector general for investigation consistent with established fraud referral procedures. In determining whether to refer cases to the office of inspector general, the department may consider the recipient’s residence’s proximity to Indiana, Ohio, and Wisconsin if the department identifies a pattern of exclusive out-of-state use over a 60-day period in 1 of the states listed in this subsection and whether individual situations allow for online purchases in accordance with federal and state standards.

(4) On a quarterly basis, the department must submit a report to the standard report recipients identifying all of the following:

(a) The data sources used to verify eligibility factors including income, residency, identity, household composition, citizenship or immigration status, or death for the purpose of determining food assistance eligibility.

(b) The number of individuals no longer eligible by reason of changes to an eligibility factor identified in subdivision (a).

(c) The number of individuals who were ineligible for food assistance after Public Law 119-21 policy changes were implemented.

Sec. 634. The funds appropriated in part 1 for food assistance program benefits must not be used to expand eligibility for the restaurant meal program beyond the federal eligibility standards. The department shall limit eligibility for the restaurant meal program to households receiving food assistance program benefits in which all members are either:

(a) Individuals who are 60 years of age or older.

(b) Individuals who are disabled.

(c) Individuals who are homeless.

(d) A spouse of a food assistance program recipient who is eligible for the restaurant meal program.

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. 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 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. 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 $18,240,100.00 of TANF revenue to provide a supplemental payment for the current fiscal year for each child under 6 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 funds available in part 1 and the total number of children under 6 years of age who are within a family receiving cash assistance.

(2) From the funds appropriated in part 1 for family independence program – child supplemental payment, the department shall allocate $7,000,000.00 of TANF revenue to provide a supplemental payment for the current fiscal year for each child 6 years of age or older but 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 funds available in part 1 and the total number of children who are 6 years of age or older but under 14 years of age within a family receiving cash assistance.

(3) 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. 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.

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.

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. (1) Not later than December 1 of the current fiscal year, the department shall submit a report to the standard report recipients on all of the following for the prior fiscal year:

(a) The average daily population by month of youths residing at state-run juvenile justice facilities.

(b) The total number of beds at each facility, itemized by those that are staffed and unstaffed, for each month.

(c) The average daily number of available beds by month.

(d) The average number of staff vacancies by month.

(2) The information in subsection (1) must be itemized by each facility.

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 and treatment capacity, as approved by the department in the facility's licensing program statement. A contractor is not required to accept or retain a youth whose assessed treatment, behavioral, medical, psychiatric, safety, or supervision needs exceed or are inconsistent with the facility's approved residential program type, treatment capacity, staffing model, or ability to safely and appropriately serve the youth. The master contract must also require that a youth placed in a juvenile justice residential foster care facility receives clinically appropriate treatment services, including regularly scheduled treatment sessions with a licensed clinician and regularly scheduled reviews with a licensed psychiatrist for medication management when clinically indicated, and has access to a licensed psychologist or a psychiatrist or both, as clinically indicated.

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. 807. From the funds appropriated in part 1 for MiCAFE contract, the department shall allocate not less than $450,000.00 to assist this state's elderly population in participating in the food assistance program. Of the $450,000.00 allocated under this section, the department shall use $225,000.00 of general fund/general purpose revenue as state matching funds to receive not less than $225,000.00 in funding from the United States Department of Agriculture to provide outreach program activities as part of a statewide food assistance hotline. The outreach program activities may include eligibility screening and information services.

Sec. 825. (1) From the funds appropriated in part 1, the department shall provide an individual with not more than $2,000.00 for vehicle repairs, including a repair done in the previous 12 months. The $2,000.00 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 the Prosecuting Attorneys Association of Michigan 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 Prosecuting Attorneys Association of Michigan shall submit a report to the department on the efficacy of the contract. The department shall submit the report to the standard report recipients not later than 30 days after the department receives the report from the Prosecuting Attorneys Association of Michigan.

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 and establishing face-to-face contact with the client not later than 72 hours 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.

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 and PIHP and a statewide summary, as follows:

(a) A statewide summary of the demographic description of service recipients that, minimally, includes reimbursement eligibility, client population group, 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 PIHP.

(i) Administrative expenditures of each CMHSP and PIHP 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) A statewide summary of the demographic description of service recipients that, minimally, must include reimbursement eligibility, primary substance of abuse, age, ethnicity, housing arrangements, and sex at birth.

(b) The expenditures stratified by department-designated regional entities for substance use disorder prevention and treatment, by fund source, by subcontractor, by population served, and by service type.

(c) The expenditures per state client, with data on the distribution of expenditures reported using a histogram approach.

(d) 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.

(e) The collections from other first- or third-party payers, private donations, or other state or local programs, by department-designated regional entities for substance use disorder prevention and treatment, by subcontractor, by population served, and by service type.

(f) Information about access to CMHSPs, PIHPs, and designated regional entities for substance use disorder prevention and treatment that includes, but is not limited to, the following:

(*i*) The number of individuals receiving requested services.

(*ii*) The number of individuals who requested services but did not receive services.

(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 the Salvation Army Harbor Light program, 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 Salvation Army Harbor Light 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. 914. Not later than June 1 of the current fiscal year, the department shall submit a report to the standard report recipients on outcomes of the funds provided in part 1 to the Michigan Clinical Consultation and Care program (MC3). The outcomes reported must include, but are not limited to, the number of same-day telephone consultations with primary care providers and the number of local resource recommendations made to primary care providers who are providing medical care to patients who need behavioral health services.

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 $631,900.00 as a grant to Mosaic Counseling, a nonprofit mental health clinic that provides counseling services, accepts clients regardless of a client's ability to pay for services through sliding scale copayments and volunteer services, and uses fundraising to support the clinic.

Sec. 917. (1) From the funds appropriated in part 1 for opioid response activities, the department shall allocate $55,000,000.00 from the Michigan opioid healing and recovery fund created under section 3 of the Michigan trust fund act, 2000 PA 489, MCL 12.253, to programs and services to address the opioid crisis in a manner consistent with the opioid judgement, settlement, or compromise of claims pertaining to violations, or alleged violations, of law related to the manufacture, marketing, distribution, dispensing, or sale of opioids. The funds are not intended to be used for the purchase of drug paraphernalia that may be used to snort or smoke drugs. The funds must be allocated as follows:

(a) $11,000,000.00 must be allocated for primary prevention activities, as follows:

(*i*) $7,000,000.00 for supporting school-age programming that prevents substance use among teenagers and young adults, including school-based and out-of-school programming.

(*ii*) $4,000,000.00 for reducing the risks of multigenerational addiction and family separations through family substance use supports and youth programming.

(b) $13,000,000.00 must be allocated for harm reduction, as follows:

(*i*) $10,000,000.00 to continue reducing overdose deaths and preventing infectious disease spread in communities most impacted by substance use through harm reduction agency service expansion.

(*ii*) $3,000,000.00 to continue distributing naloxone through community organizations, health systems, first responders, and directly to individuals across this state to prevent fatal overdoses.

(c) $8,500,000.00 must be allocated to substance use disorder treatment, as follows:

(*i*) $7,000,000.00 for improving access to quality substance use disorder care providers through workforce development programming.

(*ii*) $1,500,000.00 to support expanding jail treatment services throughout this state.

(d) $14,000,000.00 must be allocated for recovery investments to improve this state's ability to provide supportive community services that help encourage individuals to achieve and sustain recovery through recovery community organizations, including family treatment and recovery programs.

(e) $8,500,000.00 must be allocated for informed decision-making and evaluation of investments, as follows:

(*i*) $2,500,000.00 in oversight and grants management to promote good government, transparency, and accountability.

(*ii*) $2,000,000.00 for data to inform investments and evaluate progress.

(*iii*) $2,000,000.00 for law enforcement training.

(*iv*) $2,000,000.00 to invest in tribal communities and partnerships.

(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. (1) 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, supported employment, and other supports and services that the department determines are similar.

(2) The department must complete the Medicaid rate-setting process for behavioral health providers described in subsection (1) before requiring the PIHPs to implement any new direct care worker wage requirement in the current fiscal year. PIHPs and CMHSPs shall ensure that Medicaid-funded behavioral health provider networks receive rate increases in sufficient amounts to support the required direct care worker wage level, including associated employer costs.

(3) The department shall provide sample direct care worker wage data to the standard report recipients for PIHPs that receive funds in part 1. The sample direct care worker wage data must include, but are not limited to, both of the following, separated by anonymized employer:

(a) The number of direct care workers, including by type, compensation and benefits, job classification, and region of this state.

(b) An accounting of the total hours worked by direct care workers under which a wage increase was applied.

Sec. 922. From the funds appropriated in part 1 for behavioral health program administration, the department shall allocate $600,000.00 to Altarum Institute to administer an online and interactive version of the protected health information consent tool and make any revisions to the tool to reflect any recent legislative changes. The contracting entity that receives funds appropriated under this section shall also develop accompanying trainings and resources for users. Additionally, the contracting entity that receives funds appropriated under this section shall work closely with the Michigan Health Information Network Shared Services and the department to develop the technical specifications for integrating the protected health information consent tool with other relevant systems and applications, including, but not limited to, CareConnect360.

Sec. 923. The department shall identify and implement service delivery or policy modifications to realize utilization efficiencies in providing applied behavior analysis services, either independently or in alignment with CMS policy or regulatory modifications.

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 minimum fee schedule of not less than $66.00 per hour for behavioral technicians providing autism services that are reimbursed under CPT code 97153.

Sec. 925. The department shall dedicate up to 1%, and no less than 0.5%, of the autism services line item to contract with an external, independent agency with content expertise in autism service delivery that is not itself an autism service provider to undertake efforts to identify fraud, institute quality control measures, and integrate those efforts into providing technical assistance to autism service providers receiving Medicaid funds and to improve outcomes and accountability.

Sec. 926. (1) From the funds appropriated in part 1 for community substance use disorder prevention, education, and treatment, $1,000,000.00 is allocated to Conference of Western Wayne to administer a specialized substance use disorder detoxification project in conjunction with a substance use and case management provider. The project must be located at a hospital in a county located within the Conference of Western Wayne.

(2) The substance use and case management provider receiving funds under this section shall collect and submit to the department data on the outcomes of the project throughout the duration of the project and the department shall submit a report on the project's outcomes to the standard report recipients.

Sec. 928. (1) Each PIHP shall provide, from the PIHP's internal resources, local funds to be used as a part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs. The local funds must not include either of the following:

(a) State funds received by a CMHSP for services provided to non-Medicaid recipients.

(b) The state matching portion of the Medicaid capitation payments made to a PIHP.

(2) 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. 929. From the funds appropriated in part 1 for Michigan Clinical Consultation and Care, the department shall allocate at least $325,000.00 to address needs in a city in which a declaration of emergency was issued because of drinking water contamination.

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) Maintain 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.

(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.

(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. 965. From the funds appropriated in part 1, the department and each PIHP shall maintain the comparison rate and any associated reimbursement rate of the bundled rate H0020 for the administration and services of methadone at not less than $19.00.

Sec. 972. From the funds appropriated in part 1 for behavioral health program administration, 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 June 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 September 30 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. 995. (1) From the funds appropriated in part 1 for mental health diversion council, the department shall allocate $2,957,300.00 to continue to implement the jail diversion programs that are intended to address the recommendations of the mental health diversion council.

(2) Not later than March 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 the mental health diversion council.

(3) As used in this section, “mental health diversion council” means the council as that term is defined in section 207e of the mental health code, 1974 PA 258, MCL 330.1207e.

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. The funds appropriated in part 1 must not be used by the department to expand the certified community behavioral health clinic demonstration.

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 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 both of the following:

(a) The number of individuals being served and the expenditures incurred by each PIHP region by site.

(b) The number of sites by PIHP region that qualify for enhanced federal reimbursement and the date when the enhanced federal reimbursement would expire.

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 statewide and, when data are available, 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.

(*l*) The change, in number and percentage, from the fiscal year immediately prior to the previous fiscal year of the number of individuals that needed crisis services more than once.

(m) The change, in number and percentage, from the fiscal year immediately prior to the previous fiscal year of the number of individuals that went to the emergency department more than once.

(n) The change, in number and percentage, from the fiscal year immediately prior to the previous fiscal year of the number of individuals that received inpatient hospital services more than once.

(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 May 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. 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 $18,337,400.00 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 2025 PA 22 are satisfied.

(2) The department shall require each contractor or subcontractor 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 must include, but not be limited to, all of the following:

(a) Each contractor or subcontractor has accreditations that attest to their competency and effectiveness as behavioral health and social service agencies.

(b) Each contractor or subcontractor has a mission that is consistent with the purpose of an agency providing physical and behavioral health services to multicultural populations.

(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 the contractor or subcontractor's 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 or subcontractor described in subsection (1) to ensure that the funds appropriated under this section are used only on proven or established programs.

(4) The department shall require a contractor or subcontractor described under subsection (1) to submit an annual report to the department. The annual report required under this subsection must be submitted to the department not later than 60 days after the end of the contract period and 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. 1034. (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 264 of this part. The verification under this subsection must provide actual claims and utilization data.

(2) The department shall seek CMS approval to exclude PIHPs that are not compliant with subsection (1) from all performance incentives available to PIHPs.

(3) The department shall audit the claims and utilization data provided in this section. If the department 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 264 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 gift and bequest donations 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 bequest donations consistent with the stipulation of the donor. The department shall use gift and bequest donations described under this section 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, center, 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, center, 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, center, 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 facility 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, center, or agency and after transitional costs have been paid, the remaining balances of funds appropriated for the hospital, center, or agency must be transferred to CMHSPs or PIHPs responsible for providing services for individuals previously served by the hospital, center, 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 and centers. 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 and centers. Unless specified, the outcomes and performance measures must be calculated on an average monthly basis from the previous calendar year, as follows:

(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 or center 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 or center through the civil admissions process.

(e) The average wait time for an adult who is awaiting admission into another state-operated hospital or center through the civil admissions process.

(f) The average wait time for a child who is awaiting admission into another state-operated hospital or center 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 who 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 or center through the civil admissions process.

(*l*) The most recent 12-month total number of children requested to be admitted to a state-operated hospital or center through the civil admissions process.

(m) The number of individuals determined not guilty by reason of insanity by an order of the court who 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 or center, and the rationale for the individual not being admitted.

(q) The number of adults not admitted into the other state-operated hospitals or centers 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 or center 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 and centers 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. Not later than March 1 of the current fiscal year, the department shall report to the standard report recipients proposed options for future use and estimated costs of Walter P. Reuther Psychiatric Hospital.

Sec. 1063. (1) From the funds appropriated in part 1 for southeast Michigan state psychiatric hospital, 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 Strengths tool for youth and families served through the unit or support team.

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 contracted through this state's federally designated state office of rural health. Funding levels must not be less than what was allocated in the previous fiscal year.

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. The funds appropriated in this section must be allocated in the following manner:

(a) $500,000.00 must be used by the department to provide technical assistance, training, and support to not less than 1 tribal victim service organization.

(b) $500,000.00 must be allocated as a competitive grant to not less than 1 domestic violence or sexual assault victim service organization.

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 at McLaren Central Michigan Hospital. 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 article X 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 $2,000,000.00 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 $29,897,400.00 to supplement the loss of federal victims of crime act and state crime victim rights funding. The department must distribute the funds consistent with the regular allocation formula for crime victim justice grants and crime victim rights services grants.

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 program and maintain enhanced efforts to monitor child blood lead levels. The public health drinking water program must 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 program. The vapor intrusion response program 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 program 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, 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.

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, 17015, and 17515 of the public health code, 1978 PA 368, MCL 333.9161, 333.16221, 333.16226, 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 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, up to $4,750,000.00 is allocated for grants to local health departments to support PFAS response and emerging public health threat activities. The department shall allocate a portion of the funding in a collaborative fashion with local health departments in jurisdictions experiencing PFAS contamination. The department shall allocate the remainder of the funding to address infectious and vector-borne disease threats, and other environmental contamination issues, including, but not limited to, 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.

Sec. 1241. (1) From the funds appropriated in part 1 for community health programs, the department shall support preventive health supports and services in regions with high health care access and outcome disparities. The department shall use the funds appropriated under this section to provide for all of the following:

(a) Financial support for the operation of community-based health clinics. A community-based health clinic shall provide preventive health supports and services, be established in communities with high social vulnerability and health disparities, and be operated in cooperation with trusted community partners with demonstrated experience in serving as an access point for preventive health supports and services.

(b) Financial support for the operation of healthy community zones. The healthy community zones must utilize long-term strategies to address access to healthy food, affordable housing, and safety networks.

(c) Financial support for the operation of mobile health units to provide preventive health supports and services for individuals residing in areas with high disparities in health care outcomes and access.

(2) Not later than March 1 of the current fiscal year, the department shall submit to the standard report recipients a report on the outcome of the community health programs described in subsection (1). The report must include, but is not limited to, all of the following:

(a) The list of communities served.

(b) The types of health services offered by grant recipients.

(c) A spending report from the grant recipients.

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. 1302. From the funds appropriated in part 1 for special projects, the department shall allocate $500,000.00 of TANF revenue to purchase child restraint systems for newborn children who are TANF eligible. The child restraint systems must meet the standards of all applicable federal law and the laws of this state, be purchased in volume by this state, and be distributed through maternal infant health program providers.

Sec. 1306. (1) From the funds appropriated in part 1 for the drinking water declaration of emergency, the department shall allocate funds to address needs in a city in which a declaration of emergency was issued because of drinking water contamination. The funds allocated under this section may be used to support any of the following activities:

(a) Nutrition assistance, nutritional and community education, food bank resources, and food inspections.

(b) Epidemiological analysis and case management of individuals at risk of elevated blood lead levels.

(c) Support for child and adolescent health centers, and the children’s health care access program.

(d) Nursing services, breastfeeding education, evidence-based home visiting programs, intensive services, and outreach for children exposed to lead coordinated through local community mental health organizations.

(e) Department local office operations costs.

(f) Lead poisoning surveillance, investigations, treatment, and abatement.

(g) Nutritional incentives provided to local residents through the double up food bucks expansion program.

(h) Genesee County health department food inspectors to perform water testing at local food service establishments.

(i) Transportation related to health care delivery.

(j) Senior initiatives.

(k) Lead abatement contractor workforce development.

(*l*) Any other activity that the department considers appropriate.

(2) From the funds appropriated in part 1 for the drinking water declaration of emergency, the department shall allocate $500,000.00 for rides to wellness through the Flint mass transportation authority.

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.

(3) The department shall explore federal grant funding to address prevention services to reduce marihuana use 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, $200,000.00 is allocated as a competitive grant 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. 1325. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate $5,000,000.00 to support grants to local collaboratives to enhance the ability of local collaboratives to coordinate and improve maternal and infant health outcomes. To receive a grant under this section, a local collaborative must be a part of a perinatal quality collaborative.

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. 1348. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate $1,000,000.00 to support prenatal health care providers operating in this state to provide services for existing group-based prenatal care programs that include 1 or more health care professionals leading small groups of expectant mothers that are in the same phase of pregnancy in discussions and to provide other health services that promote the well-being and health of mothers and babies.

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.

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.

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. 1403. (1) From the funds appropriated in part 1, the department may implement a palliative care advisory task force. The palliative care advisory task force shall do all of the following:

(a) Provide the legislature with a recommended definition for palliative care in this state.

(b) Conduct research on palliative care.

(c) Make recommendations that will expand the provision of palliative care.

(d) Identify palliative care services that are offered and measures for reimbursement of the services.

(e) Develop key program metrics for palliative care services and make recommendations to the department and the legislature.

(f) Collaborate with individuals who are able to improve and expand high-quality palliative care services.

(g) Develop engagement strategies to educate the public on access to palliative care and to improve an individual's ability to make informed decisions on preferred care.

(h) Identify the capacity of palliative care providers to provide palliative care services.

(2) The palliative care advisory task force shall not consider physician assisted dying as palliative care and shall not recommend the use of physician assisted dying as a palliative care treatment option.

(3) If the department implements the task force described in subsection (1), then not later than January 1 of the current fiscal year, the palliative care advisory task force shall submit to the standard report recipients a report that identifies the palliative care services available in this state and any palliative care services that are not offered in this state but would provide a benefit.

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.

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. 1515. The department shall collaborate, as appropriate, with Medicaid physical health managed care organizations to identify and implement administrative efficiencies to achieve savings in health plan administrative costs.

Sec. 1516. The department shall reduce administrative costs through savings related to third-party contracts and site neutrality.

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, to the house and senate appropriations subcommittees on the department of licensing and regulatory affairs 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.

Sec. 1522. (1) Consistent with federal law, when determining eligibility for medical assistance, the department must not accept an unverified self-attestation of any of the following:

(a) Income.

(b) Residency, when electronic data sources conflict with the self-attestation.

(c) Identity.

(d) Household composition, when the household composition is inconsistent with reliable information.

(e) Citizenship or immigration status.

(2) The department must verify application information through ex parte verification in accordance with federal law, including off-cycle reviews of information available to or verifiably provided to the department. The ex parte verification must include, but is not limited to, requesting and reviewing information from state and federal agencies.

(3) The department must review state and federal data matches on a regular schedule, with the first review complete by October 1, 2026, to identify and remove Medicaid participants who are no longer eligible.

(4) On a quarterly basis, the department must submit a report to the standard report recipients that identifies all of the following:

(a) The data sources used to verify death or any of the eligibility factors described in subsection (1) for the purpose of determining Medicaid eligibility.

(b) The number of individuals no longer eligible for Medicaid by reason of death or changes to any of the eligibility factors described in subsection (1).

(c) The number of recipients who were ineligible for Medicaid after Public Law 119-21 policy changes were implemented.

Sec. 1530. The department shall not seek or implement a Medicaid state plan amendment or a waiver under section 1115 or 1915 of the social security act, 42 USC 1315 and 1396n, without first obtaining statutory approval from the legislature. This section does not affect any state plan amendment or waiver program implemented before October 1, 2026.

HEALTH SERVICES

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. 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. 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. 1623. The department shall work collaboratively with Medicaid physical health managed care organizations to align managed care pharmacy fee schedule rates with the state Medicaid agency fee-for-service fee schedule in order to reduce statewide Medicaid pharmacy costs.

Sec. 1624. The department shall require all physical health managed care organizations to contract with the same pharmacy benefit administrator as used by the state Medicaid agency to administer the state fee-for-service Medicaid pharmacy benefit.

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-services 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. From the funds appropriated in part 1 for dental services, the department shall expand the existing Healthy Kids dental contract to include the adult population. Contract requirements must include all of the following:

(a) Sufficient reimbursement rates for Medicaid dental services to ensure provider participation in the adult Medicaid program.

(b) Maintaining access for Medicaid recipients to an adequate network of Medicaid-enrolled dentists.

(c) Providing access to necessary utilization management and care coordination.

(d) Efforts to reduce administrative burden for participating dental practices in provider enrollment, credentialing, claims processing, and payment.

Sec. 1628. From the funds appropriated in part 1 for hospital services and therapy, Healthy Michigan plan, and Healthy Michigan plan – fee-for-service, the department shall continue to allocate $3,000,000.00 in general fund/general purpose revenue and any associated federal match to maintain the Medicaid reimbursement rate for dental services provided at ambulatory surgical centers and outpatient hospitals. The funding provided in this section must be used to maintain the minimum rate of reimbursement for dental services provided in ambulatory surgical centers at $1,495.00 and maintain the minimum rate of reimbursement for dental services provided in outpatient hospitals at $2,300.00.

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,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. 1633. (1) The department shall provide adequate guidance to insurance providers to ensure compliance with section 71117 of Public Law 119-21.

(2) For the first quarterly insurance provider assessment payment due after the end of the transition period provided on November 14, 2025 in CMS correspondence regarding a revised insurance provider assessment tax structure, the department and the department of treasury shall work with insurance providers to establish a reasonable time period for submission of that payment.

Sec. 1640. From the funds appropriated in part 1, the department shall maintain the rate increase for the home help individual caregiver rate and the home help agency provider rate specified in the department's Medicaid provider letters L 24-66, L 24-67, and L 24-74.

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 5 months after the end of the institutional provider's fiscal year.

Sec. 1643. The department shall discontinue the state general fund/general purpose revenue backfill of federal revenues available temporarily during the COVID-19 public health emergency for providing skilled nursing facility services to individuals who are not enrolled in this state's Medicaid program.

Sec. 1644. (1) From the funds appropriated in part 1, the department shall maintain wages for direct care workers at skilled nursing facilities at a level not less than the amount in effect in the previous fiscal year and maintain the $3.40 per hour wage add-on in effect in the previous fiscal year except for the add-on payments discontinued under section 1643. The department may use any applicable federal matching funds. The funds provided in this section may not be used to supplant other direct care worker wage increases or facility costs. Skilled nursing facilities that receive payments from the funds appropriated in part 1 under this section must comply with all applicable Medicaid policies. This funding must include all costs incurred by the employer, including, but not limited to, payroll taxes, due to the wage increase. As used in this subsection, "direct care workers" means a registered professional nurse, licensed practical nurse, competency-evaluated nursing assistant, and respiratory therapist.

(2) From the funds appropriated in part 1, the department shall maintain wages at a level not less than the amount in effect during the previous fiscal year and maintain the $3.40 per hour wage add-on in effect in the previous fiscal year for direct care workers who are employed by licensed adult foster care facilities and licensed homes for the aged and who provide Medicaid-funded fee-for-service personal care services that were not eligible for any direct care worker pay adjustment under Medicaid-funded managed care. The funds provided in this

section may not be used to supplant other direct care worker wage increases or facility costs. This funding must include all costs incurred by the employer, including, but not limited to, payroll taxes, due to the wage increase.

(3) The department shall pursue recoupment of funds paid to support the direct care wage increase outlined in this section that are not ultimately used to support eligible wages or employer costs due to the wage increase.

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 except for the add-on payments discontinued under section 1643. The department may use any applicable federal matching funds. The funds provided in this section may not be used to supplant other eligible nonclinical staff wage increases or facility costs. Skilled nursing facilities that receive payments from the funds appropriated in part 1 under this section must comply with all applicable Medicaid policies. 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 workers.

(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.

(3) The department shall pursue recoupment of funds paid to support the direct care wage increase described in this section that are not ultimately used to support eligible wages or employer costs due to the wage increase.

Sec. 1646. From the funds appropriated in part 1, the department shall maintain the Medicaid reimbursement rates for orthotic and prosthetic providers in place in the previous fiscal year.

Sec. 1647. By February 1 of the current fiscal year, the department shall submit a comprehensive report to the standard report recipients detailing the use of all home- and community-based services funds received under section 9817 of the American rescue plan act of 2021, Public Law 117-2. The report must include, but is not limited to, all of the following:

(a) Total funds received and total expenditures by fiscal year.

(b) Expenditures by category and by vendor or grantee.

(c) Program accomplishments and progress.

(d) Any unspent balances and projected future spending.

(e) A list of active contracts and grants associated with home- and community-based services funding.

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, and to the house and senate appropriations subcommittees on the department of licensing and regulatory affairs budget, 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 adult dental 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 $451,000.00 in general fund/general purpose revenue and any associated federal match to increase the rates for private duty nursing services for Medicaid beneficiaries under the age of 21. The funds must be used to attract and retain highly qualified registered professional 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. 1762. (1) The department shall follow the guidance of the CMS regarding the medical loss ratio, capitation rate development, and other financial reporting.

(2) The department shall not require Medicaid health plans to use investment income as part of its medical loss ratio.

Sec. 1763. (1) From the funds appropriated in part 1, the department shall ensure that the pharmacy and therapeutics committee and the drug utilization review board account for net costs of individual prescription drugs for this state's Medicaid program before recommending or approving the addition of a drug to this state's single preferred drug list.

(2) For the purpose of this section, "net cost" means a cost associated with a pharmaceutical that includes, but is not limited to, all of the following:

(a) Wholesale acquisition cost.

(b) A cost of a brand name drug with a generic alternative, compared to the lowest-cost generic version of the drug if a maximum allowable cost price has been determined, and the lowest-cost alternative is preferred.

(c) A cost associated with federal and supplemental rebates that are available, or anticipated, under 42 USC 1396r-8.

(d) Dispensing and administrative costs associated with the provision of a drug.

(3) The department shall require that the pharmacy and therapeutics committee and the drug utilization review board document their consideration of cost information, including comparative cost effectiveness among clinically appropriate alternatives, in the meeting materials or minutes supporting each recommendation.

(4) A drug must not be included in this state's single preferred drug list unless the pharmacy and therapeutics committee or drug utilization review board have affirmatively determined that the drug's inclusion is both clinically appropriate and cost effective.

(5) Not later than February 1 of the current fiscal year, the department shall submit a report to the standard report recipients that includes both of the following:

(a) A description of the process used to evaluate drug costs under this section.

(b) A list of drugs included within this state's single preferred drug list during the previous fiscal year.

Sec. 1764. The department's contracted actuaries 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 November 15, February 15, May 15, and August 15 for any Medicaid capitation rate amendments. Following the rate certification, the department shall ensure that any new or revised policies with a substantive impact on capitation rates are reviewed by the contracted actuaries and considered for future rate amendments.

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 MI Coordinated Health integrated dual-eligible managed care program. The report must include all of the following:

(a) The total average monthly enrollment for the previous fiscal year.

(b) The average monthly enrollment by county for the previous fiscal year.

(c) A description of measurable program benefits realized in the previous fiscal year, including improvements in care coordination, reductions in avoidable hospital and nursing facility utilization, administrative efficiencies achieved through Medicare–Medicaid alignment, and any observable trends indicating long-term Medicaid cost avoidance.

(d) Any inclusion or removal of counties from eligible program regions, with associated department rationale, that occurred in the previous fiscal year.

(e) Any plan for expansion or reduction of eligible program regions, with associated department rationale, to occur in the current fiscal year or the subsequent fiscal year.

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 in the previous 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 at not less than 100% of the Medicare base rates for Locality 01 for ground ambulance services in effect on January 1, 2023.

Sec. 1789. From the funds appropriated in part 1 for federally qualified health centers, the department shall allocate not less than $11,300,000.00 in general fund/general purpose revenue and any associated federal match to maintain Medicaid prospective payment system reimbursement rates.

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. (1) The department shall provide for Medicaid reimbursements for enrolled portable x-ray and ultrasound providers for transportation charges related to services rendered to patients residing in long-term care facilities, including nursing homes and assisted living facilities, or who are receiving services through home-based care.

(2) The reimbursement policies required under this section must take effect not later than October 1, 2026.

Sec. 1793. Not later than April 30, 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. Not later than June 30, 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 hospital services and therapy, 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 proportional to Medicaid deliveries performed during the fiscal year before the previous 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 195,000 and within a city, village, or township with a population of not more than 15,000, according to the 2020 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 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, as revised for the subsequent award year. The department shall identify any proposals within the submission intended to increase the grant award amount when complying with the reporting requirement of this subsection.

(3) The department shall submit to the standard report recipients any required reports submitted to CMS for program oversight or amendment concurrently with CMS submission.

(4) Not later than May 1, if an amount equal to or greater than 50 percent of the funds appropriated in part 1 for rural health transformation program remains unencumbered, the department shall report to the standard report recipients on remedial actions the department is undertaking to ensure that the remainder of the funds are encumbered by not later than the end of the current grant award year.

(5) Not later than August 1, if an amount equal to or greater than 33 percent of the funds appropriated in part 1 for rural health transformation program remains unencumbered, the department shall report to the standard report recipients on remedial actions the department is undertaking to ensure that the remainder of the funds are encumbered by not later than the end of the current grant award year.

(6) All programmatic metrics required by CMS for program oversight and quality assurance must be made publicly available and posted on the department's website, and include all dashboards created in accordance with the CMS approved grant award. The dashboard metrics must include, but are not limited to, the following:

(a) Separate dashboards for each of the overarching programmatic areas, including, but not limited to, the following:

(*i*) Transforming rural health through partnerships.

(*ii*) Workforce for wellness initiative.

(*iii*) Interoperability in action initiative.

(*iv*) Care closer to home.

(b) Funds encumbered by grantee, to include amount and date of encumbrance.

(c) Remaining unencumbered funds for the current grant award year.

(d) Notification if any enacted or proposed programmatic or policy changes resulting from the rural health transformation program would likely result in net increases in this state's costs for programmatic or service continuation after the federal grant award period ends.

(e) The location of health care hubs and associated spokes, for facilities designated under the department hub-and-spoke model for grant allocation, including, but not limited to, area of care coverage measured by population served, services provided, and travel time and distance to care.

(7) The department shall report on a quarterly basis to the standard report recipients on the progress of Michigan Health Information Network expansion as a result of the funds appropriated in part 1 for rural health transformation program. The report must include, but is not limited to, the following:

(a) The number of providers connected during the reporting period.

(b) The cumulative number of providers connected since the beginning of the 5-year award period.

(c) The geographic regions covered by MIHIN as a result of the rural health transformation program.

(8) The department shall seek to utilize department resources and personnel to complete administrative requirements of the grant program before utilizing contractual services. Not later than August 1, the department shall report to the standard report recipients on the details of the indirect costs allocation for the funds allocated to the Michigan Public Health Institute for contractual support of the rural health transformation program administration and oversight.

(9) All reports pursuant to the reporting requirements of this section must be made publicly available and posted to the department's rural health transformation program website.

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. 1809. (1) From the funds appropriated in part 1 for health plan services and physician services, the department shall provide perinatal and gynecological services if perinatal and gynecological services are provided by a perinatal or gynecological professional who is licensed, registered, or otherwise authorized to practice in this state, including, but not limited to, a licensed midwife acting within the scope of the licensed midwife's license. Medicaid reimbursement must be paid when gynecological or perinatal care service is provided in a medical care facility, hospital, or freestanding birth center licensed under article 17 of the public health code, 1978 PA 368, MCL 333.20101 to 333.22260, midwifery care facility, or home setting. The rates paid to perinatal or gynecological professionals described in this section must be the same as those paid to other perinatal or gynecological professionals, regardless of the location of those services.

(2) The perinatal or gynecological care services described in subsection (1) must meet all of the following:

(a) Promote high-quality, cost-effective, and evidence-based care.

(b) Promote high-value, evidence-based payment models.

(c) Prevent risk in subsequent pregnancies.

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. 1831. (1) From the funds appropriated in part 1 for hospital services and therapy and prenatal care outreach and service delivery support, the department shall allocate $10,000,000.00 to continue to support hospitals in this state to improve maternal safety and outcomes by administering and expanding a data-driven maternal safety and quality improvement initiative that is based on interdisciplinary and consensus-based practices. The initiative expansion must focus on mitigating pregnancy-associated injury and death, work to improve outcomes for underserved groups, and address problems related to substance use disorders.

(2) Not later than March 15, the department shall report to the standard report recipients on the utilization of funds allocated under this section. The report must include, but is not limited to, all of the following:

(a) Recipients of funds, by amount and intended purpose, for the previous fiscal year.

(b) Quantitative and qualitative metrics, by recipient, measuring effect of allocations on the 3 programmatic goals established under subsection (1), for the previous fiscal year.

Sec. 1833. (1) In addition to the funds appropriated in part 1, the department is authorized to expend an amount not to exceed $3,196,477,300.00 for state restricted insurance provider assessment and associated federal Medicaid reimbursement matching revenues, if revenues are available under sections 7, 11, and 17 of the insurance provider assessment act, 2018 PA 175, MCL 550.1757, 550.1761, and 550.1767.

(2) Not later than 10 calendar days after expenditure authorization in subsection (1) is utilized, the department shall report to the standard report recipients all of the following:

(a) Total state restricted expenditures incurred for this use of authorization under subsection (1), by line item.

(b) Total federal expenditures incurred for this use of authorization under subsection (1), by line item.

(c) Total gross expenditures incurred for this use of authorization under subsection (1).

(d) Total year-to-date expenditure authorization remaining under subsection (1).

Sec. 1834. (1) In addition to the funds appropriated in part 1, the department is authorized to expend an amount not to exceed $6,029,686,700.00 for state restricted quality assurance assessment program and associated federal Medicaid reimbursement matching revenues, if revenues are available and the department has received CMS approval of the expenditures under the state's Medicaid preprint.

(2) Not later than 10 calendar days after expenditure authorization in subsection (1) is utilized, the department shall report to the standard report recipients all of the following:

(a) Total state restricted expenditures incurred for this use of authorization under subsection (1), by line item.

(b) Total federal expenditures incurred for this use of authorization under subsection (1), by line item.

(c) Total gross expenditures incurred for this use of authorization under subsection (1).

(d) Total year-to-date expenditure authorization remaining under subsection (1).

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. 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 9,590.

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-eligible individuals 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 hospital services and therapy, the department shall allocate $11,400,000.00 in restricted revenue received from a public entity, and any associated federal match, 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 grantee 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 fellowship that must be integrated with a psychiatry residency training program in a MiDocs consortium affiliated institution.

(4) The grantee 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 grantee 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 $11,400,000.00 in restricted revenue received from a public entity, and any associated federal match, remaining in accounts appropriated in part 1 for hospital services and therapy 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 grantee 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 of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to fund the cost to create new primary care residency slots in underserved communities.

(b) The work project will be accomplished by contracting with the grantee to oversee the creation of new primary care residency slots.

(c) The total estimated completion cost of the work project is $22,800,000.00.

(d) The tentative completion date for the work project is September 30, 2031.

(9) In addition to the allocations in subsection (1), the department shall allocate $16,100,000.00 in restricted revenue received from public entities and hospital providers for the nonfederal share of the costs to support graduate medical education programs.

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) If the department does not participate in a federal pharmaceutical savings program during the current fiscal year, the department shall revise existing pharmacy coverage policies to limit the authorization of anti-obesity GLP-1 receptor agonists exclusively to individuals classified as class III obesity. Coverage is contingent on documented failure of all other clinically appropriate weight-loss interventions and must be considered only as a measure to avert the need for higher-cost bariatric surgery.

(3) The department shall utilize generic and biosimilar pharmaceuticals on this state's preferred drug list for both Medicaid managed care and fee-for-service.

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. 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.

ONE-TIME APPROPRIATIONS

Sec. 1914. (1) From the funds appropriated in part 1 for opioid response activities, the department shall allocate $70,500,000.00 from the Michigan opioid healing and recovery fund created under section 3 of the Michigan trust fund act, 2000 PA 489, MCL 12.253, to programs and services to address the opioid crisis in a manner consistent with the opioid judgment, settlement, or compromise of claims pertaining to violations, or alleged violations, of law related to the manufacture, marketing, distribution, dispensing, or sale of opioids. The funds are not intended to be used for the purchase of drug paraphernalia that may be used to snort or smoke drugs. The funds must be allocated as follows:

(a) $2,500,000.00 must be allocated for funding for public health communications and outreach to educate and provide tools to parents to increase knowledge about the impact of substance use and available resources.

(b) $7,000,000.00 must be allocated for harm reduction, as follows:

(*i*) $2,000,000.00 must be used to continue distributing naloxone through community organizations, health systems, first responders, and directly to individuals across this state to prevent fatal overdoses.

(*ii*) $5,000,000.00 must be used to continue reducing overdose deaths and preventing infectious disease spread in communities most impacted by substance use through grants to acquire physical locations, increase sustainability, and improve efficiency in delivering services.

(c) $17,000,000.00 must be allocated to substance use disorder treatment for increasing treatment retention and access to care by expanding medications for opioid use disorders and crisis services throughout this state, including the physical expansion of youth treatment facilities, and the expansion of mobile health services in urban and rural communities.

(d) $42,000,000.00 must be allocated for recovery investments, as follows:

(*i*) $34,500,000.00 must be used to invest in a series of transitional and permanent supportive recovery housing new developments, acquisitions, and renovations throughout this state, as follows:

(A) Up to $7,500,000.00 must be used to support short-term recovery housing.

(B) Up to $27,000,000.00 must be used to support long-term recovery and permanent housing developments and renovations.

(*ii*) $7,500,000.00 must be used to support housing, transportation, benefits navigation assistance, and other wraparound services to address social drivers that impact health, education, and economic stability for people in recovery.

(e) $2,000,000.00 must be allocated for informed decision-making and evaluation of investments, as follows:

(*i*) $1,500,000.00 must be used for the opioid advisory commission to complete a statewide evidence-based needs assessment as required under section 851 of the legislative council act, 1986 PA 268, MCL 4.1851.

(*ii*) $500,000.00 must be used in supporting local government technical assistance and partnerships.

(2) Funds appropriated in part 1 for opioid response activities are designated as work project appropriations. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and will be available for projects under this section until the work 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 work project is to address the opioid crisis in a manner consistent with the opioid judgment, settlement, or compromise of claims pertaining to violations, or alleged violations, of law related to the manufacture, marketing, distribution, dispensing, or sale of opioids.

(b) The work project will be accomplished using resources or contracts with service providers, or both.

(c) The total estimated completion cost of the work project is $70,500,000.00.

(d) The tentative completion date for the work project is September 30, 2031.

Sec. 1915. From the funds appropriated in part 1 for prenatal care outreach and service delivery support, the department shall allocate $4,000,000.00 in the same manner as the funds described in section 1348 of this part.

Sec. 1931. Unexpended and unencumbered funds appropriated in part 1 for nursing facility staffing initiative are designated as work project appropriations. Any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for projects under this section until the work 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 work project is to address chronic workforce shortages in nursing homes.

(b) The work project will be accomplished using resources or contracts with service providers, or both.

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

(d) The tentative completion date for the work project is September 30, 2031.

Sec. 1932. Unexpended and unencumbered funds appropriated as one-time in part 1 for health services administration are designated as work project appropriations. Any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for projects under this section until the work 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 work project is to support the home help caregiver council and related activities, fulfilling the requirements of the home help caregiver council act, 2024 PA 144, MCL 400.801 to 400.805.

(b) The work project will be accomplished using state resources or contracts with service providers or other entities.

(c) The total estimated completion cost of the work project is $4,000,000.00.

(d) The tentative completion date for the work project is September 30, 2031.

Sec. 1934. From the funds appropriated in part 1 for uterine fibroid study, the department shall allocate $250,000.00 to commission a study to evaluate options to expand services for the detection and treatment of uterine fibroids, increase awareness of services for the detection and treatment of uterine fibroids, and increase access to services for the detection and treatment of uterine fibroids. The department shall provide the study commissioned under this section to the standard report recipients not later than 30 days after the department receives the study.

Sec. 1935. From the funds appropriated in part 1 for Holland Hospital, $1,700,000.00 must be awarded to Holland Hospital in Ottawa County to expand services and to offer advanced endoscopy.

Sec. 1937. From the funds appropriated in part 1 for recovery staff and training, $300,000.00 must be awarded to Haven of Rest Ministries in Calhoun County for life recovery programs.

Sec. 1939. From the funds appropriated in part 1 for CPR and AED devices, $56,000.00 must be awarded to the Albion department of public safety in Calhoun County to support purchases of public safety equipment.

Sec. 1941. From the funds appropriated in part 1 for victims services training, $85,000.00 must be awarded to the Michigan Sheriffs' Association for victim support and trainings.

Sec. 1943. From the funds appropriated in part 1 for Northern Bay ambulance, $300,000.00 must be awarded to Northern Bay Ambulance in Bay County for the purchase of an ambulance.

Sec. 1944. From the funds appropriated in part 1 for cancer drug repository program, the department shall allocate $1,000,000.00 as a grant to YesRx to improve medication access and decrease medication waste.

Sec. 1945. From the funds appropriated in part 1 for center for behavioral health, $2,000,000.00 must be awarded to the Center for Behavioral Health and Justice at Wayne State University to enhance collaboration, cooperation, and interoperability between 9-1-1, 9-8-8, law enforcement, community mental health, and other community resources.

Sec. 1946. From the funds appropriated in part 1 for community opportunity hub, the department shall appropriate $1,000,000.00 to Life Remodeled to support the completion of a comprehensive digital and technology initiative addressing major barriers to digital access, educational achievement, and workforce readiness in underserved communities.

Sec. 1947. From the funds appropriated in part 1 for families and children together, $2,000,000.00 must be awarded to Families and Children Together in Genesee County for program expansion.

Sec. 1948. From the funds appropriated in part 1 for dental safety net providers, $1,000,000.00 of general fund/general purpose revenue and any associated federal match must be distributed to My Community Dental Centers, Inc. for the purpose of expanding capacity and ensuring operational efficiencies that may include equipment and technology upgrades.

Sec. 1949. From the funds appropriated in part 1 for Auburn Hills ambulance, $450,000.00 must be awarded to the city of Auburn Hills in Oakland County for the purchase of an advanced life support ambulance.

Sec. 1950. From the funds appropriated in part 1 for infrastructure cost-share program, the department shall appropriate $700,000.00 to the Michigan Coalition Against Homelessness to implement a statewide cost-sharing transition plan for the Homeless Management Information System, advance data-driven decision-making, and improve transparency within the homeless response system.

Sec. 1951. From the funds appropriated in part 1 for Common Ground crisis center, $405,000.00 must be awarded to Common Ground Crisis Center, headquartered in the village of Bingham Farms, to support and expand the mass violence and disaster response and recovery program.

Sec. 1953. From the funds appropriated in part 1 for community overcoming violent encounters, $500,000.00 must be awarded to Communities Overcoming Violent Encounters to support a building campaign to strengthen and modernize an emergency shelter and advocacy center.

Sec. 1954. From the funds appropriated in part 1 for mobile optometry for individuals with limited mobility, the department shall appropriate $375,000.00 to Eye Care For Detroit, Inc., doing business as Eye Care for Michigan, to support the provision of mobile vision care services to homebound individuals.

Sec. 1955. From the funds appropriated in part 1 for Tri-Cities Family YMCA, $2,100,000.00 must be awarded to the Tri-Cities Family YMCA, headquartered in the city of Grand Haven, for essential infrastructure improvements and upgrades.

Sec. 1956. (1) From the funds appropriated in part 1 for permanent supportive housing, the department shall allocate $5,000,000.00 to expand supportive housing services. Organizations that received funding under section 1983 of article 6 of 2023 PA 166, section 701 of article 16 of 2024 PA 121, or section 1956 of article 6 of 2025 PA 22 are eligible to apply for and receive funding under this section. The funds must be used for services to households living in supportive housing who need additional services to maintain stability and currently homeless households moving into supportive housing.

(2) From the funds appropriated in this section, no more than 8% may be allocated as grants to organizations providing permanent supportive housing for capacity building necessary to develop and sustain high-quality service delivery and to build administrative capacity to seek Medicaid reimbursement for eligible services.

(3) From the funds appropriated in this section, at least 1% must be allocated for technical assistance and capacity building to support organizations providing permanent supportive housing services.

(4) Funds appropriated in part 1 for permanent supportive housing are considered work project funds, do not lapse at the close of the fiscal year, and are available for expenditures for projects under this section until the projects have been completed. The following are in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to provide funding for grants to eligible entities to provide permanent supportive housing services for eligible households.

(b) The work project will be accomplished through partnerships with community-based agencies that provide supportive housing services, the Michigan state housing development authority, and local governments.

(c) The total estimated cost of the work project is $5,000,000.00.

(d) The tentative completion date for the work project is September 30, 2031.

Sec. 1957. From the funds appropriated in part 1 for mobile health van, $210,000.00 must be awarded to Jackson-Hillsdale community mental health board to purchase an innovative mobile mental health crisis unit.

Sec. 1959. From the funds appropriated in part 1 for IM Kids 3rd Meal, $500,000.00 must be awarded to IM Kids 3rd Meal in Ionia County to secure and equip a facility to serve as a permanent location for the program.

Sec. 1961. From the funds appropriated in part 1 for dental clinic, $2,500,000.00 must be awarded to North Central Michigan College to support the purchase of a facility for a new dental hygiene program.

Sec. 1963. From the funds appropriated in part 1 for St. Louis Center, $2,000,000.00 must be awarded to the St. Louis Center to support capital improvements.

Sec. 1965. (1) From the funds appropriated in part 1 for water affordability, the department shall allocate $5,000,000.00 as grants to qualified providers to assist eligible residents who have a financial burden, have accumulated a balance on their water utility bill, have had their water service shut off, and/or are at risk of having their water service shut off. Eligible expenditures from these funds must be income-based and must include all of the following:

(a) Restoring residential water service.

(b) Paying down water bills currently in arrears.

(c) Supporting reasonable water affordability plans that are based on an individual's ability to pay, including capped payments based on household income to prevent accumulating a balance on future water bills and funding to qualified providers to cover the remaining cost of service.

(d) Protecting participating residents from water shutoffs.

(2) To be considered a qualified provider under this section, the provider must be 1 of the following:

(a) A community water system.

(b) A community action agency.

(c) A nonprofit, community-based organization 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, with a history of doing utility assistance work.

(3) Qualified providers receiving grants under this section may spend not more than 3% of the total grant award for administrative services related to the implementation of this section.

(4) Qualified providers receiving grants under this section shall report to the department by September 30 of the current fiscal year on outcomes and performance measures for the program, including, but not limited to, all of the following:

(a) The total grant award received by the qualified provider.

(b) The percentage of the grant award that was used for administrative costs.

(c) The total dollars spent broken down by type of assistance provided.

(d) The number of individuals helped broken down by type of assistance provided.

(e) The number of individual applicants denied assistance.

(5) Upon receipt of the information required under subsection (4), the department shall compile and forward the report to the standard report recipients.

(6) The unexpended funds appropriated in part 1 for water affordability 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 grants to qualified providers that assist eligible residents who have a financial burden, have accumulated a balance on their water utility bill, have had their water service shut off, and/or are at risk of having their water service shut off.

(b) The project will be accomplished through competitive grants to qualified providers.
(c) The total estimated cost of the project is $5,000,000.00.
(d) The tentative completion date is September 30, 2031.

Sec. 1967. From the funds appropriated in part 1 for first responder mental health, $1,044,000.00 must be awarded to Frontline Strong Together to support a statewide initiative to support police officers, firefighters, EMS personnel, correctional officers, 9-1-1 dispatchers, and their immediate families.

Sec. 1969. (1) From the funds appropriated in part 1 for autism supports coordination, the department shall allocate $750,000.00 for autism services coordination. The department shall require a contractor receiving funds under this section to comply with performance-related metrics established by the department to maintain eligibility for funding. The performance-related metrics must include, but not be limited to, all of the following:
(a) Each contractor shall have an accreditation that attests to the contractor's competency and effectiveness in providing services.
(b) Each contractor shall demonstrate cost-effectiveness.
(c) Each contractor shall ensure the contractor's ability to leverage private dollars to strengthen and maximize the provision of services.
(d) On a quarterly basis, each contractor shall provide reports to the department on the number of clients served by PIHP region, units of service provision by PIHP region, and ability to meet the contractor's stated goals.
(2) Each contractor receiving funds under this section shall submit a comprehensive report to the department not later than 60 days after the end of the contract period. The report must include specific information on services and programs provided by the contractor, the client base to which the services and programs were provided by the contractor, and the contractor's expenditures for the services. The department shall submit the reports to the standard report recipients.

Sec. 1975. From the funds appropriated in part 1 for child caring institution infrastructure fund, the department shall allocate $1,975,000.00 to be distributed as grants to support capital improvements for private and state-run child caring institutions that are licensed and have a contract with this state. Funds must be used to reimburse costs associated with damages resulting from property damage or injury caused by youth placed by the department. Payments must not exceed $100,000.00 in total per facility.

Sec. 1979. From the funds appropriated in part 1 for community-based coverage entity, the department shall allocate $1,300,000.00 to Access Health for low-income workers in a "three-share model" where costs are shared between local business, local workers, and the public. The funds appropriated in this section must, at a minimum, be used to support the public share of the health coverage program.

Sec. 1980. (1) From the funds appropriated in part 1 for federally-qualified health centers - training program, the department shall allocate $1,500,000.00 to partner with a health center careers training program operated by the Michigan Primary Care Association to provide additional recruitment and training opportunities for individuals employed in FQHCs operating in this state.
(2) The health centers careers training program described in subsection (1) must do all of the following:
(a) Provide recruiting and training opportunities for professions, including, but not limited to, medical and dental assistants, community health workers, doulas, medical billing and coding professionals, pharmacy technicians, and opticians.
(b) Provide paid clinical or internship experience opportunities for behavioral health students.
(c) Provide on-the-job training and apprenticeship opportunities.
(d) Support opportunities to grow workforce and career opportunities for low-income and underserved communities.

Sec. 1989. From the funds appropriated in part 1 for Medicaid outreach, the department shall allocate $1,000,000.00 in general fund/general purpose revenue and the prevailing federal match that supports the Healthy Michigan plan to enhance Medicaid health plan outreach, in partnership with the National Kidney Foundation of Michigan. These funds are to support outreach efforts by the Morris Hood III Chronic Kidney Disease Prevention Initiative to identify, educate, and prevent chronic kidney disease in high-risk populations and regions.

Sec. 1990. (1) The funds appropriated in part 1 for violence prevention task force shall be used to implement the recommendations of Executive Order No. 2024-4 and Executive Order No. 2026-13.

(2) Unexpended and unencumbered funds appropriated in part 1 for violence prevention task force are designated as work project appropriations. Any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for projects under this section until the work 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 work project is to implement the recommendations of Executive Order No. 2024-4 and Executive Order No. 2026-13.

(b) The work project will be accomplished using state resources or contracts with service providers, institutions of higher education, or other entities, as appropriate.

(c) The total estimated completion cost of the work project is $2,500,000.00.

(d) The tentative completion date for the work project is September 30, 2031.

ARTICLE 7

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the department of insurance and financial services for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	390.5		
GROSS APPROPRIATION		**$**	**82,333,800**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			791,600
ADJUSTED GROSS APPROPRIATION		**$**	**81,542,200**
Federal revenues:			
Total federal revenues			250,000
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			81,292,200
State general fund/general purpose		**$**	**0**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	21.5		
Unclassified salaries—FTEs	6.0	$	1,013,800
Administrative hearings			173,700
Department services—FTEs	16.0		8,684,900
Executive director programs—FTEs	5.5		1,527,100
Property management			1,318,700
Worker's compensation			1,200
GROSS APPROPRIATION		**$**	**12,719,400**
Appropriated from:			
Special revenue funds:			
Captive insurance regulatory and supervision fund			82,700
Consumer finance fees			651,400
Continuing education fund			55,000
Credit union regulatory fund			1,488,200
Deferred presentment service transaction fees			282,400
Insurance bureau fund			5,746,500

			For Fiscal Year Ending Sept. 30, 2027
Insurance licensing and regulation fees		$	2,105,100
MBLSLA fund			1,348,900
State bank regulatory fund			959,200
State general fund/general purpose		**$**	**0**
Sec. 103. INSURANCE AND FINANCIAL SERVICES REGULATION			
Full-time equated classified positions	369.0		
Consumer services and protection—FTEs	106.0	$	18,604,400
Financial institutions evaluation—FTEs	132.0		24,966,000
Insurance evaluation—FTEs	131.0		22,413,300
GROSS APPROPRIATION		**$**	**65,983,700**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDLARA, for debt management			791,600
Federal revenues:			
Federal revenues			250,000
Special revenue funds:			
Captive insurance regulatory and supervision fund			656,500
Consumer finance fees			2,514,400
Continuing education fund			555,400
Credit union regulatory fund			8,696,100
Deferred presentment service transaction fees			3,786,900
Insurance bureau fund			27,495,000
Insurance licensing and regulation fees			8,286,400
MBLSLA fund			6,181,600
Multiple employer welfare arrangement			35,500
State bank regulatory fund			6,734,300
State general fund/general purpose		**$**	**0**
Sec. 104. INFORMATION TECHNOLOGY			
Information technology services and projects		$	3,630,700
GROSS APPROPRIATION		**$**	**3,630,700**
Appropriated from:			
Special revenue funds:			
Captive insurance regulatory and supervision fund			23,300
Consumer finance fees			187,600
Continuing education fund			15,800
Credit union regulatory fund			438,200
Deferred presentment service transaction fees			80,900
Insurance bureau fund			1,717,800
Insurance licensing and regulation fees			485,400
MBLSLA fund			392,300
State bank regulatory fund			289,400
State general fund/general purpose		**$**	**0**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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 $81,292,200.00 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 committees, 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. 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. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's or agency's Michigan.gov website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department's or agency's website, the department or agency shall maintain on its website all reports placed on the website from previous years posted by fiscal year in the same archivable location.

(3) The department or agency shall also transmit all required reports for the current fiscal year to the standard recipients and any other required recipients by email.

Sec. 206. 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. 207. 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.

Sec. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department must do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office with an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, identifying all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

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. 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. 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 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, private 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 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, to the senate and house appropriations committees, and to the joint committee on administrative rules.

Sec. 215. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. (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 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 $1,000,000.00 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.

Sec. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $5,008,800.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $5,008,800.00. Total appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the department shall submit an annual 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. 221. 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. 222. 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. 223. (1) The department shall maximize the utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, and in-person and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. Each agency shall complete a space utilization assessment by July 1, 2027, using a form developed by the department of technology, management, and budget, for all space assigned under its building occupancy agreement and leased office locations and post on their website. Agencies shall develop, in coordination with department of technology, management, and budget, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with space standards established by the department of technology, management, and budget unless an exception is approved by the department of technology, management, and budget.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. No later than December 31, 2026, and again by June 1, 2027, the department must provide a report to the standard report recipients that includes details regarding any federal guidelines, rules, regulations, or other significant federal policy changes including H.R. 1 and the Rural Health Transformation Program that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Not later than 30 days after the enactment of this act, the house of representatives and senate shall provide to the state budget office a jointly agreed-upon list of legislatively directed spending items funded in part 1 as defined in section 364 of the management and budget act, 1984 PA 431, MCL 18.364. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.364 and 18.364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026 are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026 and any subsequent financial close out period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of the American rescue plan act of 2021, Public Law 117-2, must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and the house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do all of the following:

(a) Report on 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. 231. The department shall establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements prior to contract execution. The department shall report back to the standard report recipients by March 31, 2027 on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

Sec. 250. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits. Not later than February 1, the department shall report on fees collected from credit card payments for licenses, fees, and permits in the previous year.

INSURANCE AND FINANCIAL SERVICES REGULATION

Sec. 301. The annual health insurance rate change report prepared pursuant to 45 CFR 154.301(b) shall be transmitted electronically to the standard report recipients and must include the following:

(a) The number that are approved by the department.

(b) The number of denials issued by the department.

(c) The number of objections issued by the department.

(d) The percentage of rate filings processed within the applicable statutory time frames.

(e) 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 $600,000.00.

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 $600,000.00.

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. 307. (1) From the funds appropriated in part 1 for consumer services and protection, at least 1.0 FTE must provide direct assistance in understanding automobile insurance coverage and identifying available coverage options. Assistance must be provided to households 300% of the federal poverty level or below. The FTE must develop referral partnerships with not fewer than 10 community-based organizations serving low-income households.

(2) Not later than September 30, the department shall submit a report to the standard report recipients and the chairpersons of the senate and house standing committees that provides all of the following:

(a) The number of consumers assisted.

(b) The barriers encountered to obtaining coverage, maintaining coverage, or both.

(c) The geographic distribution of need.

(d) The partner community organization.

(e) The legislative or departmental, or both, recommendations based on barrier patterns identified.

(f) Average income level of those assisted.

Sec. 308. From the funds appropriated in part 1 for consumer services and protection, the department of insurance and financial services may hire up to 2.0 limited-term FTEs to support PRIRA appeal reviews and consumer complaint reviews and evaluations. As used in this section, "PRIRA" means the patient's right to independent review act, 2000 PA 251, MCL 550.1901 to 550.1929.

Sec. 309. From the funds appropriated in part 1 for insurance evaluation, the department of insurance and financial services may hire up to 1.0 limited-term FTE to support data review and analysis.

ARTICLE 8

JUDICIARY

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the judiciary for the fiscal year ending September 30, 2027, from the following funds:

JUDICIARY			
APPROPRIATION SUMMARY			
Full-time equated exempted positions	653.5		
GROSS APPROPRIATION		**$**	**377,620,800**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			1,902,300
ADJUSTED GROSS APPROPRIATION		**$**	**375,718,500**
Federal revenues:			
Total federal revenues			7,323,000
Special revenue funds:			
Total local revenues			0
Total private revenues			1,912,900
Total other state restricted revenues			87,542,000
State general fund/general purpose		**$**	**278,940,600**
Sec. 102. SUPREME COURT			
Full-time equated exempted positions	316.0		
Community dispute resolution—FTEs	4.0	$	3,584,100
Drug treatment courts—FTEs	2.0		13,423,400
Foster care review board—FTEs	10.0		1,482,600
Jail reform advisory support—FTE	1.0		163,400
Judicial information systems—FTEs	100.0		21,052,500
Judicial institute—FTEs	17.0		2,968,600
Justice for all—FTEs	2.0		1,547,000
Mental health courts and diversion services—FTE	1.0		5,855,700
Michigan legal help			1,000,000
Next generation Michigan court system			4,116,000
Other federal grants			275,100
State court administrative office—FTEs	83.0		15,994,000
Supreme court administration—FTEs	96.0		17,059,100
Veterans courts			1,089,300
GROSS APPROPRIATION		**$**	**89,610,800**
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

			For Fiscal Year Ending Sept. 30, 2027
Federal revenues:			
DOJ, drug court training and evaluation		$	300,000
DOT, National Highway Traffic Safety Administration			2,358,700
Federal funds			275,100
HHS, access and visitation grant			508,000
HHS, children's justice grant			259,800
HHS, court improvement project			1,019,000
HHS, safe access for victims economic security grant			420,000
HHS, state opioid response grant			352,200
HHS, title IV-D child support program			912,800
HHS, title IV-E foster care program			333,600
Special revenue funds:			
Interest on lawyers' trust accounts			414,400
Private funds			501,100
State justice institute			529,000
Community dispute resolution fund			2,620,000
Drug treatment court fund			1,920,500
Justice system fund			657,100
Law exam fees			808,700
Miscellaneous revenue			161,800
State court fund			422,800
State general fund/general purpose		**$**	**73,183,900**
Sec. 103. COURT OF APPEALS			
Full-time equated exempted positions	179.0		
Court of appeals operations—FTEs	179.0	$	28,391,900
GROSS APPROPRIATION		**$**	**28,391,900**
Appropriated from:			
Special revenue funds:			
Court of appeals filing/motion fees			1,450,000
State general fund/general purpose		**$**	**26,941,900**
Sec. 104. BRANCHWIDE APPROPRIATIONS			
Full-time equated exempted positions	6.0		
Branchwide appropriations—FTEs	6.0	$	13,126,000
GROSS APPROPRIATION		**$**	**13,126,000**
Appropriated from:			
State general fund/general purpose		**$**	**13,126,000**
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			32,563,500
Circuit court judicial salary standardization			10,196,800
Court of appeals judges' salaries—25.0 judges			5,188,500
District court judges' state base salaries—232.0 judges			33,877,700
District court judicial salary standardization			10,608,600
Probate court judges' state base salaries—104.0 judges			15,060,600
Probate court judicial salary standardization			4,715,300
Judges' retirement system defined contributions			9,734,600
OASI, Social Security			8,661,600
GROSS APPROPRIATION		**$**	**131,877,700**
Appropriated from:			
Special revenue funds:			
Court fee fund			6,619,300
State general fund/general purpose		**$**	**125,258,400**

			For Fiscal Year Ending Sept. 30, 2027
Sec. 106. JUDICIAL AGENCIES			
Full-time equated exempted positions	14.0		
Judicial tenure commission—FTEs	14.0	$	2,995,100
GROSS APPROPRIATION		**$**	**2,995,100**
Appropriated from:			
State general fund/general purpose		**$**	**2,995,100**
Sec. 107. INDIGENT DEFENSE - CRIMINAL			
Full-time equated exempted positions	112.5		
Appellate public defender program—FTEs	94.0	$	17,504,900
Juvenile life resentencing—FTEs	18.5		5,621,200
Michigan appellate assigned counsel system roster attorney compensation grants			4,408,100
GROSS APPROPRIATION		**$**	**27,534,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of state police			250,000
Federal revenues:			
Federal funds			583,800
Special revenue funds:			
Interest on lawyers' trust accounts			88,400
Michigan justice fund			380,000
Miscellaneous revenue			172,400
State general fund/general purpose		**$**	**26,059,600**
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		$	49,815,700
Drug case-flow program			250,000
Drunk driving case-flow program			2,200,000
Judicial technology improvement fund			5,165,000
Juror compensation reimbursement—FTE	1.0		6,619,900
Statewide e-file system—FTEs	25.0		10,097,500
GROSS APPROPRIATION		**$**	**74,148,100**
Appropriated from:			
Special revenue funds:			
Court equity fund			40,440,000
Drug case information management fund			250,000
Drunk driving case-flow assistance fund			2,200,000
Judicial electronic filing fund			10,097,500
Judicial technology improvement fund			5,165,000
Juror compensation fund			6,619,900
State general fund/general purpose		**$**	**9,375,700**
Sec. 110. ONE-TIME APPROPRIATIONS			
Branchwide appropriations		$	2,000,000
GROSS APPROPRIATION		**$**	**2,000,000**
Appropriated from:			
State general fund/general purpose		**$**	**2,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending under part 1 from state sources is $366,482,600.00 and total state spending under part 1 from state sources to be paid to local units of government is $153,848,800.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

JUDICIARY		
SUPREME COURT		
Drug treatment courts	$	9,373,400
Judicial information services		16,969,100
Mental health courts and diversion service		5,855,700
Next generation Michigan court system		4,116,000
State court administrative office		200,000
Veterans courts		1,089,300
JUSTICES' AND JUDGES' COMPENSATION		
Circuit court judicial salary standardization	$	10,196,800
District court judicial salary standardization		10,608,600
OASI, Social Security		1,515,900
Probate court judges' state base salaries		15,060,600
Probate court judicial salary standardization		4,715,300
TRIAL COURT OPERATIONS		
Court equity fund reimbursements	$	49,815,700
Drug case-flow program		250,000
Drunk driving case-flow program		2,200,000
Judicial technology improvement fund		5,165,000
Juror compensation reimbursement		6,619,900
Statewide e-file system		10,097,500
TOTAL	**$**	**153,848,800**

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) "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 committees, 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. 205. (1) The judicial branch shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the judicial branch's website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the judicial branch's website, the judicial branch shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The judicial branch shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. 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 of the expenditure. 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 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 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 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. 211. 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. 212. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, 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 by judicial branch employees outside this state 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, and other revenues.

Sec. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $9,414,300.00 for the judicial branch. From this amount, total appropriations for pension-related legacy costs for the judicial branch are estimated at $9,414,300.00. Total appropriations for retiree health care legacy costs for the judicial branch are estimated at $0.00.

Sec. 219. 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. 220. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the judicial branch shall submit reports that summarize all work project accounts. The reports 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. The chief justice shall take steps to ensure that all state fiscal recovery funds received under the American rescue plan act of 2021, Public Law 117-2, by the judicial branch are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026 are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026 and any subsequent financial close out period.

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. 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. 305. 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. 306. (1) The funds appropriated in part 1 for problem-solving courts must be administered by the state court administrative office to operate problem-solving court programs. A problem-solving 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 problem-solving 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 problem-solving court costs consistent with Byrne grant program criteria.

(5) A problem-solving court may include, but is not limited to, any of the following:

(a) Drug treatment courts under chapter 10A of the revised judicature act of 1961, 1961 PA 236, MCL 600.1060 to 600.1088.

(b) Mental health courts under chapter 10B of the revised judicature act of 1961, 1961 PA 236, MCL 600.1090 to 600.1099a.

(c) Juvenile mental health courts under chapter 10C of the revised judicature act of 1961, 1961 PA 236, MCL 600.1099b to 600.1099m.

(d) Family treatment courts under chapter 10D of the revised judicature act of 1961, 1961 PA 236, MCL 600.1099aa to 600.1099*ll*.

(e) Veterans treatment courts under chapter 12 of the revised judicature act of 1961, 1961 PA 236, MCL 600.1200 to 600.1212.

Sec. 308. 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. 309. 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. 310. The state court administrative office shall not impose local user fees or collect local user fees from trial courts that are using the statewide judicial case management system.

Sec. 311. (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. 313. (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*, 349 Mich App 594 (2024), *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. 314. (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.

ONE-TIME APPROPRIATIONS

Sec. 401. From the one-time funds appropriated in part 1 for branchwide appropriations, the judicial branch may do the following:

(a) The supreme court may hire 1.0 limited term employee to serve as an editor for the office of reporter of decisions. The editor shall work to reduce the court of appeals backlog of opinions awaiting review and editing.

(b) The judicial tenure commission may hire up to 3.0 limited term employees to assist the commission with addressing the judicial complaint backlog.

(c) The state appellate defender office may hire up to 14.0 limited term employees to support the financial impact of recent supreme court decisions that require resentencing of individuals who were sentenced to life without parole for crimes they committed at 19 or 20 years of age.

ARTICLE 9

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the department of labor and economic opportunity for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	34.5		
Full-time equated classified positions	2,605.0		
GROSS APPROPRIATION		**$**	**1,595,507,000**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**1,595,507,000**
Federal revenues:			
Total federal revenues			1,005,099,800
Special revenue funds:			
Total local revenues			5,700,000
Total private revenues			6,597,200
Total other state restricted revenues			222,577,700
State general fund/general purpose		**$**	**355,532,300**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	34.5		
Full-time equated classified positions	75.0		
Unclassified salaries—FTEs	34.5	$	5,015,500
Executive direction and operations—FTEs	75.0		4,975,600
Property management			7,458,000
GROSS APPROPRIATION		**$**	**17,449,100**
Appropriated from:			
Federal revenues:			
DED, vocational rehabilitation and independent living			3,504,500
DOL, federal funds			267,000
DOL, occupational safety and health			586,700
DOL-ETA, unemployment insurance			2,625,600
Federal funds			50,000
Special revenue funds:			
Asbestos abatement fund			52,800
Corporation fees			2,277,900
Michigan state housing development authority fees and charges			681,200

			For Fiscal Year Ending Sept. 30, 2027
Private occupational school license fees		$	56,200
Radiological health fees			215,800
Safety education and training fund			1,100,000
Second injury fund			181,600
Securities fees			2,256,200
Self-insurers security fund			126,700
Silicosis and dust disease fund			96,100
Workers' compensation administrative revolving fund			93,700
State general fund/general purpose		**$**	**3,277,100**
Sec. 103. WORKFORCE DEVELOPMENT			
Full-time equated classified positions	238.0		
Community and worker economic transition office—FTEs	10.0	$	2,252,600
High school equivalency-to-school program			250,000
Michigan office of rural prosperity—FTE	1.0		2,302,100
MiSTEM advisory council—FTEs	3.0		674,600
Office of future mobility and electrification—FTEs	5.0		1,500,000
Rural development fund grant program—FTE	1.0		2,014,900
Workforce development—FTEs	218.0		359,078,800
GROSS APPROPRIATION		**$**	**368,073,000**
Appropriated from:			
Federal revenues:			
DAG, employment and training			4,560,400
DED-OESE, GEAR-UP			5,500,000
DED-OVAE, adult education			19,000,000
DED-OVAE, basic grants to states			19,000,000
DOL, federal funds			46,329,800
DOL-ETA, workforce investment act			151,488,600
Federal funds			27,225,100
Social security act, temporary assistance for needy families			63,698,800
Special revenue funds:			
Local funds			300,000
Private funds			4,001,300
Contingent fund, penalty and interest			2,000,000
Defaulted loan collection			168,600
Rural development fund			2,014,900
State general fund/general purpose		**$**	**22,785,500**
Sec. 104. REHABILITATION SERVICES			
Full-time equated classified positions	669.0		
Bureau of services for blind persons—FTEs	116.0	$	30,597,200
Centers for independent living			18,718,600
Michigan rehabilitation services—FTEs	553.0		152,220,500
Subregional libraries state aid			451,800
GROSS APPROPRIATION		**$**	**201,988,100**
Appropriated from:			
Federal revenues:			
DED, vocational rehabilitation and independent living			147,733,800
Federal funds			884,000
Supplemental security income			5,588,600
Special revenue funds:			
Local - blind services			100,000
Local - vocational rehabilitation match			5,300,000
Private - blind services			111,800
Private - gifts, bequests, and donations			531,500
Michigan business enterprise program fund			350,000
Rehabilitation service fees			116,200
State general fund/general purpose		**$**	**41,272,200**

			For Fiscal Year Ending Sept. 30, 2027
Sec. 105. EMPLOYMENT SERVICES			
Full-time equated classified positions	405.0		
Bureau of employment relations—FTEs	22.0	$	4,718,200
Compensation supplement fund			820,000
First responder presumed coverage claims			6,500,000
Insurance funds administration—FTEs	21.0		4,525,300
Michigan occupational safety and health administration—FTEs	217.0		41,384,700
Office of global Michigan—FTEs	15.0		41,480,700
Private and occupational distance learning—FTEs	3.0		989,700
Radiation safety section—FTEs	26.0		4,206,100
Wage and hour program—FTEs	33.0		4,781,500
Workers' compensation board of magistrates—FTEs	10.0		2,341,500
Workers' disability compensation agency—FTEs	56.0		10,255,300
Workers' disability compensation appeals commission—FTEs	2.0		363,700
GROSS APPROPRIATION		**$**	**122,366,700**
Appropriated from:			
Federal revenues:			
DOL, occupational safety and health			16,746,800
HHS, mammography quality standards			513,300
HHS, refugee assistance program fund			38,419,100
Special revenue funds:			
Asbestos abatement fund			888,800
Corporation fees			12,593,300
Distance education fund			486,400
First responder presumed coverage fund			6,500,000
Private occupational school license fees			503,300
Radiological health fees			3,692,800
Safety education and training fund			13,578,700
Second injury fund			2,511,400
Securities fees			11,400,800
Self-insurers security fund			1,448,700
Silicosis and dust disease fund			565,200
Workers' compensation administrative revolving fund			3,400,400
State general fund/general purpose		**$**	**9,117,700**
Sec. 106. UNEMPLOYMENT INSURANCE AGENCY			
Full-time equated classified positions	738.0		
Unemployment insurance agency—FTEs	728.0	$	199,287,000
Unemployment insurance agency - advocacy assistance			1,500,000
Unemployment insurance appeals commission—FTEs	10.0		4,430,600
GROSS APPROPRIATION		**$**	**205,217,600**
Appropriated from:			
Federal revenues:			
DOL-ETA, unemployment insurance			185,270,300
Special revenue funds:			
Contingent fund, penalty and interest			19,947,300
State general fund/general purpose		**$**	**0**
Sec. 107. COMMISSIONS			
Full-time equated classified positions	23.0		
Asian Pacific American affairs commission—FTE	1.0	$	225,900
Commission on Middle Eastern American affairs—FTE	1.0		216,700
Hispanic/Latino commission of Michigan—FTE	1.0		300,000
Michigan community service commission—FTEs	14.0		16,620,800
Michigan women's commission—FTEs	2.0		1,548,900
Prosperity bureau—FTEs	4.0		922,000
GROSS APPROPRIATION		**$**	**19,834,300**

		For Fiscal Year Ending Sept. 30, 2027
Appropriated from:		
Federal revenues:		
Federal funds		$ 15,184,400
Special revenue funds:		
Private funds		1,552,600
State general fund/general purpose		**$ 3,097,300**
Sec. 108. INFORMATION TECHNOLOGY		
Information technology services and projects		$ 31,082,100
GROSS APPROPRIATION		**$ 31,082,100**
Appropriated from:		
Federal revenues:		
DED, vocational rehabilitation and independent living		3,371,400
DOL, occupational safety and health		372,300
DOL-ETA, unemployment insurance		23,003,200
Federal funds		592,800
Special revenue funds:		
Asbestos abatement fund		35,300
Corporation fees		517,500
Distance education fund		20,700
Private occupational school license fees		82,400
Radiological health fees		155,900
Safety education and training fund		403,300
Second injury fund		180,700
Securities fees		1,277,800
Self-insurers security fund		125,600
Silicosis and dust disease fund		45,000
State general fund/general purpose		**$ 898,200**
Sec. 109. MICHIGAN STRATEGIC FUND		
Full-time equated classified positions	130.0	
Arts and cultural program		$ 3,206,100
Community college skilled trades equipment program		3,017,500
Facility for rare isotope beams		7,300,000
Job creation services—FTEs	130.0	36,193,700
Lighthouse preservation program		250,000
Michigan office of defense and aerospace innovation		3,500,000
GROSS APPROPRIATION		**$ 53,467,300**
Appropriated from:		
Federal revenues:		
Federal funds		3,000,000
NFAH-NEA, promotion of the arts, partnership agreement		1,050,000
State historic preservation, national park service grants		1,900,000
Special revenue funds:		
Private - Michigan council for the arts fund		200,000
Private - special project advances		200,000
Contingent fund, penalty and interest		3,017,500
Michigan lighthouse preservation fund		250,000
Michigan state housing development authority fees and charges		4,831,100
State brownfield redevelopment fund		7,007,700
State historic preservation office fees and charges		511,200
State general fund/general purpose		**$ 31,499,800**
Sec. 110. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY		
Full-time equated classified positions	318.0	
Community development block grants		$ 47,000,000
Housing and rental assistance—FTEs	318.0	52,875,700

			For Fiscal Year Ending Sept. 30, 2027
Michigan housing and community development program			50,000,000
MSHDA technology services and projects			3,772,600
Payments on behalf of tenants			166,860,000
Property management			3,506,100
GROSS APPROPRIATION		**$**	**324,014,400**
Appropriated from:			
Federal revenues:			
HUD, lower income housing assistance			166,860,000
HUD-CPD, community development block grant			49,773,300
Special revenue funds:			
Michigan housing and community development fund			50,000,000
Michigan state housing development authority fees and charges			57,381,100
State general fund/general purpose		**$**	**0**
Sec. 111. STATE LAND BANK AUTHORITY			
Full-time equated classified positions	9.0		
State land bank authority—FTEs	9.0	$	6,429,900
GROSS APPROPRIATION		**$**	**6,429,900**
Appropriated from:			
Federal revenues:			
Federal funds			1,000,000
Special revenue funds:			
Land bank fast track fund			5,429,900
State general fund/general purpose		**$**	**0**
Sec. 112. ONE-TIME APPROPRIATIONS			
23+ high school diploma program		$	2,000,000
Advanced air mobility initiative			800,000
Arts and cultural program			8,000,000
At-risk youth grants			4,000,000
Continuum of care			4,000,000
Going pro			14,500,000
Legislatively directed spending items			125,300,000
Michigan small business, community growth, and entrepreneurship support			68,234,500
Reentry support			750,000
Registered apprenticeships			4,000,000
Rural development fund grant program			2,000,000
Pure Michigan			11,000,000
Talent partnership			1,000,000
GROSS APPROPRIATION		**$**	**245,584,500**
Appropriated from:			
Special revenue funds:			
Rural development fund			2,000,000
State general fund/general purpose		**$**	**243,584,500**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending under part 1 from state sources is $578,110,000.00 and total state spending under part 1 from state sources to be paid to local units of government is $34,399,500. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY		
Arts and cultural program	$	2,940,000
At-risk youth grants		5,184,500
Michigan rehabilitation services		275,000
Workforce development programs		26,000,000
TOTAL	**$**	**34,399,500**

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) "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) "DTMB" means the department of technology, management, and budget.

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

(e) "Fund", unless the context clearly implies a different meaning, means the Michigan strategic fund.

(f) "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.

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

(h) "MiSTEM" means Michigan science, technology, engineering, and mathematics.

(i) "MSHDA" means the Michigan state housing development authority.

(j) "PATH" means Partnership. Accountability. Training. Hope.

(k) "Standard report recipients" means the senate and house appropriations committees, 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.

(*l*) "STEM" means science, technology, engineering, and mathematics.

(m) "USDOL" means the United States Department of Labor.

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, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. (1) The department shall cooperate with DTMB 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 DTMB to update the searchable website on a quarterly basis.

Sec. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department must do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office with an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, and identifying all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

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 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. 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. 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 by 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 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, 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 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 and to the joint committee on administrative rules.

Sec. 215. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $30,000,000.00 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 $560,000,000.00 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 $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.

(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 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. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027, are estimated at $29,919,000.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $29,919,000.00. Total appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the department shall submit a 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. 221. 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. 222. 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. 223. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office must be monitored each pay period to ensure all work hours reported on timesheets were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, in-person work, and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. Each agency shall complete a space utilization assessment by July 1, 2027, using a form developed by DTMB, for all space assigned under its building occupancy agreement and leased office locations and post on their website. Agencies shall develop, in coordination with DTMB, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with DTMB-established space standards unless an exception is approved by DTMB.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. Not later than December 31, 2026, and again by June 1, 2027, the department must provide a report to the standard report recipients that includes detail regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Within 30 days after enactment of this act, the senate and house shall provide to the state budget office a jointly agreed upon list of legislatively directed spending items as that term is defined in section 364 of the management and budget act, 1984 PA 431, MCL 18.1364, funded in part 1. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026, are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026, and any subsequent financial close out period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of Public Law 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report on 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. 231. The department must establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements prior to contract execution. The department must report back to the standard report recipients by March 31, 2027, on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

Sec. 232. (1) The department shall list all organizations that receive a grant or funding from the funds appropriated in this article by October 10, 2026, and certify that no organization identified has been convicted of violating section 543k of the Michigan penal code, 1931 PA 328, MCL 750.543k.

(2) Funds or grants must be withheld from an organization that has been convicted of violating section 543k of the Michigan penal code, 1931 PA 328, MCL 750.543k.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. 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 not later than 10 business days after receiving any additional pass-through funds.

Sec. 302. 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. 303. (1) Grants supported with private revenues received by the department are appropriated upon receipt and are available for expenditure by the department for purposes specified within the grant agreement and as permitted under state and federal law.

(2) Not later than 10 days after the receipt of a private grant appropriated in subsection (1), the department shall notify the standard report recipients of the receipt of the grant, including the fund source, purpose, and amount of the grant.

(3) The amount appropriated under subsection (1) must not exceed $3,000,000.00.

(4) Not later than March 15, the department shall report the amount of private revenue generated in the previous fiscal year and the amount of private revenue carried forward into the current fiscal year.

Sec. 304. (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 fees under subsection (1) must reflect 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) Revenue generated by registration fees under this section in excess of the department's costs of sponsoring informational, training, or special events must carry forward to the subsequent fiscal year and not lapse to the general fund.

(5) The amount appropriated under subsection (3) must not exceed $500,000.00.

(6) Not later than March 15, the department shall report the amount of registration fees generated in the previous fiscal year and the amount of registration fees carried forward into the current fiscal year.

Sec. 305. (1) The department may sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents must revert to the department. In addition to the funds appropriated in part 1, these funds are available for expenditure when they are received by the department of treasury. This subsection applies only to R 418.10101 to R 418.101503 of the Michigan Administrative Code.

(2) Unexpended funds at the end of the fiscal year must carry forward to the subsequent fiscal year and not lapse to the general fund. The money carried forward under this section must be used as the first source of funds in the subsequent fiscal year.

(3) Not later than March 15, the department shall report the amount of revenue generated from the sale of documents produced and distributed by the department in the previous fiscal year and the amount of revenue generated from the sale of documents produced and distributed by the department carried forward into the current fiscal year.

Sec. 306. (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) Not later than March 15, the department shall report 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. 307. Funds appropriated in part 1 must not be used by a department, authority, or agency to purchase an ownership interest in a casino.

Sec. 308. From the funds appropriated in part 1, the department shall develop recommendations for employers on best practices to support, attract, and retain women in the workforce. The department may partner with any additional stakeholders the department deems necessary for completing the recommendations, including the department of civil rights, the department of health and human services, and the Michigan women's commission. The recommendations must be published on the department's website not later than January 1, 2027. The recommendations must include, but are not limited to, guidance on all of the following:

(a) Postpartum care, including, but not limited to, flexible scheduling, reasonable accommodations, lactation policies, and mental health resources.

(b) Menstruation and menopause support, including, but not limited to, counseling or medical resources, symptoms training, and insurance coverage.

(c) Fair and transparent pay practices, including, but not limited to, salary disclosures, clear criteria for raises, and employer tools to assess compensation and address wage disparities.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Sec. 401. (1) Not later than March 15, MSHDA shall submit a report 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 and single-family 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 and single-family 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.

Sec. 403. (1) From the funds appropriated in part 1 for housing and rental assistance, the department must work to the extent permissible with the department of health and human services on transition and supportive housing to support the transition to permanent housing with MSHDA.

(2) Not later than March 15, the department shall report on the work that MSHDA has undertaken with the department, the fund, and the department of health and human services and any other department. The report must include a list of all MSHDA programs that have interdepartmental coordination with the department of health and human services and must also include a summary of the coordination efforts between the departments on those programs.

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 April 10, the state land bank authority shall submit a report that includes all of the following:

(a) The number of real properties acquired, leased, managed, demolished, maintained, or rehabilitated in the previous fiscal year and a list of any partnerships that the state land bank authority has with any local land bank authorities.

(b) A list of any properties sold by or otherwise transferred from the state land bank authority in the previous fiscal year.

(c) A summary of efforts to reduce the inventory of state and local land banks.

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. 506. As a condition of receiving funds appropriated in part 1 and not later than April 10, 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.

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 Michigan small business, community growth, and entrepreneurship support 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 April 10.

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) From the funds appropriated in part 1, the department shall notify the standard report recipients not later than 45 days after the purchase of land or options on land and include in the notification the location of the land, information on the entity that sold the land, and the purchase price of the land or option on land.

(2) If land or options on land are purchased under subsection (1), the fund shall provide a report not later than April 10 that provides a list of all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price.

Sec. 510. As a condition for receiving funds in part 1, not later than April 10, 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 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, 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. 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 April 10.

Sec. 517. (1) From the funds appropriated in part 1, the Michigan arts and culture council shall administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline for administering this program. The council shall do all of the following:

(a) Not later than October 1, publish proposed application criteria, instructions, and forms for use by eligible applicants. The council shall provide not less than a 2-week period for public comment before finalizing the application criteria, instructions, and forms.

(b) Assess a nonrefundable application fee that may be applied for each application. Application fees must be deposited in the council for the arts fund and are appropriated for expenses necessary to administer the program. These funds are available for expenditure when they are received and may be carried forward to the subsequent fiscal year.

(c) Issue grants to public and private arts and cultural entities.

(d) Not later than 10 business days after the award announcements, provide to each member of the legislature and the fiscal agencies a list of all grant recipients and the total award given to each recipient, sorted by county.

(e) In addition to the information in subdivision (d), report on the number of applications received, number of grants awarded, total amount requested from applications received, total amount of grants awarded, and amount of application fees collected in the previous fiscal year.

(2) Up to 3.0% of the funds appropriated in part 1 for arts and cultural program may be expended for the administration of the grant program.

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 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 provide a report not later than 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. (1) The funds appropriated in part 1 for Michigan office of defense and aerospace innovation shall be used by the Michigan strategic fund to protect and grow the defense and homeland security industry in this state by protecting this state's current department of defense missions, infrastructure, and industry, including securing new missions and increasing defense and homeland security spending in this state. These funds may be used for, but are not limited to, the following activities:

(a) Helping businesses in this state identify federal defense contract opportunities.

(b) Providing technical assistance for bid responses to federal defense contracts.

(c) Strengthening cybersecurity compliance at businesses in this state to qualify for federal defense contracts.

(2) Not later than March 15, the Michigan office of defense and aerospace innovation shall provide an annual report. The report must include, but is not limited to, all of the following:

(a) A strategic plan for the organization.

(b) An overview of the defense industry in this state, including identification of recent accomplishments and services provided to businesses in this state in the most recent year.

(c) A list of expenditures used to fund memberships in organizations and costs associated with attending conferences and expositions in the previous fiscal year.

(d) The most recent annual figures on direct domestic defense-related contracts and grants awarded to Michigan-based entities in the previous fiscal year.

(e) A summary of contracts or defense industry business with international clients.

Sec. 527. As a condition of receiving funds appropriated under part 1, the department shall comply with all of the following requirements:

(a) The fund must post a notice on its website that lists all businesses that have received a grant, loan, or other economic assistance under the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094, that have ceased operations in this state after January 1, 2021. The notice must include all of the following:

(*i*) The name of the business and an indication of whether the assistance received by the business was a grant, loan, or other economic assistance.

(*ii*) The amount of the grant, loan, or other economic assistance received by the business.

(*iii*) If the business is in breach of a written agreement with the fund, a statement by the fund on the likelihood of recovering any portion of the grant, loan, or other economic assistance due under the agreement.

(b) The fund must post a list of qualified businesses that are seeking to amend an agreement with the fund. The list must be available on the fund's website and must be updated monthly.

(c) The fund must post a list of qualified businesses that have defaulted on the terms of an agreement with the fund. The list must be available on the fund's website and must be updated monthly. The posting must include all of the following information:

(*i*) The terms of the written agreement that have not been met.

(*ii*) The number of created or retained qualified jobs at the qualified business.

(*iii*) The amount of grants, loans, or other economic assistance the qualified business has received.

(*iv*) If the qualified business is in breach of a written agreement with the fund, a statement by the fund on the likelihood of recovering any portion of the grant, loan, or other economic assistance due under the agreement.

(d) The Michigan strategic fund board or its delegate must not approve a grant, loan, company specific tax credit, or other economic assistance under the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094, without posting proposed draft contract approval agreements and, if produced for a specific project, briefings memoranda and term sheets on its website not less than 10 business days before approval.

Sec. 528. (1) In addition to the funds appropriated in part 1, a total of $2,000,000.00 is appropriated in accordance with section 16 of the lawful internet gaming act, 2019 PA 152, MCL 432.316, and section 16 of the lawful sports betting act, 2019 PA 149, MCL 432.416, for tribal government grants that must be distributed to federally recognized tribal governments for the purpose of funding essential tribal government services. The funds must be distributed according to an allocation plan recommended by the Inter-Tribal Council of Michigan.

(2) As used in this section, "federally recognized tribal government" means any Indian tribe, band, nation, or other organized group or community of Indians that is recognized as eligible by the United States Secretary of the Interior for the special programs and services provided by the United States to Indians because of their status as Indians, and is recognized as possessing powers of self-government.

EMPLOYMENT SERVICES

Sec. 601. From the funds appropriated in part 1 for wage and hour program, the department shall continue to engage with employers and employees to enhance education and outreach, in accordance with the youth employment standards act, 1978 PA 90, MCL 409.101 to 409.124, 1978 PA 390, MCL 408.471 to 408.490, the improved workforce opportunity wage act, 2018 PA 337, MCL 408.931 to 408.945, the earned sick time act, 2018 PA 338, MCL 408.961 to 408.974, the human trafficking notification act, 2016 PA 62, MCL 752.1031 to 752.1040, and 2023 PA 10, MCL 408.1101 to 408.1126, and private right of action.

Sec. 602. (1) In addition to the funds appropriated in part 1, all funds necessary to pay approved claims and administrative costs incurred during this fiscal year, as allowed in the Christopher R. Slezak first responder presumed coverage fund created in section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405, are appropriated for the purposes authorized under section 405 of the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.405.

(2) The department shall provide a year-end report to the Michigan gaming control board, the department of treasury, and the standard report recipients that includes, but is not limited to, the total of all approved claims and administrative costs incurred as of September 30 of the current fiscal year.

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 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other applicable laws and regulations.

Sec. 702. (1) From the funds appropriated in part 1 for workforce development, 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. Additionally, 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.

(2) Not later than March 15, the department shall report at least all of the following:

(a) Total grants expended under this section in the previous fiscal year.

(b) The total number of students served from the grants appropriated under this section.

(c) A list of all organizations and the amount each organization received from the funding appropriated under this section.

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 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. 707. The funds appropriated in part 1 for MiSTEM advisory council must be used to support the staff for the MiSTEM network, and for administrative, training, and travel costs related to the MiSTEM council. The MiSTEM network may receive funds from private sources. If the MiSTEM network receives funds from a private source, those funds are appropriated and must be expended in alignment with the statewide STEM strategy. If the MiSTEM network receives funds from a private source, not later than 10 days after receipt of the funds, the department shall report to the standard report recipients the name of the private source and the amount of the funds the private source provided to the MiSTEM network. The staff for the MiSTEM network shall do all of the following:

(a) Serve as a liaison among and between the department, the department of lifelong education, advancement, and potential, the department of education, the MiSTEM council, the governor's workforce development board, the MiSTEM regions, and any other relevant organization or entity in a manner that creates a robust statewide STEM culture, empowers STEM teachers, integrates business and education into the STEM network, and ensures high-quality STEM experiences for pupils.

(b) Coordinate the implementation of a marketing campaign, including, but not limited to, a website that includes dashboards of outcomes, to build STEM awareness and communicate STEM needs and opportunities to pupils, parents, educators, and the business community.

(c) Work with the department of education and the MiSTEM council to coordinate, award, and monitor MiSTEM state and federal grants to the MiSTEM network regions and conduct reviews of grant recipients, including, but not limited to, pupil experience and feedback.

(d) Report to the governor, the legislature, and the MiSTEM council annually on the activities and performance of the MiSTEM network regions.

(e) Coordinate recurring discussions and work with regional staff to ensure that a network or loop of feedback and best practices are shared, including funding, programming, professional learning opportunities, discussion of MiSTEM strategic vision, and regional objectives.

(f) Coordinate major grant application efforts with the MiSTEM council to assist regional staff with grant applications on a local level. The MiSTEM council shall leverage private and nonprofit relationships to coordinate and align private funds in addition to funds appropriated under this section.

(g) Train state and regional staff in the STEMworks rating system, in collaboration with the MiSTEM council and the Michigan department of education.

(h) Hire MiSTEM network region staff in collaboration with the network region fiscal agent.

Sec. 708. (1) From the funds appropriated in part 1 for workforce development, the department shall provide a report on the status of workforce development not later than March 15. 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 or other technical training programs.

(h) The number of participants who completed an education or training program.

(i) The number of participants who completed a training program and secured employment in a field related to their training.

(j) The average wage earned by participants who completed a training program and secured employment within 1 year.

(k) The actual revenues received by the fund source and fund appropriated for each discrete workforce development program area.

(*l*) The average cost of training per individual served, with an average provided for participants at 2-year institutions, participants at 4-year institutions, and participants at proprietary schools and other technical training programs.

(2) Data collection for the report must be for the previous state fiscal year.

Sec. 709. (1) From the funds appropriated in part 1 for workforce development, $10,000,000.00 is allocated for the purpose of assisting individuals who must comply with federal work requirements, including for either or both of the following:

(a) The supplemental nutrition assistance program (SNAP) work requirements under section 10102 of Public Law 119-21.

(b) The Medicaid community engagement requirements under section 71119 of Public Law 119-21.

(2) For the purpose of counting qualifying hours for community service activities, the department shall permit only community service activities that are specified and allowed under federal regulations.

(3) On a quarterly basis, the department shall provide a report to the standard report recipients on all of the following outcomes related to compliance with the SNAP work requirements and the Medicaid community engagement requirements under sections 10102 and 71119 of Public Law 119-21, with quarterly data provided as available:

(a) The number of individuals receiving SNAP or Medicaid who were referred to Michigan works agencies.

(b) The number of individuals receiving SNAP or Medicaid who were referred to Michigan works agencies and who were compliant with the work and community engagement requirements.

(c) The number of individuals receiving SNAP or Medicaid who were referred to Michigan works agencies and who were not compliant with the work and community engagement requirements.

(d) The total number of hours worked for all of the following qualifying activities by the individuals receiving SNAP or Medicaid who were referred to Michigan works agencies:

(*i*) Paid employment.

(*ii*) Community service activities.

(*iii*) A qualifying work program.

(*iv*) An educational program.

(*v*) Any other qualifying activity.

(e) The number of individuals who no longer participate or receive SNAP or Medicaid benefits due to full employment.

Sec. 712. (1) The funds appropriated in part 1 for the high school equivalency-to-school program must be used to purchase and distribute vouchers that cover the cost of high school equivalency testing and certification under this section. The department shall administer a Michigan high school equivalency-to-school program that covers the cost of taking a high school equivalency test free of charge for individuals who meet all of the following requirements:

(a) The individual has not previously been administered a high school equivalency test free of charge under this section.

(b) The individual meets at least 1 of the following requirements:

(*i*) Prior to taking the high school equivalency test, the individual successfully completed a department-approved high school equivalency preparation program.

(*ii*) Prior to taking the high school equivalency test, the individual completed the official high school equivalency practice test and the individual's score indicated that the individual is likely to pass.

(2) A department-approved high school equivalency preparation program must include all of the following:

(a) Instructional and tutorial assistances.

(b) High school equivalency test practice.

(c) Required attendance at program instructional sessions.

(d) A curriculum that prepares students for opportunities in postsecondary education and the job market.

(e) Information on potential postsecondary and career pathways.

(f) Counseling on preparing for and applying to college.

(g) Personal and job readiness skills development.

(h) Comprehensive information on college costs and financial aid.

(i) College and career assessments.

(j) Computer-based instruction, practice, or remediation.

(3) The department shall post online an announcement of the Michigan high school equivalency-to-school program, minimum standards for high school equivalency preparation program approval, and approval procedures.

(4) The department shall do all of the following:

(a) Develop procedures consistent with this section under which individuals can take the high school equivalency test without charge.

(b) Provide program information for educators and students on the department's website, including explanations of the procedures developed under subparagraph (a) and contact information for questions about the program.

(c) Provide an estimate of the full-year cost of the program to the standard report recipients.

(5) Not later than September 30, the department shall report on utilization of the high school equivalency incentive program, including numbers of high school equivalency certifications issued by location, year-to-date expenditures, and numbers of participants qualifying under subsection (1)(b)(*i*) or (*ii*), or both.

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 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.

Sec. 715. (1) From the funds appropriated in part 1 for community and worker economic transition office, the department may hire employees and deploy capabilities to evaluate and address the impacts of economic transitions on workers, communities, and employers in sectors that include, but are not limited to, the auto, utility, manufacturing, and building trades sectors. Activities of the office may include developing transition mitigation strategies, conducting data analysis, coordinating across state and federal agencies, engaging stakeholders, and providing resource navigation support. Not later than March 15, the department shall also submit an annual report on office activities and progress made on the transition plan to the standard report recipients and to the legislature, as required under section 7(5) of the community and worker economic transition act, 2023 PA 232, MCL 408.917.

(2) In the annual report submitted under subsection (1), the department shall include information on the mission statement, goals, metrics, and recommendations of the community and worker economic transition office. The report must also include a list of impacts on workers, communities, and employers in each economic sector experiencing economic transition, in addition to the auto, utility, manufacturing, and building trades sectors.

Sec. 716. There are appropriated 8.0 full-time equated positions for the Michigan high-speed internet office.

Sec. 718. Not later than December 31, the Michigan high-speed internet office shall report to the legislature on any impediments to grantees of the federal broadband grant programs administered by the Michigan high-speed internet office, including utilization of utility pole attachments and public railroad crossings.

Sec. 719. (1) Each regional Michigan works agency shall increase the number of employers within its respective region that the Michigan works agency collaborates with in order to increase the number of employers that participate within the Michigan works ecosystem.

(2) On a quarterly basis, the department shall provide a report that contains the number of added and removed employers, categorized by industry sector, in each Michigan works region.

Sec. 720. If the United States Department of Treasury authorizes an extension for broadband projects funded by the capital projects fund, any unexpended and unencumbered funds are automatically reappropriated for the same purpose as originally authorized and available for expenditure through the deadline authorized by the United States Department of Treasury and any subsequent financial close out period.

UNEMPLOYMENT

Sec. 801. The unemployment insurance agency 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 unemployment insurance agency shall transmit each quarterly report not 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 unemployment insurance agency, shall provide a quarterly report not later than 60 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 website.

Sec. 803. From the funds appropriated in part 1, the department shall provide a quarterly report not later than 60 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 unemployment insurance agency, 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 unemployment insurance agency branch offices for in-person appointments for unemployment insurance agency claimant services.

(2) The department shall provide a biannual report 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 average number of staff at each location over the previous 6 months.

(c) The volume of in-person claimants served at each location in the previous 6 months.

(d) For the previous 6 months, the average number of staff at each location where the unemployment insurance agency offers in-person appointments, the average number of staff assigned to offering virtual appointments, and the average number of staff assigned to offering telephone appointments.

(e) 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 telephone appointments.

Sec. 805. (1) Funds appropriated in part 1 for the unemployment insurance agency may be used by the unemployment insurance agency to increase capacity by an estimated 250 limited-term employees only if the unemployment insurance agency provides full-time, in-person services at existing unemployment insurance local offices.

(2) In addition to the 250 limited-term employees described in subsection (1), the unemployment insurance agency may increase capacity by up to 250 additional limited-term employees if all of the following occur:

(a) The unemployment insurance agency provides full-time, in-person services at existing unemployment insurance local offices.

(b) The number of claims received by the unemployment insurance agency increased by 20% or more in a month.

(c) The unemployment insurance agency determines there is a need for additional limited-term employees.

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.

Sec. 807. Funds earned or authorized by the USDOL in addition to the appropriation in part 1 for the unemployment insurance agency are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department notifies the standard report recipients of the purpose and amount of each grant award.

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. The report must include all of the following items:

(a) Changes in administrative costs and staffing.

(b) Number of individuals with disabilities served each fiscal year and the number of students with disabilities served each fiscal year.

(c) Number of services provided in each allowable vocational rehabilitation service category.

(d) Plans to integrate Michigan rehabilitation 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) Success rate of each district in achieving the program goals, by geographic region, in a manner determined by the department.

(h) An explanation of each program goal that is set for Michigan rehabilitation services.

Sec. 903. (1) From the funds appropriated in part 1 for Michigan rehabilitation services, the department shall allocate funding along with available federal match to support the provision of vocational rehabilitation services to eligible agricultural workers with disabilities. Authorized services shall assist agricultural workers with disabilities in acquiring or maintaining quality employment and independence.

(2) Not later than March 15, the department shall report on the total number of clients served and the total amount of federal matching funds obtained throughout the duration of the program.

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 centers 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 2 CFR 200, by existing centers for independent living to serve underserved areas, 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 provide a report on direct customer and system outcomes and performance measures.

(3) From the funds appropriated in part 1, Michigan rehabilitation services must enter into and operate under a memorandum of understanding that unambiguously identifies all sources and the exact amounts of general fund/general purpose appropriations and federal funds that Michigan rehabilitation services will provide to the centers for independent living. The memorandum of understanding must clearly state that these funds must be used solely for services that are expressly permitted under federal law and regulation. All activities supported by funds distributed pursuant to the memorandum of understanding must fully comply with federal requirements and must be carried out in strict alignment with the state plan for independent living. No funds may be obligated, distributed, or expended for purposes outside the parameters established under the memorandum of understanding.

Sec. 906. Federal workforce innovation and opportunity vocational rehabilitation funds from prior years that are received in amounts in addition to those included in part 1 and that have already met state matching requirements are appropriated for the purposes intended. The department may carry forward into the succeeding fiscal year unexpended federal workforce innovation and opportunity vocational rehabilitation funds that do not require additional state matching funds.

Sec. 907. (1) 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.

(2) Revenue collected by the bureau of services for blind persons and from private and local sources that is unexpended at the end of the fiscal year must carry forward to the subsequent fiscal year.

Sec. 908. 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.

Sec. 909. (1) The funds appropriated in part 1 for a regional or subregional library must not be released until a budget for that regional or subregional library has been approved by the department for expenditures for library services directly serving the blind and persons with disabilities.

(2) To receive subregional state aid appropriated in part 1, a regional or subregional library's fiscal agency must agree to maintain local funding support at the same level in the current fiscal year as in the fiscal agency's

previous fiscal year. If a reduction in expenditures equally affects all agencies in a local unit of government that includes the regional or subregional library's fiscal agency, the reduction must not be interpreted as a reduction in local support and must not disqualify a regional or subregional library from receiving state aid under part 1. If a reduction in income affects a library cooperative or district library that includes a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library must not be interpreted as a reduction in local support and must not disqualify a regional or subregional library from receiving state aid under part 1.

COMMISSIONS

Sec. 951. Any commission established in statute or by executive order that receives appropriations in part 1 must produce a report by January 31. The report must include, but is not limited to, all of the following:

(a) Total number of public events that the commission conducted.

(b) A description of the activities that the commission initiated to promote cooperation with other commissions.

(c) The programmatic costs of the commission.

Sec. 952. The office of global Michigan must submit a report not later than January 31. The report must include all of the following information:

(a) The number of individuals served through each major program and activity.

(b) The number of refugee arrivals, the job placement rate of those refugees actively receiving services under global Michigan grants, and the average wages and initial job placements for those refugees.

(c) A list and description of the activities that the office has conducted to attract and retain international, advanced degree, and entrepreneurial talent.

(d) A list of goals for the office and the metrics used to determine whether each goal is achieved.

ONE-TIME APPROPRIATIONS

Sec. 1001. (1) The funds appropriated in part 1 for 23+ high school diploma program must be awarded for a program to assist Michigan residents who are 23 years of age or older in obtaining high school diplomas and placement in career training programs.

(2) For purposes of this section, an eligible program provider may be a public, nonprofit, or private accredited diploma-granting institution, but must have not less than 2 years of experience providing dropout recovery services in this state.

(3) The department shall issue a request for qualifications for eligible program providers to participate in the program. To be considered a qualified program provider, the institution must offer all of the following:

(a) Dropout reengagement services.

(b) Academic intake assessments.

(c) An integrated learning plan.

(d) A course catalog that includes all graduation requirements.

(e) Remediation coursework.

(f) Academic resilience assessment and intervention.

(g) Employability skills development, such as WorkKeys preparation.

(h) Industry recognized credentials.

(i) Credit for on-the-job training.

(j) A robust support framework, including technology, social support, and academic support.

(4) The department shall announce qualified program providers not later than January 1 of the current fiscal year. Qualified program providers must start providing programming by February 1 of the current fiscal year.

(5) The department shall reimburse qualified program providers for each month of satisfactory monthly progress as described in section 23a of the state school aid act of 1979, 1979 PA 94, MCL 388.1623a, at a rate of $500.00 per month. The following amounts must be paid to a qualified program provider for the completion of any of the following by an eligible participant:

(a) $500.00 for the completion of an employability skills program equal to at least 1 unit of high school credit obtained through classroom or online instruction.

(b) $250.00 for the attainment of an industry-recognized credential requiring up to 50 hours of training.

(c) $500.00 for the attainment of an industry-recognized credential requiring 50 to 100 hours of training.

(d) $750.00 for the attainment of an industry-recognized credential requiring more than 100 hours of training.

(e) $1,000.00 for the attainment of a high school diploma awarded for satisfying the merit curriculum requirements of this state or an approved personal curriculum, as defined by the department of education of this state.

(f) $2,500.00 for placement in a job in an in-demand career pathway.

(6) The department shall develop policies and guidelines to implement this section. The department may prioritize funding for previously qualified program providers based on all of the following criteria:

(a) The highest number of students served by a previously qualified program provider during the previous fiscal year.

(b) The highest number of graduates in a previously qualified program during the previous fiscal year.

(c) The previously qualified program provider's ability to offer statewide access during the previous fiscal year.

Sec. 1002. The funds for at-risk youth grants in part 1 must be provided to a nonprofit organization based in this state with demonstrated experience delivering statewide youth career development programming. The organization must operate a career development-focused, multitiered system of supports, align programming with the Michigan career development model, and provide services to both in-school and out-of-school youth across multiple regions of this state. The organization must maintain established partnerships with local education agencies and workforce development boards and possess the organizational capacity to distribute funds statewide. In conjunction with the department, the organization shall utilize a formula-based methodology to allocate funds across all 10 prosperity regions based on regional program performance, capacity, and the concentration of youth facing barriers to employment or postsecondary success.

Sec. 1003. (1) From the funds appropriated in part 1 for continuum of care, funds must be allocated for eviction prevention efforts, permanent supportive housing, rapid rehousing, and other eligible projects, and to homeless persons for eligible public service activities allowed under the United States Housing and Urban Development's Continuum of Care Competition and Youth Homelessness Demonstration Program. Funds can be allocated only for the following purposes:

(a) Eviction protections, including legal representation.

(b) Street outreach.

(c) Rental assistance.

(d) Supportive services only.

(e) Emergency shelter.

(f) Transitional housing.

(g) Any other allowable expense allowed in the previous 3 fiscal years for the Continuums of Care.

(2) Priority for the projects must be to maintain rapid rehousing projects and permanent supportive housing projects that are not awarded fiscal year 2026-2027 funding from the United States Department of Housing and Urban Development within HUD-recognized continuums of care.

Sec. 1004. (1) The department shall publish data and reports on March 15 and November 30 on the department's website concerning the status of Going pro funded in part 1. The report must include the following:

(a) The number of awardees participating in the program and the names of those awardees organized by major industry group.

(b) The amount of funding received by each awardee under the program.

(c) The amount of funding leveraged from each awardee.

(d) The training models established by each awardee.

(e) The number of individuals enrolled in classroom training, on-the-job training, or new USDOL registered apprentices.

(f) The number of qualified employees who completed the approved training.

(g) The number of applications received and the number of grants awarded for each region.

(h) The number of individuals hired and trained, the number of incumbent workers trained, and the number of USDOL registered apprentices.

(i) Going pro expenditures by fiscal year. Active fiscal years must display projected expenditure data and closed fiscal years must display final expenditure data.

(2) The department shall expand workforce training and reemployment services to better connect workers to in-demand jobs and identify specific outcomes with performance metrics for this initiative, including, but not limited to, new apprenticeships, individuals to be hired and trained, current employees trained, training completed, employment retention rate at 6 months, and hourly wage at 6 months.

Sec. 1005. (1) To the extent consistent with sections 7 and 9 of the Going pro talent fund act, 2018 PA 260, MCL 408.157 and 408.159, the department shall administer the program as follows:

(a) The department shall work cooperatively with grantees to maximize the amount of funds from part 1 that are available for direct training.

(b) The department, workforce development partners, including regional Michigan works agencies, and employers shall collaborate and work cooperatively to prioritize and streamline the expenditure of the funds appropriated in part 1. The department shall ensure that Going pro provides a collaborative statewide network of workforce and employee skill development partners that addresses the employee talent needs throughout this state.

(c) The department shall do all of the following:

(*i*) Develop program goals and detailed guidance for prospective participants to follow to qualify under the program.

(*ii*) Post the program goals and detailed guidance on the department's website and distribute the program goals and detailed guidance to workforce development partners, including local Michigan works agencies, not later than October 1.

(*iii*) Conduct periodic assessments of employer and employee needs that are evaluated on a regional basis.

(*iv*) Identify solutions and goals to be implemented to satisfy employer and employee needs.

(*v*) Add scoring criteria that incentivize awards to new and diverse program applicants.

(d) The department shall use not more than 2% of the total Going pro appropriation for administration of the program.

(e) Not less than 5% of available funding must be reserved for businesses in talent fund priority industry sectors that submit competitive applications.

(2) The department shall, to the extent possible, distribute the Going pro appropriation to first-time grant recipients and to grant recipients who did not receive an award under the program in the previous fiscal year.

Sec. 1006. (1) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 must be used to recruit and assist veterans to transition into apprenticeship programs in this state for quality career opportunities in the construction industry. These activities may be contracted to a national nonprofit program that connects National Guard, reserve, retired, and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry.

(2) From the funds appropriated in part 1 for legislatively directed spending items, $1,250,000.00 must be awarded to the city of Detroit in Wayne County to implement a right-to-counsel program for city tenants in eviction proceedings.

(3) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Arab American National Museum.

(4) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Charles H. Wright Museum of African American History.

(5) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Zekelman Holocaust Center.

(6) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to Target Alpena Development Corporation for development of workforce housing, grant assistance, and small business infrastructure.

(7) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to Washington Heights United Methodist Church and Community in Calhoun County to support the healthy homes and homeownership stabilization project.

(8) From the funds appropriated in part 1 for legislatively directed spending items, $834,400.00 must be awarded to the city of the Village of Clarkston in Oakland County to improve walkability and pedestrian safety.

(9) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to the Lenawee Now Foundation for workforce development programs.

(10) From the funds appropriated in part 1 for legislatively directed spending items, $615,600.00 must be awarded to Michigan's Military Heritage Museum based in Jackson County for facility expansion, modernization of exhibits, and introduction of new features.

(11) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the Michigan State University College of Agriculture and Natural Resources for the Agricultural Resiliency Program.

(12) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to the city of Escanaba in Delta County for road infrastructure projects.

(13) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to the Sault Tribe Housing Authority for a permanent supportive housing project.

(14) From the funds appropriated in part 1 for legislatively directed spending items, $6,000,000.00 must be awarded to the Jewish Federation of Detroit for implementing safety and security measures across this state.

(15) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to the city of Mount Clemens in Macomb County for a combined sewer separation project.

(16) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to Eaton County for the Bank Intercounty Drain Project.

(17) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Face Addiction Now, headquartered in Clinton Township, for substance use disorder programming.

(18) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to the city of St. Joseph in Berrien County for a harbor dredging and deepening study.

(19) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of Dearborn in Wayne County to support modernization and safety upgrades at the police department, fire stations, and other public safety facilities.

(20) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of Grand Rapids in Kent County to launch a low interest rate revolving loan fund through the Grand Rapids Economic Development Corporation.

(21) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Canton Township in Wayne County to support construction of a modern, combined training facility for police and fire departments in western Wayne County.

(22) From the funds appropriated in part 1 for legislatively directed spending items, $790,000.00 must be awarded to the village of Barton Hills in Washtenaw County for replacing and upgrading aging water infrastructure.

(23) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to the ALS Association, headquartered in Arlington, Virginia, to expand ALS care service capacity in this state.

(24) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the city of Highland Park in Wayne County to support the relocation of the police department and temporary prisoner housing facility.

(25) From the funds appropriated in part 1 for legislatively directed spending items, $300,000.00 must be awarded to Evergreen Community Development Initiative dba The Flint Development Center, headquartered in Flint, for the Youth and Family Discovering Wellness program.

(26) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Friends of the Children – Detroit, headquartered in Detroit, for youth programming.

(27) From the funds appropriated in part 1 for legislatively directed spending items, $20,000.00 must be awarded to ELKS Epicurian Lodge #674 in Saginaw County to reimburse the lodge for damage sustained during road construction activities.

(28) From the funds appropriated in part 1 for legislatively directed spending items, $200,000.00 must be awarded to the Conductive Learning Center, a nonprofit and nonpublic school that provides education-based, intensive physical rehabilitation services in a classroom setting for children and young adults with motor disabilities. Funding will support the operations of the center.

(29) From the funds appropriated in part 1 for legislatively directed spending items, $300,000.00 must be awarded to support the West Michigan Welcome Back Center, led by the Literacy Center of West Michigan and West Michigan Works. Funding will support career coaching, credential evaluation, and cross-sector coordination to align employers with qualified candidates.

(30) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to the Detroit Auto Show to support the cost of renting Huntington Place and cover critical operational expenses.

(31) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Michigan Minority Supplier Development Council, a nonprofit organization, to support economic growth initiatives.

(32) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to the Michigan nonprofit association to support census activities in the state to accomplish a complete and accurate count in the 2030 census.

(33) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Autism Alliance to support the Autism Navigator Program to provide specialized, free, statewide services for Michigan families affected by autism, intellectual, or developmental disabilities.

(34) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded in the following manner:

(a) $1,000,000.00 must be allocated to the Michigan Public Service Commission for the Michigan Saves program to conduct a grant program for clean energy improvement and on-site wastewater system replacement or repair. Michigan Saves shall grant funds to individuals or small businesses within the state that have a history of having difficulty obtaining traditional capital or households with a combined income not exceeding 300% of the federal poverty level and where businesses indicate a state of financial need or vulnerability. The amount granted to a single individual or business must not exceed $100,000.00.

(b) $1,000,000.00 must be awarded to a nonprofit green bank with experience in leveraging energy-efficiency and renewable energy improvements, for the purpose of making such loans more affordable for Michigan families, businesses, and public entities. Grant funds may be used to support a loan loss reserve fund or other comparable financial instrument to further leverage private investment in clean energy improvements.

(35) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the Michigan Pipe Trades Association for apprentice and journeyperson training. The funds shall be used for at least both of the following:

(a) Training center upgrades.

(b) Training materials and equipment purchases.

(36) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to Ingham County for the Ingham County Housing Trust Fund to improve access to affordable, high-quality housing in Ingham County.

(37) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Advance Peace program in Ingham County to support gun violence prevention initiatives.

(38) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to Delta Township to support infrastructure reconstruction at the Carrier Creek crossing along M-43.

(39) From the funds appropriated in part 1 for legislatively directed spending items, $200,000.00 must be awarded to the United Mentoring Program to support youth development and mentorship programming.

(40) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to Shelby Township in Oceana County for a public outdoor training and education facility, which supports specialty law enforcement training and is open to the public.

(41) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Van Buren Township to support a community project to serve as a central hub for social engagement, outdoor recreation, and scenic enjoyment at Belleville Lake.

(42) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 must be awarded to Wayne-Westland Community School District for all of the following purposes:

(a) Wayne-Westland Community School District shall continue a pilot grant program for eligible students in grades K to 12 to attend driver's training programs for the same eligible students as previously allowed.

(b) Wayne-Westland Community School District shall issue a report to the department of education, on an annual basis, that provides the number of students eligible for a grant under this subsection, how many students have attended and successfully completed a driver's training program described in this subsection, and the average cost, per student, of participation in a driver's training program described in this subsection.

(c) The department shall coordinate with the department of education to create a report that summarizes the success of the program established under this subsection and publish that report on the department's public website.

(43) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Michigan Hispanic Collaborative to carry out activities including, but not limited to, all of the following:

(a) Continuing to support students and filling immediate gaps at the high school and college level to ensure the students get to and through college and onto early career.

(b) Working to improve programming that provides incremental student supports.

(c) Enhancing technologies and mission objectives to scale the impact across this state.

(44) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Chaldean Community Foundation, to support and expand early childhood learning opportunities, improve early literacy achievement, increase high school graduation rates for new Americans, and assist with diploma acquisition, skills training, and postsecondary education.

(45) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Arab Community Center for Economic and Social Services in Dearborn to rehabilitate and expand the ACCESS Innovation Center.

(46) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Leaders Advancing and Helping Communities program to expand evidence-based K to 12 after-school programming serving students across Wayne County. Funds will support academic enrichment, social-emotional development, workforce preparation, and public health outcomes for thousands of income-eligible youth.

(47) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 must be awarded to Project SEARCH to provide opportunities for high school students with disabilities to train for, gain, and maintain competitive employment.

(48) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to the Citadel Community Development Corporation, in partnership with Choose Healthy Life, Quest Diagnostics to support expansion of a community-based public health model.

(49) From the funds appropriated in part 1 for legislatively directed spending items, $740,000.00 must be awarded to the Inner City Empowerment program to establish a hands-on robotics, artificial intelligence, and automation workforce training program for youth and adults in the city of Detroit.

(50) From the funds appropriated in part 1 for legislatively directed spending items, $100,000.00 must be awarded to the Family Assistance for Renaissance Men Cohort Model to support job skills training, personal development, and family stabilization support.

(51) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to City Year, Inc., to deploy 115 AmeriCorps Student Success coaches in 14 Detroit Public Schools Community District schools. The coaches will provide math, ELA and SEL tutoring and coaching.

(52) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to Brilliant Detroit to support delivery of high-dosage neighborhood-based tutoring and direct noninstructional services for pupils who are 3 to 12 years of age. Funding is intended to ensure that pupils are proficient in English language arts by the end of grade 3 and proficient in mathematics by the end of grade 8, that all participants are kindergarten ready, and that pupils are prepared to attend school regularly.

(53) From the funds appropriated in part 1 for legislatively directed spending items, $150,000.00 shall be awarded to Redford Township for transportation and infrastructure projects, including but not limited to, support for the community Dial-a-Ride service.

(54) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the Children's Center of Wayne County, Inc. Funding will support mental health programs and initiatives for children. Programs and services will include, but are not limited to, clinical therapy, counseling, psychological services, and psychiatric evaluations, treatment, and interventions to children.

(55) From the funds appropriated in part 1 for legislatively directed spending items, $100,000.00 must be awarded to the Michigan Science Center, a nonprofit organization that is tax-exempt under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and located in the city of Detroit in Wayne County. Funds under this subdivision must be used by the nonprofit organization to expand the nonprofit organization's mission of providing opportunities for students to discover, explore, and appreciate science, technology, engineering, and mathematics in a creative and dynamic learning environment.

(56) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to the school district of the city of Flint for all of the following purposes:

(a) Employing school nurses, classroom aides, school social workers, and community health workers.

(b) The provision of behavioral or mental health supports, parental engagement activities, community coordination activities, and other support services.

(c) For purchasing program supplies.

(d) For any other approved use that was allowed in fiscal year 2025-2026 under section 11s of the state school aid act of 1979, 1979 PA 94, MCL 388.1611s.

(57) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the city of Ecorse to support infrastructure and site development at brownfield site 205 Mill Street.

(58) From the funds appropriated in part 1 for legislatively directed spending items, $100,000.00 must be awarded to the Rescue Ministries of Mid-Michigan located in Saginaw County to support quality housing affordability projects to support individuals transitioning to permanent housing.

(59) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Chesterfield Township to support fire boat operations along Lake Saint Clair.

(60) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 must be awarded to Dutton Farms to expand workforce development programming within Macomb County.

(61) From the funds appropriated in part 1 for legislatively directed spending items, $115,000.00 must be awarded to Grosse Pointe Public Schools System for the district to update its communication systems and for special education department resources.

(62) From the funds appropriated in part 1 for legislatively directed spending items, $75,000.00 must be awarded to the American Association of University Women Grosse Pointe Education System to support the growth of the Grosse Pointe robotics program.

(63) From the funds appropriated in part 1 for legislatively directed spending items, $150,000.00 must be awarded to Mount Clemens School District for costs related to the restoration of the auditorium at Mount Clemens High School.

(64) From the funds appropriated in part 1 for legislatively directed spending items, $75,000.00 must be awarded to Student Advocacy Center of Michigan in Ypsilanti to support its statewide helpline for families in educational crisis.

(65) From the funds appropriated in part 1 for legislatively directed spending items, $900,000.00 must be awarded to Fraser Public Schools to install backup generators for all buildings.

(66) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 shall be awarded to the 38th District Court for expansion of the courthouse to support an additional full-time judge.

(67) From the funds appropriated in part 1 for legislatively directed spending items, $650,000.00 must be awarded to Texas Township to support the purchase of a large capacity tanker.

(68) From the funds appropriated in part 1 for legislatively directed spending items, $566,000.00 must be awarded to Comstock Township for upgrades to a traffic safety tow vehicle and attenuator trailer.

(69) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the city of Ferndale to rehabilitate the primary fire house.

(70) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 must be awarded to the Michigan Black Business Alliance to support expanded program delivery, strengthen staffing capacity, enhance technical assistance offerings, and improve infrastructure.

(71) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 must be awarded to the Women of Tomorrow mentorship and scholarship program to support its continued operation and expansion.

(72) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to Schoolcraft College in Livonia to support the development of the Michigan Masonry Trades Apprenticeship and Training Center.

(73) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 must be awarded to the city of Inkster to support construction of a downtown amphitheater.

(74) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the HYPE Athletics Center in Dearborn Heights to provide programming that may include, but is not limited to, science, technology, engineering, arts, and mathematics programs; literacy and reading programs; after-school programs; youth fitness and athletic programs; and mental health and behavioral health services.

(75) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the village of Brooklyn to support the development of Weatherwax Park.

(76) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to Jackson College to support expansion of Jet's Village.

(77) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Dewitt Township to support upgrades and improvements to the Valley Farms Recreation Complex.

(78) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to the State Alliance of Michigan YMCAs to provide students in grades 6 to 12 with hands-on civics and model-government programs that offer statewide engagement with peers across this state for the purpose of expanding those students' opportunities to improve their social studies knowledge, thinking skills, and intellectual processes and dispositions required for active engagement in fulfilling responsibilities of civic participation.

(79) From the funds appropriated in part 1 for legislatively directed spending items, $569,000.00 must be awarded to the city of Warren to support infrastructure improvements for ADA-compliance to the city's parks and recreation centers and to support construction of a new pavilion.

(80) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to KEYS Grace Academy to provide English-as-a-second-language services, provide early childhood learning, improve progress toward high school graduation attainment, and provide K to 12 education-support services to legal immigrants.

(81) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the city of Detroit to provide city bus passes to all students, public and nonpublic, residing in the geographic boundaries of Detroit public schools community district.

(82) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the village of Carsonville in Sanilac County for construction of new municipal wells and associated infrastructure.

(83) From the funds appropriated in part 1 for legislatively directed spending items, $3,500,000.00 must be awarded to the Macomb County department of roads for construction on Rivergate Drive.

(84) From the funds appropriated in part 1 for legislatively directed spending items, $3,275,000.00 must be awarded to the city of Owosso in Shiawassee County for replacement of nitrification towers at the Owosso wastewater treatment plant.

(85) From the funds appropriated in part 1 for legislatively directed spending items, $1,995,000.00 must be awarded to the city of Bay City in Bay County for the Lafayette Bridge replacement and reconstruction project.

(86) From the funds appropriated in part 1 for legislatively directed spending items, $600,000.00 must be awarded to Bangor Charter Township in Bay County for improvements to the municipal water distribution system.

(87) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to Denmark Township in Tuscola County for replacement of the township's sewer lagoon liner.

(88) From the funds appropriated in part 1 for legislatively directed spending items, $682,000.00 must be awarded to the Baraga County road commission for flood damage recovery.

(89) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to 906 Adventure Team in Marquette County for development and construction of Gluski Park.

(90) From the funds appropriated in part 1 for legislatively directed spending items, $35,000.00 must be awarded to United Way of Marquette County for the expansion of the volunteer income tax assistance program.

(91) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Waucedah Township in Dickinson County for the replacement of Waucedah Road.

(92) From the funds appropriated in part 1 for legislatively directed spending items, $2,500,000.00 must be awarded to the Mason-Griffith Founders Chapter of Trout Unlimited for infrastructure and river restoration on the Au Sable River and the upper Manistee River.

(93) From the funds appropriated in part 1 for legislatively directed spending items, $25,000.00 must be awarded to Bedford Township in Monroe County for a veterans memorial.

(94) From the funds appropriated in part 1 for legislatively directed spending items, $30,000.00 must be awarded to the Cheboygan County Sheriff's Office to replace an outboard motor on a marine patrol vessel.

(95) From the funds appropriated in part 1 for legislatively directed spending items, $70,000.00 must be awarded to Holland Tulip Time Festival Inc. for festival programming.

(96) From the funds appropriated in part 1 for legislatively directed spending items, $1,250,000.00 must be awarded to the city of New Baltimore in Macomb County for repairs to the city's primary sewer interceptor.

(97) From the funds appropriated in part 1 for legislatively directed spending items, $600,500.00 must be awarded to the city of St. Clair in St. Clair County to address failing soil stabilization.

(98) From the funds appropriated in part 1 for legislatively directed spending items, $950,000.00 must be awarded to Bedford Charter Township in Calhoun County for rebuilding the township's fire station 1.

(99) From the funds appropriated in part 1 for legislatively directed spending items, $750,000.00 must be awarded to Watertown Township in Tuscola County for the purchase of a fire truck.

(100) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to the Waterford Charter Township regional fire department in Oakland County for construction of a modern regional fire station.

(101) From the funds appropriated in part 1 for legislatively directed spending items, $400,000.00 must be awarded to the city of Wayne in Wayne County for the purchase of an advanced life support ambulance.

(102) From the funds appropriated in part 1 for legislatively directed spending items, $33,600.00 must be awarded to the city of Wayne in Wayne County for replacing police laptops.

(103) From the funds appropriated in part 1 for legislatively directed spending items, $350,000.00 must be awarded to Adrian Charter Township in Lenawee County for a consolidated public safety facility for the township.

(104) From the funds appropriated in part 1 for legislatively directed spending items, $1,200,000.00 must be awarded to Ronald Township in Ionia County for construction of a township community center and fire station.

(105) From the funds appropriated in part 1 for legislatively directed spending items, $910,000.00 must be awarded to the Elsie Area fire department in Clinton County for a dedicated permanent fire station.

(106) From the funds appropriated in part 1 for legislatively directed spending items, $800,000.00 must be awarded to the village of Breckenridge in Gratiot County for rehabilitation of gravity sewer mains and manhole protection.

(107) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Veterans of Foreign Wars post 4037 and American Legion post 167 in Oakland County for a comprehensive building remodel.

(108) From the funds appropriated in part 1 for legislatively directed spending items, $250,000.00 must be awarded to Central Michigan University for sampling and analyzing orphan wells for critical minerals.

(109) From the funds appropriated in part 1 for legislatively directed spending items, $1,900,000.00 must be awarded to the city of Wyandotte in Wayne County for the purchase of an aerial ladder truck.

(110) From the funds appropriated in part 1 for legislatively directed spending items, $1,012,900.00 must be awarded to the city of Riverview fire department in Wayne County for the purchase of a fire truck and associated equipment.

(111) From the funds appropriated in part 1 for legislatively directed spending items, $222,000.00 must be awarded to the city of Southgate in Wayne County for upgrading police radios.

(112) From the funds appropriated in part 1 for legislatively directed spending items, $600,000.00 must be awarded to Gogebic Community College to replace 3 elevators.

(113) From the funds appropriated in part 1 for legislatively directed spending items, $600,000.00 must be awarded to Bessemer Area Schools to bring elevators into compliance with code.

(114) From the funds appropriated in part 1 for legislatively directed spending items, $950,000.00 must be awarded to Groveland Township in Oakland County for the installation of 10 high-capacity wells.

(115) From the funds appropriated in part 1 for legislatively directed spending items, $3,300,000.00 must be awarded to the Muskegon County road commission to repair Blackmer Road in Ravenna Township.

(116) From the funds appropriated in part 1 for legislatively directed spending items, $2,500,000.00 must be awarded to Fenton Charter Township in Genesee County for improvements to the Thompson Road and US-23 interchange.

(117) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the village of Shepherd in Isabella County to support a sanitary sewer lining and manhole rehabilitation project.

(118) From the funds appropriated in part 1 for legislatively directed spending items, $3,000,000.00 must be awarded to the city of Buchanan in Berrien County and to Bertrand Township in Berrien County for the extension of water and sewer lines to Bertrand Crossing Industrial Park.

(119) From the funds appropriated in part 1 for legislatively directed spending items, $344,000.00 must be awarded to the St. Clair County road commission for the repair and maintenance of Airport Drive.

(120) From the funds appropriated in part 1 for legislatively directed spending items, $350,000.00 must be awarded to the city of Escanaba in Delta County for the purchase of a ladder truck.

(121) From the funds appropriated in part 1 for legislatively directed spending items, $3,730,000.00 must be awarded to the city of Utica in Macomb County for water main replacement projects.

(122) From the funds appropriated in part 1 for legislatively directed spending items, $300,000.00 must be awarded to Jackson County for the creation of a federally certified aviation maintenance technician trade school.

(123) From the funds appropriated in part 1 for legislatively directed spending items, $650,000.00 must be awarded to the city of Coleman in Midland County for improvements to the existing sanitary sewer lift station that serves the industrial district.

(124) From the funds appropriated in part 1 for legislatively directed spending items, $450,000.00 must be awarded to the city of Beaverton in Gladwin County for the installation of water mains.

(125) From the funds appropriated in part 1 for legislatively directed spending items, $500,000.00 must be awarded to Ottawa County for a groundwater feasibility study.

(126) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to the Allegan County drain commission for improvements to the Bates Drain.

(127) From the funds appropriated in part 1 for legislatively directed spending items, $2,000,000.00 must be awarded to Macomb County public works for stormwater infrastructure improvements and repairs.

(128) From the funds appropriated in part 1 for legislatively directed spending items, $80,000.00 must be awarded to the city of Rockwood in Wayne County to purchase and equip a new police patrol vehicle.

(129) From the funds appropriated in part 1 for legislatively directed spending items, $700,000.00 must be awarded to Berlin Charter Township in Monroe County to connect subdivision septic systems to the Flat Rock municipal septic system.

(130) From the funds appropriated in part 1 for legislatively directed spending items, $1,400,000.00 must be awarded to the city of Rochester in Oakland County for expansion and renovation of the Rochester Community House.

(131) From the funds appropriated in part 1 for legislatively directed spending items, $800,000.00 must be awarded to the Van Buren County road commission for the total replacement of a structurally deficient bridge that carries CR 657 over the east branch of the Paw Paw River.

(132) From the funds appropriated in part 1 for legislatively directed spending items, $300,000.00 must be awarded to Veterans of Foreign Wars post 6464 in Livingston County for facility modernization and repairs.

(133) From the funds appropriated in part 1 for legislatively directed spending items, $45,000.00 must be awarded to the Sherwood Township fire department for construction of a new well.

(134) From the funds appropriated in part 1 for legislatively directed spending items, $60,000.00 must be awarded to the city of Hudson in Lenawee County for targeted rehabilitation and equipment upgrades at the city's senior center.

(135) From the funds appropriated in part 1 for legislatively directed spending items, $3,000,000.00 must be awarded to Shelby Township in Macomb County to complete reconstruction of the Schoenherr Road Bridge over the middle branch of the Clinton River.

Sec. 1007. (1) From the funds appropriated in part 1 for Michigan small business, community growth, and entrepreneurship support, $30,000,000.00 must be used to provide small business development grants, loans, investments, technical assistance, program support, outreach activities, or other economic assistance for activities that support small business growth. Support activities under this section may include any of the following:

(a) Assistance to small business support hubs and community incubators.

(b) Business development grants and loans to small businesses.

(c) Support for community development financial institutions.

(d) Grants and loans to small business service providers.

(e) Grants or other funding for technical assistance for small businesses.

(f) Matching funds for federal grants and programs that benefit small businesses.

(g) Grants to hubs that connect Michigan entrepreneurs and small businesses to global markets.

(2) From the funds appropriated in part 1 for Michigan small business, community growth, and entrepreneurship support, $28,550,000.00 must be used to provide support for community revitalization, placemaking, business attraction, business retention, business expansion, redevelopment, and other economic development activities related to growing Michigan's economy. Activities under this section may include any of the following:

(a) Michigan community support, which may include the following:

(*i*) Grants, loans, or other economic assistance for redevelopment and revitalization of brownfield sites and rehabilitation of historic resources.

(*ii*) Grants, loans, or other economic assistance for projects that enable population and tax revenue growth through rehabilitation of vacant and blighted buildings and historic structures, rehabilitation and development of vacant properties, and development of permanent place-based infrastructure associated with social zones and traditional downtowns and place-based public spaces.

(b) Michigan business growth support, which may include the following:

(*i*) Grants, loans, or other economic assistance for the expansion, retention, and attraction of eligible businesses making capital investments and creating jobs in this state.

(*ii*) Grants, loans, or other economic assistance for political subdivisions of this state, local economic development corporations, or local economic development nonprofit organizations for industrial site development, including community planning activities, technical assistance, and infrastructure improvement or enhancement projects.

(3) From the funds appropriated in part 1 for Michigan small business, community growth, and entrepreneurship support, $9,684,500.00 must be used for entrepreneurship and innovation and may include activities that strengthen this state's entrepreneurial and innovation ecosystem and accelerate the creation, startup, growth, retention, attraction, and commercialization of high-tech, high-growth businesses. Assistance may be provided to entrepreneurs, startups, growth-stage companies, investors, universities, research institutions, nonprofit organizations, economic development organizations, or other entities. Support for entrepreneurship and innovation may include any of the following:

(a) Grants, loans, or other economic assistance to accelerate technology transfer from this state's institutions of higher education to the private sector for commercialization.

(b) Technical assistance for high-tech startups, early-stage companies, or other entrepreneurs.

(c) Matching funds necessary to access federal funding programs.

(d) Grants, loans, or other economic assistance to business incubators and accelerators that support high-tech startups, early-stage companies, or other entrepreneurs.

Sec. 1008. For the funds appropriated in part 1 for Michigan small business, community growth, and entrepreneurship support, the fund shall report quarterly on the amount of funds considered appropriated, pre-encumbered, encumbered, and expended by current fiscal year appropriation and each business attraction and community revitalization work project for any previous fiscal years. 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. The report must also include information on how much business attraction and community revitalization and Michigan small business, community growth, and entrepreneurship support appropriations were spent on business development, community revitalization, small business supports, or community development financial institutions.

Sec. 1009. (1) From the funds appropriated in part 1 for Michigan small business, community growth, and entrepreneurship support, the fund shall identify specific outcomes and performance measures, including, but not limited to, all of the following:

(a) The total verified jobs created by the business attraction program during the previous fiscal year.

(b) The total private investment obtained through the business attraction and community revitalization programs during the previous fiscal year.

(c) The amount of private and public square footage created and reactivated through the community revitalization program during the previous fiscal year.

(d) A summary of any metrics used to evaluate the outcomes and performance of the programs.

(e) A list of grants to small business and community support hubs and any local nonprofits.

(f) The amount of interest generated on loans paid back by entities and the entities that have paid back a loan.

(g) A list of community development financial institutions that received grants, the projected economic effect of each project, loans that have been paid back, the default rate, the average interest charged, and interest generated.

(h) The number of awards in each county that were funded with business attraction and community revitalization appropriations.

(2) The fund shall submit a report not later than April 10. The report must describe the specific outcomes and measures required in subsection (1) and provide the results and data related to these outcomes and measures for the previous fiscal year if related information is available for the previous fiscal year. The report must also contain a summary of any metrics used to evaluate the outcomes and performance of any programs.

Sec. 1010. 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 not later than April 10.

Sec. 1011. (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 that promote Michigan as a travel and tourism destination.

(c) Placement of advertisements that have a diverse representation in regional, national, and international marketing campaigns to promote Michigan as a state that welcomes all individuals and families.

(d) Administration of the program.

(2) With the goal of increasing travel and tourism in this state, the fund must work in cooperation with local ethnic chambers and nonprofits.

(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 before undertaking cooperative marketing campaigns.

(4) The department shall provide an annual report not later than April 10 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 how much was expended on market research.

(5) As prescribed by the legislature, funds appropriated to Pure Michigan must be used only 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) Each local visitor bureau can receive a distribution of funds appropriated to Pure Michigan up to 2 times per fiscal year.

Sec. 1012. From the funds appropriated in part 1 for reentry support, $750,000.00 must be allocated toward reentry employment services grants that provide funding to nonprofit organizations that operate a program that satisfies all of the following conditions:

(a) The program provides services to parolees and probationers assessed by the department of corrections as moderate or high risk to recidivate.

(b) The program provides job readiness training, transitional employment, job coaching and placement, and postplacement retention services. As part of the transitional employment program phase, the nonprofit program must provide low-skill, crew-based services to other state agencies.

(c) The program has been independently and rigorously evaluated and shown to reduce recidivism.

(d) The program demonstrates an ability to serve multiple jurisdictions across this state.

Sec. 1013. (1) From the funds appropriated in part 1 for registered apprenticeships, the department shall maintain an online form that allows individuals interested in receiving information on registered apprenticeships to share their interest with the department. The department shall provide an automated response that the interest form has been received and will be made available to actively hiring registered apprenticeship programs in the region. The department shall make the information of individuals completing the online form available to any entity that receives funding under part 1 for registered apprenticeships, if the registered apprenticeship funding recipient offers programs within 50 miles of the geographic area. If an entity that receives funding under part 1 has not reached capacity for accepting registered apprentices and receives information about an interested party, the entity must attempt to contact the interested party with information on the registered apprenticeship program not more than 15 business days after receiving information from the department.

(2) From the funds appropriated in part 1 for registered apprenticeships, the department shall prioritize registered apprenticeship programs that produce the highest job placement and starting wage rates after individuals complete the registered apprenticeship program.

Sec. 1014. (1) The funds appropriated in part 1 for talent partnership must be used to administer a grant program to support implementation of transformational community development initiatives.

(2) Talent partnership grant funding must be used to implement transformational public space development projects in central city neighborhoods or concentrated districts and leverage interdepartmental and cross-sector coordination through local talent plans that are designed to increase this state's population of young talent by creating high-density, high-amenity, walkable, vibrant-street-life neighborhoods or districts and to create business ownership opportunities for local residents. Qualified plan proposals must include all of the following:

(a) The transition of roadway usage from cars to alternative transportation spaces, including, but not limited to, walking, biking, and transit.

(b) Commercial corridor activation, including innovations to fill vacant retail space with locally owned businesses.

(c) Mixed-use development that contributes to dense, walkable areas.

(d) A plan to do all of the following:

(*i*) Support greater density.

(*ii*) Increase access to affordable or middle-income housing.

(*iii*) Improve direct access to multimodal transportation.

(*iv*) Improve quality of life through increased parks, green spaces, outdoor recreation, and arts and cultural amenities.

(3) The legislature finds and declares that the appropriation described in this section is for a public purpose and serves the health, safety, and general welfare of the residents of this state.

(4) The department may do any of the following to implement the grant program:

(a) Develop guidelines to accept and review local talent plans from eligible applicants and award funding for approved local talent plans to increase this state's population of young talent by creating high-density, high-amenity, walkable, vibrant-street-life neighborhoods or districts and to create business ownership opportunities for local residents.

(b) Consult with local stakeholders, provide education and consultation to the public during the application process, and regularly monitor implementation progress of approved local talent plans.

(c) Review existing best practices for similar programs and consult with third-party experts, including academic and research institutions based in this state.

(d) Lead a multiagency coordination effort to leverage all available resources that will maximize the effectiveness of the initiative. As necessary, the department may establish memoranda of understanding with other state agencies or establish a committee of state agency representatives to support the initiative.

(5) The department shall allocate funding for the grant program through the development and submission of local talent plans from eligible applicants that use a blend of layered, multifaceted activities described in subsection (7) to meet the goals of this section.

(6) Eligible applicants for a grant must be a consortium of entities that may include local governments, local economic development organizations, the nonprofit community, and the business community. Consortium applicants must appoint a lead applicant, which may be 1 of the consortium's entities or a nonprofit organization, to serve as fiduciary and project manager for the consortium. An eligible applicant may partner with other government agencies, consortiums, authorities, and community anchors or nonprofit entities to submit a local talent plan to the department and implement an approved local talent plan. Notwithstanding local talent plan revisions or subsequent funding rounds, an eligible applicant shall not submit more than 1 local talent plan. Only grant applicants that provide a minimum of 50% local or private match funds may be considered for a grant under this section.

(7) Approved local talent plans must include at least 1 of the following eligible activities to meet the objectives of the grant program:

(a) Planning, engineering, permitting review, and other local assessments to support implementation of a local talent plan.

(b) Demonstrated community engagement, stakeholder support, or commitment to the local talent plan. As applicable, stakeholders may include, but are not limited to, any of the following:

(*i*) Neighborhood associations.

(*ii*) City councils, planning committees, or other local government agencies, including public safety agencies.

(*iii*) Economic development organizations or local businesses or business organizations.

(*iv*) Local anchor institutions.

(*v*) Local nonprofits, foundations, or community organizations.

(*vi*) Regional planning organizations or consortiums.

(*vii*) Public transit organizations.

(*viii*) Faith-based organizations.

(*ix*) Tribal governments.

(c) Plans for the redevelopment of existing housing stock.

(d) Plans to improve utilization of mixed-use and commercial property, including, but not limited to, the conversion of commercial space for affordable housing.

(e) Road repairs and other surface improvements that will increase walkability, access to green space, dedicated nonmotorized transportation, and access to rapid transit or high-speed rail.

(f) Supports for small businesses and emerging entrepreneurs, including access to credit and professional development.

(g) Plans to enhance parks, green space, community recreation, promotion of local artists or art installations, and outdoor social spaces.

(h) Activities to pursue other sources of funding to directly support a local talent plan, including other governmental funds or private resources.

(8) In addition to the eligible activities under subsection (7), approved local talent plans must include all of the following:

(a) A defined area, such as a neighborhood, district, or corridor, in which a local talent plan will be implemented. Unless identified as a supporting part of an approved talent plan, funds allocated to approved plans must be used only within the plan's defined area.

(b) A description of how local talent plan activities directly support the objectives under subsection (2).

(c) A description of how funds appropriated under part 1 for talent partnership will be used and any other funds or resources that will be provided to ensure a plan meets all the objectives under subsection (2).

(d) Identification of stakeholders that were engaged in the development and are committed to the implementation of a local talent plan.

(e) In addition to any state or federal resources, identification of local or private match funds or resources that will be committed.

(f) A proposed implementation timeline and demonstration of a local talent plan's sustainability after any state or federal funds are exhausted.

(g) Identifiable goals and measurable outcomes to be used to monitor progress.

(9) To leverage existing programs and resources to support talent concentration, the department may establish a state agency workgroup to support the implementation of this section, including from agencies that oversee any programs related to housing, home repairs, blight elimination, business supports, community development, transportation or mobility, arts, and outdoor recreation.

(10) The department may retain up to 3% of funds under this section for implementation costs. In addition, the department may retain up to an additional 2% of funds under this section to reimburse other state agencies' activities that are in support of a talent partnership project. The department may contract with at least 1 consultant that is a nonprofit research organization or public education institution based in this state with experience in at least placemaking research to support this section.

(11) The department shall post online the guidelines for local talent plans and identify available research or resources that may be used to support the development of a local talent plan.

(12) In evaluating each application, subject to subsection (13), the department shall use objective criteria, including, but not limited to, the comprehensive nature of the local talent plan, the local support identified, long-term sustainability, and the likelihood to achieve the goals of the talent partnership program. The department must consider, but is not limited to, all of the following when selecting grant recipients:

(a) The extent to which a proposed local talent plan will support the creation and ongoing success of locally owned businesses.

(b) The extent to which a proposed local talent plan will create dense, walkable, vibrant spaces.

(c) The extent to which zoning and code restrictions have been, or will need to be, modified to support high-density residential development.

(d) The extent to which the proposed local talent plan supports facilities and walkways that house or present cultural arts programs, performances, and exhibitions.

(e) The extent to which the proposed local talent plan provides mixed-income housing.

(f) The likelihood of successful implementation of a proposed plan and its sustainability.

(13) The department shall award funds consistent with the following:

(a) Grants must be awarded in a geographically diverse manner.

(b) Subject to the department's approval, the grant program permits grant awards to continue implementation of existing talent plans.

(14) The department shall publish approved local talent plans and funding allocations under this section on the department's website. The department may approve subsequent rounds of funding for local talent plans if either additional funds become available or there are remaining funds from the appropriation under part 1 for talent partnerships. Remaining funds must be awarded in accordance with this section and, as necessary, prorated based on availability of funds.

(15) The department shall ensure grant agreements with applicants include regular progress reports and clawback provisions to verify that all expenditures are made in accordance with an approved local talent plan. Applicants receiving funds under this section shall respond to all reasonable information requests from the department related to the funds received under this section.

(16) The department shall provide an annual report by September 30 to the standard report recipients on the implementation of this program, including, but not limited to, all of the following:

(a) The utilization of funds allocated under this section, including the amount and status of any funds allocated for approved local talent plans and the amount retained by the department or state agencies to support implementation of this section.

(b) As applicable, identification of activities undertaken by agency workgroup participants to communicate the implementation of local talent plans to each of their respective agencies and identification of any existing programs or resources that may be used to support the implementation of a local talent plan.

Sec. 1015. (1) From the funds appropriated in part 1 for Pure Michigan, $2,000,000.00 must be used by the fund to promote this state as a destination for special events that are considering 1 or more locations outside of this state with a bid as a determining factor, including, but not limited to, national conventions, national conferences, major sporting events that are not held more than 1 time each year in this state or any other state, including professional sport draft celebrations, all-star games, NCAA postseason tournament games, or other significant events that would feature this state to a national audience with a goal of generating overnight visitation and stays.

(2) The fund must develop program guidelines for the use of these funds. Funds may be used to help attract eligible special events and to support costs associated with hosting eligible special events. Eligible special events must have a regular attendance of more than 500 people and meet other eligibility criteria as determined by the fund.

(3) Unexpended funds appropriated in part 1 for Pure Michigan 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 expenditure 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 promote this state as a destination for special events and to support costs related to hosting eligible special events.

(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 for the work projects is September 30, 2030.

ARTICLE 10

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the department of licensing and regulatory affairs for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	20.0		
Full-time equated classified positions	1,802.0		
GROSS APPROPRIATION		**$**	**613,161,700**

			For Fiscal Year Ending Sept. 30, 2027
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers		$	30,303,000
ADJUSTED GROSS APPROPRIATION		**$**	**582,858,700**
Federal revenues:			
Total federal revenues			30,589,900
Special revenue funds:			
Total local revenues			0
Total private revenues			0
Total other state restricted revenues			309,096,900
State general fund/general purpose		**$**	**243,171,900**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	20.0		
Full-time equated classified positions	105.0		
Unclassified salaries—FTEs	20.0	$	3,176,100
Executive director programs—FTEs	22.0		3,496,200
Financial operations—FTEs	72.0		8,703,500
Property management			6,233,100
Regulatory effectiveness office—FTEs	11.0		1,716,500
Worker's compensation			42,200
GROSS APPROPRIATION		**$**	**23,367,600**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from MDIFS, accounting services			150,000
Federal revenues:			
EPA, underground storage tanks			30,800
HHS-Medicaid, certification of health care providers and suppliers			382,900
HHS-Medicare, certification of health care providers and suppliers			565,600
Special revenue funds:			
Aboveground storage tank fees			95,900
Accountancy enforcement fund			10,600
Boiler inspection fund			287,800
Builder enforcement fund			39,100
Construction code fund			828,800
Corporation fees			5,193,500
Elevator fees			318,900
Fire alarm fees			7,900
Fire safety standard and enforcement fund			2,300
Fire service fees			354,900
Fireworks safety fund			60,400
Health professions regulatory fund			1,906,300
Health systems fees			216,500
Licensing and regulation fund			854,700
Liquor license revenue			292,400
Liquor purchase revolving fund			3,206,700
Marihuana regulation fund			1,739,800
Marihuana regulatory fund			660,800
Michigan unarmed combat fund			5,800
Mobile home code fund			263,200
Nurse professional fund			42,400
PMECSEMA fund			50,100
Property development fees			7,800
Public utility assessments			3,394,100
Real estate appraiser education fund			2,900
Real estate education fund			12,100

			For Fiscal Year Ending Sept. 30, 2027
Real estate enforcement fund		$	12,400
Refined petroleum fund			155,300
Securities fees			1,528,500
Securities investor education and training fund			9,800
Security business fund			7,100
Survey and remonumentation fund			98,500
Tax tribunal fund			242,700
Utility consumer representation fund			55,200
State general fund/general purpose		**$**	**273,100**
Sec. 103. PUBLIC SERVICE COMMISSION			
Full-time equated classified positions	222.0		
Public service commission—FTEs	222.0	$	42,926,700
GROSS APPROPRIATION		**$**	**42,926,700**
Appropriated from:			
Federal revenues:			
DOT, gas pipeline safety			2,704,600
Special revenue funds:			
Civil fines, excavation, and blasting fund			500,000
Public utility assessments			39,722,100
State general fund/general purpose		**$**	**0**
Sec. 104. LIQUOR CONTROL COMMISSION			
Full-time equated classified positions	148.0		
Liquor licensing and enforcement—FTEs	148.0	$	23,558,300
GROSS APPROPRIATION		**$**	**23,558,300**
Appropriated from:			
Special revenue funds:			
Direct shipper enforcement revolving fund			321,500
Liquor control enforcement and license investigation revolving fund			175,000
Liquor license fee enhancement fund			76,400
Liquor license revenue			8,661,000
Liquor purchase revolving fund			14,324,400
State general fund/general purpose		**$**	**0**
Sec. 105. OCCUPATIONAL REGULATION			
Full-time equated classified positions	921.0		
Bureau of community and health systems—FTEs	160.0	$	27,808,400
Bureau of construction codes—FTEs	197.0		33,626,700
Bureau of fire services—FTEs	89.0		15,033,700
Bureau of professional licensing—FTEs	198.0		41,270,800
Bureau of survey and certification—FTEs	171.0		30,047,600
Corporations, securities, and commercial licensing bureau—FTEs	106.0		17,799,000
GROSS APPROPRIATION		**$**	**165,586,200**
Appropriated from:			
Federal revenues:			
DHS, fire training systems			528,000
DOT, hazardous materials training and planning			20,000
EPA, underground storage tanks			830,400
Federal revenues			109,000
HHS-Medicaid, certification of health care providers and suppliers			9,297,600
HHS-Medicare, certification of health care providers and suppliers			14,941,500
Special revenue funds:			
Aboveground storage tank fees			352,200
Accountancy enforcement fund			1,227,900
Adult foster care facilities licenses fund			382,400
Boiler inspection fund			3,109,500
Builder enforcement fund			644,000
Construction code fund			15,309,000

			For Fiscal Year Ending Sept. 30, 2027
Corporation fees		$	14,876,600
Division on deafness fund			73,400
Elevator fees			8,622,600
Fire alarm fees			137,900
Fire safety standard and enforcement fund			32,600
Fire service fees			4,218,300
Fireworks safety fund			1,269,800
Health professions regulatory fund			37,021,100
Health systems fees			4,237,500
Licensing and regulation fund			11,819,800
Liquor purchase revolving fund			225,000
Marihuana regulatory fund			500,000
Mobile home code fund			2,179,600
Nurse aide and medication aide registration fund			1,712,100
Nurse professional fund			1,968,400
PMECSEMA fund			1,611,100
Property development fees			192,600
Real estate appraiser education fund			6,200
Real estate education fund			607,500
Real estate enforcement fund			758,900
Refined petroleum fund			2,609,500
Securities fees			5,483,200
Securities investor education and training fund			504,200
Security business fund			184,700
Survey and remonumentation fund			916,200
State general fund/general purpose		**$**	**17,065,900**
Sec. 106. CANNABIS REGULATORY AGENCY			
Full-time equated classified positions	182.0		
Cannabis regulatory agency—FTEs	182.0	$	31,609,900
GROSS APPROPRIATION		**$**	**31,609,900**
Appropriated from:			
Special revenue funds:			
Industrial hemp licensing and registration fund			296,500
Marihuana registry fund			1,770,300
Marihuana regulation fund			22,078,600
Marihuana regulatory fund			7,464,500
State general fund/general purpose		**$**	**0**
Sec. 107. MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES			
Full-time equated classified positions	169.0		
Michigan office of administrative hearings and rules—FTEs	169.0	$	37,214,400
GROSS APPROPRIATION		**$**	**37,214,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG revenues - administrative hearings and rules			28,704,400
Special revenue funds:			
Construction code fund			28,000
Corporation fees			1,013,500
Health professions regulatory fund			886,700
Health systems fees			165,700
Licensing and regulation fund			914,300
Liquor purchase revolving fund			494,400
Marihuana regulation fund			254,200
Marihuana regulatory fund			100,200
Public utility assessments			2,997,400
Securities fees			1,057,200
State general fund/general purpose		**$**	**598,400**

			For Fiscal Year Ending Sept. 30, 2027
Sec. 108. COMMISSIONS			
Full-time equated classified positions	41.0		
Michigan indigent defense commission—FTEs	21.0	$	3,424,100
Michigan tax tribunal—FTEs	20.0		4,251,900
Michigan unarmed combat commission			126,200
GROSS APPROPRIATION		**$**	**7,802,200**
Appropriated from:			
Special revenue funds:			
Corporation fees			3,429,800
Michigan unarmed combat fund			126,200
Tax tribunal fund			822,100
State general fund/general purpose		**$**	**3,424,100**
Sec. 109. 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			211,799,900
Remonumentation grants			6,800,000
Utility consumer representation			3,100,000
GROSS APPROPRIATION		**$**	**236,899,900**
Appropriated from:			
Special revenue funds:			
Fireworks safety fund			2,300,000
Liquor license revenue			9,900,000
Local indigent defense reimbursement			300,000
Marihuana regulation fund			3,000,000
Survey and remonumentation fund			6,800,000
Utility consumer representation fund			3,100,000
State general fund/general purpose		**$**	**211,499,900**
Sec. 110. INFORMATION TECHNOLOGY			
Information technology services and projects		$	33,282,100
GROSS APPROPRIATION		**$**	**33,282,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG revenues - administrative hearings and rules			1,448,600
Federal revenues:			
DOT, gas pipeline safety			152,600
HHS-Medicaid, certification of health care providers and suppliers			385,100
HHS-Medicare, certification of health care providers and suppliers			641,800
Special revenue funds:			
Aboveground storage tank fees			34,500
Accountancy enforcement fund			15,600
Boiler inspection fund			387,500
Construction code fund			1,384,900
Corporation fees			5,518,700
Elevator fees			593,400
Fire safety standard and enforcement fund			4,500
Fire service fees			547,700
Fireworks safety fund			149,800
Health professions regulatory fund			4,330,200
Health systems fees			366,200
Industrial hemp licensing and registration fund			4,000
Licensing and regulation fund			805,400
Liquor license revenue			303,000
Liquor purchase revolving fund			5,311,200
Marihuana regulation fund			3,168,700

			For Fiscal Year Ending Sept. 30, 2027
Marihuana regulatory fund		$	1,355,500
Mobile home code fund			253,000
Nurse aide and medication aide registration fund			80,000
PMECSEMA fund			1,055,000
Public utility assessments			2,165,400
Real estate appraiser education fund			1,000
Real estate education fund			4,800
Real estate enforcement fund			7,700
Refined petroleum fund			235,200
Securities fees			470,600
Securities investor education and training fund			6,100
Survey and remonumentation fund			75,400
Tax tribunal fund			208,500
State general fund/general purpose		**$**	**1,810,500**
Sec. 111. ONE-TIME APPROPRIATIONS			
Full-time equated classified positions	14.0		
Accounting continuing education		$	200,000
Cannabis regulatory agency social equity program			1,000,000
Compact implementation fees			400,000
Customer satisfaction survey			100,000
Prosecuting attorneys coordinating council—FTEs	14.0		3,455,100
Real estate continuing education			400,000
Renewable energy and electrification infrastructure enhancement and development			5,000,000
Tax tribunal - small claims			359,300
GROSS APPROPRIATION		**$**	**10,914,400**
Appropriated from:			
Special revenue funds:			
Accountancy enforcement fund			200,000
Corporation fees			359,300
Marihuana regulation fund			1,000,000
Prosecuting attorneys training fees			455,100
Real estate education fund			400,000
State general fund/general purpose		**$**	**8,500,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending from state sources under part 1 is $552,268,800.00 and state spending from state sources to be paid to local units of government is $233,799,900.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS		
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		211,799,900
Remonumentation grants		6,800,000
TOTAL	**$**	**233,799,900**

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 licensing and regulatory affairs.
(b) "DHS" means the United States Department of Homeland Security.
(c) "Director" means the director of the department.
(d) "DOT" means the United States Department of Transportation.
(e) "EPA" means the United States Environmental Protection Agency.
(f) "FOIA" means the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
(g) "FTE" means full-time equated position in the classified service of this state.
(h) "HHS" means the United States Department of Health and Human Services.
(i) "IDG" means interdepartmental grant.
(j) "MDIFS" means the Michigan department of insurance and financial services.
(k) "PMECSEMA" means pain management education and controlled substances electronic monitoring and antidiversion.
(*l*) "Standard report recipients" means the senate and house appropriations committees, 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. 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. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's website not later than the due date required for each report.
(2) In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.
(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. (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. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department shall do all of the following:
(a) Not later than December 1, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:
(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.
(*ii*) When the funding was received.
(*iii*) The amount of funding received.
(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that contains an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, and identifies all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar timeframe as would be reported under subsection (1), subsection (1) does not apply.

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 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. 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. 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 by 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. 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, 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.

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 and to the joint committee on administrative rules.

Sec. 215. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. (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 $25,000,000.00 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 $200,000.00 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. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $21,488,800.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $21,488,800.00. Total appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the department shall submit an annual 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. 221. 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. 222. 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. 223. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on timesheets are actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, and in-person and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. Each agency shall complete a space utilization assessment by July 1, 2027, using a form developed by the department of technology, management, and budget for all space assigned under its building occupancy agreement and leased office locations and post on their website. Agencies shall develop, in coordination with the department of technology, management, and budget, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans must prioritize the use of state-owned facilities, wherever possible, and comply with department of technology, management, and budget established space standards unless an exception is approved by the department of technology, management, and budget.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. No later than December 31, 2026, and again by June 1, 2027, the department shall provide a report to the standard report recipients that includes detail regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Not later than 30 days after the enactment of this act, the house and senate shall provide to the state budget office a jointly agreed-upon list of legislatively directed spending items as that term is defined in section 364 of the management and budget act, 1984 PA 431, MCL 18.1364, funded in part 1. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026 are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026, and any subsequent financial close-out period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of Public Law 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report on 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. 231. The department shall establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements prior to contract execution. The department shall report back to the standard report recipients by March 31, 2027 on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

Sec. 250. From the funds appropriated in part 1, the department shall 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.

Sec. 251. (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 $1,000,000.00.

Sec. 252. 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. 253. (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. 254. (1) Grants supported with private revenues received by the department are appropriated on receipt and may be expended by the department for the purposes specified within the grant agreement and as permitted under state and federal law.

(2) Not later than 10 days after the receipt of a private grant appropriated in subsection (1), the department shall notify the chairpersons of the subcommittees, the senate and house fiscal agencies, and the state budget office of the receipt of the grant, including the fund source, purpose, and amount of the grant.

(3) The amount appropriated under subsection (1) must not exceed $4,000,000.00.

Sec. 255. Unless prohibited by law, the department may accept credit card or other electronic means of payment for licenses, fees, or permits. Not later than February 1, the department shall report on fees collected from credit card payments for licenses, fees, and permits in the previous year.

Sec. 256. The department may carry into the succeeding fiscal year unexpended federal pass-through funds to local institutions and governments that do not require additional state matching funds. Federal pass-through funds to local institutions and governments that are received in amounts in addition to those included in part 1 and that do not require additional state matching funds are appropriated for the purposes intended for the federal pass-through funds. Not later than 14 days after the receipt of federal pass-through funds, the department shall notify the chairpersons of the subcommittees, the senate and house fiscal agencies, and the state budget office of pass-through funds appropriated under this section.

Sec. 257. (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) Corporations, securities, and commercial licensing bureau.

(d) Bureau of professional licensing.

(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 fund.

(b) The renewal cycle and amount of each fee charged.

(c) Number of initial applications.

(d) Number of initial applications denied.

(e) Number of license renewals.

(f) Average amount of time to approve or deny completed applications.

(g) Number of examinations proctored for initial applications.

(h) A description of the types of complaints received.

(i) A description of the process used to resolve complaints.

(j) Number of complaints received.

(k) Number of complaints investigated.

(*l*) Number of complaints closed with no action.

(m) Number of complaints resulting in administrative actions or citations.

(n) Average amount of time to complete investigations.

(o) Number of enforcement actions, including license revocations, suspensions, and fines.

(p) A description of the types of enforcement actions taken against licensees.

(q) Number of administrative hearing adjudications.

(r) If the department spends funds on radio or TV production, 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.

(3) An agency listed in subsection (1)(a) or (b) shall report by regulated activity and an agency listed in subsection (1)(c) or (d) 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. 258. 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 or good cause is shown. Good cause may include circumstances where the department is working with law enforcement, attorneys, or the court system to potentially pursue or resolve an investigation or licensing action.

Sec. 259. 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 an annual report to the subcommittees, the senate and house fiscal agencies, and the state budget office on changes to the employee performance monitoring process that are planned or implemented, as well as the number of employee evaluations performed.

Sec. 260. Not later than March 30, the regulatory effectiveness office shall submit a report to the standard report recipients that includes the following information:

(a) Legislative recommendations for actions to take to improve the effectiveness of licensing and regulation, including ideas that make the licensing environment accessible to more consumers while maintaining consumer protection.

(b) A plan from the department detailing actions needed to improve licensing and regulatory effectiveness for consumers and departmental actions, as well as detailed actions they have already taken.

(c) A plan from the department detailing actions needed to improve internal compliance, risk management, and departmental actions, as well as detailed actions they have already taken.

Sec. 280. (1) The attorney general support fund is created within the department of treasury.

(2) Any unexpended funds in the attorney general support fund created in this section shall be carried forward and are available for expenditure under this section.

(3) Funds may be spent from the attorney general 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 into the attorney general support fund. The state treasurer shall direct the investment of the attorney general support fund. The state treasurer shall credit to the attorney general support fund interest and earnings from the attorney general support fund.

(5) Funds in the attorney general support fund at the close of the fiscal year remain in the attorney general support fund and do not lapse to the general fund.

(6) The department is the administrator of the fund for auditing purposes.

(7) From fees authorized under section 1060 of the business corporation act, 1972 PA 284, MCL 450.2060, $8,112,200.00 is appropriated to the attorney general support fund.

(8) From the attorney general support fund created in subsection (1), $8,112,200.00 is appropriated.

PUBLIC SERVICE COMMISSION

Sec. 301. (1) 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 on the awarding of grants and may be expended for grant payments and administrative-related expenses incurred in the operation of the grant program.

(2) No later than March 30, the public service commission shall submit a report to the standard report recipients based on the grants administered, including:

(a) Median annual household income for recipients of the grant.

(b) Number of grants administered in each county of this state.

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 public hearings required under this section and summarizes the public comments that were received during the public hearings.

Sec. 303. (1) From the funds appropriated in part 1 for the Michigan public service commission, the department shall designate 1 FTE to assist consumers with utility issues, utility disruption, or outages.

(2) On a monthly basis, the commission shall make the following available on its website:

(a) The average electric rates for commission-regulated electric utilities.

(b) A comparison of monthly residential electric bills for commission-regulated electric utilities.

(c) The power supply cost recovery factors for all commission-regulated electric utilities.

(d) The natural gas rates for commission-regulated natural gas utilities.

(e) The gas cost recovery factors for commission-regulated natural gas utilities.

(f) Monthly reliability data for commission-rate-regulated electric utilities.

(g) The number of utility consumers assisted by the commission for utility disruption, outages, and other utility issues.

(h) The number of formal complaints received in the month.

Sec. 304. (1) The Michigan public service commission shall create a webpage on the commission's website that includes a summary of each rate case currently pending before the commission, as well as a summary of the most recent rate case decided by the commission for each utility whose rates are regulated by the commission. The summary for each rate case currently pending before the commission shall include, at a minimum, all of the following information:

(a) The total change in rates being sought by the utility.

(b) A projection of the impact of the change for a typical residential customer, expressed in both dollars and percentage change, consistent with the information to be provided by utilities to their customers under the commission's December 18, 2025 order in Case No. U-21637.

(c) A link to the dedicated page in the commission's e-dockets system for the specific rate case proceeding.

(2) The commission shall also report its final decision in each rate case proceeding to the standard report recipients and senate and house standing committees on energy and shall include a link to the order and justification for the decision in each proceeding.

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 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 this state.

(c) Number of out-of-state entities found to have illegally shipped wine into this state 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.

(e) Number of unlicensed out-of-state entities found to have illegally shipped wine into this state that were identified with the shipping records described in subsection (1).

(f) Number of notices sent under subsection (3).

(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 this state. The notice must include all of the following statements:

(a) That shipping wine into this state by unlicensed out-of-state retailers and third-party marketers is illegal, and wineries shipping into this state 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 this state 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
Facility type	Facility size	Fee
Nursing Homes	Any	$5.00 per bed
Facility type	Facility size	Fee
Homes for the Aged	Any	$5.00 per bed
Facility type	Facility size	Fee
Adult Foster Care	Greater than 6 residents	$5.00 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 the bureau of community and health systems from fees and collections that 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.

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 $500.00 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, all of the following:

(a) The total number of licensed health professionals registered to the Michigan automated prescription system.

(b) The total number of dispensers registered to the Michigan automated prescription system.

(c) The total number of prescribers using the Michigan automated prescription system.

(d) The total number of dispensers using the Michigan automated prescription system.

(e) The total number of 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) The total number of 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) The total number of delegate users registered to the Michigan automated prescription system.

(h) The department's recommendations for electronic health integration and optimizing data interpretation for the purpose of advancing utilization practices.

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. (1) 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.

(2) No later than September 30, the department shall transmit a report to the standard report recipients that details the revenue sources for the fund.

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, hospitals, and acute continuing care providers to the standard report recipients and to the chairs of the senate and house appropriations subcommittees with jurisdiction over the budget for the department of health and human services not later than March 30.

Sec. 511. From the amount appropriated in part 1 for bureau of community and health systems administration, on receipt of the order of suspension of a 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, to the senate and house appropriations subcommittees on health and human services, and to the standard report recipients.

Sec. 512. (1) Upon appropriation, the department shall make the necessary changes to the MiBusiness Registry Portal to allow each entity to opt in to a primary user authentication system that would permit only the designated primary user to submit filings for the entity.

(2) If amendments to the Michigan limited liability company act, 1993 PA 23, MCL 450.4101 to 450.5200, the business corporation act, 1972 PA 284, MCL 450.1101 to 450.2098, and the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, are enacted that would allow the department to implement a process for entities to opt in to a primary user authentication system, then this section will go into effect.

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 registered names and addresses of all facilities licensed under each act, by license category and by county.

(*l*) The number of complaints received pertaining to each act, by license type or regulatory activity.

(m) A description of the types of complaints received.

(n) A description of the process used to resolve complaints.

(o) The number of investigations opened pertaining to each license category.

(p) The number of investigations closed pertaining to each license category.

(q) The average amount of time to complete investigations pertaining to each license category.

(r) The number of enforcement actions pertaining to each license category.

(s) A description of the types of enforcement actions taken against licensees.

(t) The number of administrative-hearing adjudications pertaining to each license type.

(u) A list of the fees charged for license applications, license renewals, and registry cards.

(v) The costs of administering the licensing program under each act.

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*) Current license status on the day of the report and whether or not the license was suspended, surrendered, or revoked.

(*vii*) Fines or other penalties issued.

(g) The number of licenses suspended, surrendered, or revoked.

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 licensed in this state, by county.

(d) A list and description of any fees that the cannabis regulatory agency assesses on hemp processor-handler licensees.

(e) The number of inspections conducted per year and the result of each inspection.

(f) The number of hemp license applications and hemp license approvals per year.

Sec. 604. The cannabis regulatory agency shall not exhibit undue partiality toward or bias against any licensee.

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 March 1, the Michigan indigent defense commission shall submit a report to the standard report recipients on all of the following information:

(a) A detailed list of the total amount approved for each funding unit for the previous fiscal year to implement all approved indigent defense standards. The list must include the amount of state funding and local share for each system.

(b) A listing of expenditures by category for the previous fiscal year for each funding unit.

(c) A comparison of the total system cost for the previous five fiscal years organized by Michigan indigent defense commission region.

(d) A description of each approved standard and how compliance was assessed. This must include data associated with the assessment such as the number of arraignments with appointed counsel, the percentage of cases with assigned attorneys representing defendants, information about the use of experts and investigators, and the percentage of attorneys meeting with clients within the required timeframe.

(e) Identification of any challenges facing the commission.

Sec. 803. If Senate Bill No. 81 of the 103rd Legislature or House Bill No. 4070 of the 103rd Legislature are enacted, then the Michigan indigent defense commission shall utilize available funding to begin the development and implementation of minimum standards for youth defense services in accordance with the Michigan indigent defense commission act, 2013 PA 93, MCL 780.981 to 780.1003.

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 criminal defense system's approved compliance plan.

GRANTS

Sec. 901. (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 and details the calculation for the amount for which each county was eligible.

Sec. 902. (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.

ONE-TIME APPROPRIATIONS

Sec. 1001. From the funds appropriated in part 1 for accounting continuing education, the bureau of professional licensing must expend not less than $200,000.00 for grants to the Michigan Association of CPAs to support the maintenance and operation of the continuing professional education tracker and web portal.

Sec. 1002. From the funds appropriated in part 1 for cannabis regulatory agency social equity program, the cannabis regulatory agency shall further develop the program established under section 8(1)(j) of the Michigan Regulation and Taxation of Marihuana Act, 2018 IL 1, MCL 333.27958, with all of the following goals:

(a) To encourage and increase participation in the social equity program, with particular focus to promote and encourage participation in the marihuana industry by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement.

(b) To establish a minimum number of licensees that are participating in the social equity program.

(c) To consider the area median income of a community in designating communities that have been disproportionately impacted by marihuana prohibition and enforcement.

Sec. 1003. (1) From the funds appropriated in part 1 for customer satisfaction survey, $100,000.00 is allocated to measure and improve customer satisfaction across service platforms, including online transactions and call centers. The department may partner with an external entity to support a customer satisfaction program that may include, but is not limited to, survey design and administration, data integration, metric development, dashboard creation, and performance benchmarking.

(2) Not later than September 30, the department shall submit a report to the standard report recipients. The status report on the customer satisfaction program may include, but is not limited to, activities undertaken, preliminary findings, and next steps.

Sec. 1004. From the funds appropriated in part 1 for prosecuting attorneys coordinating council, $800,000.00 is allocated to the department for central administrative services such as human resources, budgeting, accounting, technology, security, procurement, legal, policy, and audit support in recognition of the transfer of the prosecuting attorneys coordinating council.

Sec. 1005. From the funds appropriated in part 1 for real estate continuing education, the bureau of professional licensing must expend not less than $400,000.00 for grants to the Michigan Realtors Association to support the approval and tracking of real estate continuing education in this state.

Sec. 1006. (1) From the funds appropriated in part 1 for renewable energy and electrification infrastructure enhancement and development, except as otherwise provided in subsection (10), funds must be expended only for grants to businesses, nonprofit organizations, and units of local or state government for the purpose of planning, developing, designing, acquiring, or constructing renewable energy and electrification infrastructure projects.

(2) From the total amount of funds for grants awarded under this section for electric vehicle fast-charging infrastructure, to the extent possible, grants should be awarded with a goal of distributing not less than 50% of the total amount for charging ports with 2 connectors that provide charging at a power level of at least 200 kilowatts.

(3) The Michigan public service commission shall develop guidelines for the grant program described in subsection (1) and implement an application process for the grant program not later than 6 months after the effective date of this act and must first prioritize and approve grants that meet the goals of the governor's MI healthy climate plan.

(4) Applicants for a grant under this section must perform an impact study that includes an analysis of potential cost savings, environmental impacts, and local economic benefits of the applicant's proposed renewable energy and electrification infrastructure project. A utility, at its sole discretion, may prepare a single impact study that covers the utility's service territory that accounts for likely proposals, evaluates regional opportunities, and minimizes or eliminates the need for repetitive studies. Sufficient detail must be provided in the study to allow the Michigan public service commission to evaluate each proposed project, including how the proposed project will align with the governor's MI healthy climate plan.

(5) An applicant that applies for a grant to be used to develop RNG infrastructure shall include all of the following information in the applicant's application:

(a) The project details, including the location of biogas and the proposed interconnection.

(b) The cost estimates for the interconnection, metering, and gas conditioning equipment needed to connect to an existing pipeline system.

(c) A summary of the environmental and health impacts of the project, including the forecasted emission reductions.

(d) Any local economic impact from the RNG infrastructure development.

(e) The end-use application for the RNG infrastructure with a focus on projects being used for opportunities in this state.

(6) After receipt of an application under this section, the Michigan public service commission shall allow local units of government, environmental groups, and business interests directly affected by the proposal 45 days to review the application and provide comments. The Michigan public service commission shall allow the applicant not less than 15 days after the comments have been received from interested parties, at the applicant's discretion, to modify or maintain the applicant's initial proposal.

(7) The Michigan public service commission shall review all proposals and award grants to applicants it determines have met the criteria in this section. All grants must include full and timely cost recovery from the fund for the infrastructure requirements of the affected utility made necessary by the grant. All grants must be awarded on a competitive basis with priority given to applicants in a distressed area. As used in this section, "distressed area" means any of the following:

(a) An area in a city, village, or township that has been designated as blighted.

(b) A city, village, or township with a poverty rate and unemployment rate greater than the statewide average.

(c) An area certified as a neighborhood enterprise zone under the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786.

(d) An area facing a disproportionate environmental burden, using the department of environment, Great Lakes, and energy's MiEJScreen or EPA's EJSCREEN.

(8) Not later than 30 days after the completion of the relevant project, grant recipients under this section shall submit a report to the Michigan public service commission that details how the grant money was used.

(9) The funds appropriated in part 1 for renewable energy and electrification infrastructure enhancement and development must not be used to expand the use of conventional natural gas.

(10) From the funds appropriated in part 1 for renewable energy and electrification infrastructure enhancement and development, the Michigan public service commission shall not use more than $125,000.00, upon awarding of the grants, for administrative-related expenses incurred by the commission for the operation of the grant program. Funds supporting the grant program are appropriated in the Michigan public service commission upon awarding of the grants.

(11) As used in this section:

(a) "Renewable energy and electrification infrastructure projects" includes, but is not limited to, renewable natural gas facilities and electric vehicle fast-charging infrastructure upgrades on publicly owned land within 1/2 mile of a United States highway or state trunkline roadway.

(b) "Renewable natural gas" or "RNG" means methane derived from organic material and degradable carbon sources, including, but not limited to, carbon sources and materials sourced from municipal solid waste, septage feedstock, plant materials, or food waste.

Sec. 1007. (1) From the one-time funds appropriated in part 1 for tax tribunal – small claims, the department of licensing and regulatory affairs may hire up to 2.0 limited-term employees to support a backlog in small claims cases within the Michigan Tax Tribunal.

(2) Unexpended funds appropriated in part 1 for tax tribunal – small claims 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 support a backlog in small claims cases within the Michigan Tax Tribunal.

(b) The project will be accomplished by utilizing state employees, contracting with vendors, or both.

(c) The total estimated cost of the project is $359,300.00.

(d) The estimated completion date is September 30, 2029.

Sec. 1008. Funds appropriated in part 1 for compact implementation fees shall be used to pay for dues, IT systems, and associated implementation costs for any interstate licensure compacts of which the state is or becomes a member.

ARTICLE 11

DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the department of lifelong education, advancement, and potential for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL		
APPROPRIATION SUMMARY		
Full-time equated unclassified positions	6.0	

			For Fiscal Year Ending Sept. 30, 2027
Full-time equated classified positions	342.0		
GROSS APPROPRIATION		**$**	**753,214,500**
ADJUSTED GROSS APPROPRIATION		**$**	**753,214,500**
Federal revenues:			
Total federal revenues:			469,495,500
Total private revenues			1,000,000
Total other state restricted revenues			1,897,300
State general fund/general purpose		**$**	**280,821,700**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	37.0		
Unclassified salaries—FTEs	6.0	$	1,029,500
Executive direction and operations—FTEs	37.0		7,458,100
Property management			165,500
Worker's compensation			3,700
GROSS APPROPRIATION		**$**	**8,656,800**
Appropriated from:			
Federal revenues:			
Federal funds			1,174,400
Total federal revenues			1,174,400
State general fund/general purpose		**$**	**7,482,400**
Sec. 103. INFORMATION TECHNOLOGY			
Information technology services and projects		$	1,021,700
GROSS APPROPRIATION		**$**	**1,021,700**
Appropriated from:			
Federal revenues:			
Federal funds			227,600
Total federal revenues			227,600
State general fund/general purpose		**$**	**794,100**
Sec. 104. OFFICE OF EARLY CHILDHOOD EDUCATION			
Full-time equated classified positions	233.0		
Child care licensing and regulation—FTEs	167.0	$	29,957,600
Child development and care contracted services			22,900,000
Child development and care external support			11,074,100
Child development and care public assistance			631,383,600
Early childhood investment fund			5,000,000
Head start collaboration office—FTE	1.0		427,700
Office of great start operations—FTEs	65.0		17,984,700
Tri-share child care program			3,400,000
GROSS APPROPRIATION		**$**	**722,127,700**
Appropriated from:			
Federal revenues:			
Federal funds			376,258,000
Social security act, temporary assistance for needy families			90,500,000
Total federal revenues			466,758,000
Special revenue funds:			
Private foundations			1,000,000
Teacher-administrator preparation and certification fund			64,600
Child care home and center licenses fund			501,700
State general fund/general purpose		**$**	**253,803,400**
Sec. 105. OFFICE OF EDUCATION PARTNERSHIPS			
Full-time equated classified positions	21.0		
Before and after school administration—FTEs	2.0	$	342,300
Camp licensing unit—FTEs	7.0		719,500
Family and community engagement—FTEs	12.0		2,410,000
GROSS APPROPRIATION		**$**	**3,471,800**

			For Fiscal Year Ending Sept. 30, 2027
Appropriated from:			
Federal revenues:			
Total federal revenues		$	1,335,500
Total other state restricted revenues			44,200
State general fund/general purpose		**$**	**2,092,100**
Sec. 106. OFFICE OF HIGHER EDUCATION			
Full-time equated classified positions	51.0		
Dual enrollment payments			4,000,000
Student financial assistance programs—FTEs	51.0		9,936,500
GROSS APPROPRIATION		**$**	**13,936,500**
Appropriated from:			
Special revenue funds:			
Michigan merit award trust fund			1,286,800
State general fund/general purpose		**$**	**12,649,700**
Sec. 107. ONE-TIME APPROPRIATIONS			
College success fund and student wraparound supports			312,500
Ensuring access to postsecondary opportunities			125,000
Michigan center for adult college success			1,062,500
Reenrollment services			500,000
Time and attendance billing system			2,000,000
GROSS APPROPRIATION		**$**	**4,000,000**
Appropriated from:			
State general fund/general purpose		**$**	**4,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending under part 1 from state sources is $282,719,000.00 and total state spending under part 1 from state sources to be paid to local units of government is $312,500.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL		
College success fund and student wraparound supports	$	312,500
TOTAL	**$**	**312,500**

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) “Department” means the department of lifelong education, advancement, and potential.

(b) “DHHS” means the Michigan department of health and human services.

(c) “Director” means the director of the department.

(d) “FTE” means full-time equated position in the classified service of this state.

(e) “IDG” means interdepartmental grant.

(f) “Standard report recipients” means the senate and house appropriations committees, the senate and house appropriations subcommittee on the department, 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, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and post each required report in a single archivable location on the department's website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. (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. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department must do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that contains an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, and identifies all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

Sec. 209. Not later than December 15, the state budget office shall prepare and submit a report that provides for 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 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. 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. 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 previous 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 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 general fund/general purpose revenues, state restricted revenues, federal revenues, and other revenues.

Sec. 213. On a quarterly basis, a department or agency receiving appropriations in part 1 shall report on the number of FTEs in pay status by type of staff and civil service classification, including a comparison by line item of the number of FTEs authorized from funds appropriated in part 1 to the actual number of FTEs employed by the department or agency 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, 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. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $10,000,000.00 for federal contingency 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 $350,000.00 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. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $4,108,800.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $4,108,800.00. Total department appropriations for retiree health care legacy costs are estimated at $0.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the department shall submit an annual 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. 221. 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. 222. 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. 223. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on timesheets were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80 percent or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, and in-person and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. Each agency shall complete a space utilization assessment by July 1, 2027, using a form developed by the department of technology, management and budget, for all space assigned under its building occupancy agreement and leased office locations and post on their website. Agencies shall develop, in coordination with the department of technology, management, and budget, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with space standards established by the department of technology, management, and budget unless an exception is approved by the department of technology, management, and budget.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. No later than December 31, 2026, and again by June 1, 2027, the department must provide a report to the standard report recipients that includes details regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Within 30 days after enactment of this act, the house and senate shall provide to the state budget office a jointly agreed upon list of legislatively directed spending items as that term is defined in section 364 of the management and budget act, 1984 PA 431, MCL 18.1364, funded in part 1. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026 are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026 and any subsequent financial close-out period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of Public Law 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report 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. 231. The department must establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements prior to contract execution. The department must report back to the standard report recipients by March 31, 2027 on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

OFFICE OF EDUCATION PARTNERSHIPS

Sec. 401. From the funds appropriated in part 1 for family and community engagement, the department shall, at a minimum, do all of the following:

(a) Establish or partner with family engagement centers across this state to increase parent and guardian involvement in their child's education.

(b) Ensure translation and interpretation services are available and implemented pursuant to department guidance.

(c) Partner with intermediate school districts to assist in getting information and resources to their constituent districts.

(d) Develop an early literacy engagement plan to help parents or guardians become involved in their child's education.

OFFICE OF HIGHER EDUCATION

Sec. 701. (1) From the funds appropriated in part 1, in addition to other statutorily required duties, the department shall do all of the following:

(a) Review and evaluate all state financial aid programs. The department shall prioritize improving postsecondary educational outcomes, including student completion rates, and improving affordability of postsecondary programs in this state.

(b) Serve as the coordinating office for all agencies of the executive branch of government that are responsible for financial aid programs administered by this state.

(c) Survey stakeholders, including public, tribal, and private not-for-profit colleges and universities, state departments and agencies, and statewide postsecondary education associations on student financial aid policy to improve this state's administration of programs.

(d) Collaborate with the center for educational performance and information and individual colleges and universities to ensure streamlined and coordinated collection of data analyzing the following:

(*i*) Postsecondary education costs, including a comparison to national and regional averages.

(*ii*) Student enrollment.

(*iii*) Degree completion.

(e) Provide access to higher education institutional data inventory on an accessible, public facing dashboard to assist students, prospective students, and their families in making decisions on postsecondary education.

(f) Coordinate with other state agencies and school districts to increase utilization and awareness of postsecondary opportunities, including, but not limited to, early and middle college, dual enrollment, and private skills training scholarships.

(g) Promote, track, and provide resources to increase completion of the free application for federal student aid.

(2) From the funds appropriated in part 1, the department shall meet, at a minimum, the following transparency requirements:

(a) Collect data necessary to complete all statutory reporting requirements. The department shall notify the chairs of the house and senate appropriations committees within 10 days if an entity receiving funds from part 1 fails to comply with data collection requirements.

(b) Maintain a link on the department's website to find data submitted by postsecondary institutions through higher education institutional data inventory.

(c) Maintain a link on the department's website to the center for educational performance and information's MI School Data page on postsecondary enrollment and completion tracking.

(3) As used in this section, "center for educational performance and information" means the center for educational performance and information created in section 94a of the state school aid act of 1979, 1979 PA 94, MCL 388.1694a.

Sec. 705. The funds appropriated in part 1 for dual enrollment payments for an eligible student enrolled in a state-approved nonpublic school shall be distributed as provided under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, and the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, in a form and manner as determined by the department.

OFFICE OF EARLY CHILDHOOD EDUCATION

Sec. 1002. (1) From the funds appropriated in part 1, the department shall ensure that the final child development and care provider reimbursement rates are published on the department and Great Start to Quality webpages.

(2) In addition to the funds appropriated in part 1, upon receiving approval from the state budget director, the department may receive and expend federal child care development block grant funds that are at risk of lapsing back to the federal government. The department may do this only if all of the following criteria are met:

(a) The funds are at risk of lapsing back to the federal government by the end of the current fiscal year.

(b) The department plans to expend the funds through a 1-time rate increase to providers.

(c) The department makes the request to receive and expend the grant funds to the state budget director not less than 30 days before the expenditure of the funds.

(3) If the average cases over a 3-month period in the child development and care program result in the current projected fiscal year caseloads falling below the caseload agreement from the May consensus revenue estimating conference, the department may increase the hourly reimbursement rate to child care providers if the following conditions are met:

(a) The level of expenditures for the remainder of the year is estimated to be significantly below the level estimated from the May consensus revenue estimating conference.

(b) The department plans to expend the funds through an ongoing rate increase to providers for the remainder of the fiscal year.

(c) The department makes this request to the state budget director not less than 30 days before the expenditure of the funds that includes the rate increase.

(4) Upon receiving approval from the state budget director under subsection (2) or (3), the department must notify the senate and house fiscal agencies of the amount being appropriated, the estimated rate increase to providers, and if the rate increase to providers is 1-time or ongoing in nature.

(5) The department may withdraw the intent to expend the funds under subsection (2) or (3) by notifying the state budget director in writing.

Sec. 1003. (1) From the funds appropriated in part 1 for child development and care contracted services, the department shall create a report on all funding appropriated to contracts for the early childhood comprehensive systems planning by this state during the previous fiscal year. The report required under this section is due by April 1 and must contain at least all of the following information:

(a) Total funding appropriated to contracts for the early childhood comprehensive systems planning by this state during the previous fiscal year.

(b) The amount of funding for each grant awarded.

(c) The grant recipients.

(d) The activities funded by each grant.

(e) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All department contracts for early childhood comprehensive systems planning must be bid out through a statewide request-for-proposal process.

Sec. 1006. (1) The Early Childhood Investment Fund is created as a restricted fund in the department of treasury. The fund shall only be expended for eligible uses under this section.

(2) The state treasurer shall direct investment and credit to the fund all amounts appropriated to the fund and may receive money or other assets from any source for deposit into the fund.

(3) Money available in the fund at the close of the fiscal year remains in the fund and does not lapse.

(4) The fund shall be utilized to support participating providers, families, children, or early childhood workers, for eligible initiatives that supplement any of the following programs:

(a) Child Development and Care program.

(b) Early On program.

(c) Great Start Readiness Program.

(d) Programs for infants and toddlers.

(5) Eligible uses include, but are not limited to, one-time or recuring payments to licensed providers for any of the following uses:

(a) Increased provider or reimbursements rates.

(b) Funding to increase eligibility or the number of available program scholarships or slots, as applicable.

(c) Funding that would reduce co-pays, fees, or other costs to families enrolled in eligible programs, as applicable.

(d) Grants for infrastructure or equipment, the creation or expansion of licensed facilities.

(e) Provision of education programs, curriculum, or services through licensed providers.

(f) Recruitment and retention initiatives for eligible early childhood workers including, but not limited to, training or professional development, supports for career advancement, compensation, or benefits.

(g) Other community-based initiatives or pilot programs, that will also leverage non-state funds, for eligible uses under this section.

(6) Not later than January 1, the department shall transmit an annual report to the house and senate fiscal agencies and standard recipients on the initiatives funded under this section and the amounts allocated.

(7) The department shall administer the fund for auditing purposes.

(8) For the 2026-2027 fiscal year only, the eligible uses of the fund are limited to those directly related to the child development and care program listed within subsection (5)(a), (b), (c), (d), and (e).

(9) As used in this section, "fund" means the Early Childhood Investment Fund.

Sec. 1007. (1) From the funds appropriated in part 1 for child development and care – external support, child development and care contracted services, and child care licensing and regulation, the department shall create a joint report that includes, but is not limited to, the following:

(a) The affordability of child care in this state, including, but not limited to, the number of children eligible for and participating in the child development and care program, the number of children eligible for and participating in the child development and care program for the last 5 years, and key takeaways from the most recent market rate survey.

(b) The availability of child care in this state by county, including, but not limited to, the number of licensed child care providers, the change in the number of licensed child care providers and slots over time, and the estimated demand for care.

(c) The health and safety of child care, including, but not limited to, the 10 most common rule violations, the number of licenses revoked and summarily suspended, and the number of license violations for incomplete health and safety training and safe sleep training.

(d) Any actions taken to strengthen health and safety of care, including, but not limited to, the number of licensing consultants, their average caseload, the number of on-site visits they complete by provider type and region, the types of activities that are intended to improve health and safety in licensed care, and the number of times those activities are performed by licensing consultants.

(e) Information on the child care licensing process, including, but not limited to, all of the following:

(*i*) The number of initial applications, initial applications denied, license renewals, and licenses allowed to expire, aggregated by license type.

(*ii*) The average amount of time to approve or deny completed applications and a description of the most common reasons applications are denied.

(*iii*) A description of the types of complaints received, a description of the process used to resolve complaints, the average amount of time to complete investigations, and the percentage of investigations completed on time.

(*iv*) The number of complaints received, investigated, determined to be unsubstantiated, and that result in disciplinary action or rule violations.

(*v*) The number of administrative hearing adjudications.

(f) The quality of child care, including, but not limited to, the number of licensed providers participating in the Great Start to Quality program and the workforce registry, the number of new participants and how participation has changed over the last 5 years, and the number of children participating in the child development and care program enrolled in an enhancing quality level or higher program.

(g) Any actions taken to improve child care quality, including, but not limited to, the number of quality consultants, the average caseload, the number of on-site visits completed by region, the types of activities that are intended to improve quality and the number of times those activities are performed, and the number of providers that have improved the provider's quality rating since the start of the current fiscal year compared to the same time period in the preceding fiscal year, reported as the number of providers in each region.

(h) The child care workforce, including, but not limited to, the number of child care professionals, average wages by role, the number of individuals participating in the TEACH scholarship and earning a credential, and the level of demand for staff.

(2) The department must post the joint report on the department website and send the joint report to the state budget director, the house and senate subcommittees that oversee the department budget, and the house and senate fiscal agencies by April 1 of the current fiscal year reflecting data for the previous fiscal year.

Sec. 1008. From the funds appropriated in part 1 for office of early childhood education, the department shall ensure efficient service provision to coordinate services provided to families for home visits, reduce duplication of state services and spending, increase efficiencies including, if a new section 32p is added to the state school aid act of 1979, 1979 PA 94, for the fiscal year ending September 30, 2027, the home visits funded under that section, and work with the DHHS as necessary.

Sec. 1009. From the funds appropriated in part 1 for child development and care public assistance, the income entrance eligibility threshold for the child development and care program is set to not more than 200% of the federal poverty guidelines.

Sec. 1011. (1) From the funds appropriated in part 1 for child development and care public assistance, for eligible children in the child development and care program, the department shall implement payments to providers based on a child's care services agreement detailing their care schedule and agreed upon hours per week. This shall be done in a manner determined by the department.

(2) Providers must complete time and attendance records daily for each approved CDC child in care. Records must include the child's full name, the date, time in, time out, and the parent's initials. Providers must certify that attendance data is correct and affirm that if benefits are overpaid for any reason, the extra payments will be repaid. If intentional misrepresentation caused the overpayment, any and all responsible partners will be disqualified from the program and will be prosecuted for fraud when appropriate. Historical time and attendance records must be saved for 4 years before they can be destroyed.

(3) Providers may only bill for care when children are present or absent and expected to return per a signed care services agreement. If a child is absent for more than 10 consecutive days without a qualifying, documented reason for the absence, the provider must stop billing for that child until the child returns to care. Absence hours are limited to 360 hours per fiscal year or 20% of a child's approved hours, whichever is less.

Sec. 1012. From the funds appropriated in part 1 for child development and care contracted services, $1,500,000.00 must be for the department to work in collaboration with DHHS to continue the network of infant and early childhood mental health consultation, which provides mental health consultation to child care providers.

Sec. 1025. (1) Private revenues received by the department are appropriated upon receipt and are available for expenditure by the department as permitted under state and federal law.

(2) Not later than 10 days after the receipt of a private revenues appropriated in subsection (1), the department shall notify the standard report recipients of the receipt of the funds, including source, purpose, and amount.

(3) The amount appropriated under subsection (1) must not exceed $3,000,000.00.

Sec. 1030. (1) The funds appropriated in part 1 for the tri-share child care program must be awarded for the continuation of the child care facilitator program originally initiated and funded as a pilot project in section 1047(31) of article 5 of 2020 PA 166.

(2) The department shall award funds to support regional recruitment activities and statewide services.

(3) The department must create benchmarks for regional recruitment efforts and statewide support services.

(4) Any entity receiving funds under this section must be a nonprofit intermediate school district, limited liability company, C-corporation, S-corporation, or a sole proprietor.

(5) Funds may be used to enroll in the tri-share child care program families living outside of Michigan but who have a parent or guardian who is employed in Michigan. A child care provider providing care for a family described in this subsection must be located and licensed in Michigan.

(6) The department may develop program and administration options to attract Michigan employer program participation.

ONE-TIME APPROPRIATIONS

Sec. 1101. From the funds appropriated in part 1 for reenrollment services, the department shall deliver reenrollment services for Michigan residents with some college and no degree for the purpose of reengaging learners to increase the number of Michigan adults completing postsecondary degrees or credentials in this state. If necessary, the department may contract with private organizations with prior reenrollment work for an amount up to $500,000.00 to accomplish the purpose of this section.

Sec. 1102. From the funds appropriated in part 1, the Michigan Center for Adult College Success must continue to improve adult postsecondary enrollment and completion under the Michigan reconnect grant act, 2020 PA 84, MCL 390.1701 to 390.1709.

Sec. 1104. From the funds appropriated for ensuring access to postsecondary opportunities, the department may expend up to $125,000.00 for public outreach to raise awareness among men of postsecondary opportunities to address disparities in postsecondary credential attainment by men.

Sec. 1105. From the one-time funds appropriated in part 1 for time and attendance billing system, the department shall use $2,000,000.00 to invest in a time and attendance billing system that enhances the transparency and accountability while streamlining administrative burden to meet federal provider payment compliance provisions.

ARTICLE 12

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the department of military and veterans affairs for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	9.0		
Full-time equated classified positions	962.0		
GROSS APPROPRIATION		**$**	**263,426,200**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			101,800
ADJUSTED GROSS APPROPRIATION		**$**	**263,324,400**
Federal revenues:			
Total federal revenues			154,412,200
Special revenue funds:			
Total local revenues			0
Total private revenues			100,000
Total other state restricted revenues			12,961,300
State general fund/general purpose		**$**	**95,850,900**
Sec. 102. MILITARY			
Full-time equated unclassified positions	9.0		
Full-time equated classified positions	417.5		
Unclassified salaries—FTEs	9.0	$	1,934,400
Headquarters and armories—FTEs	103.0		24,312,800
Michigan youth challeNGe academy—FTEs	63.0		10,734,700
Military family relief fund			150,000
Military retirement			2,585,600
Military training sites and support facilities—FTEs	240.0		47,066,500
National Guard operations			600,500
Michigan National Guard member benefit fund—FTEs	11.5		11,058,600
Starbase grant			2,322,000
GROSS APPROPRIATION		**$**	**100,765,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG - state police			101,800
Federal revenues:			
DOD - DOA - NGB			66,608,700
Federal counternarcotics revenues			100,000
Special revenue funds:			
Private donations			90,000
Billeting fund			1,378,500
Military family relief fund			150,000
Morale, welfare, and recreation fund			100,000
National Guard facilities rental fund			187,700
National Guard test projects fund			100,000
State general fund/general purpose		**$**	**31,948,400**

			For Fiscal Year Ending Sept. 30, 2027
Sec. 103. MICHIGAN VETERANS AFFAIRS AGENCY			
Full-time equated classified positions	61.0		
County veteran service grants—FTEs	2.0	$	4,235,500
Michigan veterans affairs agency administration—FTEs	49.0		8,491,000
Veterans trust fund administration—FTEs	8.0		1,185,200
Veterans trust fund grants			2,500,000
Veterans service grants—FTEs	2.0		4,235,500
GROSS APPROPRIATION		**$**	**20,647,200**
Appropriated from:			
Federal revenues:			
USDVA - VHA			758,800
Special revenue funds:			
Private donations			10,000
Michigan veterans trust fund			3,685,200
Michigan veterans engagement fund			50,000
State general fund/general purpose		**$**	**16,143,200**
Sec. 104. MICHIGAN VETERANS' FACILITY AUTHORITY			
Full-time equated classified positions	483.5		
Chesterfield Township home for veterans—FTEs	110.0	$	34,948,800
D.J. Jacobetti home for veterans—FTEs	179.0		26,759,200
Grand Rapids home for veterans—FTEs	176.0		40,244,700
Information technology services and projects			1,749,600
Michigan veteran homes administration—FTEs	18.0		4,972,000
Veterans cemetery—FTEs	0.5		134,500
GROSS APPROPRIATION		**$**	**108,808,800**
Appropriated from:			
Federal revenues:			
HHS - HCFA, Medicare, hospital insurance			1,345,400
HHS - HCFA, title XIX, Medicaid			8,781,300
USDVA - VHA			46,653,700
Special revenue funds:			
Income and assessments			6,309,900
State general fund/general purpose		**$**	**45,718,500**
Sec. 105. CAPITAL OUTLAY			
Armory maintenance		$	1,000,000
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		$	705,100
GROSS APPROPRIATION		**$**	**705,100**
Appropriated from:			
Federal revenues:			
DOD - DOA - NGB			164,300
State general fund/general purpose		**$**	**540,800**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending under part 1 from state sources is $108,812,200.00 and state spending under part 1 from state sources to be paid to local units of government is $4,068,000.00. 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	$	4,021,500
Military training sites and support facilities		46,500
TOTAL	**$**	**4,068,000**

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) “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 section 2 of 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 committees, the senate and house appropriations subcommittees on military and veterans affairs, 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, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department’s website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department’s website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. (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. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department shall do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made the appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the senate and house appropriations committees, the senate and house fiscal agencies, and the state budget office that contains an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year and identifying all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

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 report must be submitted 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. 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. 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 by 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. 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, and other revenues.

(c) The destination of each travel occurrence.

(d) The specific purpose and description of each travel occurrence, including the specific name of the event or meeting.

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.

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 and to the joint committee on administrative rules.

Sec. 215. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. (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. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $9,082,500.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $9,082,500.00. Total appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the department shall submit an annual 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. 221. 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. 222. 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. 223. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on timesheets were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure at least 80% of employees are in person and building occupancy and utilization rates are at least 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, in-person, and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. Not later than July 1, the department shall complete a space utilization assessment using a form developed by the department of technology, management, and budget for all space assigned under its building occupancy agreement and leased office locations and post the assessment on the department's website. The department shall develop, in coordination with the department of technology, management, and budget, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with space standards established by the department of technology, management, and budget unless an exception is approved by the department of technology, management, and budget.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. Not later than December 31, and again by June 1, the department shall provide a report to the standard report recipients that includes details regarding any federal guidelines, rules, regulations, or other significant federal policy changes that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Within 30 days after enactment of this act, the house of representatives and senate shall provide to the state budget office a jointly agreed-upon list of legislatively directed spending items as that term is defined in section 364 of the management and budget act, 1984 PA 431, MCL 18.1364, funded in part 1. The list must include all information pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026, are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026, and any subsequent financial close-out period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of the American rescue plan act of 2021, Public Law 117-2, must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report on 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. 231. The department shall establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements before contract execution. Not later than March 31, the department shall submit a report to the standard report recipients on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

Sec. 250. Funds appropriated in part 1 for capital outlay must 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.

Sec. 251. If the department intends to sell any department real property, the department shall submit notification of that intent to the standard report recipients 60 days before the public announcement of that intention.

Sec. 252. The department shall provide biannual reports that include the following data:

(a) A list of all major work projects, including a status report of each project.

(b) The department's financial status, featuring a report of budgeted versus actual expenditures by part 1 line item, including a year-end projection of budget requirements.

(c) The number of active employees at the close of the reporting period by job classification and departmental branch of service.

Sec. 254. (1) Money privately donated to the department in excess of the appropriation in part 1 is appropriated and available for expenditure for departmental operations and for the purpose designated by the private source, if specified.

(2) Any unexpended and unencumbered private donations to support the department 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 shall submit a report to the standard report recipients that provides an itemized listing of private donations received by the department, the MVAA, the MVFA, the MVH, or a veterans facility. The report required under this subsection must include information about the purpose for which the private donations will be, or were, expended, if known. In addition to the report required under this subsection, if the department, the MVAA, the MVFA, the MVH, or a veterans facility receives a private donation that is $10,000.00 or greater, the department shall submit a report to the standard report recipients 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.

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 submit a report to the standard report recipients 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 monitor 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.

Sec. 304. (1) Not later than January 15, the department shall submit a report to the standard report recipients on the revenues, expenditures, and fund balance of the military family relief fund. The report must itemize expenditures by purpose, including, but not limited to, for advertising and assistance and include information on the number of applications for assistance received, approved, and denied for the previous fiscal year.

(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 family 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 a report to the standard report recipients on the operations, revenues, and expenditures of the fund for the previous fiscal year.

Sec. 307. (1) From the funds appropriated in part 1 for Michigan National Guard member benefit fund, the department shall maintain a Michigan National Guard tuition assistance program as provided under the Michigan National Guard tuition assistance act, 2014 PA 259, MCL 32.431 to 32.434. 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, children, and dependents that received tuition assistance, broken down by the number of each type of recipient.

(b) The educational institutions from which those guard members, spouses, children, 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, children, and dependents receiving tuition assistance who 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) 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.

Sec. 308. The department shall maintain the starbase program at Air National Guard facilities, as provided under 10 USC 2193b, to improve the knowledge, skills, and interest of students, primarily in the fifth grade, in math, science, and technology. The starbase program is to specifically target minority and at-risk students for participation.

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) From the funds appropriated in part 1 for Michigan National Guard member benefit fund, the department shall create and administer a Tricare premium reimbursement program, as provided under the Tricare premium reimbursement program act, 2025 PA 36, MCL 32.471 to 32.475.

(2) Not later than March 1, the department shall submit a report to the standard report recipients on the Tricare premium reimbursement program that includes, but is not limited to, the following information:

(a) The number of eligible members receiving assistance under the program, broken down by service branch and including the amount of the assistance issued, and the total number of National Guard members by service branch.

(b) The total funds expended on Tricare premium reimbursements.

(c) The total funds expended on the program for administrative costs of the department.

(d) Any other pertinent information, as determined by the department, on the program’s operations and administration.

Sec. 315. (1) From the funds appropriated in part 1 for Michigan National Guard member benefit fund, the department shall create and administer a child care assistance program as provided under the Michigan National Guard child care assistance act, 2025 PA 37, MCL 32.451 to 32.455.

(2) Not later than March 1, the department shall submit a report to the standard report recipients on the Michigan National Guard child care assistance program that includes, 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.

Sec. 316. (1) The general fund/general purpose funds appropriated in part 1 for the Michigan National Guard member benefit fund must be deposited into the Michigan National Guard member benefit fund. All funds in the Michigan National Guard member benefit fund are appropriated and available for expenditure to support the Michigan National Guard’s tuition assistance program, Tricare premium reimbursement program, and childcare assistance program.

(2) As used in this section, “Michigan National Guard member benefit fund” means the Michigan National Guard member benefit fund created in section 3 of the Michigan National Guard member benefit fund act, 2025 PA 31, MCL 32.493.

MICHIGAN VETERANS AFFAIRS AGENCY

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.

(2) Not later than January 15, the MVAA shall submit a report to the standard report recipients on the Michigan veterans' trust fund that includes, for the previous fiscal year, the following information:

(a) A description of 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) Expenditures for state operating costs and administrative costs.

(d) The number of approved emergency grant applications, by category of assistance, and the number of denied applications, by reason of denial.

(e) 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.

(f) The financial status of the Michigan veterans' trust fund, including revenues, beginning and year-end balances, and a breakdown of expenditures for state and local purposes, grants, and other program partnerships and initiatives, including details by county and organization.

(g) 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 March 1, submit a report providing, to the extent known, data on the estimated number of homeless veterans, by county, in this state.

(f) Not later than March 1, submit a report to the standard report recipients 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.

(i) Not later than March 1, submit a report on the activities and outcomes of its outreach services, including the percentage of Michigan veterans contacted through its outreach programs.

Sec. 410. (1) The MVAA shall do all of the following:

(a) 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 and report annually on the number of benefit claims, by type, submitted to the USDVA by MVAA.

(b) Develop and implement a process to ensure that all county veterans counselors receive the training and accreditation necessary to provide quality services to veterans. Not later than March 1, the MVAA shall provide a report to the standard report recipients for the previous fiscal year that includes 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 and a description of the training provided.

(2) 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) The funds appropriated in part 1 for veterans service grants must be deposited into the veterans service fund created in this part. All funds available in the veterans service fund are appropriated and available for expenditure as provided under this section.

(2) 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 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 enables 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.

(3) 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.

(4) 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.

(5) From the funds appropriated in part 1 for veterans service grants, $214,000.00 must be allocated to cover necessary administrative and implementation costs incurred by the MVAA.

Sec. 412. (1) The veterans service 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 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 expend money in the fund, as provided by law.

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) From the restricted county veteran service fund created in section 3a of 1953 PA 192, MCL 35.623a, $214,000.00 must be allocated to the MVAA to cover necessary administrative and implementation costs incurred by the MVAA.

(3) The MVAA shall provide a report not later than January 31 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 under section 3a(6) 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.

(4) 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.

(5) 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. 415. Not later than January 15, the MVAA shall submit a report that includes all of the following:

(a) An analysis on the scope of homelessness among the state's veteran population, including the estimated number of homeless veterans, by county.

(b) Challenges to securing housing for homeless veterans.

(c) Recommendations for future long-term partnerships between the Michigan state housing development authority, the MVAA, local units of government, 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) Activities of the MVAA in the previous fiscal year to support homeless veterans or eliminate homelessness among veterans.

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. 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 that includes statistics and information that demonstrates the performance of MVH compared to available state and national veterans' homes or nursing homes.

(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 31, 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 15 , 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.

Sec. 511. The department, with the approval of the state budget office, is authorized to realign federal revenues sources of the MVFA. This realignment of federal fund sourcing must not produce a gross increase or decrease in the total authorization for the individual MVFA line-item appropriations. The department shall provide a quarterly report to the standard report recipients on actions taken under this section.

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 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' facility must be expended in accordance with the requirements of section 502 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.

ARTICLE 13

DEPARTMENT OF NATURAL RESOURCES

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the department of natural resources for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF NATURAL RESOURCES			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	2,513.9		
GROSS APPROPRIATION		**$**	**571,929,700**
Appropriated from:			
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			208,300
ADJUSTED GROSS APPROPRIATION		**$**	**571,721,400**
Federal revenues:			
Total federal revenues			100,804,700
Special revenue funds:			
Total local revenues			0
Total private revenues			8,330,900
Total other state restricted revenues			399,299,000
State general fund/general purpose		**$**	**63,286,800**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	149.1		
Unclassified salaries—FTEs	6.0	$	1,023,100
Accounting service center			1,751,800
Executive direction—FTEs	11.6		2,380,000
Finance and operations—FTEs	112.5		19,911,100
Gifts and pass-through transactions			5,003,600
Legal services—FTEs	4.0		725,700
Minerals Management—FTEs	17.0		3,006,800
Natural resources commission			77,100
Office of public lands—FTEs	4.0		1,501,600
Property management			3,611,400
GROSS APPROPRIATION		**$**	**38,992,200**
Appropriated from:			
Interdepartmental grant revenues:			
IDG, land acquisition services-to-work orders			208,300
Federal revenues:			
Federal funds			836,900
Special revenue funds:			
Private funds			5,003,600
Deer habitat reserve			170,000
Forest development fund			4,812,600
Forest land user charges			8,100
Forest recreation account			55,500
Game and fish protection account			8,682,900
Land exchange facilitation and management fund			4,565,400
Local public recreation facilities fund			231,400

			For Fiscal Year Ending Sept. 30, 2027
Marine safety fund		$	915,900
Michigan natural resources trust fund			1,717,300
Michigan state parks endowment fund			4,471,500
Nongame wildlife fund			14,100
Off-road vehicle safety education fund			700
Off-road vehicle trail improvement fund			273,200
Public use and replacement deed fees			30,800
Recreation improvement account			90,200
Snowmobile registration fee revenue			51,400
Snowmobile trail improvement fund			134,600
Sportsmen against hunger fund			500
State park improvement account			2,276,300
Turkey permit fees			81,500
Waterfowl fees			3,400
Waterways account			956,000
Wildlife resource protection fund			44,900
State general fund/general purpose		**$**	**3,355,200**
Sec. 103. DEPARTMENT INITIATIVES			
Full-time equated classified positions	21.0		
Great Lakes restoration initiative		$	2,904,500
Invasive species prevention and control—FTEs	21.0		5,997,200
GROSS APPROPRIATION		**$**	**8,901,700**
Appropriated from:			
Federal revenues:			
Federal funds			2,904,500
State general fund/general purpose		**$**	**5,997,200**
Sec. 104. COMMUNICATION AND CUSTOMER SERVICES			
Full-time equated classified positions	144.3		
Cultural resource management—FTEs	5.5	$	937,700
Marketing and outreach—FTEs	95.3		17,915,900
Michigan historical center—FTEs	43.5		7,328,300
Michigan wildlife council			1,400,000
GROSS APPROPRIATION		**$**	**27,581,900**
Appropriated from:			
Federal revenues:			
Federal funds			3,419,600
State park improvement, federal			322,200
Special revenue funds:			
Forest development fund			179,500
Forest recreation account			19,100
Game and fish protection account			9,278,900
Land exchange facilitation and management fund			52,600
Marine safety fund			41,300
Michigan historical center operations fund			1,655,700
Michigan state parks endowment fund			123,900
Nongame wildlife fund			12,600
Off-road vehicle trail improvement fund			120,700
Recreation passport fees			674,200
Snowmobile registration fee revenue			21,700
Snowmobile trail improvement fund			107,800
Sportsmen against hunger fund			300,000
State park improvement account			4,416,500
Waterways account			169,800
Wildlife management public education fund			1,400,000
Youth hunting and fishing education and outreach fund			46,000
State general fund/general purpose		**$**	**5,219,800**

			For Fiscal Year Ending Sept. 30, 2027
Sec. 105. WILDLIFE MANAGEMENT			
Full-time equated classified positions	210.5		
Natural resources heritage—FTEs	9.0	$	842,600
Wildlife management—FTEs	201.5		49,893,700
GROSS APPROPRIATION		**$**	**50,736,300**
Appropriated from:			
Federal revenues:			
Federal funds			26,845,400
Special revenue funds:			
Nongame wildlife fund			150,000
Private funds			315,700
Cervidae licensing and inspection fees			85,100
Deer habitat reserve			1,824,600
Forest development fund			280,800
Game and fish protection account			14,828,700
Nongame wildlife fund			483,300
Pheasant hunting license fees			175,000
Turkey permit fees			1,101,800
Waterfowl fees			114,100
State general fund/general purpose		**$**	**4,531,800**
Sec. 106. FISHERIES MANAGEMENT			
Full-time equated classified positions	208.5		
Aquatic resource mitigation—FTEs	2.0	$	739,200
Fish production—FTEs	59.0		11,334,600
Fisheries resource management—FTEs	147.5		25,767,500
GROSS APPROPRIATION		**$**	**37,841,300**
Appropriated from:			
Federal revenues:			
Federal funds			12,521,800
Special revenue funds:			
Private funds			136,700
Fisheries settlement			739,100
Game and fish protection account			23,196,100
Invasive species fund			100
State general fund/general purpose		**$**	**1,247,500**
Sec. 107. LAW ENFORCEMENT			
Full-time equated classified positions	298.0		
Body cameras for conservation officers—FTEs	5.0	$	872,300
General law enforcement—FTEs	293.0		57,303,800
GROSS APPROPRIATION		**$**	**58,176,100**
Appropriated from:			
Federal revenues:			
Federal funds			8,482,000
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			22,228,000
Marine safety fund			1,419,300
Michigan state parks endowment fund			71,400
Off-road vehicle safety education fund			175,400
Off-road vehicle trail improvement fund			3,415,100
Snowmobile registration fee revenue			726,200
State park improvement account			72,800

			For Fiscal Year Ending Sept. 30, 2027
Waterways Account		$	21,700
Wildlife resource protection fund			1,196,900
State general fund/general purpose		**$**	**20,195,700**
Sec. 108. PARKS AND RECREATION DIVISION			
Full-time equated classified positions	1,095.0		
Forest recreation and trails—FTEs	87.4	$	11,697,400
MacMullan Conference Center—FTEs	15.0		1,380,300
Michigan conservation corps			500,000
Recreational boating—FTEs	182.5		25,617,900
State parks—FTEs	810.1		105,777,300
GROSS APPROPRIATION		**$**	**144,972,900**
Appropriated from:			
Federal revenues:			
Federal funds			144,200
Michigan state waterways fund, federal			2,172,300
Special revenue funds:			
Private funds			1,000,000
Forest recreation account			6,135,500
MacMullan Conference Center account			1,380,300
Michigan state parks endowment fund			11,531,700
Off-road vehicle safety education fund			8,100
Off-road vehicle trail improvement fund			3,107,600
Pure Michigan trails fund			100
Recreation improvement account			600,300
Recreation passport fees			220,300
Snowmobile registration fee revenue			17,400
Snowmobile trail improvement fund			2,083,800
State park improvement account			88,288,000
State park improvement account - Belle Isle subaccount			875,000
Waterways account			23,472,200
State general fund/general purpose		**$**	**3,936,100**
Sec. 109. MACKINAC ISLAND STATE PARK COMMISSION			
Full-time equated classified positions	17.0		
Historical facilities system—FTEs	13.0	$	1,746,700
Mackinac Island State Park operations—FTEs	4.0		139,300
GROSS APPROPRIATION		**$**	**1,886,000**
Appropriated from:			
Special revenue funds:			
Mackinac Island State Park fund			1,740,900
Mackinac Island State Park operation fund			139,300
State general fund/general purpose		**$**	**5,800**
Sec. 110. FOREST RESOURCES DIVISION			
Full-time equated classified positions	356.5		
Forest management and timber market development—FTEs	219.5	$	51,175,500
Wildfire protection—FTEs	137.0		23,547,600
GROSS APPROPRIATION		**$**	**74,723,100**
Appropriated from:			
Federal revenues:			
Federal funds			6,128,600
Federal national forest timber fund			9,147,600
Special revenue funds:			
Private funds			1,624,900
Commercial forest fund			26,000
Fire equipment fund			668,700
Forest development fund			43,196,300
Forest land user charges			252,000

		For Fiscal Year Ending Sept. 30, 2027
Game and fish protection account	$	855,900
Waterways account		55,600
State general fund/general purpose	**$**	**12,767,500**
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
Federal - urban forestry grants		900,000
Grants to communities - federal oil, gas, and timber payments		3,450,000
Grants to counties - marine safety		3,074,700
National recreational trails		2,519,800
Nonmotorized trail development and maintenance grants		200,000
Off-road vehicle safety training grants		60,000
Off-road vehicle trail improvement grants		6,216,800
Recreation improvement fund grants		916,800
Recreation passport local grants		4,000,000
Snowmobile law enforcement grants		380,100
Snowmobile local grants program		9,590,400
Trail easements		700,000
GROSS APPROPRIATION	**$**	**36,008,600**
Appropriated from:		
Federal revenues:		
Federal funds		11,887,200
Special revenue funds:		
Private funds		100,000
Deer habitat reserve		200,000
Local public recreation facilities fund		4,000,000
Marine safety fund		1,407,300
Off-road vehicle safety education fund		60,000
Off-road vehicle trail improvement fund		6,216,800
Permanent snowmobile trail easement fund		700,000
Recreation improvement account		916,800
Snowmobile registration fee revenue		380,100
Snowmobile trail improvement fund		9,590,400
State general fund/general purpose	**$**	**550,000**
Sec. 112. INFORMATION TECHNOLOGY		
Information technology services and projects	$	10,792,200
GROSS APPROPRIATION	**$**	**10,792,200**
Appropriated from:		
Special revenue funds:		
Commercial forest fund		2,100
Deer habitat reserve		62,000
Forest development fund		1,577,600
Forest land user charges		24,100
Forest recreation account		44,300
Game and fish protection account		3,883,700
Land exchange facilitation and management fund		30,800
Marine safety fund		166,200
Michigan natural resources trust fund		24,800
Michigan state parks endowment fund		1,366,200
Nongame wildlife fund		30,700
Off-road vehicle safety education fund		10,500
Off-road vehicle trail improvement fund		29,200
Pure Michigan trails fund		100

			For Fiscal Year Ending Sept. 30, 2027
Recreation improvement account		$	49,500
Snowmobile registration fee revenue			11,700
Snowmobile trail improvement fund			76,000
Sportsmen against hunger fund			600
State park improvement account			1,528,500
Turkey permit fees			34,000
Waterfowl fees			3,300
Waterways account			511,800
Wildlife resource protection fund			42,300
Youth hunting and fishing education and outreach fund			2,000
State general fund/general purpose		**$**	**1,280,200**
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
Recreational trail repairs and improvements			1,100,000
Snowmobile trail development and maintenance			2,800,000
State game and wildlife area infrastructure			1,500,000
State parks repair and maintenance			30,450,000
Wetland restoration, enhancement and acquisition			2,000,000
GROSS APPROPRIATION		**$**	**51,750,000**
Appropriated from:			
Federal revenues:			
Federal funds			14,025,000
Special revenue funds:			
Game and fish protection account			375,000
Michigan state parks endowment fund			12,600,000
Off-road vehicle trail improvement fund			1,000,000
Recreation improvement account			1,100,000
Recreation passport fees			16,350,000
Snowmobile trail improvement fund			2,800,000
Waterfowl hunt stamp			1,000,000
State general fund/general purpose		**$**	**2,500,000**
(2) WATERWAYS BOATING PROGRAM			
Local boating infrastructure maintenance and improvements		$	5,000,000
State boating infrastructure maintenance			20,067,400
GROSS APPROPRIATION		**$**	**25,067,400**
Appropriated from:			
Federal revenues:			
Federal funds			1,667,400
Michigan state waterways fund, federal			300,000
Special revenue funds:			
Waterways account			23,100,000
State general fund/general purpose		**$**	**0**
Sec. 114. ONE-TIME APPROPRIATIONS			
Full-time equated classified positions	14.0		
Cormorant population management		$	500,000
Fisheries infrastructure			900,000
Fisheries equipment			200,000
Hartwick Pines upgrades			200,000
Nature awaits one-time—FTEs	14.0		850,000
State game and wildlife area infrastructure			1,000,000
State water trail organizations			500,000
Whitefish recovery			350,000
GROSS APPROPRIATION		**$**	**4,500,000**

		For Fiscal Year Ending Sept. 30, 2027
Appropriated from:		
Special revenue funds:		
Game and fish protection account	$	2,600,000
State park improvement account		200,000
State general fund/general purpose	**$**	**1,700,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending from state sources under part 1 is $462,585,800.00 and total state spending under part 1 from state sources to be paid to local units of government is $15,262,100.00. 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 resource management		125,000
Grants to counties – marine safety		1,407,300
Invasive species prevention and control		2,179,200
Local boating infrastructure maintenance and improvements		5,000,000
Nonmotorized trail development and maintenance grants		100,000
Off-road vehicle safety training grants		60,000
Off-road vehicle trail improvement grants		1,067,600
Recreation improvement fund grants		91,700
Recreation passport local grants		4,525,900
Snowmobile law enforcement grants		380,100
Wildlife habitat improvement grants		150,300
TOTAL	**$**	**15,262,100**

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 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 and house appropriations committees, the senate and house appropriations subcommittee on agriculture and rural development and natural resources, 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, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department’s website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department’s website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. (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. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department must do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office with an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, identifying all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

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 state budget office shall submit the report to the standard report recipients and to the chairpersons of the senate and house appropriations committees.

Sec. 211. 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. 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 by 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 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, 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 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 and to the senate and house appropriations committees, and the joint committee on administrative rules.

Sec. 215. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. 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 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. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $23,478,400.00. From this amount, total department appropriations for pension-related legacy costs are estimated at $23,478,400.00. Total department appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the department shall submit an annual 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. 221. 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. 222. 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. 223. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on timesheets were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, and in-person and remote work. The office of the state employer must make each uniform policy publicly available on the department’s website.

Sec. 224. Each agency shall complete a space utilization assessment by July 1, 2027, using a form developed by DTMB, for all space assigned under its building occupancy agreement and leased office locations and post on their website. Agencies shall develop, in coordination with DTMB, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with DTMB-established space standards unless an exception is approved by DTMB. As used in this section, “DTMB” means the department of technology, management, and budget.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services, supplies, or both. As used in this section, “geographically disadvantaged business enterprises” means that term as defined in Executive Directive No. 2019-8.

Sec. 226. No later than December 31, 2026, and again by June 1, 2027, the department must provide a report to the standard report recipients that includes detail regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department’s ability to safeguard the health or welfare of the public.

Sec. 227. (1) Within 30 days of enactment of this act, the house and senate shall provide to the state budget office a jointly agreed-upon list of legislatively directed spending items as that term is defined in section 364 of the management and budget act, 1984 PA 431, MCL 18.1364, funded in part 1. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026, are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026, and any subsequent financial close out period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of the American rescue plan act of 2021, Public Law 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report on 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. 231. The department must establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements prior to contract execution. The department must report back to the standard report recipients by March 31, 2027 on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

Sec. 250. (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	$	659,600
Waterways account		177,200
State park improvement account		158,300
Forest development fund		354,600

(b) Department of attorney general:

Game and fish protection account	$	693,300
Waterways account		156,300

(c) Legislative auditor general:

Game and fish protection account	$	39,800
Waterways account		14,400

(d) Department of treasury:

Game and fish protection account	$	4,812,400
Waterways account		495,000
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. 251. 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, 2027.

Sec. 252. 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. 253. (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.

DEPARTMENT INITIATIVES

Sec. 281. From the amounts appropriated in part 1 for invasive species prevention and control, the department shall allocate not less than $2,400,000.00 for grants for the prevention, detection, eradication, and control of invasive species.

Sec. 282. (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 of representatives and senate appropriations subcommittees on natural resources and the house of representatives and senate fiscal agencies of any expenditure of funds appropriated under subsection (1).

Sec. 284. The department shall not prohibit an individual from feeding birds or wildlife within 300 feet of a residence if feed quantity totals less than 2 gallons.

Sec. 287. The department shall prioritize right-of-way permits or easements for construction or maintenance of broadband facilities on state land and shall not require a centerline survey as a condition of the road right-of-way permit or easement if the applicant can provide detailed engineering plans and if the broadband facilities are contained completely in the right-of-way. If the broadband provider secures a road right-of-way permit to construct or maintain broadband facilities required by the municipal, county, or state entity that owns or controls the public road, the department shall not require the broadband provider to obtain a permit or easement if the broadband facility is contained completely within the road right-of-way. If installation of broadband facilities cannot be contained completely within the right-of-way and requires placement of the infrastructure on public lands, an easement will be required, and a certified survey may be required. If installation of broadband facilities being placed in the road right-of-way requires utilization of public lands, a permit may be required.

DEPARTMENT SUPPORT SERVICES

Sec. 302. The department may charge land acquisition projects appropriated for the fiscal year ending September 30, 2027, 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.

Sec. 304. In addition to the funds appropriated in part 1, the department may receive and expend money from state restricted sources to pay vendor costs associated with administering sales of carbon offset credits.

Sec. 305. (1) From the funds appropriated in part 1 from the snowmobile trail improvement fund and the off-road vehicle trail improvement fund, the department shall expend revenues from those funds for administrative purposes only to the extent that those administrative expenditures directly aid or benefit the statewide snowmobile program or the statewide off-road vehicle program, respectively.

(2) Administrative expenditures that directly aid or benefit the statewide snowmobile program or the statewide off-road vehicle program include salaries and fringes for program-specific field and grant staff, trail inspections, contract and grant management, law enforcement activities directly related to snowmobile or off-road vehicle program operations, marketing and outreach activities directly related to trail signage and public safety, information technology services directly supporting trail operations or groomer or ORV management systems, and accounting functions directly related to the administration and payment of snowmobile or off-road vehicle local grants.

(3) The department shall not charge or assess indirect costs, internal service charges, or other administrative overhead to the snowmobile trail improvement fund or the off-road vehicle trail improvement fund except as permitted under subsection (2).

(4) Nothing in this section prohibits the expenditure of funds from the snowmobile trail improvement fund or the off-road vehicle trail improvement fund for grooming, equipment, trail development and maintenance, signage, local grants, or any other purpose authorized under part 811 or 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81151 and 324.82101 to 324.82161, respectively.

COMMUNICATION AND CUSTOMER SERVICES

Sec. 401. (1) In addition to supporting the existing archeological responsibilities of the department within the Michigan History Center, the funds appropriated in part 1 for cultural resource management shall be utilized to continue the ongoing process of increased consultation with known lineal descendants and officials of Native American tribes on whose aboriginal lands a planned archeological activity will occur or an inadvertent discovery has been made. The consultation shall address the identification, treatment, and disposition of Native American cultural items.

(2) The department, in coordination with the Michigan department of transportation, shall research indigenous trail tree markers with the intent to place historical highway markers at the trees.

Sec. 408. Not later than December 1, the department shall submit to the senate and house of representatives appropriations subcommittees on natural resources a report on all land transactions completed by the department in the prior fiscal year. For each land transaction, the report must include the size of the parcel, or for subdivided parcels, the number of parcels, the county and municipality in which the parcel is located, the dollar amount of the transaction, the fund source or sources affected by the transaction, and the transaction type.

FISHERIES MANAGEMENT

Sec. 502. From the funds appropriated in part 1 for recreational boating, $200,000.00 must be used for operating Gray Haven State Harbor. These funds may not be used for the St. Jean Boat Launch.

WILDLIFE MANAGEMENT

Sec. 601. From the funds appropriated in part 1, the department shall develop, in conjunction with Allegan County, a plan that expands public use in the Allegan state game area. This expanded public use must include, but is not limited to, the development of a bicycle trail. The plan should not use existing road rights-of-way unless needed to connect portions of the trail. Any plan developed in this manner may not negatively impact hunting on the Allegan state game area.

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 of representatives appropriations subcommittee on agriculture and rural development and natural resources, and the standing committees of the senate and house of representatives 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 for harvest in the prior fiscal year.

(c) The amount of revenue generated from state forest timber sale receipts 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 that term is defined in section 2 of the emergency management act, 1976 PA 390, MCL 30.402.

(2) Funds appropriated under subsection (1) must not be expended unless the state budget director recommends the expenditure and the department notifies the house and senate committees on appropriations. Not later than 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 of representatives appropriations subcommittee on agriculture and rural development and natural resources, the senate and house of representatives fiscal agencies, and the state budget director on all amounts appropriated under this section during the prior fiscal year.

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.

ONE-TIME APPROPRIATIONS

Sec. 1201. (1) Funds appropriated in part 1 for whitefish recovery shall be used by the department to support efforts to recover and monitor not more than 3 lake whitefish stocks.

(2) Funds appropriated under this section shall be used for activities that include, but are not limited to, spawning and rearing activities and poststocking assessment and evaluation necessary to support lake whitefish stock recovery.

(3) The department may contract with or enter into agreements with qualified nonprofit, research-based organizations to implement a lake whitefish stock recovery plan developed by the department.

(4) Activities under this section shall be conducted using department-owned hatchery facilities or facilities owned or operated by partners contracted under subsection (3).

(5) Funds appropriated under this section shall not be used for operational expenses or for the support of full-time equated positions or permanent state positions. The department may utilize limited-term employees as necessary to carry out the purposes of this section.

Sec. 1202. Funds appropriated in part 1 for state water trail organizations shall be distributed equally across the State’s water trails and may not be expended to employ permanent staff.

ARTICLE 14

DEPARTMENT OF STATE POLICE

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the department of state police for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF STATE POLICE			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	7.0		
Full-time equated classified positions	3,468.0		
GROSS APPROPRIATION		**$**	**947,957,000**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			29,521,800
ADJUSTED GROSS APPROPRIATIONS		**$**	**918,435,200**
Federal revenues:			
Total federal revenues			100,351,800
Special revenue funds:			
Total local revenues			5,088,800
Total private revenues			35,000
Total other state restricted revenues			203,176,300
State general fund/general purpose		**$**	**609,783,300**
Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	7.0		
Full-time equated classified positions	139.0		
Unclassified salaries—FTEs	7.0	$	1,473,900
Department services—FTEs	39.0		10,642,300
Departmentwide			49,120,900
Executive direction—FTEs	61.0		11,181,600
Mobile office and system support—FTEs	39.0		7,508,900
GROSS APPROPRIATION		**$**	**79,927,600**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of transportation, state trunkline fund			86,700
IDG from department of treasury, casino gaming fees			434,700
IDG, training academy charges			229,100
IDT, auto theft funds			1,500
IDT, truck safety funds			75,400
Federal revenues:			
DHS			32,400
DOJ			12,800
DOJ, interest bearing			9,900
DOT			301,400
Federal indirect funds			2,789,000
Special revenue funds:			
Local funds - AFIS fees			100
Local funds - LEIN fees			800
Local funds - reimbursed services			300
Local funds - school bus revenue			8,900
Auto theft prevention fund			26,300
Criminal justice information center service fees			2,900,600
Drunk driving prevention and training fund			3,200
Forensic science reimbursement fees			52,300

			For Fiscal Year Ending Sept. 30, 2027
Hazardous materials training center fees		$	46,800
Highway safety fund			304,200
Marihuana regulatory fund			271,400
Michigan justice training fund			3,700
Michigan merit award trust fund			16,600
Motor carrier fees			421,700
Narcotics-related forfeiture revenue			400
Nuclear plant emergency planning reimbursement			23,400
Precision driving track fees			800
Reimbursed services			300
Sex offenders registration fund			800
State forensic laboratory fund			90,400
State police administrator and coordinator 911 fund			25,800
State police service fees			400
State services fee fund			261,800
Tobacco tax revenue			117,500
Traffic law enforcement and safety fund			639,200
Truck driver safety fund			1,800
Vehicle sales proceeds			650,000
State general fund/general purpose		**$**	**70,085,200**
Sec. 103. LAW ENFORCEMENT SERVICES			
Full-time equated classified positions	607.0		
Biometrics and identification—FTEs	60.0	$	12,878,100
Criminal justice information center—FTEs	154.0		34,434,900
Forensic science—FTEs	281.0		49,740,500
Grants and community services—FTEs	31.0		22,674,500
Office of school safety—FTEs	6.0		1,400,000
State 9-1-1 administration—FTEs	5.0		1,165,700
Training operations—FTEs	70.0		16,377,100
GROSS APPROPRIATION		**$**	**138,670,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of state			428,700
IDG from department of transportation, state trunkline fund			791,100
IDG, training academy charges			3,081,200
IDT, Michigan justice training fund			1,100,000
Federal revenues:			
DOJ			14,344,300
DOJ, interest bearing			4,029,500
DOT			1,975,400
Special revenue funds:			
Local funds - SRMS fees			919,200
Private donations			20,000
Auto theft prevention fund			9,018,200
Criminal justice information center service fees			30,259,000
Drunk driving prevention and training fund			676,000
Forensic science reimbursement fees			1,033,300
Michigan set aside fund			600,000
Motor carrier fees			148,500
Precision driving track fees			346,100
Sex offenders registration fund			697,800
State forensic laboratory fund			767,600
State police administrator and coordinator 911 fund			1,165,700
State services fee fund			10,959,400

			For Fiscal Year Ending Sept. 30, 2027
Student safety fund		$	250,000
Traffic crash revenue			592,400
State general fund/general purpose		**$**	**55,467,400**
Sec. 104. MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS			
Full-time equated classified positions	27.0		
In-service training—FTEs	7.0	$	11,280,300
Justice training grants—FTEs	3.0		10,000,000
Public safety officers benefit fund—FTE	1.0		303,300
Standards and training—FTEs	16.0		4,112,100
Training only to local units			855,000
GROSS APPROPRIATION		**$**	**26,550,700**
Appropriated from:			
Federal revenues:			
DOJ			280,900
Special revenue funds:			
Law enforcement officers training fund			25,300
Marihuana regulatory fund			3,440,400
Michigan justice training fund			10,000,000
Private security licensing fees			5,000
Retired law enforcement officer safety fund			25,000
Secondary road patrol and training fund			855,000
State general fund/general purpose		**$**	**11,919,100**
Sec. 105. FIELD SERVICES			
Full-time equated classified positions	2,053.0		
Investigative services—FTEs	148.5	$	44,107,000
Post operations—FTEs	1,904.5		442,714,000
GROSS APPROPRIATION		**$**	**486,821,000**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of treasury, casino gaming fees			6,890,500
IDT, auto theft funds			1,159,800
Federal revenues:			
DOJ			4,678,600
DOT			2,125,800
Forfeiture revenues			544,100
Reimbursed services, federal investigations			4,031,800
Special revenue funds:			
Local funds - reimbursed services			1,259,000
Bottle bill enforcement fund			787,600
Highway safety fund			10,416,900
Marihuana regulation fund			3,447,400
Marihuana regulatory fund			2,674,500
Michigan merit award trust fund			872,900
Narcotics-related forfeiture revenue			1,554,100
Nonnarcotic forfeiture revenue			50,600
State police service fees			6,285,200
State services fee fund			1,028,600
Tobacco tax revenue			5,656,300
Traffic law enforcement and safety fund			35,918,400
Trooper school recruitment fund			5,069,700
State general fund/general purpose		**$**	**392,369,200**
Sec. 106. SPECIALIZED SERVICES			
Full-time equated classified positions	642.0		
Commercial vehicle enforcement—FTEs	211.0	$	40,918,300
Emergency management and homeland security—FTEs	64.0		17,605,900
Hazardous materials programs—FTEs	25.0		23,717,300

			For Fiscal Year Ending Sept. 30, 2027
Highway safety planning—FTEs	25.0	$	22,288,500
Intelligence operations—FTEs	228.0		36,750,000
Secondary road patrol program—FTE	1.0		18,003,200
Special operations—FTEs	88.0		21,645,900
GROSS APPROPRIATION		**$**	**180,929,100**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of transportation, state trunkline fund			12,805,700
IDG from department of treasury, public safety answer point training 911 fund			100,000
IDT, truck safety funds			2,100,000
Federal revenues:			
DHS			32,488,500
DOT			32,507,400
Special revenue funds:			
Local funds - school bus revenue			1,948,800
Private donations			15,000
Bottle bill enforcement fund			230,000
Criminal justice information center service fees			329,600
Hazardous materials training center fees			749,700
Marihuana regulation fund			257,700
Marihuana regulatory fund			390,200
Motor carrier fees			9,266,900
Nuclear plant emergency planning reimbursement			2,467,400
Reimbursed services			1,893,000
Rental of department aircraft			52,400
Secondary road patrol and training fund			18,003,200
State police dispatch operator 911 fund			681,900
Truck driver safety fund			4,978,300
State general fund/general purpose		**$**	**59,663,400**
Sec. 107. INFORMATION TECHNOLOGY			
Information technology services and projects		$	30,057,800
GROSS APPROPRIATION		**$**	**30,057,800**
Appropriated from:			
Interdepartmental grant revenues:			
IDG from department of transportation, state trunkline fund			124,200
IDG from department of treasury, casino gaming fees			80,000
IDG, training academy charges			11,500
IDT, auto theft funds			4,300
IDT, truck safety funds			17,400
Federal revenues:			
DHS			50,000
DOJ			100,000
DOT			50,000
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			6,200
Criminal justice information center service fees			11,500,000
Drunk driving prevention and training fund			3,600
Forensic science reimbursement fees			76,500
Highway safety fund			92,400
Marihuana regulatory fund			773,700
Michigan merit award trust fund			3,400

		For Fiscal Year Ending Sept. 30, 2027
Motor carrier fees	$	170,500
Nuclear plant emergency planning reimbursement		12,800
Sex offenders registration fund		228,400
State forensic laboratory fund		50,000
State services fee fund		84,400
Tobacco tax revenue		21,400
Traffic crash revenue		246,900
Traffic law enforcement and safety fund		119,500
State general fund/general purpose	**$**	**15,279,000**
Sec. 108. ONE-TIME APPROPRIATIONS		
Contracts and services	$	5,000,000
GROSS APPROPRIATION	**$**	**5,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**5,000,000**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for fiscal year ending September 30, 2027, total state spending under part 1 from state sources is $812,959,600.00 and total state spending under part 1 from state sources to be paid to local units of government is $34,879,300.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF STATE POLICE		
In-service training	$	9,024,300
Justice training grants		10,000,000
Secondary road patrol program		15,000,000
Training only to local units		855,000
TOTAL	**$**	**34,879,300**

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) “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 committees, 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, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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. 207. (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. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department shall do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose or purposes.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose or purposes.

(c) Not later than February 15, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office with an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, identifying all of the following:

(*i*) The type or types of funding anticipated.

(*ii*) The amount or amounts of funding anticipated.

(*iii*) The purpose or purposes of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

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. 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. 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 of each year. 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 or agency's budget. The department or agency 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, and other revenues.

Sec. 213. On a quarterly basis, the department or agency receiving appropriations in part 1 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. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. (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. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $126,492,400.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $99,258,100.00. Total appropriations for retiree health care legacy costs for the department are estimated at $27,234,300.00.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the department shall submit an annual report that summarizes all work project accounts. The report must include 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. 221. 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. 222. 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. 223. (1) The department shall maximize utilization of its in-person state workforce. The department shall prioritize occupancy utilization of office space for each division within the department. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) The department shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80.0 hours of work. The department shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, and in-person and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. Each agency shall complete a space utilization assessment by July 1, 2027, using a form developed by the department of technology, management, and budget, for all space assigned under its building occupancy agreement and leased office locations and post on their website. Agencies shall develop, in coordination with the department of technology, management, and budget a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with space standards established by the department of technology, management, and budget unless an exception is approved by the department of technology, management, and budget.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure that geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with geographically disadvantaged business enterprises for services or supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. Not later than December 31, 2026, and again by June 1, 2027, the department must provide a report to the standard report recipients that includes details regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Within 30 days after enactment of this act, the house and senate shall provide to the state budget office a jointly agreed-upon list of legislatively directed spending items funded in part 1 as defined in section 364 of the management and budget act, 1984 PA 431, MCL 18.1364. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year, and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026, are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026, and any subsequent financial closeout period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of Public Law 117-2 must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report on 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. 231. The department must establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements before contract execution. The department must report back to the standard report recipients by March 31, 2027 on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

Sec. 233. The department shall submit a biannual report on the performance metrics cited or information required to be reported in this part, reasons for nonachievement of metric targets, and proposed corrective actions.

Sec. 234. (1) It is the intent of the legislature that the department shall take all steps necessary to protect the data and privacy of citizens who are not the focus of a departmental investigation and to protect personal information from unauthorized access or misuse. The protection required under this subsection includes, but is not limited to, all of the following:

(a) Requiring vendors or service providers to protect data shared with them.

(b) Ensuring that when personal data is collected, but no longer utilized by the department, that reasonable steps be taken to securely destroy records containing personal information when it is to be discarded so that the information is rendered indecipherable and is not sold for marketing or other purposes.

(2) The department shall provide written notification to any data subject whose sensitive personal information is accessed or acquired by an unauthorized person.

Sec. 235. (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. 236. (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 704(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. 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. 302. 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. 303. (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. 304. 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. 305. 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. 306. From the funds appropriated in part 1, the department may purchase real property and shall notify the standard report recipients within 10 days of the purchase.

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 233, 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 233.

(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 $15.00 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 233.

(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 233:

(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 233.

(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 all 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 an analysis of school safety grants, if applicable, 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 using the funds appropriated in part 1.

(2) 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.

(3) 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).

(4) The unexpended and unencumbered general fund/general purpose funds appropriated in part 1 for training operations 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.

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) Diversity and 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.

Sec. 411. 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. 412. (1) In addition to funds appropriated in part 1, an amount not to exceed $2,000,000.00 in available revenue from the Michigan set aside fund created in section 1i of 1965 PA 213, MCL 780.621i, is appropriated and may be expended for criminal history record expungement operations.

(2) The department shall annually notify the house and senate appropriations subcommittees on general government, the house and senate fiscal agencies, and the state budget office of any expenditure of funds appropriated under subsection (1).

MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS

Sec. 501. (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 public acts that affect MCOLES.

(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:

(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. 502. The general fund/general purpose funds appropriated in part 1 for 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. 503. 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.

FIELD SERVICES

Sec. 601. (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 233.

Sec. 602. (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. 603. (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. 604. The department shall provide fire investigation training and investigative assistance to public safety agencies in this state.

Sec. 606. The department shall make every reasonable effort to provide, upon request, assistance or mutual aid to a law enforcement agency that is actively responding to any of the following:

(a) A public safety emergency.

(b) Civil unrest or a riot.

(c) One or more law enforcement officers in distress.

Sec. 607. (1) In addition to funds appropriated in part 1, an amount not to exceed $20,000,000.00 in available revenue from the traffic law enforcement and safety fund created in section 819a of the Michigan vehicle code, 1949 PA 300, MCL 257.819a, is appropriated and may be expended to support trooper recruit schools.

(2) The department shall annually notify the house and senate appropriations subcommittees on general government, the house and senate fiscal agencies, and the state budget office of any expenditure of funds appropriated under subsection (1).

SPECIALIZED SERVICES

Sec. 701. (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. 702. (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) The emergency support teams shall be available for call out statewide 100% of the time.

(6) The marine services team shall be available for call out statewide 100% of the time.

(7) Aviation services shall be available for call out statewide 100% of the time, unless prohibited by weather or unexpected mechanical breakdowns.

(8) 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. 703. (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. 704. (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 236 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 233 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. 705. 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. 706. (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. 707. 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. 801. The unexpended funds appropriated in part 1 for contracts and services 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 security infrastructure and services.

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

(c) The total estimated cost of the project is $5,000,000.00.

(d) The tentative completion date is September 30, 2031.

ARTICLE 15

STATE TRANSPORTATION DEPARTMENT

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

Sec. 101. There is appropriated for the state transportation department for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF TRANSPORTATION			
APPROPRIATION SUMMARY			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	3,213.3		
GROSS APPROPRIATION		**$**	**8,116,180,700**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			4,555,300
ADJUSTED GROSS APPROPRIATION		**$**	**8,111,625,400**
Federal revenues:			
Total federal revenues			1,963,413,500
Special revenue funds:			
Total local revenues			87,448,500
Total private revenues			20,500,000
Total other state restricted revenues			6,040,263,400
State general fund/general purpose		**$**	**0**
Sec. 102. DEBT SERVICE			
Airport safety and protection plan		$	3,618,300

			For Fiscal Year Ending Sept. 30, 2027
Blue Water Bridge fund		$	3,318,400
Economic development			234,300
Local bridge fund		$	77,300
State trunkline			333,554,100
GROSS APPROPRIATION		**$**	**340,802,400**
Appropriated from:			
Special revenue funds:			
Blue Water Bridge fund			3,318,400
Economic development fund			234,300
Local bridge fund			77,300
State aeronautics fund			3,618,300
State trunkline fund			333,554,100
State general fund/general purpose		**$**	**0**
Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES			
CTF grant to civil service commission		$	225,300
CTF grant to department of attorney general			112,600
CTF grant to department of technology, management, and budget			45,400
CTF grant to department of treasury			54,900
CTF grant to legislative auditor general			47,800
MTF grant to department of environment, Great Lakes, and energy			2,277,200
MTF grant to department of state for collection of revenue and fees			20,000,000
MTF grant to department of treasury			3,817,000
MTF grant to legislative auditor general			388,200
SAF grant to civil service commission			140,000
SAF grant to department of attorney general			196,900
SAF grant to department of technology, management, and budget			32,900
SAF grant to department of treasury			72,200
SAF grant to legislative auditor general			37,600
STF grant to civil service commission			7,160,100
STF grant to department of attorney general			2,269,800
STF grant to department of state police			13,807,700
STF grant to department of technology, management, and budget			1,409,700
STF grant to department of treasury			167,000
STF grant to legislative auditor general			901,600
GROSS APPROPRIATION		**$**	**53,163,900**
Appropriated from:			
Special revenue funds:			
Comprehensive transportation fund			486,000
Michigan transportation fund			26,482,400
State aeronautics fund			479,600
State trunkline fund			25,715,900
State general fund/general purpose		**$**	**0**
Sec. 104. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	315.3		
Unclassified salaries—FTEs	6.0	$	1,023,100
Asset management council			2,299,900
Business support services—FTEs	77.0		13,696,500
Commission audit and support services—FTEs	29.3		4,976,200
Economic development and enhancement programs—FTEs	11.0		1,916,700
Finance, contracts, and support services—FTEs	198.0		30,444,900
Property management			8,616,000
Worker’s compensation			1,546,300
GROSS APPROPRIATION		**$**	**64,519,600**

			For Fiscal Year Ending Sept. 30, 2027
Appropriated from:			
Interdepartmental grant revenues:			
IDG for accounting service center user charges		$	4,555,300
Special revenue funds:			
Comprehensive transportation fund		$	1,873,600
Economic development fund			414,900
Michigan transportation fund			5,237,800
State aeronautics fund			750,700
State trunkline fund			51,687,300
State general fund/general purpose		**$**	**0**
Sec. 105. INFORMATION TECHNOLOGY			
Information technology services and projects		$	47,931,900
GROSS APPROPRIATION		**$**	**47,931,900**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			536,400
Special revenue funds:			
Blue Water Bridge fund			60,300
Comprehensive transportation fund			245,400
Economic development fund			40,600
Michigan transportation fund			320,700
State aeronautics fund			191,400
State trunkline fund			46,537,100
State general fund/general purpose		**$**	**0**
Sec. 106. TRANSPORTATION PLANNING			
Full-time equated classified positions	142.0		
Planning services—FTEs	142.0	$	45,364,700
Grants to regional planning councils			488,800
GROSS APPROPRIATION		**$**	**45,853,500**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			26,000,000
Special revenue funds:			
Comprehensive transportation fund			366,200
Michigan transportation fund			11,473,700
State aeronautics fund			31,500
State trunkline fund			7,982,100
State general fund/general purpose		**$**	**0**
Sec. 107. DESIGN AND ENGINEERING SERVICES			
Full-time equated classified positions	1,654.3		
Business services—FTEs	44.8	$	11,386,400
Program development and delivery—FTEs	1,046.5		138,457,700
System operations management—FTEs	563.0		127,255,200
GROSS APPROPRIATION		**$**	**277,099,300**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			26,001,600
Special revenue funds:			
Comprehensive transportation fund			187,100
Michigan transportation fund			20,238,400
State trunkline fund			230,672,200
State general fund/general purpose		**$**	**0**
Sec. 108. HIGHWAY MAINTENANCE			
Full-time equated classified positions	911.7		
State trunkline operations—FTEs	911.7	$	530,033,300
GROSS APPROPRIATION		**$**	**530,033,300**

			For Fiscal Year Ending Sept. 30, 2027
Appropriated from:			
Special revenue funds:			
State trunkline fund		$	530,033,300
State general fund/general purpose		**$**	**0**
Sec. 109. ROAD AND BRIDGE PROGRAM			
Cities and villages		$	1,112,369,700
County road commissions			2,012,101,400
Grants to local programs			33,000,000
Local agency wetland mitigation bank fund			2,000,000
Local bridge program			126,550,900
Local grade separation grant program			40,000,000
Movable bridge			6,504,600
Rail grade crossing			3,000,000
Rail grade crossing - surface improvements			3,000,000
State trunkline federal aid and road and bridge construction			1,988,815,500
GROSS APPROPRIATION		**$**	**5,327,342,100**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			1,312,778,700
Special revenue funds:			
Local funds			30,003,500
Private funds			10,000,000
Blue Water Bridge fund			29,026,400
Local bridge fund			26,550,900
Local grade separation fund			40,000,000
Michigan transportation fund			2,408,775,700
Neighborhood roads fund			863,200,000
State trunkline fund			607,006,900
State general fund/general purpose		**$**	**0**
Sec. 110. BLUE WATER BRIDGE			
Full-time equated classified positions	47.0		
Blue Water Bridge operations—FTEs	47.0	$	8,013,800
GROSS APPROPRIATION		**$**	**8,013,800**
Appropriated from:			
Special revenue funds:			
Blue Water Bridge fund			8,013,800
State general fund/general purpose		**$**	**0**
Sec. 111. TRANSPORTATION ECONOMIC DEVELOPMENT			
Forest roads		$	5,000,000
Rural county primary			10,620,800
Rural county urban system			2,500,000
Target industries/economic redevelopment			24,741,600
Urban county congestion			10,620,800
GROSS APPROPRIATION		**$**	**53,483,200**
Appropriated from:			
Special revenue funds:			
Economic development fund			53,483,200
State general fund/general purpose		**$**	**0**
Sec. 112. AERONAUTICS SERVICES			
Full-time equated classified positions	48.0		
Air service program		$	50,000
Aviation services—FTEs	48.0		7,953,300
GROSS APPROPRIATION		**$**	**8,003,300**

			For Fiscal Year Ending Sept. 30, 2027
Appropriated from:			
Special revenue funds:			
State aeronautics fund		$	8,003,300
State general fund/general purpose		**$**	**0**
Sec. 113. PUBLIC TRANSPORTATION SERVICES			
Full-time equated classified positions	50.0		
Passenger transportation services—FTEs	50.0	$	8,092,400
GROSS APPROPRIATION		**$**	**8,092,400**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			2,000,000
Special revenue funds:			
Comprehensive transportation fund			6,092,400
State general fund/general purpose		**$**	**0**
Sec. 114. LOCAL BUS TRANSIT			
Local bus operating		$	305,000,000
Nonurban operating/capital			41,935,500
GROSS APPROPRIATION		**$**	**346,935,500**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			39,935,500
Special revenue funds:			
Local funds			2,000,000
Comprehensive transportation fund			305,000,000
State general fund/general purpose		**$**	**0**
Sec. 115. INTERCITY PASSENGER AND FREIGHT			
Full-time equated classified positions	41.0		
Detroit/Wayne County Port Authority		$	600,000
Freight property management			1,300,000
Intercity services			10,865,700
Marine passenger service			20,559,100
Office of rail—FTEs	41.0		7,587,000
Rail operations and infrastructure			219,388,500
GROSS APPROPRIATION		**$**	**260,300,300**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			124,488,800
Special revenue funds:			
Local funds			760,000
Private funds			4,500,000
Comprehensive transportation fund			121,426,200
Intercity bus equipment fund			45,400
Michigan transportation fund			2,238,700
Rail freight fund			6,000,000
State trunkline fund			841,200
State general fund/general purpose		**$**	**0**
Sec. 116. PUBLIC TRANSPORTATION DEVELOPMENT			
Full-time equated classified positions	4.0		
Infrastructure projects authority program		$	65,000,000
Maritime and port facility assistance grant program—FTEs	4.0		5,294,700
Municipal credit program			2,000,000

		For Fiscal Year Ending Sept. 30, 2027
Service initiatives	$	6,300,000
Specialized services		30,615,900
Transit capital		291,332,200
Van pooling		300,000
GROSS APPROPRIATION	**$**	**400,842,800**
Appropriated from:		
Federal revenues:		
Federal aid – transportation programs		161,672,500
Special revenue funds:		
Local funds		37,185,000
Private funds		4,000,000
Comprehensive transportation fund		127,690,600
Infrastructure projects authority fund		65,000,000
Maritime and port facility assistance fund		5,294,700
State general fund/general purpose	**$**	**0**
Sec. 117. CAPITAL OUTLAY		
(1) BUILDINGS AND FACILITIES		
Salt storage buildings and containment control	$	3,300,000
Special maintenance, remodeling, and additions		5,350,500
GROSS APPROPRIATION	**$**	**8,650,500**
Appropriated from:		
Special revenue funds:		
State trunkline fund		8,650,500
State general fund/general purpose	**$**	**0**
(2) AIRPORT IMPROVEMENT PROGRAMS		
Airport safety, protection, and improvement program	$	181,309,800
Detroit Metropolitan Wayne County Airport		6,435,000
IIJA airport infrastructure grants		115,000,000
GROSS APPROPRIATION	**$**	**302,744,800**
Appropriated from:		
Federal revenues:		
Federal aid – transportation programs		270,000,000
Special revenue funds:		
Local funds		17,500,000
Private funds		2,000,000
Qualified airport fund		6,435,000
State aeronautics fund		6,809,800
State general fund/general purpose	**$**	**0**
Sec. 118. ONE-TIME APPROPRIATIONS		
Coloma salt storage building	$	5,168,100
Facilities capital outlay		5,600,000
Great lakes tunnel project - phase II oversight		4,100,000
Rail freight/rail economic development		5,000,000
Grants to commercial service airports		7,500,000
Maritime and port facility assistance grant program		5,000,000
GROSS APPROPRIATION	**$**	**32,368,100**
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		17,500,000
Michigan infrastructure fund		4,100,000
State trunkline fund		10,768,100
State general fund/general purpose	**$**	**0**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

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, 2027, total state spending under part 1 from state sources is $6,040,263,400.00 and state spending under part 1 from state sources to be paid to local units of government is $3,834,129,900.00. 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		1,112,369,700
County road commissions		2,012,101,400
Grants to local programs		33,000,000
Local agency wetland mitigation		2,000,000
Local bridge program		126,550,900
Local grade separation program		40,000,000
Movable bridge		3,252,300
Rail grade crossing		1,500,000
Rail grade surface crossing improvements		3,000,000
Forest roads		5,000,000
Rural county primary		10,620,800
Rural county urban system		2,500,000
Target industries/economic redevelopment		15,339,800
Urban county congestion		10,620,800
Air service program		50,000
Local bus operating		305,000,000
Detroit/Wayne County Port Authority		600,000
Marine passenger service		2,000,000
Municipal credit program		2,000,000
Service initiatives		1,000,000
Specialized services		13,000,000
Transit capital		111,390,600
Airport safety, protection, and improvement program		6,809,800
Detroit Metropolitan Wayne County Airport		6,435,000
Grants to commercial service airports		7,500,000
Total payments to local units of government	**$**	**3,834,129,900**

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) "CTF" means comprehensive transportation fund.
(b) "Department" means the state transportation department.
(c) "DOT-FHWA" means DOT, Federal Highway Administration.
(d) "FTE" means full-time equated.
(e) "IDG" means interdepartmental grant.
(f) "IIJA" means the infrastructure investment and jobs act, 2021, Public Law 117-58.
(g) "MTF" means Michigan transportation fund.
(h) "SAF" means state aeronautics fund.
(i) "Standard report recipients" means the senate and house appropriations committees, 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.
(j) "STF" means state trunkline fund.

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, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. 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 shall electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 207. (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. 208. (1) In addition to any other requirements under this part, if the department is authorized under this part to expend funds in addition to those appropriated in part 1, the department must do all of the following:

(a) Not later than December 1, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received during the previous fiscal year that was authorized in part 2 of the article that made appropriations for the department in the previous fiscal year.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) How much of the funding was spent and for what purpose.

(b) Not later than 60 days after receipt of funds authorized under this part, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office that details all of the following:

(*i*) The type of funding received.

(*ii*) When the funding was received.

(*iii*) The amount of funding received.

(*iv*) The anticipated or actual amount to be spent and the specified purpose.

(c) Not later than February 15, provide a report to the chairpersons of the house and senate appropriations committees, the house and senate fiscal agencies, and the state budget office with an estimate of funding authorized by this part that the department anticipates it will receive in the subsequent fiscal year, identifying all of the following:

(*i*) The type of funding anticipated.

(*ii*) The amount of funding anticipated.

(*iii*) The purpose of the funding.

(2) If another reporting requirement under this part would provide substantially similar information on a substantially similar time frame as would be reported under subsection (1), subsection (1) does not apply.

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 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. Not later than November 15, the department shall report on 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. 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 by 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 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, and other revenues.

Sec. 213. On a quarterly basis, the department or agency receiving appropriations in part 1 shall report on the number of FTE positions in pay status by civil service classification, including a comparison by line item of the number of FTE positions authorized from funds appropriated in part 1 to the actual number of FTE 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 to 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 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. Not later than April 1, the department shall provide to the standard report recipients a copy of its annual strategic plan prepared in compliance with section 363 of the management and budget act, 1984 PA 431, MCL 18.1363. The plan must include the mission, vision, goals, strategies, and performance measures of the department.

Sec. 216. The department shall report on any court settlement that may require further legislative review of state statutory programs or regulations.

Sec. 217. (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 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 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 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 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. 218. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $34,726,300.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $34,726,300.00. Total appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 219. 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. Not later than 6 months after the state budget office issues work project letters, and again on or by April 15, the department shall submit an annual 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. 221. 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. 222. 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. 223. (1) A department or agency shall maximize utilization of its in-person state workforce. A department or agency shall prioritize occupancy utilization of office space for each division within the department or agency. Employees with job responsibilities that require the employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on the timesheet were actually worked.

(2) A department or agency shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure in-person work is optimized and occupancy rates are 80% or higher, subject to market conditions.

(3) A department or agency shall adhere to civil service rules and regulations that state the standard biweekly work period for a full-time employee in the classified service of this state is the equivalent of 80 hours of work. A department or agency shall establish policies and processes to ensure all employees are working their jobs during agreed-upon business hours.

(4) The office of the state employer must create and implement an occupancy utilization uniform policy on occupancy, utilization, in-person, and remote work. The office of the state employer must make each uniform policy publicly available on the department's website.

Sec. 224. Each agency shall complete a space utilization assessment by July 1, 2027, using a form developed by the department of technology, management and budget (DTMB), for all space assigned under its building occupancy agreement and leased office locations and post on their website. Agencies shall develop, in coordination with DTMB, a plan to reduce, consolidate, or otherwise optimize assigned space. The plans shall prioritize the use of state-owned facilities, wherever possible, and comply with DTMB-established space standards unless an exception is approved by DTMB.

Sec. 225. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director of each department or agency receiving appropriations in part 1 shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified geographically disadvantaged business enterprises for services or supplies, or both. As used in this section, "geographically disadvantaged business enterprises" means that term as defined in Executive Directive No. 2019-8.

Sec. 226. No later than December 31, 2026, and again by June 1, 2027, the department must provide a report to the standard report recipients that includes detail regarding any federal guidelines, rules, regulations, or other significant federal policy changes, including H.R. 1 and the Rural Health Transformation Program, that do, or are expected to, significantly impact the operations of the department, including increases or reductions in federal revenue and changes that are likely to improve or impede the department's ability to safeguard the health or welfare of the public.

Sec. 227. (1) Within 30 days after enactment of this act, the house and senate shall provide to the state budget office a jointly agreed-upon list of legislatively directed spending items as that term is defined in section 364 of the management and budget act, 1984 PA 431, MCL 18.1364, funded in part 1. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall post a report in a publicly accessible location on its website beginning March 15 of the current fiscal year. The department or agency shall update the report and shall post an updated report not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

Sec. 228. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026 are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026 and any subsequent financial closeout period.

Sec. 229. (1) The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. The state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of the American rescue plan act of 2021, Public Law 117-2, must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and the house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program, or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

Sec. 230. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report on 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. 231. The department must establish a policy for conducting precontract risk assessments to evaluate contractor financial risk, security risks, and insurance requirements prior to contract execution. The department must report back to the standard report recipients by March 31, 2027 on the assessments implemented and used to evaluate contractors, as well as contracts executed under the assessments.

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 December 31, the department shall submit to the standard report recipients and to the chairpersons of the senate and house of representatives appropriations committees a report that includes the estimated available fund balances for all of the following:

(a) The transportation economic development fund.
(b) The local grade separation fund.
(c) The infrastructure projects authority fund.
(d) The comprehensive transportation fund.
(e) The state aeronautics fund.
(f) The contracting opportunity loan fund.
(g) The local bridge fund.
(h) The movable bridge fund.
(i) The rail freight fund.
(j) The maritime and port fund.
(k) The Blue Water Bridge fund.
(*l*) The local agency wetland mitigation bank fund.

Sec. 303. Bridge bundling projects may be utilized where multiple structures are contiguous or nearly contiguous, or if bundling is required for traffic control, cost efficiency, or federal funding participation. The department shall not utilize bridge bundling contracting methods for projects involving the construction, rehabilitation, or replacement of bridges delivered through the local agency program unless all of the following conditions apply:

(a) A local agency program bridge bundling project package is limited to a maximum of 5 bridges.

(b) A local agency program bridge bundling project package must be confined to a single department region or limited to contiguous counties.

(c) The department shall not impose any bidder qualification requirements beyond standard prequalification. The department shall not use requests for qualifications, statements of qualifications, shortlisting, or other additional prerequisites for bidders.

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 senate and house 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 standard report recipients 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. 309. It is the intent of the legislature to use cement manufactured in the United States according to the rules of origin under the United States-Mexico-Canada agreement, Public Law 116-113.

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. 312. By March 31 of each even-numbered year, the department shall report to the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget office on the utilization of department properties, including, but not limited to, salt storage facilities, garages, and regional offices.

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, 2026. The report must include all of the following:

(a) The balance in the state infrastructure bank on September 30, 2026, 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. 314. (1) The MI contracting opportunity loan fund is created within the state treasury.

(2) Funds deposited into the MI contracting opportunity loan fund originally created in section 1003 of article 15 of 2024 PA 121 or money received by the state as repayment of loans or interest earned on loan funds is appropriated and shall be available for future loans.

(3) At the close of the fiscal year, any unencumbered funds remaining in the fund shall be carried forward into the succeeding fiscal year.

Sec. 315. The department shall use any additional funds in the moveable bridge fund to cover other costs for any required local federal bridge load analysis, inspection, or other local federal mandate.

Sec. 383. (1) The department shall prepare a report on the use of department-owned aircraft during the fiscal year ending September 30, 2026. 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 as required under section 205 no later than February 1, 2027.

(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. The initial report must cover the prior fiscal year.

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 senate and house appropriations subcommittees on transportation, and the senate and house 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 $10,000,000.00 or more.

Sec. 395. From the funds appropriated in part 1 for state trunkline federal aid road and bridge construction, the department may expend up to $15,000,000.00 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.

FEDERAL FUNDS

Sec. 401. The department shall continue to administer a local federal aid program in accordance with section 10o of 1951 PA 51, MCL 247.660o.

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. 502. At the close of the fiscal year, any unencumbered and unexpended balance in the movable bridge fund remains in the movable bridge fund and carries forward and is appropriated for the purposes described in section 11g(3)(b) of 1951 PA 51, MCL 247.661g.

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.

STATE TRUNKLINE FUND

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.

NEIGHBORHOOD ROADS FUND

Sec. 651. Funds from the neighborhood roads fund must be distributed and are appropriated to the local grade separation fund, comprehensive transportation fund, infrastructure projects authority fund, and the state trunkline fund, in accordance with this part and part 1, and section 13c of 1951 PA 51, MCL 247.663c.

Sec. 652. At the close of the fiscal year, any unencumbered and unexpended balance in the neighborhood roads fund not previously allocated under sections (a) through (e) of section 13c(5) of 1951 PA 51, MCL 247.663c, remains in the neighborhood roads fund and carries forward and is appropriated to local road agencies and the state trunkline fund according to section 13c(5) of 1951 PA 51, MCL 247.663c.

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. 704. From the funds appropriated in part 1, the department shall prepare and transmit a report that provides detail regarding the department’s obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure. The report shall 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 report shall also include a listing of all active rail related federal grants. The initial report shall be submitted to the standard report recipients on or before March 1. The department also shall update and resubmit a final report on or before September 30.

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 senate and house 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. 707. (1) Before March 1, 2027, the department shall provide to the legislature, the state budget office, and the senate and house 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, 2027 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.

(5) From the funds appropriated in part 1 for rail operation and infrastructure, not less than $20,000,000.00 must be allocated for the support of rail-related economic development projects and rail freight system preservation projects.

Sec. 735. For the fiscal year ending September 30, 2027, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is $0.00.

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 retain and maintain air service between Marquette and Lansing with priority service as follows:

(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.

ONE-TIME APPROPRIATIONS

Sec. 1001. The part 1 appropriation for rail freight economic development must be used for grants in support of rail freight and rail freight economic development programs in this state.

Sec. 1002. The part 1 appropriation for grants to commercial service airports must be used for grants for capital improvements at commercial service airports in this state with fewer than 5,000,000 enplanements each year.

Sec. 1003. The one-time part 1 appropriation for a maritime and port facilities assistance program must be used for grants as provided under section 7 of the maritime and port facility assistance grant program act, 2022 PA 159, MCL 120.157. Priority shall be given to projects meeting the allowable uses of section 5, subsection (1)(c), (d), and (e) of the maritime and port facility assistance grant program act, 2022 PA 159, MCL 120.155.

Sec. 1004. The purpose of the part 1 line item Great Lakes tunnel project - phase II oversight is to support planning, construction oversight, and administration of the Great Lakes tunnel project by the Mackinac Straits corridor authority, in accordance with section 14d of 1952 PA 214, MCL 254.324d.

ARTICLE 16

CAPITAL OUTLAY

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

Sec. 101. Subject to part 2, the following amounts are appropriated for capital outlay projects from the following sources for the fiscal year ending September 30, 2026:

APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**2,800**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**2,800**
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	**$**	**2,800**
Sec. 102. CAPITAL OUTLAY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**2,800**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**2,800**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	**$**	**2,800**
(2) COMMUNITY COLLEGE AND UNIVERSITY PLANNING AUTHORIZATIONS		
Central Michigan University – Brooks Hall renovation – for program and planning to be paid for from university resources (estimated total cost $45,000,000; state share $30,000,000; university share $15,000,000)	$	100
Ferris State University – Allied health sciences building – for program and planning to be paid for from university resources (estimated total authorized cost $29,500,000; state share $22,125,000; university share $7,375,000)		100

		For Fiscal Year Ending Sept. 30, 2026
Lake Superior State University – Center for applied science and engineering technology renovation and expansion – for program planning to be paid for from university resources (estimated total authorized cost $40,000,000; state share $30,000,000; university share $10,000,000)	$	100
Michigan Technological University – Center for convergence and innovation – for program and planning to be paid for from university resources (estimated total authorized cost $56,000,000; state share $30,000,000; university share $26,000,000)		100
University of Michigan - Dearborn – Computer and information science building renovation – for program and planning to be paid for from university resources (estimated total authorized cost $40,000,000; state share $30,000,000; university share $10,000,000)		100
Western Michigan University – IF1 Knauss Hall renovation and addition – for program and planning to be paid for from university resources (estimated total authorized cost $39,000,000; state share $29,250,000; university share $9,750,000)		100
Delta College – Student resource center/library (A-wing) – for program and planning to be paid for from college resources (estimated total authorized cost $23,602,900; state share $10,000,000; college share $13,602,900)		100
Jackson College – STEM remodel of James McDivitt Hall – for program and planning to be paid for from college resources (estimated total authorized cost $45,000,000; state share $22,500,000; college share $22,500,000)		100
Kellogg Community College – Roll Health Administration Building renovation – for program and planning to be paid for from college resources (estimated total authorized cost $15,400,000; state share $7,700,000; college share $7,700,000)		100
Lansing Community College – Energy and utility training center – for program and planning to be paid for from college resources (estimated total authorized cost $8,850,000; state share $4,425,000; college share $4,425,000)		100
Montcalm Community College – Student success center – for program and planning to be paid for from college resources (estimated total authorized cost $5,874,600; state share $2,937,300; college share $2,937,300)		100
North Central Michigan College – Skilled trades education pathways center – for program and planning to be paid for from college resources (estimated total authorized cost $7,700,000; state share $3,465,000; college share $4,235,000)		100
Oakland Community College – Skilled trades and industrial technology building – for program and planning to be paid for from college resources (estimated total authorized cost $126,500,000; state share $27,000,000; college share $99,500,000)		100
Washtenaw Community College – Center for success and innovation – for program and planning to be paid for from college resources (estimated total authorized cost $48,775,000; state share $12,193,700; college share $36,581,300)		100
West Shore Community College – Administration and conference center renovation – for program and planning to be paid for from college resources (estimated total authorized cost $11,829,900; state share $5,914,900; college share $5,915,000)		100
GROSS APPROPRIATION	**$**	**1,500**
Appropriated from:		
State general fund/general purpose	**$**	**1,500**

		For Fiscal Year Ending Sept. 30, 2026
(3) STATE BUILDING AUTHORITY FINANCED CONSTRUCTION AUTHORIZATIONS		
Eastern Michigan University – Engineering and technology complex – state funded phase II – Roosevelt Hall (total authorized cost $42,500,000; state building authority share $29,999,800; university share $12,500,000; state general fund/general purpose share $200)	$	100
Grand Valley State University – Blue dot lab - state funded addition project (total authorized cost $66,700,000; state building authority share $29,999,800; university share $36,700,000; state general fund/general purpose share $200)		100
Michigan State University – Engineering and digital innovation building (total authorized cost $340,000,000; state building authority share $29,999,900; school aid fund share $30,000,000; state general fund/general purpose share $100; university share $280,000,000)		100
Northern Michigan University – Northern enterprise center (college of business) (total authorized cost $22,980,000; state building authority share $13,368,800; university share $9,610,000; state general fund/general purpose share $200)		100
Oakland University – Science complex renovation – Dodge Hall project (total authorized cost $44,775,000; state building authority share $29,999,800; university share $14,775,000; state general fund/general purpose share $200)		100
University of Michigan – Flint – Innovation and technology complex – state funded phase II (total authorized cost $40,000,000; state building authority share $29,999,800; university share $10,000,000; state general fund/general purpose share $200)		100
Wayne State University – Law classroom building (total authorized cost $46,000,000; state building authority share $29,999,800; university share $16,000,000; state general fund/general purpose share $200)		100
Bay de Noc Community College – Manufacturing innovation and training center project (total authorized cost $1,875,000; state building authority share $937,300; college share $937,500; state general fund/general purpose share $200)		100
Kalamazoo Valley Community College – Automotive technology/advanced manufacturing wing (total authorized cost $39,000,000; state building authority share $19,499,800; college share $19,500,000; state general fund/general purpose share $200)		100
Macomb Community College – Mobility and sustainability education center (total authorized cost $59,980,000; state building authority share $26,349,100; college share $33,630,700; state general fund/general purpose share $200)		100
Monroe County Community College – Renovation and addition to Welch Health Education Building (total authorized cost $32,000,000; state building authority share $10,932,000; college share $21,067,800; state general fund/general purpose share $200)		100
Wayne County Community College District – Center for virtual learning and digital careers (total authorized cost $11,564,200; state building authority share $5,781,900; college share $5,782,100; state general fund/general purpose share $200)		100
Michigan Department of Corrections – Capacity realignment project (total authorized cost $154,300,000; state building authority share $154,299,900; state general fund/general purpose share $100)		100
GROSS APPROPRIATION	**$**	**1,300**
Appropriated from:		
State general fund/general purpose	**$**	**1,300**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for the fiscal year ending September 30, 2026 is $2,800.00 and total state spending from state sources to be paid to local units of government is $1,400.00.

Sec. 202. The appropriations made and expenditures authorized under this part and part 1 and the departments, commissions, boards, offices, and programs for which appropriations are made 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. For the state building authority financed construction authorizations in part 1 and sections 204 and 205, the legislature determines that the leases of the facilities from the authority are for a public purpose as authorized by 1964 PA 183, MCL 830.411 to 830.425. The legislature approves and authorizes the leases and conveyances of the property to the state building authority, the state building authority acquiring the facilities and leasing them to the state and the educational institutions, or state, as applicable, and the governor and secretary of state executing the leases for and on behalf of the state pursuant to the requirements of 1964 PA 183, MCL 830.411 to 830.425. Per the requirements of the leases, it is the intent of the legislature to annually appropriate sufficient amounts to pay the rent as obligated pursuant to the leases.

Sec. 204. The cost to construct the Michigan Technological University – H-STEM Engineering and Health Technology Complex – Phase I project, initially authorized for construction in 2020 PA 257 and reauthorized in 2022 PA 10, is decreased by $1,514,800.00 to a new total project cost of $51,585,200.00 (total state building authority share $29,699,800.00; Michigan Technological University share $21,885,200.00; state general fund/general purpose share $200.00).

Sec. 205. The cost to construct the Oakland University – South Foundation Hall renovation and expansion project, initially authorized for construction in 2020 PA 257 and reauthorized in 2021 PA 87 and 2022 PA 10, is hereby decreased by $500,100.00 to a new total project cost of $43,699,900.00 (total state building authority share $29,999,800.00; Oakland University share $13,699,900.00; state general fund/general purpose share $200.00).

ARTICLE 17

MICHIGAN NATURAL RESOURCES TRUST FUND

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

Sec. 101. There is appropriated for certain capital outlay projects for the fiscal year ending September 30, 2026, from the following funds:

APPROPRIATION SUMMARY			
Full-time equated classified positions	0.0		
GROSS APPROPRIATION		**$**	**45,000,000**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**45,000,000**
Federal revenues:			
Total federal revenues			0
Special revenue funds:			
Total local revenues			0

		For Fiscal Year Ending Sept. 30, 2026
Total private revenues		0
Total other state restricted revenues	$	45,000,000
State general fund/general purpose	**$**	**0**
Sec. 102. MICHIGAN NATURAL RESOURCES TRUST FUND		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**45,000,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**45,000,000**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		45,000,000
State general fund/general purpose	**$**	**0**
(2) MICHIGAN NATURAL RESOURCES TRUST FUND		
Trust fund acquisition projects by priority:		
Black River Access Acquisition (grant-in-aid to Kimball Township) (#25-0013)	$	175,000
Lincoln Brick Park Expansion, Eaton County (grant-in-aid to Eaton County)(#25-0080)		220,200
Petty’s Bayou Waterfront Acquisition, Ottawa County (grant-in-aid to Spring Lake Township) (#25-0071)		840,000
Keweenaw Heartlands Acquisition, Keweenaw County (#25-0122)		6,500,000
Mill Creek Waterfront Acquisition, St. Clair County (grant-in-aid to City of Yale) (#25-0127)		174,000
Riverside Park Acquisition, Allegan County (grant-in-aid to Saugatuck Township) (#25-0037)		2,464,300
Railroad Parcel Acquisitions, Ingham County (grant-in-aid to City of Lansing) (#25-0025)		400,000
Ridge Nature Preserve Acquisition, Grand Traverse County (grant-in-aid to East Bay Township) (#25-0094)		4,813,600
Elmdale to Lowell Trail Acquisition, Kent County (#25-0128)		1,000,000
George & Woody Park Land Acquisition, Macomb County (grant-in-aid to Clinton Township) (#25-0171)		280,000
Muskegon State Game Area Land Consolidation, Newaygo County (#25-0174)		1,600,000
Turtle Lake Acquisition, Otsego County (#24-0222)		5,000,000
Porcupine Mountain State Park Addition, Gogebic County (#25-0143)		1,500,000
Joe Louis Greenway - Salsinger Trailhead, Wayne County (grant-in-aid to City of Detroit) (#25-0046)		168,700
Hartshorn Marina Expansion, Muskegon County (grant-in-aid to City of Muskegon) (#25-0221)		730,200
Trust fund development projects by priority:		
Parker Mill Park & B2B Trail Accessibility Improvements, Washtenaw County (grant-in-aid to Washtenaw County) (#25-0091)	$	400,000
Marshall Riverwalk Improvements, Calhoun County (grant-in-aid to City of Marshall) (#25-0072)		200,000
Lakelands Trail Zukey Lake Footbridge Renovation, Livingston County (grant-in-aid to Hamburg Township) (#25-0213)		100,000
Van Raalte Farm Park Boardwalk Project, Ottawa County (grant-in-aid to City of Holland) (#25-0051)		400,000
Rosy Mound Natural Area Improvements, Ottawa County (grant-in-aid to Ottawa County) (#25-0079)		400,000

		For Fiscal Year Ending Sept. 30, 2026
Old Riverwoods Boardwalk Improvements, Van Buren County (grant-in-aid to South Haven Area Recreation Authority) (#25-0020)	$	400,000
St. Mary's Park Redevelopment, Monroe County (grant-in-aid to City of Monroe) (#25-0085)		400,000
Extension of the Three Mile Trail, Grand Traverse County (grant-in-aid to East Bay Township) (#25-0095)		400,000
White Pine Trail Heritage and Signage Project, Wexford County (#25-0106)		280,000
Stepping Stone Falls Lot Improvements, Genesee County (grant-in-aid to Genesee County) (#25-0027)		125,000
Belleville Lake West Boating Access Site Redevelopment, Wayne County (#25-0078)		350,000
Clemente Park Inclusive Play Area, Wayne County (grant-in-aid to City of Detroit) (#25-0154)		400,000
Big Rapids Clay Cliffs Nature Area Trail Project, Mecosta County (grant-in-aid to City of Big Rapids) (#25-0043)		391,400
Zilwaukee Township Saginaw River Park Development, Saginaw County (grant-in-aid to Zilwaukee Township) (#25-0087)		197,900
Rogue River Park South Kayak Landing, Kent County (grant-in-aid to Village of Sparta) (#25-0107)		275,000
Meridian Regional Trailhead, Ingham County (grant-in-aid to Meridian Township) (#25-0126)		349,600
M-72 East Trail - Rayburn Connector, Crawford County (grant-in-aid to City of Grayling) (#25-0175)		400,000
Riverfront Park Improvements, Allegan County (grant-in-aid to City of Otsego) (#25-0089)		400,000
VASA Trailhead Improvements, Grand Traverse County (grant-in-aid to Grand Traverse County) (#25-0132)		400,000
Cherry Bend Multi-Use Trail Project, Leelanau County (grant-in-aid to Elmwood Township) (#25-0058)		400,000
Bliss Park Improvements, Saginaw County (grant-in-aid to City of Saginaw) (#25-0086)		400,000
Blue Star Trail Expansion, Allegan County (grant-in-aid to City of Village of Douglas) (#25-0121)		215,000
Paving the Betsie Valley Trail, Benzie County (grant-in-aid to Village of Thompsonville) (#25-0104)		299,100
Riverfront Park Improvements, Berrien County (grant-in-aid to City of Buchanan) (#25-0123)		385,000
Oscoda Beach Park Restrooms/Showers Building, Iosco County (grant-in-aid to Oscoda Township) (#25-0162)		400,000
Cullen Field Improvement Project, Muskegon County (grant-in-aid to City of Montague) (#25-0166)		400,000
Lake Alliance Park Improvements, Eaton County (grant-in-aid to City of Potterville) (#25-0009)		267,600
Bush Park Improvements, Genesee County (grant-in-aid to City of Fenton) (#25-0124)		400,000
Idema Explorers Trail - Bass River Segment, Ottawa County (grant-in-aid to Ottawa County) (#25-0139)		400,000
North Bay Park Pavilion, Washtenaw County (grant-in-aid to Ypsilanti Township) (#25-0157)		308,600
Cedar Run Creek Natural Area Improvements, Grand Traverse County (grant-in-aid to Long Lake Township) (#25-0034)		133,200
Copper Harbor State Harbor Seawall and Binwall Upgrade, Keweenaw County (#25-0075)		400,000
Sanford Lake Park Renovations, Midland County (grant-in-aid to Midland County) (#25-0149)		400,000
Lincoln Township Beach Bathroom, Berrien County (grant-in-aid to Lincoln Township) (#25-0163)		400,000

		For Fiscal Year Ending Sept. 30, 2026
Kerri Mertaugh Multi-Use Path, Mackinac County (grant-in-aid to Clark Township) (#25-0081)	$	296,000
Sanborn Park Restrooms, St. Clair County (grant-in-aid to City of Port Huron) (#25-0083)		250,000
Expansion of the Blue Star Trail, Allegan County (grant-in-aid to Saugatuck Township) (#25-0088)		400,000
Nature Center Development Project, Ottawa County (grant-in-aid to City of Hudsonville) (#25-0093)		400,000
Bessemer Iron Belle Trailhead Development, Gogebic County (grant-in-aid to City of Bessemer) (#25-0022)		227,800
Cannonsburg Rd. Non-Motorized Path, Kent County (grant-in-aid to Cannon Township) (#25-0179)		400,000
Tamarack Lake Trail Loop, Montcalm County (grant-in-aid to Village of Lakeview) (#25-0077)		400,000
Imlay City Polly Ann Trailhead Improvements, Lapeer County (grant-in-aid to City of Imlay City) (#25-0130)		400,000
Overlook Deck-Accessibility Project-Riverside Park Pavilion, Gratiot County (grant-in-aid to City of Alma) (#25-0191)		340,400
McConnell Park Improvements, Ionia County (grant-in-aid to City of Ionia) (#25-0070)		400,000
Cros-Lex Trail Revitalization, Sanilac County (grant-in-aid to Lexington Township) (#25-0142)		240,900
Lake Harbor Park Splash Pad, Muskegon County (grant-in-aid to City of Norton Shores) (#25-0189)		190,500
Dawson Lake Park Improvements, Iron County (grant-in-aid to Mansfield Township) (#25-0031)		289,800
Pamona Park Shoreline Access and Trail Development, Muskegon County (grant-in-aid to Village of Fruitport) (#25-0032)		400,000
Blue Heron Environmental Area Trail Development, Oakland County (grant-in-aid to Oakland Township) (#25-0064)		400,000
Veronica Valley Lower Pond Trail Improvements, Leelanau County (grant-in-aid to Leelanau County) (#25-0073)		50,000
Lakeside Park Accessible Play Features, St. Clair County (grant-in-aid to City of Port Huron) (#25-0084)		250,000
Lathrup Village Municipal Park Playground Replacement, Oakland County (grant-in-aid to City of Lathrup Village) (#25-0090)		400,000
Central Park Redevelopment, Ottawa County (grant-in-aid to Village of Spring Lake) (#25-0181)		400,000
Knox Park Development, St. Clair County (grant-in-aid to City of Port Huron) (#25-0082)		250,000
Barry Shooting Range Development, Barry County (#25-0120)		200,000
Echo Point Shooting Range Development, Allegan County (#25-0178)		200,000
Elizabeth Neighborhood Park Development, Oakland County (grant-in-aid to City of Rochester) (#25-0167)		375,000
Grass Lake Development Project, Muskegon County (grant-in-aid to Blue Lake Township) (#25-0096)		90,000
Holiday Woodlands Trail Development, Grand Traverse County (grant-in-aid to East Bay Township) (#25-0138)		300,000
Sturgeon River Launch Project, Houghton County (grant-in-aid to Chassell Township) (#25-0190)		106,200
GROSS APPROPRIATION	**$**	**45,000,000**
Appropriated from:		
Special revenue funds:		
Michigan natural resources trust fund		45,000,000
State general fund/general purpose	**$**	**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 $45,000,000.00 and total state spending under part 1 from state sources to be paid to local units of government is $27,970,000.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

Acquisition grants-in-aid	$	10,266,000
Development grants-in-aid		17,704,000
Total payments to locals	$	27,970,000

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

MICHIGAN NATURAL RESOURCES TRUST FUND

Sec. 301. (1) The department of natural resources shall enter into agreements with local units of government to administer the grants identified in part 1. Among other provisions, the agreements must require that grant recipients do all of the following:

(a) Dedicate to public outdoor recreation uses in perpetuity the land acquired or developed.

(b) Replace lands converted or lost to other than public outdoor recreation use.

(c) For parcels acquired that are larger than 5 acres, provide this state with a nonparticipating 1/6 minimum royalty interest in any acquired minerals that are retained by the grant recipient.

(2) The agreements under subsection (1) must also provide that the full payments of grants be made only after proof of acquisition, or proof of completion of a development project, is submitted by the grant recipient and all costs are verified by the department of natural resources. This requirement may be waived by the department of natural resources.

Sec. 302. 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.

Sec. 303. (1) The state share of the capital outlay appropriations authorized in 2024 PA 135 for the following Michigan natural resources trust fund projects that have since been withdrawn by the grantee is reduced up to the amount indicated and the money lapsed to the Michigan natural resources trust fund:

Sycamore Creek Land Acquisition Cavanaugh Road, Ingham County (grant-in-aid to City of Lansing) (#23-0032)	$	300,000
Rogue River State Game Area Land Acquisition, Kent County (#23-0166)		1,200,000

(2) Any money lapsed under subsection (1) is available for reappropriation.

ARTICLE 18

SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2025-2026

PART 1

LINE-ITEM APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

Sec. 101. There is appropriated for various state departments and agencies, the judicial branch, the legislative branch, and capital outlay purposes to supplement appropriations for the fiscal year ending September 30, 2026, from the following funds:

APPROPRIATION SUMMARY			
Full-time equated classified positions	53.8		
GROSS APPROPRIATION		**$**	**1,923,794,600**

		For Fiscal Year Ending Sept. 30, 2026
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	$	2,150,000
ADJUSTED GROSS APPROPRIATION	**$**	**1,921,644,600**
Federal revenues:		
Total federal revenues		1,108,854,000
Special revenue funds:		
Total local revenues		2,322,100
Total private revenues		79,900
Total other state restricted revenues		486,678,700
State general fund/general purpose	**$**	**323,709,900**
Sec. 102. DEPARTMENT OF ATTORNEY GENERAL		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**800,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**800,000**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		800,000
State general fund/general purpose	**$**	**0**
(2) ATTORNEY GENERAL OPERATIONS		
Assistance with convictions and expungements	$	800,000
GROSS APPROPRIATION	**$**	**800,000**
Appropriated from:		
Special revenue funds:		
Michigan set aside fund		800,000
State general fund/general purpose	**$**	**0**
Sec. 103. DEPARTMENT OF CIVIL RIGHTS		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**250,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**250,000**
Federal revenues:		
Total federal revenues		250,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	**$**	**0**
(2) CIVIL RIGHTS OPERATIONS		
Complaint investigation and enforcement	$	250,000
GROSS APPROPRIATION	**$**	**250,000**
Appropriated from:		
Federal revenues:		
EEOC, state and local antidiscrimination agency contracts		250,000
State general fund/general purpose	**$**	**0**
Sec. 104. DEPARTMENT OF CORRECTIONS		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**0**

		For Fiscal Year Ending Sept. 30, 2026
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**0**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	**$**	**0**
(2) CORRECTIONAL FACILITIES		
Alger Correctional Facility - Munising	$	(1,800,000)
Baraga Correctional Facility - Baraga		(1,800,000)
Marquette Branch Prison - Marquette		(1,400,000)
GROSS APPROPRIATION	**$**	**(5,000,000)**
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	**$**	**(5,000,000)**
(3) ONE-TIME APPROPRIATIONS		
Corrections northern training facility	$	5,000,000
GROSS APPROPRIATION	**$**	**5,000,000**
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	**$**	**5,000,000**
Sec. 105. DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**257,586,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**257,586,000**
Federal revenues:		
Total federal revenues		187,845,000
Special revenue funds:		
Total local revenues		0
Total private revenues		485,000
Total other state restricted revenues		69,256,000
State general fund/general purpose	**$**	**0**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
Executive direction	$	4,300,000
GROSS APPROPRIATION	**$**	**4,300,000**
Appropriated from:		
Federal revenues:		
Federal funds		1,300,000
Inflation reduction act		3,000,000
State general fund/general purpose	**$**	**0**
(3) WATER RESOURCES DIVISION		
Dam safety emergency program	$	4,000,000
Federal - Great Lakes remedial action plan grants		1,162,000
Great Lakes restoration initiative		6,500,000
Water quality programs		1,331,000
GROSS APPROPRIATION	**$**	**12,993,000**
Appropriated from:		
Federal revenues:		
Federal funds		6,500,000

			For Fiscal Year Ending Sept. 30, 2026
Infrastructure investment and jobs act fund		$	2,493,000
Special revenue funds:			
Settlement funds			4,000,000
State general fund/general purpose		**$**	**0**
(4) REMEDIATION AND REDEVELOPMENT DIVISION			
Contaminated site remediation and redevelopment programs		$	15,000,000
Environmental cleanup and redevelopment program			25,000,000
State sites cleanup program			25,256,000
GROSS APPROPRIATION		**$**	**65,256,000**
Appropriated from:			
Special revenue funds:			
Clean Michigan initiative, response activities			15,000,000
Cleanup and redevelopment fund			25,000,000
State site cleanup fund			25,256,000
State general fund/general purpose		**$**	**0**
(5) MATERIALS MANAGEMENT DIVISION			
Energy programs		$	4,125,000
Material management programs			8,054,000
GROSS APPROPRIATION		**$**	**12,179,000**
Appropriated from:			
Federal revenues:			
Federal funds			1,163,000
Inflation reduction act			8,531,000
Infrastructure investment and jobs act fund			2,000,000
Special revenue funds:			
Private funds			485,000
State general fund/general purpose		**$**	**0**
(6) WATER INFRASTRUCTURE			
Water state revolving funds		$	123,273,000
GROSS APPROPRIATION		**$**	**123,273,000**
Appropriated from:			
Federal revenues:			
Infrastructure investment and jobs act fund			123,273,000
State general fund/general purpose		**$**	**0**
(7) ONE-TIME APPROPRIATIONS			
PFAS and emerging contaminants		$	39,585,000
GROSS APPROPRIATION		**$**	**39,585,000**
Appropriated from:			
Federal revenues:			
Infrastructure investment and jobs act fund			39,585,000
State general fund/general purpose		**$**	**0**
Sec. 106. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
(1) APPROPRIATION SUMMARY			
Full-time equated classified positions	53.8		
GROSS APPROPRIATION		**$**	**1,449,382,100**
Interdepartmental grant revenues:			
Total interdepartmental grants and intradepartmental transfers			0
ADJUSTED GROSS APPROPRIATION		**$**	**1,449,382,100**
Federal revenues:			
Total federal revenues			869,559,300
Special revenue funds:			
Total local revenues			2,322,100
Total private revenues			(405,100)
Total other state restricted revenues			321,429,200
State general fund/general purpose		**$**	**256,476,600**

		For Fiscal Year Ending Sept. 30, 2026
(2) CHILDREN'S SERVICES AGENCY - CHILD WELFARE		
Adoption subsidies	$	(170,700)
Child care fund		27,214,100
Guardianship assistance program		(115,800)
Strong families/safe children		500,000
GROSS APPROPRIATION	**$**	**27,427,600**
Appropriated from:		
Federal revenues:		
Capped federal revenues		500,000
Social security act, temporary assistance for needy families		(7,198,200)
Total other federal revenues		(1,638,300)
Special revenue funds:		
Local funds - county chargeback		2,462,200
State general fund/general purpose	**$**	**33,301,900**
(3) PUBLIC ASSISTANCE		
Family independence program	$	4,723,600
Food assistance program benefits		(121,721,100)
State disability assistance payments		(1,191,400)
GROSS APPROPRIATION	**$**	**(118,188,900)**
Appropriated from:		
Federal revenues:		
Total other federal revenues		(121,721,100)
Special revenue funds:		
Child support collections		(1,159,900)
Public assistance recoupment revenue		(300)
Supplemental security income recoveries		(471,300)
State general fund/general purpose	**$**	**5,163,700**
(4) LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES		
Contractual services, supplies, and materials	$	1,033,000
GROSS APPROPRIATION	**$**	**1,033,000**
Appropriated from:		
Federal revenues:		
Total other federal revenues		301,900
State general fund/general purpose	**$**	**731,100**
(5) BEHAVIORAL HEALTH PROGRAM ADMINISTRATION AND SPECIAL PROJECTS		
Behavioral health program administration	$	(500,000)
Family support subsidy		382,500
Michigan clinical consultation and care		500,000
GROSS APPROPRIATION	**$**	**382,500**
Appropriated from:		
Federal revenues:		
Social security act, temporary assistance for needy families		382,500
Total other federal revenues		0
State general fund/general purpose	**$**	**0**
(6) BEHAVIORAL HEALTH SERVICES		
Autism services	$	62,608,600
Behavioral health community supports and services		8,300,000
Federal mental health block grant		3,000,000
Healthy Michigan plan - behavioral health		(27,915,400)
Medicaid mental health services		189,769,200
Medicaid substance use disorder services		(11,319,200)
Nursing home PAS/ARR-OBRA		3,600,000
GROSS APPROPRIATION	**$**	**228,043,200**

			For Fiscal Year Ending Sept. 30, 2026
Appropriated from:			
Federal revenues:			
Total other federal revenues			154,895,700
State general fund/general purpose		**$**	**73,147,500**
(7) STATE PSYCHIATRIC HOSPITALS AND FORENSIC MENTAL HEALTH SERVICES			
Full-time equated classified positions	53.8		
Caro Regional Mental Health Center - psychiatric hospital - adult		$	4,294,600
Center for forensic psychiatry			12,719,400
Kalamazoo Psychiatric Hospital - adult			3,601,800
Southeast Michigan state psychiatric hospital - psychiatric hospital - adult, children, and adolescents—FTEs	53.8		7,894,400
Walter P. Reuther Psychiatric Hospital - adult, children, and adolescents			(20,096,200)
GROSS APPROPRIATION		**$**	**8,414,000**
Appropriated from:			
Federal revenues:			
Total other federal revenues			(10,765,800)
Special revenue funds:			
Total local revenues			0
Total other state restricted revenues			0
State general fund/general purpose		**$**	**19,179,800**
(8) HEALTH AND HUMAN SERVICES POLICY AND INITIATIVES			
Domestic violence prevention and treatment		$	195,700
Rape prevention and services			119,300
GROSS APPROPRIATION		**$**	**315,000**
Appropriated from:			
Federal revenues:			
Capped federal revenues			315,000
State general fund/general purpose		**$**	**0**
(9) LOCAL HEALTH AND ADMINISTRATIVE SERVICES			
Local health services		$	575,000
Violence prevention			3,250,000
GROSS APPROPRIATION		**$**	**3,825,000**
Appropriated from:			
Federal revenues:			
Total other federal revenues			575,000
Special revenue funds:			
Total other state restricted revenues			3,250,000
State general fund/general purpose		**$**	**0**
(10) FAMILY HEALTH SERVICES			
Dental programs		$	0
GROSS APPROPRIATION		**$**	**0**
Appropriated from:			
Federal revenues:			
Total other federal revenues			83,000
State general fund/general purpose		**$**	**(83,000)**
(11) CHILDREN'S SPECIAL HEALTH CARE SERVICES			
Children's special health care services administration		$	12,000
Medical care and treatment			42,401,500
GROSS APPROPRIATION		**$**	**42,413,500**
Appropriated from:			
Federal revenues:			
Total other federal revenues			12,021,200
Special revenue funds:			
Total private revenues			12,000
State general fund/general purpose		**$**	**30,380,300**

		For Fiscal Year Ending Sept. 30, 2026
(12) HEALTH SERVICES		
Adult home help services	$	132,731,100
Ambulance services		(1,747,900)
Auxiliary medical services		(523,600)
Dental services		(11,200,200)
Federal Medicare pharmaceutical program		28,470,200
Federally qualified health centers		99,865,300
Health plan services		334,489,200
Healthy Michigan plan		(530,600)
Home health services		12,942,900
Hospice services		19,359,900
Hospital services and therapy		161,668,600
Integrated care organizations		217,320,000
Long-term care services		(20,956,500)
Maternal and child health		536,100
Medicaid home- and community-based services waiver		93,392,000
Medicare premium payments		23,084,100
Personal care services		(156,400)
Pharmaceutical services		58,204,400
Physician services		(13,935,000)
Program of all-inclusive care for the elderly		19,515,800
School-based services		2,335,300
Special Medicaid reimbursement		17,749,100
Transportation		3,380,500
GROSS APPROPRIATION	**$**	**1,175,994,300**
Appropriated from:		
Federal revenues:		
Total other federal revenues		836,808,400
Special revenue funds:		
Total local revenues		(140,100)
Total private revenues		(417,100)
Michigan merit award trust fund		13,000,000
Total other state restricted revenues		306,810,700
State general fund/general purpose	**$**	**19,932,400**
(13) ONE-TIME APPROPRIATIONS		
Community health screenings	$	(5,000,000)
Community health screenings		5,000,000
Community navigation partners		20,000,000
Dental clinics		(2,900,000)
Dental clinics		2,900,000
Implementation of maternal health policy changes		(299,700)
Implementation of maternal health policy		299,700
Medicaid work requirement grant		5,000,000
State psychiatric DSH disallowance		54,722,900
Underserved healthcare facility project		(1,500,000)
Underserved healthcare facility project		1,500,000
GROSS APPROPRIATION	**$**	**79,722,900**
Appropriated from:		
Federal revenues:		
Total other federal revenues		5,000,000
State general fund/general purpose	**$**	**74,722,900**
Sec. 107. DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**1,400,000**

		For Fiscal Year Ending Sept. 30, 2026
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**1,400,000**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		1,400,000
State general fund/general purpose	**$**	**0**
(2) INSURANCE AND FINANCIAL SERVICES REGULATION		
Financial institutions evaluation	$	1,400,000
GROSS APPROPRIATION	**$**	**1,400,000**
Appropriated from:		
Special revenue funds:		
Deferred presentment service transaction fees		1,400,000
State general fund/general purpose	**$**	**0**
Sec. 108. JUDICIARY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**6,000,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**6,000,000**
Federal revenues:		
Total federal revenues		6,000,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	**$**	**0**
(2) ONE-TIME APPROPRIATIONS		
Juvenile justice data management project	$	6,000,000
GROSS APPROPRIATION	**$**	**6,000,000**
Appropriated from:		
Federal revenues:		
Bureau of Justice Statistics, NCHIP		6,000,000
State general fund/general purpose	**$**	**0**
Sec. 109. DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**30,900,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**30,900,000**
Federal revenues:		
Total federal revenues		1,200,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		8,200,000
State general fund/general purpose	**$**	**21,500,000**
(2) WORKFORCE DEVELOPMENT		
Workforce development	$	3,000,000
GROSS APPROPRIATION	**$**	**3,000,000**
Appropriated from:		
State general fund/general purpose	**$**	**3,000,000**

		For Fiscal Year Ending Sept. 30, 2026
(3) EMPLOYMENT SERVICES		
Private and occupational distance learning	$	100,000
Wage and hour program		600,000
GROSS APPROPRIATION	**$**	**700,000**
Appropriated from:		
Special revenue funds:		
Distance education fund		100,000
Prevailing wage fund		600,000
State general fund/general purpose	**$**	**0**
(4) MICHIGAN STRATEGIC FUND		
Arts and cultural program	$	450,000
Rural jobs and capital investment		7,500,000
GROSS APPROPRIATION	**$**	**7,950,000**
Appropriated from:		
Federal revenues:		
NFAH-NEA, promotion of the arts, partnership agreement		450,000
Special revenue funds:		
Rural jobs and capital investment creation fund		7,500,000
State general fund/general purpose	**$**	**0**
(5) ONE-TIME APPROPRIATIONS		
Legislatively directed spending items	$	2,500,000
Office of future mobility and electrification		1,000,000
State historic preservation office grant program		750,000
Workforce development		15,000,000
GROSS APPROPRIATION	**$**	**19,250,000**
Appropriated from:		
Federal revenues:		
State historic preservation, national park service grants		750,000
Special revenue funds:		
State general fund/general purpose	**$**	**18,500,000**
Sec. 110. DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**39,700**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**39,700**
Federal revenues:		
Total federal revenues		39,700
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	**$**	**0**
(2) OCCUPATIONAL REGULATION		
Bureau of professional licensing	$	39,700
GROSS APPROPRIATION	**$**	**39,700**
Appropriated from:		
Federal revenues:		
Federal funds		39,700
State general fund/general purpose	**$**	**0**
(3) GRANTS		
Michigan indigent defense commission grants	$	(50,000,000)
Michigan indigent defense commission grants		50,000,000
GROSS APPROPRIATION	$	0

		For Fiscal Year Ending Sept. 30, 2026
Appropriated from:		
State general fund/general purpose	**$**	**0**
(4) ONE-TIME APPROPRIATIONS		
Michigan saves	$	(1,500,000)
Michigan saves		1,500,000
GROSS APPROPRIATION	**$**	**0**
Appropriated from:		
State general fund/general purpose	**$**	**0**
Sec. 111. DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**44,360,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**44,360,000**
Federal revenues:		
Total federal revenues		43,860,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	**$**	**500,000**
(2) OFFICE OF EARLY CHILDHOOD EDUCATION		
Child development and care public assistance	$	43,860,000
GROSS APPROPRIATION	**$**	**43,860,000**
Appropriated from:		
Federal revenues:		
Federal funds		43,860,000
State general fund/general purpose	**$**	**0**
(3) ONE-TIME APPROPRIATIONS		
Dual enrollment payments	$	500,000
GROSS APPROPRIATION	**$**	**500,000**
Appropriated from:		
State general fund/general purpose	**$**	**500,000**
Sec. 112. DEPARTMENT OF NATURAL RESOURCES		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**42,849,400**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**42,849,400**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		42,849,400
State general fund/general purpose	**$**	**0**
(2) PARKS AND RECREATION DIVISION		
Recreational boating	$	165,600
GROSS APPROPRIATION	**$**	**165,600**
Appropriated from:		
Special revenue funds:		
Waterways account		165,600
State general fund/general purpose	**$**	**0**

		For Fiscal Year Ending Sept. 30, 2026
(3) RECREATIONAL LANDS AND INFRASTRUCTURE		
Dam infrastructure projects	$	5,000,000
Fisheries infrastructure		7,000,000
Recreational trail repairs and improvements		817,700
Snowmobile trail development and maintenance		1,907,900
State game and wildlife area infrastructure		10,000,000
GROSS APPROPRIATION	**$**	**24,725,600**
Appropriated from:		
Special revenue funds:		
Game and fish protection account		22,000,000
Recreation improvement account		817,700
Snowmobile trail improvement fund		1,907,900
State general fund/general purpose	**$**	**0**
(4) WATERWAYS BOATING PROGRAM		
State boating infrastructure maintenance	$	10,736,800
GROSS APPROPRIATION	**$**	**10,736,800**
Appropriated from:		
Special revenue funds:		
Waterways account		10,736,800
State general fund/general purpose	**$**	**0**
(5) ONE-TIME APPROPRIATIONS		
Fisheries infrastructure	$	4,000,000
Wildlife management		3,221,400
GROSS APPROPRIATION	**$**	**7,221,400**
Appropriated from:		
Special revenue funds:		
Game and fish protection account		7,221,400
State general fund/general purpose	**$**	**0**
Sec. 113. DEPARTMENT OF STATE POLICE		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**49,224,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,150,000
ADJUSTED GROSS APPROPRIATION	**$**	**47,074,000**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		37,574,000
State general fund/general purpose	**$**	**9,500,000**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
Departmentwide	$	350,000
GROSS APPROPRIATION	**$**	**350,000**
Appropriated from:		
Special revenue funds:		
Vehicle sales proceeds		350,000
State general fund/general purpose	**$**	**0**
(3) LAW ENFORCEMENT SERVICES		
Biometrics and identification	$	700,000
Criminal justice information center		1,550,000
Forensic science		1,200,000
Grants and community services		2,774,000
Training operations		2,150,000
GROSS APPROPRIATION	**$**	**8,374,000**

		For Fiscal Year Ending Sept. 30, 2026
Appropriated from:		
Interdepartmental grant revenues:		
IDT, Michigan justice training fund	$	2,150,000
Special revenue funds:		
Auto theft prevention fund		2,774,000
Criminal justice information center service fees		700,000
Michigan set aside fund		1,400,000
Sex offenders registration fund		150,000
State services fee fund		1,200,000
State general fund/general purpose	**$**	**0**
(4) FIELD SERVICES		
Post operations	$	15,000,000
GROSS APPROPRIATION	**$**	**15,000,000**
Appropriated from:		
Special revenue funds:		
Traffic law enforcement and safety fund		15,000,000
State general fund/general purpose	**$**	**0**
(5) SPECIALIZED SERVICES		
Secondary road patrol program	$	15,000,000
GROSS APPROPRIATION	**$**	**15,000,000**
Appropriated from:		
Special revenue funds:		
Secondary road patrol and training fund		15,000,000
State general fund/general purpose	**$**	**0**
(6) INFORMATION TECHNOLOGY		
Information technology services and projects	$	1,000,000
GROSS APPROPRIATION	**$**	**1,000,000**
Appropriated from:		
Special revenue funds:		
Criminal justice information center service fees		1,000,000
State general fund/general purpose	**$**	**0**
(7) ONE-TIME APPROPRIATIONS		
Disaster and emergency contingency fund	$	10,000,000
Law enforcement training for communicating with limited English speaking communities and those deaf and hard of hearing		(500,000)
GROSS APPROPRIATION	**$**	**9,500,000**
Appropriated from:		
State general fund/general purpose	**$**	**9,500,000**
Sec. 114. DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**35,833,400**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**35,833,400**
Federal revenues:		
Total federal revenues		100,000
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		100
State general fund/general purpose	**$**	**35,733,300**
(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT		
State archives	$	100,000
GROSS APPROPRIATION	**$**	**100,000**

		For Fiscal Year Ending Sept. 30, 2026
Appropriated from:		
Federal revenues:		
Federal funds	$	100,000
State general fund/general purpose	**$**	**0**
(3) ONE-TIME APPROPRIATIONS		
Emergency services contracted providers	$	6,000,000
Gubernatorial transition costs		3,000,000
Information technology investment fund		26,733,300
Make it in Michigan		100
GROSS APPROPRIATION	**$**	**35,733,400**
Appropriated from:		
Special revenue funds:		
Make it in Michigan competitiveness fund		100
State general fund/general purpose	**$**	**35,733,300**
Sec. 115. STATE TRANSPORTATION DEPARTMENT		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**0**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**0**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	**$**	**0**
(2) ROAD AND BRIDGE PROGRAMS		
Local grade separation program	$	40,000,000
Rail grade separation fund		(40,000,000)
GROSS APPROPRIATION	**$**	**0**
Appropriated from:		
Special revenue funds:		
Local grade separation fund		40,000,000
Neighborhood road fund		(40,000,000)
State general fund/general purpose	**$**	**0**
(3) PUBLIC TRANSPORTATION DEVELOPMENT		
Infrastructure projects authority fund	$	(65,000,000)
Infrastructure projects authority program		65,000,000
GROSS APPROPRIATION	**$**	**0**
Appropriated from:		
Special revenue funds:		
Infrastructure projects authority fund		65,000,000
Neighborhood road fund		(65,000,000)
State general fund/general purpose	**$**	**0**
Sec. 116. DEPARTMENT OF TREASURY		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	**$**	**5,170,000**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	**$**	**5,170,000**
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0

		For Fiscal Year Ending Sept. 30, 2026
Total other state restricted revenues	$	5,170,000
State general fund/general purpose	**$**	**0**
(2) TAX PROGRAMS		
Tax administration services	$	750,000
GROSS APPROPRIATION	**$**	**750,000**
Appropriated from:		
Special revenue funds:		
Delinquent tax collection revenue		750,000
State general fund/general purpose	**$**	**0**
(3) CASINO GAMING		
Casino gaming control operations	$	300,000
Gaming control information technology services and projects		620,000
GROSS APPROPRIATION	**$**	**920,000**
Appropriated from:		
Special revenue funds:		
Fantasy contest fund		15,000
Internet gaming fund		752,000
Internet sports betting fund		91,000
State services fee fund		62,000
State general fund/general purpose	**$**	**0**
(4) REVENUE SHARING		
Public safety revenue sharing grants	$	1,000,000
GROSS APPROPRIATION	**$**	**1,000,000**
Appropriated from:		
Special revenue funds:		
Sales tax		1,000,000
State general fund/general purpose	**$**	**0**
(5) ONE-TIME APPROPRIATIONS		
Gaming control information technology services and projects	$	2,500,000
GROSS APPROPRIATION	**$**	**2,500,000**
Appropriated from:		
Special revenue funds:		
Internet gaming fund		2,125,000
Internet sports betting fund		125,000
State services fee fund		250,000
State general fund/general purpose	**$**	**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 $810,388,600.00 and total state spending from state sources to be paid to local units of government is $109,647,900.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY		
Executive direction	$	3,000,000
Water quality programs		1,331,000
Subtotal	**$**	**4,331,000**
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Autism services	$	20,550,800

		For Fiscal Year Ending Sept. 30, 2026
Child care fund	$	25,037,600
Healthy Michigan plan – behavioral health		(3,025,500)
Medicaid mental health services		50,820,500
Medicaid substance use disorder services		(3,966,500)
Nursing home PAS/ARR-OBRA		900,000
Subtotal	**$**	**90,316,900**
DEPARTMENT OF STATE POLICE		
Secondary road patrol program	$	15,000,000
Subtotal	**$**	**15,000,000**
TOTAL	**$**	**109,647,900**

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. Funds appropriated in part 1 must be allocated and expended in a manner consistent with federal rules and regulations.

Sec. 204. Funds appropriated in part 1 are subject to applicable federal audit and reporting requirements. Prompt action shall be taken if instances of noncompliance are identified, including noncompliance identified in an audit finding. If any instance of noncompliance is identified, including noncompliance identified in an audit finding, the state budget director shall take necessary and immediate action to rectify it. The state budget director shall notify the senate and house appropriations committees and the senate and house fiscal agencies when an instance of noncompliance is identified.

Sec. 205. The state budget director shall take steps to ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law. Any state fiscal recovery funds that would otherwise lapse after September 30, 2026 are automatically reappropriated for the same purpose as originally authorized and available for expenditure through December 31, 2026 and any subsequent financial close out period.

Sec. 206. (1) To ensure that all state fiscal recovery funds allocated to this state under the American rescue plan act of 2021, Public Law 117-2, are expended by December 31, 2026, as required by law, the state budget director may reallocate appropriated funds for the purpose of fully utilizing state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline for reasons that may include, but are not limited to, completed projects coming in under budget or funds unable to be fully used by subrecipients. The state budget director shall reallocate any of the funds reallocated under this subsection to the programs or purposes specified in this section. Any funds reallocated are unappropriated and immediately reappropriated for the following purposes:

(a) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of corrections.

(b) To reclassify general fund/general purpose appropriations for payroll and covered benefits for eligible public health and safety employees at the department of state police.

(2) All applicable guidance, implementation, and reporting provisions of the American rescue plan act of 2021, Public Law 117-2, must be followed for state fiscal recovery funds reallocated and reappropriated under subsection (1).

(3) The state budget director shall notify the senate and house appropriations committees not later than 10 business days after making any reallocations under subsection (1). The notification must include the authorized program under which funds were originally appropriated, the amount of the reallocation, the program or programs, or purpose, and the department to which the funds are being reallocated under subsection (1), and the amount reallocated to each program or purpose.

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

Sec. 301. (1) Funds appropriated in part 1 for state sites cleanup program must be deposited into the state site cleanup fund from surplus funds in the cleanup and redevelopment trust fund in accordance with section 3e of 1996 PA 384, MCL 445.573e. All funds in the state site cleanup fund are appropriated and available for expenditure to support the implementation of the cleanup of environmentally contaminated sites, in accordance with section 20108c of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20108c.

(2) As used in this section:

(a) "Cleanup and redevelopment trust fund" means the cleanup and redevelopment trust fund created by section 3e of 1996 PA 384, MCL 445.573e.

(b) "State site cleanup fund" means the state site cleanup fund created by section 20108c of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20108c.

Sec. 302. The unexpended funds appropriated in part 1 for environmental cleanup and redevelopment program 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 the project is $25,000,000.00.

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

Sec. 303. The unexpended funds appropriated in part 1 for PFAS and emerging contaminants 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 expenditure for the project 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 address emerging contaminants in drinking water.

(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 $39,585,000.00.

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

Sec. 304. The unexpended funds appropriated in part 1 for executive direction 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 support a ports program and implementation of the Michigan maritime strategy.

(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 $3,000,000.00.

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

Sec. 305. The unexpended funds appropriated in part 1 for material management programs 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 support the coal combustion residuals program.

(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 $263,000.00.

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

Sec. 306. The unexpended funds appropriated in part 1 for energy programs 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 training for residential contractors.

(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 $4,125,000.00.

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

Sec. 307. The unexpended funds appropriated in part 1 for executive direction 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 support stormwater management in the Ox Creek Watershed.

(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 $1,300,000.00.

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

Sec. 308. The unexpended funds appropriated in part 1 for material management programs 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 replace high-emission vehicles.

(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 $685,000.00.

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

Sec. 309. The unexpended funds appropriated in part 1 for material management programs 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 support a SMART manufacturing grant program.

(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, 2030.

Sec. 310. The unexpended funds appropriated in part 1 for material management programs 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 support a heavy-duty vehicles program.

(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 $4,406,000.00.

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

Sec. 311. The unexpended funds appropriated in part 1 for material management programs 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 support food waste reduction.

(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 $700,000.00.

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

Sec. 312. The unexpended funds appropriated in part 1 for Great Lakes restoration initiative 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 support work in the Detroit and Rouge River areas of concern.

(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 $6,500,000.00.

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

Sec. 313. The unexpended funds appropriated in part 1 for federal - Great Lakes remedial action plan grants 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 support Great Lakes remedial action plan grants.

(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 $1,162,000.00.

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

Sec. 314. The unexpended funds appropriated in part 1 for water quality programs 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 grants to municipalities for sewer and stormwater infrastructure projects.

(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 $1,331,000.00.

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

Sec. 315. The unexpended funds appropriated in part 1 for water state revolving funds 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 expenditure for the project 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 support drinking water and wastewater large-scale construction projects.

(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 $123,273,000.00.

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

Sec. 316. The unexpended funds appropriated in part 1 for state sites cleanup program 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 project is to provide contaminated site cleanup at state-owned properties.

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

(c) The total estimated cost of all projects is $25,256,000.00.

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

Sec. 317. The unexpended funds appropriated in part 1 for contaminated site remediation 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 project is to remediate and redevelop contaminated site remediation and redevelopment programs.

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

(c) The total estimated cost of all projects is $15,000,000.00.

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Sec. 401. (1) The funds appropriated in part 1 for Medicaid work requirement grant shall be used for administrative costs directly associated with establishing systems and processes necessary to implement the work and community engagement requirements and other changes to eligibility determinations or redeterminations required by the 2025 budget reconciliation act, Public Law 119-21.

(2) The unexpended funds appropriated in part 1 for Medicaid work requirement grant 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 work project is to implement the work and community engagement requirements and other changes to eligibility determinations or redeterminations required by the 2025 budget reconciliation act, Public Law 119-21.

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

(c) The total estimated completion cost of the work project is $5,000,000.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 402. (1) From the funds appropriated in part 1 for community health screenings, the department shall allocate $5,000,000.00 as a grant to Mobile Health Alliance to conduct community health screenings and to collect and distribute public health data on underserved urban and rural populations, first responders, and veterans, to the department.

(2) Funds appropriated for community health screenings are considered work project 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 of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to provide funding for health screenings at no cost to the public in order to reduce health disparities in rural or medically underserved communities.

(b) The work project will be accomplished through partnerships with nonprofit agencies.

(c) The total estimated cost of the work project is $5,000,000.00.

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 403. From the funds appropriated in part 1 for implementation of maternal health policy changes, the department shall allocate $299,700.00 to implement 2024 PA 256, MCL 395.361 to 395.369.

Sec. 404. (1) From the funds appropriated in part 1 for underserved healthcare facility project, the department shall allocate $1,500,000.00 to Team Cares to support a pediatric and sedation dentistry clinic.

(2) The unexpended funds appropriated in part 1 for underserved healthcare facility project are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures under this section until the project has been completed. All of the following are 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 support a pediatric and sedation dentistry clinic.

(b) The project will be accomplished by a CARF International accredited wellness center.

(c) The estimated cost of the project is $1,500,000.00.

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

Sec. 405. State restricted quality assurance assessment program revenue appropriated in section 1834 of article 6 of 2025 PA 22 is reduced by $1,978,400.00.

Sec. 406. State restricted insurance provider assessment revenue appropriated in section 1833 of article 6 of 2025 PA 22 is increased by $7,414,400.00.

Sec. 407. (1) The funds appropriated in part 1 for community navigation partners shall be used to assist Michiganders in maintaining access to health care while Public Law 119-21 requirements are implemented, including providing community-based services, outreach, and support directly to individuals navigating the Medicaid or SNAP eligibility process. Up to $20,000,000.00 shall be awarded through a competitive process to an organization or multiple organizations to provide community-based services, outreach, and assistance. The grantee may serve as a fiduciary for other community partner organizations. Priority for subrecipient funding shall be given to, but is not limited to, organizations recognized as MI Bridges Community Partners.

(2) Funds appropriated for community navigation partners are considered work project 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 of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the work project is to provide funding to community partners for assisting individuals in navigating public benefit programs and raising awareness of changes to program eligibility.

(b) The work project will be accomplished through partnerships with nonprofit agencies.

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

(d) The tentative completion date for the work project is September 30, 2030.

Sec. 408. (1) From the funds appropriated in part 1 for dental clinic, the department shall allocate $2,900,000.00 to Northwest Michigan Health Services, Inc., to open a larger, more comprehensive dental clinic to support United We Smile.

(2) Unexpended and unencumbered funds appropriated in part 1 for dental clinic are designated as work project appropriations. Any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are

available for expenditures 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 funding for a dental clinic.

(b) The project will be accomplished through partnerships with nonprofit agencies.

(c) The total estimated cost of the project is $2,900,000.00.

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

Sec. 409. (1) From the funds appropriated in part 1 for adult home help services, Healthy Michigan plan – behavioral health, integrated care organizations, Medicaid home- and community-based services waiver, and Medicaid mental health services, the department of health and human services shall allocate $87,333,100.00 of general fund/general purpose revenue and any associated federal matching funds to continue the direct care wage increase included in 2025 PA 22 and provide adequate reimbursement to support any increase in the minimum hourly wage rate in effect as of January 1, 2026 as required by section 4 of the improved workforce opportunity wage act, 2018 PA 337, MCL 408.934.

(2) From the funds appropriated in part 1 for adult home help services, Healthy Michigan plan – behavioral health, integrated care organizations, Medicaid home- and community-based services waiver, and Medicaid mental health services, the department of health and human services shall allocate $23,475,800.00 of general fund/general purpose revenue and any associated federal matching funds to continue the direct care wage increase included in 2025 PA 22 and provide adequate reimbursement to support any increase in the minimum hourly wage rate in effect as of January 1, 2027 as required by section 4 of the improved workforce opportunity wage act, 2018 PA 337, MCL 408.934.

(3) From the funds appropriated in part 1 for adult home help services, Healthy Michigan plan – behavioral health, integrated care organizations, Medicaid home- and community-based services waiver, and Medicaid mental health services, the department of health and human services shall allocate $8,095,400.00 of general fund/general purpose revenue and any associated federal matching funds to continue the direct care wage increase included in 2025 PA 22 and provide adequate reimbursement to support any paid earned sick time as required by the earned sick time act, 2018 PA 338, MCL 408.961 to 408.974.

(4) Unexpended and unencumbered funds appropriated in part 1 for adult home help services, Healthy Michigan plan – behavioral health, integrated care organizations, Medicaid home- and community-based services waiver, and Medicaid mental health services are designated as work project appropriations. Any unencumbered or unallotted funds do not lapse at the end of the fiscal year and are available for projects under this section until the work 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 work project is to provide adequate reimbursement for direct care worker minimum wage and paid earned sick time costs.

(b) The work project will be accomplished using resources or contracts with service providers, or both.

(c) The total estimated completion cost of the work project is $351,849,500.00.

(d) The tentative completion date for the work project is September 30, 2030.

JUDICIARY

Sec. 451. Unexpended funds appropriated in part 1 for juvenile justice data management project are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditure 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 implement the enhancement and continuation of this state's juvenile justice supervision data system.

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

(c) The total estimated completion cost of the project is $6,000,000.00.

(d) The tentative completion date is September 30, 2029.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 501. The unexpended funds appropriated in part 1 for state historic preservation office grant 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 expenditure for the project 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 support stabilization and rehabilitation of historic properties in rural communities.

(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 $750,000.00.
(d) The tentative completion date is September 30, 2030.

Sec. 503. (1) The one-time funds appropriated in part 1 for office of future mobility and electrification shall be used to further the state's emerging aviation and advanced air mobility sector in alignment with Executive Directive No. 2025-4. Funds may be used for advanced air mobility infrastructure deployment to enable Beyond Visual Line of Sight operations, for efforts that further develop this emerging sector, and workforce development strategies to aid in this industry transition.

(2) The office of future mobility and electrification shall collaborate with other state departments, including the department of military and veterans affairs and the department of transportation, on the implementation of this program. As necessary to improve the administration or oversight of any of the dollars appropriated under this part and part 1, the department may adopt a memorandum of understanding with another state department to perform the required duties under this section. Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(3) In addition to the funds appropriated in part 1, federal funds received by the office of future mobility and electrification, or another state department or agency, for the purposes of advancing the state's aviation and advanced air mobility sector are appropriated for the purposes outlined in the federal grant award. Unexpended federal funds received under this section may be carried forward into the succeeding fiscal year.

(4) The unexpended funds appropriated in part 1 for the office of future mobility and electrification 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 support the emerging aviation and advanced air mobility sector.
(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 $1,000,000.00.
(d) The tentative completion date is September 30, 2030.

Sec. 504. (1) In addition to the funds appropriated in part 1, a total of $2,000,000.00 is appropriated in accordance with section 16 of the lawful internet gaming act, 2019 PA 152, MCL 432.316, and section 16 of the lawful sports betting act, 2019 PA 149, MCL 432.416, for tribal government grants that must be distributed to federally recognized tribal governments for the purpose of funding essential tribal government services. The funds shall be distributed according to an allocation plan recommended by the Inter-Tribal Council of Michigan.

(2) As used in this section, "federally recognized tribal government" means any Indian tribe, band, nation, or other organized group or community of Indians that is recognized as eligible by the United States Secretary of the Interior for the special programs and services provided by the United States to Indians because of their status as Indians, and is recognized as possessing powers of self-government.

Sec. 505. The unexpended funds appropriated in part 1 for workforce development 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 support workforce system costs associated with meeting federal work requirements under Public Law 119-21.
(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 $18,000,000.00.
(d) The tentative completion date is September 30, 2030.

Sec. 507. (1) From the funds appropriated in part 1 for rural jobs and capital investment, the fund, in conjunction with the MEDC and the department, shall make grants, loans, or 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.

(2) Unexpended funds appropriated in part 1 for rural jobs and capital investment are designated as a work project appropriation. Unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be

available for expenditure 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 make grants, loans, or other types of economic assistance.

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

(c) The total estimated completion cost of the project is $7,500,000.00.

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

Sec. 508. (1) From the funds appropriated in part 1 for legislatively directed spending items, $1,500,000.00 must be awarded to Bloomfield Township in Oakland County to support a fire station.

(2) From the funds appropriated in part 1 for legislatively directed spending items, $1,000,000.00 must be awarded to Shelby Township in Oceana County for community infrastructure.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

Sec. 551. (1) Not later than 30 days after enactment of this act, the legislature shall provide to the department and the state budget director a list of legislatively directed spending items, which may be referred to in this section as grants or direct appropriation grants, funded in part 1 consistent with the house or senate rules and this section. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with the house or senate rules and this section.

(2) Notwithstanding any other conditions or requirements for direct appropriation grants, the department shall perform, at a minimum, at least all of the following activities to administer the grants described in subsection (1):

(a) Establish a process to review, complete, and execute a grant agreement with a grant recipient. The department shall not execute a grant agreement unless all necessary documentation has been submitted and reviewed.

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

(c) Review and verify all necessary information to ensure the grant recipient is reasonably able to execute the grant agreement, perform its fiduciary duty, and comply with all applicable state and federal statutes. The department may deduct the cost of background checks and any other efforts performed as part of this verification from the amount of the designated grant award.

(d) Disburse the grant money per the grant disbursement schedule in the executed grant agreement on a reimbursement basis after the grantee has provided sufficient documentation, as determined by the department, to verify that expenditures were made in accordance with the project purpose.

(e) If the state budget director determines that information provided by the grantee does not meet the disclosure requirements, that the grant will be used to pay a tax lien, delinquent tax, or other obligation owed to this state, or that the grant will create a conflict of interest, the department shall not release the grant money to the grantee. Money that is not released under this subdivision lapses at the end of the fiscal year. There is not a conflict of interest if the sponsoring legislator certifies that the sponsoring legislator's immediate family members, the legislative staff members that have worked for the sponsoring legislator within the past 2 years, and the sponsoring legislator do not have a direct or indirect pecuniary interest in the legislatively directed spending item.

(3) An executed grant agreement under this section between the department and a grant recipient must include at least all of the following:

(a) All necessary identifying information for the grant recipient, including any tax and financial information necessary for the department to administer grant money under this section.

(b) A description of the project for which the grant money will be expended, including tentative timelines and the estimated budget. Project budget must include how all grant money will be used and must indicate if any grant money will be provided to a third party or subrecipient. The department shall not reimburse expenditures that are outside of the project purpose, as stated in the executed grant agreement, from appropriations in part 1. The grantee shall return to the state treasury any interest in excess of $1,000.00 earned on the grant money while unexpended and in possession of the grantee.

(c) Unless otherwise specified in department policy, a requirement that funds appropriated for the grants described in subsection (1) may be used only for expenditures that occur on or after the effective date of this act.

(d) A requirement for reporting by the grant recipient to the department and the legislative sponsor that provides the status of the project and an accounting of all money expended by the grant recipient, as determined by the department.

(e) A clawback provision that allows the department of treasury to recoup or otherwise collect any grant money that is declined, unspent, or otherwise misused.

(f) The documents publicly disclosed under subsection (1).

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the department may adopt a memorandum of understanding with another state department to perform the required duties under this section.

(5) A grant recipient shall respond to all reasonable information requests from the department related to grant expenditures and retain grant records for not less than 7 years, and the grant may be subject to monitoring, site visits, and audit as determined by the department. The grant agreement required under this section must include signed assurance by the chief executive officer or other executive officer of the grant recipient authorized to bind the grant recipient that the requirements of this subsection will be met.

(6) The grant recipient shall expend all grant money awarded and complete all projects not later than September 30, 2030. If at that time any unexpended money remains, the grant recipient shall return that money to the state treasury. If a grant recipient does not provide information sufficient to execute a grant agreement within 30 days after enactment of this act, the department shall return money associated with the grant to the state treasury.

(7) Any grant money that is awarded to a state department is appropriated in that department for the purpose of the intended grant.

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the department shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The department shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The department shall include in the report the most comprehensive information the department has available at the time of posting for grants awarded.

(9) If the state budget office determines that it is more efficient for the state budget office to compile all affected departments' information and post a report of the compiled information rather than the report required under subsection (8) being posted by individual departments, the state budget office may compile that information across all affected departments and post the compiled report and any updates on the same time schedule as identified in subsection (8).

(10) If the department reasonably determines that the money allocated for an executed grant agreement under this section was misused or that use of the money was misrepresented by the grant recipient, the department shall not award any additional funds under the executed grant agreement and shall refer the grant for review following internal audit protocols, which may include referral for criminal investigation.

Sec. 552. (1) From the funds appropriated in part 1 for Michigan Saves, the Michigan public service commission may award a $1,500,000.00 grant to Michigan Saves to conduct a grant program for clean energy improvement and on-site wastewater system replacement or repair. Michigan Saves shall grant funds to individuals or small businesses within this state who have a history of having difficulty obtaining traditional capital or households with a combined income not exceeding 300% of the federal poverty level and to businesses that indicate a state of financial need or vulnerability. The amount granted to a single individual or business may not exceed $100,000.00.

(2) From the funds appropriated in part 1 for Michigan Saves, the Michigan public service commission may award a $1,500,000.00 grant to a nonprofit green bank with experience in leveraging energy-efficiency and renewable energy improvements, for the purpose of making such loans more affordable for Michigan families, businesses, and public entities. Grant funds may be used to support a loan loss reserve fund or other comparable financial instrument to further leverage private investment in clean energy improvements.

(3) Recognizing the unique financial instrument and extended term for which loans may be outstanding, section 551(2)(d) and (6) does not apply to funds used to support a loan loss reserve as described in subsection (2). Fifty percent of funds shall be paid to the grantee not later than 60 days after a grant agreement has been executed, and the remaining funds disbursed after verification that the initial payment has been fully leveraged, in accordance with the project purpose. The remaining funds shall be disbursed in a manner specified in the grant agreement. The grantee must provide sufficient documentation, as determined by the department, to verify that all expenditures were made in accordance with the project purpose. The funds shall be fully deposited into a loan loss reserve fund not later than September 30, 2030. The grant recipient shall return any money not used to support the loan loss reserve fund to the state treasury.

Sec. 554. Funds appropriated in part 1 for Michigan indigent defense commission grants are designated as a work project appropriation. 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 support court-mandated resentencing of youthful defendants, planning or implementation costs related to the possible expansion of commission standards to include juvenile defendants, enhanced cost verification of local compliance plans, and grants to local indigent defense systems to support costs not covered by other funding.

(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 $50,000,000.00.

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

DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL

Sec. 575. The funds appropriated in part 1 for dual enrollment payments for an eligible student enrolled in a state-approved nonpublic school shall be distributed as provided under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, and the career and technical preparation act, 2000 PA 258, MCL 388.1901 to 388.1913, in a form and manner as determined by the department.

DEPARTMENT OF NATURAL RESOURCES

Sec. 601. The unexpended funds appropriated in part 1 for wildlife management 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 expenditure for the project 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 support Michigan's participation in the Chronic Wasting Disease Research Consortium study.

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

(c) The total estimated cost of the project is $3,221,400.00.

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

DEPARTMENT OF STATE POLICE

Sec. 651. General fund/general purpose funds appropriated in part 1 for disaster and emergency contingency fund must be deposited into the disaster and emergency contingency fund created in section 18 of the emergency management act, 1976 PA 390, MCL 30.418.

Sec. 652. From the unexpended and unencumbered funds appropriated in article 14 of 2024 PA 121 for law enforcement training for communicating with limited English speaking communities and those deaf and hard of hearing that were designated as work project appropriations, the department shall work with the state budget director to lapse all remaining funds in the work project. The work project lapse funds must be deposited in the general fund.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

Sec. 701. The unexpended funds appropriated in part 1 for gubernatorial transition costs 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 for executive office transition costs.

(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 $3,000,000.00.

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

Sec. 702. Consistent with the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, and Executive Reorganization Order Nos. 2002-12, MCL 38.1173, and 2007-21, MCL 18.45, human resources management network upgrades funded by appropriations in this act must comply with information technology standards, procedures, and policies of the department of technology, management, and budget. This includes, but is not limited to, executive governance that includes interagency users, department of technology, management, and budget project management, risk management, independent quality assurance, and adherence to industry best practices and benchmarks that provide a milestone view of the project plan, finances, and schedule in furtherance of meeting information technology project deliverables.

Sec. 703. The unexpended funds appropriated in part 1 for information technology investment fund 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 upgrade various state legacy information technology systems.

(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 $26,733,300.00.

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

Sec. 704. (1) The make it in Michigan competitiveness fund is created within the state treasury.

(2) Funds may be spent from the make it in Michigan competitiveness fund only on appropriation or administrative transfer pursuant to subsection (3).

(3) A transfer of funds from federal or state restricted contingency funds into the make it in Michigan competitiveness fund may be made by the state budget director not less than 30 days after notifying each member of the senate and house of representatives appropriations committees. Those transfers may be disapproved by either appropriations committee within the 30 days and, if disapproved within that time, are not effective.

(4) A transfer approved under this section constitutes authorization to transfer the amount recommended and approved. However, the amount must be reduced by the state budget director to be within the current unobligated amount of the appropriation.

(5) Transfers must not be authorized under any of the following circumstances:

(a) To create a new line-item appropriation or to create a new state program.

(b) To or from an operating appropriation line item that did not appear in the fiscal year appropriation bills for which the transfer is being made.

(c) To or from a work project as designated under section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

(d) Between state governmental funds.

(6) Interest and earnings from the investment of funds deposited in the make it in Michigan competitiveness fund must be deposited in the general fund.

(7) Funds in the make it in Michigan competitiveness fund at the close of a fiscal year remain in the make it in Michigan competitiveness fund and do not lapse to the general fund.

(8) Funds appropriated or transferred from the make it in Michigan competitiveness fund are available to leverage federal funding opportunities or to support critical investments that benefit Michigan residents or businesses, that include, but are not limited to, infrastructure, health, housing, public governance and safety, mobility and electrification, climate and the environment, economic development, or other funding opportunities. Funding opportunities may be in the form of formula- or competitive-based grants, cooperative agreements, or contracts, and may include funds contained in the infrastructure investment and jobs act, Public Law 117-58, the CHIPS act of 2022, division A of Public Law 117-167, the inflation reduction act of 2022, Public Law 117-169, or any other federal acts.

(9) The Michigan infrastructure office, in collaboration with the state budget director, shall form an interagency evaluation committee that includes the department of environment, Great Lakes, and energy, the department of labor and economic opportunity, the state transportation department, the Michigan strategic fund, or other entities at the discretion of the Michigan infrastructure office, to develop program guidelines and selection criteria for the recommended appropriation or transfer of funds. The interagency evaluation committee shall make recommendations to the director of the department of technology, management, and budget and the state budget director on the disbursement of funds. Funding must also be used to cover all costs related to the administration of this section.

(10) The department of technology, management, and budget shall inform the legislature not later than 30 days after any federal funds are received that would be used as the basis for recommended appropriations or transfers from the make it in Michigan competitiveness fund.

(11) Not later than 90 days after the close of each fiscal year, the department of technology, management, and budget shall report to the legislature on the projects funded with make it in Michigan competitiveness fund money.

(12) All unexpended funds appropriated in accordance with the provisions of this section 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 leverage federal funding opportunities or to support critical investments that benefit Michigan residents or businesses, that include, but are not limited to, infrastructure, health, housing, public governance and safety, mobility and electrification, climate and the environment, economic development, or other funding opportunities.

(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 commensurate to the amounts appropriated under this section.
(d) The tentative completion date is September 30, 2030.

Sec. 705. In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $50,000,000.00 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.

Sec. 706. (1) The emergency services contracted providers fund is created within the state treasury. The department of technology, management, and budget shall administer the emergency services contracted providers fund.
(2) Funds appropriated in part 1 for emergency services contracted providers 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 department of corrections 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 department of technology, management, and budget shall collaborate with the department of corrections to develop a grant program to provide monetary awards to ambulance providers for reimbursement of payments owed as described in subsection (2). The department of technology, management, and budget 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 department of technology, management, and budget shall publish the grant application developed under subsection (3) on the department of technology, management, and budget's publicly accessible website immediately upon development.
(5) The department of technology, management, and budget shall accept applications for a period of 30 days beginning on the date that the department of technology, management, and budget publishes the application under subsection (4).
(6) The department of technology, management, and budget 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.

DEPARTMENT OF TRANSPORTATION

Sec. 801. (1) Funds from the neighborhood roads fund must be distributed and are appropriated to the local grade separation fund, comprehensive transportation fund, infrastructure projects authority fund, and the state trunkline fund, in accordance with this part and part 1, and section 13c of 1951 PA 51, MCL 247.663c.
(2) As used in this section:
(a) "Comprehensive transportation fund" means the comprehensive transportation fund created in section 10b of 1951 PA 51, MCL 247.660b.
(b) "Infrastructure projects authority fund" means the infrastructure projects authority fund created by section 13c of 1951 PA 51, MCL 247.663c.
(c) "Local grade separation fund" means the local grade separation fund created by section 11i of 1951 PA 51, MCL 247.661i.
(d) "Neighborhood roads funds" means the neighborhood roads fund created by section 13c of 1951 PA 51, MCL 247.663c.
(e) "State trunkline fund" means the state trunkline fund created by section 11 of 1951 PA 51, MCL 247.661.

Sec. 802. At the close of the fiscal year, any unencumbered and unexpended balance in the neighborhood roads fund not previously allocated under section 13c(5)(a) to (e) of 1951 PA 51, MCL 247.663c, remains in the neighborhood roads fund and carries forward and is appropriated to local road agencies and the state trunkline fund according to section 13c(5) of 1951 PA 51, MCL 247.663c.

Sec. 803. (1) At the close of the fiscal year, any unencumbered and unexpended balance in the movable bridge fund remains in the movable bridge fund and carries forward and is appropriated for the purposes described in section 11g(3)(b) of 1951 PA 51, MCL 247.661g.

(2) As used in this section, "moveable bridge fund" means the moveable bridge fund created by section 11g of 1951 PA 51, MCL 247.661g.

DEPARTMENT OF TREASURY

Sec. 901. (1) From the funds appropriated in part 1 for public safety revenue sharing grants, the department shall create and administer a block grant program to support training provided by an entity holding an oral transliteration certificate. The oral transliteration certificate must be held by an officer, board member, or principal of the entity, and must have been held for 1 year or more. Any training course provided for under this section must be certified by the International Accreditors for Continuing Education and Training. That certification may be obtained and maintained through a developer who has current status with the International Accreditors for Continuing Education and Training. The purpose of the grant is to train officers to better assist in their communication with members of the public who experience a language barrier or may be hard of hearing or deaf.

(2) The unexpended funds appropriated in part 1 for public safety revenue sharing grants 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.

(3) The department may use the funds appropriated in part 1 for public safety revenue sharing grants for costs associated with the administration and oversight of the block grant program.

Sec. 902. The unexpended funds appropriated in part 1 for casino gaming control operations 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 expenditure 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 responsible gaming education and outreach services targeted for youth.

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

(c) The total estimated cost of all projects is $300,000.00.

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

Sec. 903. The unexpended funds appropriated in part 1 for gaming control information technology services and projects 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 expenditure 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 support upgrades and automation of information technology systems used by the gaming control board for enforcement and regulation of casino gaming, internet gaming, and sports betting.

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

(c) The total estimated cost of all projects is $3,120,000.00.

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

REPEALERS

Sec. 1101. Section 822j of article 5 of 2025 PA 22 is repealed.

Sec. 1102. Sections 1934, 1964, 1968, and 1977 of article 6 of 2025 PA 22 are repealed.

Sec. 1103. Section 1002 of article 10 of 2025 PA 22 is repealed.

This act is ordered to take immediate effect.

Secretary of the Senate

Clerk of the House of Representatives

Approved____________________________________

Governor