

SENATE BILL No. 646

October 25, 1989, Introduced by Senators DILLINGHAM, CROPSEY, CHERRY, WELBORN, DI NELLO, J. HART, CARL, IRWIN, CONROY, V. SMITH, POLLACK, HOLMES, KELLY and O'BRIEN and referred to the Committee on Appropriations.

A bill to make appropriations for the Michigan employment security commission for the fiscal year ending September 30, 1990; to create certain committees and certain funds; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is appropriated for the Michigan employment secur-
2 ity commission from the penalty and interest account and the solvency tax
3 account in the contingent fund to supplement former appropriations for
4 the fiscal year ending September 30, 1990, the sum of \$55,575,000.00, for
5 the following purposes:

6 Computer system improvement and capacity expansion	
7 project.....	\$ 19,450,000
8 Safety improvements in the headquarters building in	
9 Detroit.....	2,700,000

1	Training fund.....	1,000,000
2	Fraud control and collections division.....	425,000
3	Increased staffing requirements.....	1,000,000
4	Emergency computer backup plan.....	1,500,000
5	Stabilization fund.....	3,500,000
6	Transfer for solvency tax payments.....	2,000,000
7	Advocacy assistance program.....	5,000,000
8	Solvency tax account.....	<u>19,000,000</u>
9	GROSS APPROPRIATION.....	\$ 55,575,000

10 Sec. 201. In accordance with the provisions of section 30 of arti-
11 cle IX of the state constitution of 1963, total state spending in this
12 appropriation act is \$55,575,000.00 and total state payments to local
13 units of government in section 101 are 0.

14 Sec. 202 As used in this act, "commission" means the Michigan
15 employment security commission.

16 Sec. 301. (1) The \$19,450,000.00 appropriated in section 101 shall
17 be used for continuing work on the unemployment insurance computer system
18 improvement and capacity expansion project. One million dollars of this
19 amount shall be used for staff training in use of the improved computer
20 system.

21 (2) The commission shall appoint a computer project oversight com-
22 mittee of not to exceed 15 members. The committee shall be composed of
23 computer system specialists and unemployment insurance specialists from
24 the private sector and employees of the commission who are involved in
25 the project. The committee, on a quarterly basis, shall review
26 commission staff reports on the status of the project and shall provide a
27 short written summary report on the review to the commission, the

1 department of management and budget, and the senate and house of
2 representatives labor committees and appropriations subcommittees on
3 regulatory. The committee shall serve in an advisory capacity to the
4 commission regarding the project upon request.

5 (3) The appropriation described in this section shall be considered
6 a work project and shall not lapse at the end of the fiscal year but
7 shall continue to be available for expenditure until the project is
8 completed.

9 Sec. 302. (1) Within 6 months after the effective date of this sec-
10 tion, the commission by an affirmative majority vote of the members shall
11 finalize an emergency backup plan for the current computer system. The
12 plan shall be funded in the amount of \$1,500,000.00 appropriated in
13 section 101 from the penalty and interest account in the contingent
14 fund. A reserve is established in the account for this purpose.

15 (2) An emergency shall exist when the commission is unable to serv-
16 ice claimants or employers on a statewide, regional, or local basis over
17 a prolonged period of time, as determined by the commission.

18 (3) Expenditure of funds from the reserve established pursuant to
19 subsection (1) shall only be made after the commission by an affirmative
20 majority vote of the members determines that an emergency exists or
21 according to specific criteria included in the plan approved pursuant to
22 subsection (1).

23 (4) The emergency plan shall not be required after the commission
24 determines that the unemployment insurance computer system improvement
25 and capacity expansion project is fully operational or 36 months after
26 the effective date of this section, whichever occurs first. Unexpended

1 funds remaining in the reserve account at the end of this period shall
2 revert to the penalty and interest account.

3 (5) The appropriation described in this section shall be considered
4 a work project and shall not lapse at the end of the fiscal year but
5 shall continue to be available for expenditure as provided under
6 subsection (4).

7 Sec. 303. (1) A stabilization fund is established for the purpose
8 of offsetting the effects on state budgeted staffing levels due to unan-
9 ticipated cuts in federal administrative funds that may occur in any
10 fiscal year.

11 (2) The fund shall be in the amount of \$3,500,000.00 and shall be
12 authorized from the penalty and interest account in the contingent fund.
13 A reserve is established in the account for this purpose. Expenditures
14 from the fund shall be authorized by the commission by an affirmative
15 majority vote of the members if it determines that the requirements of
16 subsection (1) are met.

17 (3) The appropriation described in this section shall be considered
18 a work project and shall not lapse at the end of the fiscal year but
19 shall continue to be available for expenditure until the project is
20 completed.

21 Sec. 304. The commission shall fund an employee training program in
22 the amount of \$1,000,000.00 for the fiscal year ending September 30, 1990
23 from the penalty and interest account in the contingent fund. This
24 training program shall be used by the commission for the purpose of
25 training employees to provide more effective service to claimants and
26 employers.

1 Sec. 305. (1) There shall be appropriated \$2,700,000.00 for the
2 fiscal year ending September 30, 1990, to fund improvements in the
3 commission headquarters' offices in Detroit. These funds shall be
4 expended upon approval by the commission as follows:

5 (a) \$950,000.00 for elevator modernization.

6 (b) \$1,200,000.00 for fire suppression and alarm systems.

7 (c) \$550,000.00 for exterior and other repairs.

8 (2) This appropriation shall be considered a work project and shall
9 not lapse at the end of the current fiscal year but shall continue to be
10 available for expenditure until the project is completed.

11 Sec. 306. (1) There shall be appropriated \$425,000.00 for the
12 fiscal year ending September 30, 1990, which shall be used by the commis-
13 sion to secure automated systems for the fraud control and collections
14 division. The commission shall fund in the amount of \$1,000,000.00 for
15 the fiscal year ending September 30, 1990 from the penalty and interest
16 account in the contingent fund to provide for fraud control and
17 investigation.

18 (2) The \$425,000.00 appropriation described in this section shall be
19 considered a work project and shall not lapse at the end of the current
20 fiscal year but shall continue to be available for expenditure until the
21 project is completed.

22 Sec. 307. The \$2,000,000.00 appropriated in section 101 for sol-
23 vency tax payments shall be used, if necessary, by the commission to
24 assist in making the payments required by section 10(7) of the Michigan
25 employment security act, Act No. 1 of the Public Acts of the Extra
26 Session of 1936, being section 421.10 of the Michigan Compiled Laws. Any
27 funds that are not needed to make the payments required by section 10(7)

1 of Act No. 1 of the Public Acts of the Extra Session of 1936 shall be
2 returned from the solvency tax account to the penalty and interest
3 account after the good faith effort required by that section has been
4 made.

5 Sec. 308. (1) The \$5,000,000.00 appropriated in section 101 for the
6 advocacy assistance program shall be for the purpose of implementing the
7 program in the fiscal year ending September 30, 1990. Not more than
8 \$500,000.00 shall be expended during the fiscal year ending September 30,
9 1990. For each of the subsequent 3 fiscal years, the maximum amount of
10 expenditure for the program shall not exceed \$1,500,000.00 per year.

11 (2) Three years after the date a claimant or employer first receives
12 advocacy assistance services, the continuation of the program shall
13 require an affirmative vote by a majority of the members of the commis-
14 sion each year to continue the program for that year. The appropriations
15 described in this section shall be used to finance all costs connected
16 with the program. Not to exceed 60% of the maximum expenditure allowed
17 in each fiscal year shall be used for costs related to representation of
18 claimants and not to exceed 40% of the maximum expenditure allowed in
19 each fiscal year shall be used for costs related to representation of
20 employers.

21 (3) The \$5,000,000.00 appropriation described in this section shall
22 be considered a work project and shall not lapse at the end of the cur-
23 rent fiscal year but shall continue to be available until the project is
24 completed.

25 Sec. 309. The \$19,000,000.00 appropriated in section 101 from the
26 solvency tax account shall be used to make the payments required by
27 section 10(7) of the Michigan employment security act, Act No. 1 of the

1 Public Acts of the Extra Session of 1936, being section 421.10 of the
2 Michigan Compiled Laws.

3 Sec. 321. This act shall not take effect unless all of the follow-
4 ing bills of the 85th Legislature are enacted into law:

5 (a) House Bill No. 4815.

6 (b) Senate Bill No. 68.

7 (c) Senate Bill No. 466.

8 (d) Senate Bill No. 639.

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10 (e) Senate Bill No. 640.

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12 (f) Senate Bill No. 641.

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14 (g) House Bill No. 5222.

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16 (h) Senate Bill No. 642.

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18 (i) Senate Bill No. 643.

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20 (j) Senate Bill No. 644.

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22 (k) Senate Bill No. 645.

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24 (l) Senate Bill No. 647.

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26 (m) Senate Bill No. 648.

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