

SENATE BILL No. 970

EXECUTIVE BUDGET BILL

February 3, 2000, Introduced by Senators JOHNSON, SCHWARZ and STILLE and referred to the Committee on Appropriations.

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2001; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of career development and the Michigan strategic fund for the fiscal year ending September 30, 2001, from the funds indicated in this part, the following:

TOTAL APPROPRIATIONS

05701'00

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1 APPROPRIATION SUMMARY:

2 Full-time equated unclassified positions. . . 6.0

3 Full-time equated classified positions . 1,374.0

4 GROSS APPROPRIATION \$ 766,037,200

5 Interdepartmental grant revenues:

6 Total interdepartmental grants and

7 intradepartmental transfers 1,148,000

8 ADJUSTED GROSS APPROPRIATION \$ 764,889,200

9 Federal revenues:

10 Total federal revenues 521,492,000

11 Special revenue funds:

12 Total local revenues 14,962,800

13 Total private revenues 3,327,100

14 Total other state restricted revenues 135,545,800

15 State general fund/general purpose \$ 89,561,500

16 **Sec. 102. DEPARTMENT OF CAREER DEVELOPMENT**17 **(1) APPROPRIATION SUMMARY:**

18 Full-time equated unclassified positions . . 6.0

19 Full-time equated classified positions . 1,139.0

20 GROSS APPROPRIATION \$ 596,954,400

21 Appropriated from:

22 Interdepartmental grant revenues:

23 Total interdepartmental grants and intradepartmental

24 transfers 1,048,000

25 ADJUSTED GROSS APPROPRIATION \$ 595,906,400

26 Federal revenues:

27 Total federal revenues 468,818,800

28 Special revenue funds:

29 Total local revenues 14,962,800

30 Total private revenues 2,670,400

31 Total other state restricted revenues 85,495,800

32 State general fund/general purpose \$ 23,958,600

33 **(2) DEPARTMENTAL ADMINISTRATION**

34 Full-time equated unclassified positions . . 6.0

1	Unclassified salaries	\$	<u>546,900</u>
2	GROSS APPROPRIATION	\$	546,900
3	Appropriated from:		
4	State general fund/general purpose	\$	546,900
5	(3) DEPARTMENT OPERATIONS		
6	Full-time equated classified positions		103.0
7	Administration -103.0 FTE positions	\$	12,255,700
8	Special project advances		<u>200,000</u>
9	GROSS APPROPRIATION	\$	12,455,700
10	Appropriated from:		
11	Federal revenues:		
12	CNS		102,000
13	DED-OSERS, rehabilitation services, vocational		
14	rehabilitation of state grants		4,180,700
15	DOL-ETA, workforce investment act		645,900
16	DOL, federal funds		3,279,000
17	HHS, temporary assistance for needy families		1,514,200
18	Special revenue funds:		
19	Private-special project advances		200,000
20	Contingent fund, penalty and interest		397,900
21	State general fund/general purpose	\$	2,136,000
22	(4) WORKFORCE DEVELOPMENT		
23	Full-time equated classified positions		669.0
24	Employment training services--574.0 FTE positions	\$	61,243,100
25	Michigan career and technical institute		
26	-95.0 FTE positions		<u>10,163,200</u>
27	GROSS APPROPRIATION	\$	71,406,300
28	Appropriated from:		
29	Interdepartmental grant revenues:		
30	IDG-MDOC		32,400
31	Federal revenues:		
32	CNS		532,400
33	DAG, employment and training		258,300
34	DED, cooperative demonstration, school-to-work		700,000

1	DED-OPSE, multiple grants	615,500
2	DED-OSERS, centers for independent living	58,200
3	DED-OSERS, rehabilitation long-term training	566,900
4	DED-OSERS, rehabilitation services, vocational	
5	rehabilitation of state grants	41,327,200
6	DED-OSERS, state grants for technical related	
7	assistance	55,700
8	DOL-ETA, workforce investment act	3,172,400
9	DOL-ETA, multiple grants	596,300
10	DOL-NOICC	171,900
11	HHS, temporary assistance for needy families	3,725,100
12	HHS-SSA, supplemental security income	4,185,500
13	Special revenue funds:	
14	Local-vocational rehabilitation match	3,247,100
15	Private-gifts, bequests, and donations	1,396,300

1	Rehabilitation services fees	1,236,900
2	Second injury fund	51,500
3	Student fees	308,000
4	Training material fees	256,300
5	State general fund/general purpose	\$ 8,912,400
6	(5) CAREER EDUCATION PROGRAMS	
7	Full-time equated classified positions . . . 64.0	
8	Career and technical education--30.0 FTE positions	2,969,700
9	Postsecondary education--22.0 FTE positions . . .	2,359,900
10	Adult education--12.0 FTE positions	<u>1,753,100</u>
11	GROSS APPROPRIATION	\$ 7,082,700
12	Appropriated from:	
13	Federal revenues:	
14	Federal revenues	5,192,300
15	Special revenue funds:	
16	Private occupational school license fees	274,100
17	Defaulted loan collection fees	102,200
18	State general fund/general purpose	\$ 1,514,100
19	(6) DEPARTMENT GRANTS	
20	Adult basic education	\$ 11,004,700
21	Council of Michigan foundations	6,000,000
22	Focus: HOPE	5,494,300
23	Gear-up program grants	2,000,000
24	Job training programs subgrantees	110,048,300
25	Michigan community service commission	
26	subgrantees	5,900,000
27	Michigan technical education centers	75,000,000
28	Personal assistance services	412,000
29	Pre-college programs in engineering and the	
30	sciences	1,044,700
31	Supported employment grants	1,308,600
32	Technology assistance grants	1,150,000
33	Vocational education act of 1963	39,500,000
34	Vocational rehabilitation client	

1	services/facilities	50,143,400
2	Vocational rehabilitation independent living . .	2,365,700
3	Welfare to work programs	<u>140,499,000</u>
4	GROSS APPROPRIATION	\$ 451,870,700
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG-MDOC	1,015,600
8	Federal revenues:	
9	CNS	4,500,000
10	DAG, employment and training	13,000,000
11	DED-OESE, Gear-up	2,000,000
12	DED-OSERS, centers for independent living	525,000
13	DED-OSERS, client assistance for individuals	
14	with disabilities	400,000
15	DED-OSERS, rehabilitation services, vocational	
16	rehabilitation of state grants	34,935,200
17	DED-OSERS, rehabilitation services facilities . .	2,272,500
18	DED-OSERS, supported employment	1,308,600
19	DED-OSERS, state grants for technical related	
20	assistance	1,150,000
21	DED-OVAE, adult education	11,004,700
22	DED-OVAE, basic grants to states	39,500,000
23	DOL-ETA, workforce investment act	104,602,700
24	DOL-ETA, multiple grants	4,430,000
25	HHS, temporary assistance for needy families . .	127,499,000
26	HHS-SSA, supplemental security income	2,362,500
27	Special revenue funds:	
28	Local-vocational rehabilitation match	6,437,400
29	Local-vocational rehabilitation facilities match	1,278,300
30	Private-gifts, bequests, and donations	800,000
31	Contingent fund, penalty and interest account . .	1,000,000
32	Tobacco settlement revenue	81,000,000
33	State general fund/general purpose	\$ 10,849,200
34	(7) EMPLOYMENT SERVICE AGENCY	

1	Full-time equated classified positions . . .	303.0	
2	Employment services -251.0 FTE positions		\$ 49,080,000
3	Labor market information- 52.0 FTE positions . .		<u>4,512,100</u>
4	GROSS APPROPRIATION		\$ 53,592,100
5	Appropriated from:		
6	Federal revenues:		
7	DED-OSERS - Rehabilitation services, vocational		
8	rehabilitation of state grants		1,300,000
9	DOL, federal funds		47,149,100
10	Special revenue funds:		
11	Total local revenues		4,000,000
12	Contingent fund, penalty and interest account . .		1,143,000
13	State general fund/general purpose		\$ 0
14	Sec. 103. MICHIGAN STRATEGIC FUND		
15	(1) APPROPRIATION SUMMARY:		
16	Full-time equated classified positions . . .	235.0	
17	GROSS APPROPRIATION		\$ 169,082,800
18	Appropriated from:		

1	Interdepartmental grant revenues:	
2	Total interdepartmental grants and intradepartmental	
3	transfers	100,000
4	ADJUSTED GROSS APPROPRIATION	\$ 168,982,800
5	Federal revenues:	
6	Total federal revenues	52,673,200
7	Special revenue funds:	
8	Total local revenues	0
9	Total private revenues	656,700
10	Total other state restricted revenues	50,050,000
11	State general fund/general purpose	\$ 65,602,900
12	(2) MICHIGAN STRATEGIC FUND	
13	Full-time equated classified positions	235.0
14	Administration -40.0 FTE positions	\$ 5,483,300
15	Job creations services- 195.0 FTE positions	24,557,000
16	Michigan promotion program	8,042,500
17	Economic development job training grants	31,000,000
18	Community development block grants	50,000,000
19	Health and aging research and development	
20	initiative	<u>50,000,000</u>
21	GROSS APPROPRIATION	\$ 169,082,800
22	Appropriated from:	
23	Interdepartmental grant revenues:	
24	IDG-MDEQ, air quality fees	100,000
25	Federal revenues:	
26	DOL-ETA, employment service	770,000
27	HUD-CPD, community development block grant	51,903,200
28	Special revenue funds:	
29	Private-Michigan certified development	
30	corporation fees	156,700
31	Private-special project advances	500,000
32	Industry support fees	50,000
33	Tobacco settlement revenue	50,000,000
34	State general fund/general purpose	\$ 65,602,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

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4 Sec. 201. (1) Pursuant to section 30 of article IX of the state
5 constitution of 1963, total state spending under part 1 for fiscal
6 year 2000-2001 is \$225,107,300.00 and state appropriations to be paid
7 to local units of government is \$0.00.

8 (2) If it appears to the principal executive officer of a
9 department or branch that state spending to local units of government
10 will be less than the amount that was projected to be expended for any
11 quarter under subsection (1), the principal executive officer shall
12 immediately give notice of the approximate shortfall to the state
13 budget director, the senate and house of representatives standing
14 committees on appropriations, and the senate and house fiscal
15 agencies.

16 Sec. 202. As used in this appropriation bill:

17 (a) "CDBG" means community development block grant.

18 (b) "CNS" means the corporation for national services.

19 (c) "DAG" means the United States department of agriculture.

20 (d) "DED" means the United States department of education.

21 (e) "DED-OPSE" means the DED office of postsecondary education.

22 (f) "DED-OESE" means the DED office of elementary and secondary
23 education.

24 (g) "DED-OSERS" means the DED office of special education
25 rehabilitation services.

26 (h) "DED-OVAE" means the DED office of vocational and adult
27 education.

28 (i) "Department" means the department of career development.

29 (j) "Director" means the director of the department of career
30 development.

31 (k) "DOL" means the United States department of labor.

32 (l) "DOL-ETA" means the DOL employment and training act.

33 (m) "DOL-NOICC" means the DOL national occupational information
34 coordinating committee.

35 (n) "Fiscal agencies" means the Michigan house fiscal agency and
36 the Michigan senate fiscal agency.

1 (o) "FTE" means full-time equated.

2 (p) "Fund" means the Michigan strategic fund.

3 (q) "HHS" means the United States department of health and human
4 services.

5 (r) "HHS-SSA" means HHS social security administration.

6 (s) "HUD-CPD" means HUD community planning and development.

7 (t) "IDG" means interdepartmental grant.

8 (u) "MDEQ" means the Michigan department of environmental quality.

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

10 (w) "President" means the president of the Michigan strategic
11 fund.

12 (x) "U.S.C." means the United States code.

13 (y) "WIA" means workforce investment act.

14 Sec. 203. The expenditures and funding sources authorized under
15 this bill are subject to the management and budget act, 1984 PA 431,
16 MCL 18.1101 to 18.1594.

17 Sec. 204. The department of civil service shall bill departments
18 and agencies at the end of the first fiscal quarter for the 1% charge
19 authorized by section 5 of article XI of the state constitution of
20 1963. Payments shall be made for the total amount of the billing by
21 the end of the second fiscal quarter.

22 Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on
23 the state classified civil service. State departments and agencies are
24 prohibited from hiring any new full-time state classified civil
25 service employees and prohibited from filling any vacant state
26 classified civil service positions. This hiring freeze does not apply
27 to internal transfers of classified employees from one position to
28 another within a department or to positions that are funded with 80%
29 or more federal or restricted funds.

30 (2) The state budget director shall grant exceptions to this
31 hiring freeze when the state budget director believes that the hiring
32 freeze will result in rendering a state department or agency unable to
33 deliver basic services. The state budget director shall report by the
34 30th of each month to the chairpersons of the senate and house of
35 representatives standing committees on appropriations the number of
36 exceptions to the hiring freeze approved during the previous month and

1 the reasons to justify the exception.

2 Sec. 206. Sixty days before beginning any effort to privatize, the
3 department shall submit a complete project plan to the appropriate
4 subcommittees of the senate and house of representatives standing
5 committees on appropriations and the senate and house fiscal agencies.
6 The plan shall include the criteria under which the privatization
7 initiative will be evaluated. The evaluation shall be completed and
8 submitted to the appropriate subcommittees of the senate and house of
9 representatives standing committees on appropriations and the senate
10 and house fiscal agencies within 30 months.

11 Sec. 207. The department shall continue to pilot the use of the
12 Internet to fulfill the reporting requirements in this bill. This may
13 include transmission of reports via electronic mail to the recipients
14 identified for each reporting requirement. Or it may include placement
15 of reports on the Internet or on the Intranet. The appropriations
16 subcommittee shall be notified in writing of the Internet/Intranet
17 site of any such report.

18 **DEPARTMENT OF CAREER DEVELOPMENT**

19 Sec. 301. The Michigan career and technical institute may receive
20 equipment and in-kind contributions for the direct support of staff
21 services through the Pine Lake fund, the Delton-Kellogg school
22 district or other local or intermediate school district, or any
23 combination of local or intermediate school districts in addition to
24 those authorized in part 1.

25 Sec. 302. The Michigan rehabilitation service shall make every
26 effort to ensure that all sources of matching funds in this state are
27 used to obtain federal vocational rehabilitation funds. All sources
28 include, but are not limited to, privately raised funds to support
29 public nonprofit rehabilitation centers as permitted by the
30 rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701 to 717,
31 720 to 724, 730 to 732, 740 to 741, 750, 752, 760 to 762, 770 to 777b,
32 777d to 777f, 780, 781 to 785, 790 to 794d, 795 to 795q, and 796 to
33 796i.

34 Sec. 303. (1) The appropriation in part 1 to the department for
35 the work first program shall be expended for grants which provide
36 employment and training services to family independence program

1 applicants and recipients and may be expended for grants which provide
2 employment and training services to former family independence program
3 recipients, as well as to recipients of noncash public assistance,
4 specifically child day care, Medicaid, or food stamp benefits. The
5 work first program, however, shall not be construed to be an
6 entitlement to services.

7 (2) An applicant may be a district, intermediate district,
8 community college, public or private nonprofit college or university,
9 nonprofit organization that provides school-to-work transition
10 programs or that provides employment and training services or
11 vocational rehabilitation programs or state licensed accredited
12 vocational or technical education programs, proprietary school
13 licensed by the state board of education, local workforce development
14 board, or a consortium consisting of any combination of districts,
15 intermediate districts, community colleges, nonprofit organizations
16 described in this subsection, licensed proprietary schools, or public
17 or private nonprofit colleges or universities described in this
18 subsection.

19 (3) When the work first job search requirements have been
20 completed, if the participant has not found employment, the work first
21 site shall identify the barriers which may have prevented the
22 participant from obtaining employment and assist the client in
23 removing those barriers. The work first site shall also identify
24 appropriate education and job training programs which would be
25 available to the participant.

26 (4) Work first program participants shall include applicants and
27 recipients of the family independence program established under
28 section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and
29 such individuals referred to a job club program by a county family
30 independence agency board or a county friend of the court as long as
31 the participation in the job club is part of an application made under
32 this section. Additionally, the department and the family independence
33 agency shall work together to develop a program to provide employment
34 services to former family independence program recipients and to
35 recipients of noncash public assistance benefits such as child day
36 care, Medicaid, or food stamp benefits. This program shall not be

1 construed to be an entitlement to services.

2 (5) Participants in the work first program shall not be enrolled
3 and counted in membership in a school district or intermediate school
4 district.

5 (6) The department will work with the family independence agency
6 to coordinate support services to work first participants relating to
7 special/emergency needs.

8 (7) Work first program participants must receive or be provided an
9 explanation of the program including their benefits and
10 responsibilities before the job interview phase of the program. This
11 explanation shall include clear guidelines with regard to an
12 individual's eligibility for post-employment training support and for
13 applying hours in training toward federal work requirements.

14 (8) The department shall make every effort to place a minimum of
15 25% of clients who participate in the work first program in positions
16 that provide wages of \$6.00 per hour or more.

17 (9) The department shall submit to the fiscal agencies and the
18 state budget director by March 15, 2001, a report on the work first
19 program, including the number of participants served under this
20 section, the number of persons who located employment through work
21 first, the average wage of participants who found employment, the
22 number of persons who retained jobs for 90 days, the number of
23 participants placed in employment training and education programs, the
24 number of clients referred to work first who failed to report, a
25 compilation of barriers to employment by incidence and type
26 experienced by participants, and the number of participants referred
27 back to the family independence agency.

28 (10) A grant awarded under this section may extend beyond the end
29 of the fiscal year in which the grant is awarded and the funds awarded
30 for the grant may be available in the subsequent fiscal year for
31 payment the next fiscal year.

32 (11) The department shall provide to the state budget director and
33 the fiscal agencies by May 15 and November 15 of each year a report on
34 the work first grants. The report due by May 15 shall provide the
35 information described in this subsection for each grant or contract
36 awarded during the preceding 2 quarters of the state fiscal year. The

1 report due by November 15 shall provide this information for each
2 grant or contract awarded during the preceding full fiscal year. The
3 report shall contain both of the following:

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

5 (b) The number of participants in each service delivery area and
6 the number of clients placed in employment in each service delivery
7 area.

8 (12) Work first participants may meet the work participation
9 requirement by combining a minimum of 10 hours per week of work with
10 training/education. Training/education may last up to 12 months and
11 the calculated hours may include actual classroom seat time up to 10
12 hours per week plus up to 1 hour of study time for each hour of
13 classroom seat time. The combined work and training/education hours
14 must equal the minimum number of hours required to meet the federal
15 work participation requirements, 30 hours per week for a single
16 parent, 35 hours per week for 2-parent families (55 hours if utilizing
17 federally funded day care), and 20 hours per week for single parents
18 with a child under the age of 6. Work first participants may enroll in
19 additional hours of classroom seat time beyond 10 hours. However,
20 these hours and the related study time will not count toward the work
21 participation requirement. The training may be no longer than a 1-year
22 program, or the final year of a 2- or 4-year undergraduate program
23 which is designed to lead to immediate labor force attachment no
24 longer than 1-year.

25 (13) Work first participants may meet the federal work
26 participation requirement through enrollment in a short-term
27 vocational program requiring 30 hours of classroom seat time per week
28 for a period not to exceed 6 months, or by enrollment in full-time
29 internships, practicums, or clinicals required by an academic or
30 training institution for licensure, professional certification, or
31 degree completion, without an additional work requirement. Two-parent
32 families who receive federally funded day care must work an additional
33 25 hours per week to meet the federal work participation requirement.

34 (14) Work first participants who lack a high school diploma or GED
35 and who enroll in high school completion or classes to obtain a GED
36 may count up to 10 hours of classroom seat time, combined with a

1 minimum of number of hours of work per week, to meet their federal
2 work participation requirement. There shall be no time limit on high
3 school completion. GED preparation shall be limited to 6 months.

4 Sec. 304. Of the funds appropriated in part 1 for precollege
5 programs in engineering and the sciences, \$620,000.00 shall be
6 provided in the form of a grant to the Detroit precollege engineering
7 program, incorporated and \$424,700.00 shall be provided in the form of
8 a grant to the Grand Rapids area precollege engineering program.

9 Sec. 305. (1) In addition to the funds appropriated for the
10 department in part 1, there is appropriated an amount not to exceed
11 \$41,000,000.00 for federal contingency funds. These funds are not
12 available for expenditure until they have been transferred to another
13 line item in this bill pursuant to section 393(2) of the management
14 and budget act, 1984 PA 431, MCL 18.1393.

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

21 (3) In addition to the funds appropriated in part 1, there is
22 appropriated an amount not to exceed \$8,000,000.00 for local
23 contingency funds. These funds are not available for expenditure until
24 they have been transferred to another line item in this bill pursuant
25 to section 393(2) of the management and budget act, 1984 PA 431, MCL
26 18.1393.

27 (4) In addition to the funds appropriated in part 1, there is
28 appropriated an amount not to exceed \$1,000,000.00 for private
29 contingency funds. These funds are not available for expenditure until
30 they have been transferred to another line item in this bill pursuant
31 to section 393(2) of the management and budget act, 1984 PA 431, MCL
32 18.1393.

33 Sec. 306. Funds earned or authorized by the United States
34 department of labor in excess of the gross appropriation in part 1 for
35 the employment service agency from the United States department of
36 labor are appropriated and may be expended for staffing and related

1 expenses incurred in the operation of its programs. These funds may be
2 spent after the department notifies the appropriations subcommittees
3 of the house and senate of the purpose and amount of each grant award.

4 Sec. 307. Of the funds appropriated in part 1 for vocational
5 rehabilitation independent living, not less than \$1,288,000.00 shall
6 be used for the support of centers for independent living which are in
7 compliance with federal standards for such centers, for the
8 development of new centers in areas presently unserved or underserved,
9 for technical assistance to centers, and for projects to build
10 capacity of centers to deliver independent living services.

11 Applications for such funds shall be reviewed in accordance with
12 criteria and procedures established by the statewide independent
13 living council, the Michigan rehabilitation services unit within the
14 department, and the Michigan commission for the blind. Funds must be
15 used in a manner consistent with the priorities established in the
16 state plan for independent living. The department is directed to work
17 with the Michigan association of centers for independent living and
18 the local workforce development boards to identify other competitive
19 sources of funding.

20 Sec. 308. (1) Using all relevant state data sources, the
21 department shall acquire data on former work first participants, whose
22 family independence program case closed due to earnings during fiscal
23 year 1999, for the second year in the continuing longitudinal study
24 started in fiscal year 2000. In addition, first year data will also be
25 compiled on former work first participants whose family independence
26 program case was closed due to earnings during fiscal year 2000. The
27 data will include:

28 (a) number and percentage employed

29 (b) average hourly wage of those employed

30 (c) current hourly wage of those employed

31 (d) range of wages earned by those employed

32 (e) number of individuals that earned each wage amount

33 (f) number and percentage receiving health care benefits from
34 their employer

35 (g) number and percentage receiving tuition reimbursement from
36 their employer

1 (h) number and percentage receiving training benefits from their
2 employer

3 (i) type of jobs obtained in general categories

4 (j) how long they have retained those jobs, or if they had more
5 than one job, how long at each job

6 (k) number and percentage continuing to receive any type of public
7 assistance

8 (l) if the recipient's child(ren) is/or enrolled an attending
9 school

10 (m) if the former recipient feels that they and their family are
11 better off now than when they were on cash assistance with regard to
12 household income, housing, food and nutritional needs, child health
13 care, and access to health insurance coverage

14 2) The department shall file a report containing the identified
15 data with the appropriate house and senate appropriation subcommittees
16 and fiscal agencies by March 15, 2001.

17 (3) The department shall cooperate with the family independence
18 agency in formulating and acquiring the identified data.

19 (4) The department may retain a third party to conduct the studies
20 to obtain the data identified under this section.

21 Sec. 309. The department may carry into the succeeding fiscal year
22 unexpended federal pass-through funds to local institutions and
23 governments that do not require additional state matching funds.
24 Federal pass-through funds to local institutions and governments that
25 are received in amounts in addition to those include in part 1 and
26 that do not require additional state matching funds are appropriated
27 for the purposes intended.

28 Sec. 310. Of the amounts appropriated in part 1 for higher
29 education management operations, \$250,000.00 of private occupational
30 school license fees shall fund 3.0 FTE positions and related
31 administrative costs of the proprietary schools oversight unit within
32 the department.

33 Sec. 311. Money in the school loan exception fee fund that is
34 unexpended at the end of the fiscal year shall not revert to the
35 general fund but shall be carried over to the succeeding fiscal year.

36 Sec. 312. The department is appropriated an amount not to exceed

1 \$100,000.00 form collection of defaulted loans in the Martin Luther
2 King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of
3 administering the loan collections.

4 **MICHIGAN STRATEGIC FUND**

5 Sec. 401. (1) The appropriation in part 1 to the fund for the job
6 retention retraining program shall be expended to ensure employers
7 have the trained workers they need to compete in the global economy.
8 The fund shall make awards for employers locating or expanding in
9 Michigan and thereby creating significant numbers of new jobs in the
10 state that align with the strategic focus on advanced manufacturing,
11 information technology and biotechnology.

12 (2) No more than 5% of the total grant appropriated in this
13 section may be expended for administrative costs. Administrative costs
14 may include a biennial study of the state's needs and priorities and
15 program resources will be targeted toward those top identified areas.
16 Administrative costs may also include a periodic study on the long-
17 term return on investment as a result of the program.

18 (3) The program shall make competitive awards to employees, on an
19 ongoing basis, for redemption through eligible providers based on
20 selection criteria such as consistency with the strategic focus on
21 advanced manufacturing, information technology and biotechnology; high
22 wage and/or skill level; and the training and services are unlikely to
23 occur without the grant assistance. The award process will include a
24 simple notice of intent to be reviewed to see if the application
25 merits further consideration, a full application may be submitted.

26 (4) The Michigan strategic fund shall establish standards, after
27 public comment, which qualifies eligible providers. These shall
28 include a review of the quality, efficiency and effectiveness of a
29 providers's training programs and services. Eligible providers may
30 include community colleges, non-profits and for-profit organizations
31 and others as determined by the fund.

32 (5) Not more than \$5,000,000.00 of the amount appropriated under
33 this section may be allocated to rapid response that maintain or
34 attract permanent jobs for Michigan residents.

35 (6) The fund shall report to the state budget director and fiscal
36 agencies each year on the amount and recipient of each award and

1 number of employees expected to be trained or placed under the award.
2 The fund shall also report every other year on customer satisfaction
3 results of the program. The fund shall provide a report, every three
4 years, on the long-term return on investment results of the program.

5 (7) An eligible provider under this section shall allow the fund's
6 designee to audit all records related to the award for all entities
7 that receive money, either directly or indirectly through the award.
8 An eligible provider shall reimburse the state for all disallowances
9 found in the audit and may be determined ineligible.

10 (8) No funds appropriated may be expended for the training of
11 permanent striker replacement workers.

12 (9) If the unemployment rate is below 6% annually, up to 1/3 of
13 the amount appropriated in part 1 may be expended for a new
14 recruitment program that can respond to tight labor market conditions
15 restricting economic growth by providing worker recruitment assistance
16 to companies.

17 (10) Funds allocated under this section shall be for the purpose
18 of ensuring that employers have trained workers they need to compete
19 in the global economy. The fund shall have on file a specific plan to
20 accomplish its objectives. The program estimated completion cost is
21 the total amount appropriated to the fund and shall have an estimated
22 completion date of September 30, 2005.

23 Sec. 402. The travel administration may establish and collect a
24 fee to cover the cost of materials and processing of photographic
25 prints, slides, videotapes, and travel product database information
26 that are requested by the media and other segments of the public and
27 private sectors. The fees collected shall be appropriated for all
28 expenses necessary to purchase and distribute these photographic
29 prints, slides, videotapes, and travel product database information.
30 The funds are available for expenditure when they are received by the
31 department of treasury

32 Sec. 403. The travel administration may receive and expend private
33 revenue related to the use of the "Michigan Great Lakes. Great Times."
34 copyrighted slogan and image. This revenue may come from the direct
35 licensing of the name and image or from the royalty payments from
36 various merchandise sales. Revenue collected is appropriated for the

1 marketing of the state as a travel destination. The funds are
2 available for expenditure when they are received by the department of
3 treasury.

4 Sec. 404. (1) In addition to the funds appropriated for the fund
5 in part 1, there is appropriated an amount not to exceed \$7,000,000.00
6 for federal contingency funds. These funds are not available for
7 expenditure until they have been transferred to another line item in
8 this bill pursuant to section 393(2) of the management and budget act,
9 1984 PA 431, MCL 18.1393.

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

16 (3) In addition to the funds appropriated in part 1, there is
17 appropriated an amount not to exceed \$500,000.00 for private
18 contingency funds. These funds are not available for expenditure until
19 they have been transferred to another line item in this bill pursuant
20 to section 393(2) of the management and budget act, 1984 PA 431, MCL
21 18.1393.

22 Sec. 405. The Michigan strategic fund shall submit on or before
23 May 1, 2000, and November 1, 2000, to the appropriations subcommittees
24 and the fiscal agencies a listing of all grants which have been
25 awarded by the fund or by the Michigan economic development
26 corporation from the funds appropriated in part 1. The list shall
27 include all of the following:

- 28 (a) The name of the recipient.
29 (b) The amount awarded to the recipient.
30 (c) The purpose of the grant.

31 Sec. 406. (1) The Michigan strategic fund shall provide reports to
32 the relevant senate and house appropriation subcommittees and the
33 fiscal agencies concerning the activities of the Michigan economic
34 development corporation. The report shall include, but not be limited
35 to, the following programs funded in part 1:

- 36 (a) Travel Michigan bureau.

1 (b) National business development.

2 (c) International business development.

3 (d) Small, minority, and disabled business services.

4 (e) CDBG.

5 (f) Strategic/renaissance fund administration.

6 (g) Renaissance zones.

7 (h) Business round tables.

8 (i) Business and clean air ombudsman.

9 (j) Economic development job training grants.

10 (k) Film office.

11 (l) Health and aging research and development initiative.

12 (m) Any other programs of the fund.

13 (2) The reports in subsection (1) shall be submitted by January 1,
14 2001. The report for each program in subsection (1)(a) through (m)
15 shall include details on the actual spending and number of FTEs for
16 that program.

17 Sec. 407. As a condition of receiving funds under part 1, any
18 interlocal agreement entered into by the Michigan strategic fund shall
19 include language which states that if a local unit of government has a
20 contract or memorandum of understanding with a private economic
21 development agency, the Michigan economic development corporation will
22 work cooperatively with that private organization in that local area.

23 Sec. 408. (1) From the funds appropriated in part 1 for the fund,
24 \$50,000,000.00 is appropriated for a health and aging research and
25 development initiative to support basic and applied research in
26 health-related areas, with emphasis on issues related to aging.

27 (2) A health and aging steering committee, appointed by the
28 governor, shall consist of 14 members including the CEO of the
29 Michigan economic development corporation, a member from Michigan
30 State University, the University of Michigan, Wayne State University,
31 the VanAndel Institute, and 2 members from the private sector. The
32 remaining members shall be appointed at large and may include members
33 from the private sector, public sector, or other Michigan
34 universities. The purpose of the steering committee is to provide
35 advice and oversight of the initiative, including the development of
36 criteria for the award of contracts or grants to qualifying

1 universities, institutions, or individuals. The steering committee
2 will make decisions regarding distribution of these grant funds.

3 (3) Of the funds appropriated, 40% is allocated for a basic
4 research fund, to be distributed on a competitive basis to Michigan
5 universities, and the VanAndel Institute for basic research in
6 health-related areas. Not less than \$5,000,000.00 is allocated to
7 research related to aging diseases and health problems. Fifty percent
8 of the appropriated funds are earmarked for a collaborative research
9 fund to support peer-reviewed collaborative grants among Michigan
10 universities and/or private research facilities. Up to 10% of the
11 appropriated funds may be used to support a commercial development
12 fund to support commercialization opportunities for life science
13 research in Michigan. Appropriated funds must be matched with other
14 university, private, or federal funding. Not more than 1% of the
15 appropriated funds may be used for administrative costs of
16 administering the initiative.

Final page.