

# HOUSE BILL No. 5611

February 26, 2004, Introduced by Rep. Whitmer and referred to the Committee on Appropriations.

## EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of labor and economic growth and certain other state purposes for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

PART 1

## 1 LINE-ITEM APPROPRIATIONS

2 Sec. 101. The amounts listed in this part are appropriated for  
 3 the department of labor and economic growth, subject to the conditions  
 4 set forth in this bill, for the fiscal year ending September 30, 2005,  
 5 from the funds identified in this part. The following is a summary of  
 6 the appropriations in this part:

7 **DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

## 8 APPROPRIATIONS SUMMARY:

9	Full-time equated unclassified positions.....	63.5	
10	Full-time equated classified positions.....	4,238.5	
11	GROSS APPROPRIATION .....		\$1,219,276,600
12	Interdepartmental grant revenues:		
13	Total interdepartmental grants and intradepartmental		
14	transfers .....		515,200
15	ADJUSTED GROSS APPROPRIATION.....		\$1,218,761,400
16	Federal revenues:		
17	Total federal revenues .....		792,629,400
18	Special revenue funds:		
19	Total local revenues .....		15,320,900
20	Total private revenues .....		4,140,100
21	Total other state restricted revenues.....		297,760,900
22	State general fund/general purpose.....	\$	108,910,100
23	<b>Sec. 102. EXECUTIVE DIRECTION</b>		
24	Full-time equated unclassified positions.....	63.5	
25	Full-time equated classified positions.....	256.0	
26	Unclassified positions--63.5 FTE positions.....	\$	5,349,400
27	Executive director programs--27.0 FTE positions.....		2,964,300

1	Policy development--25.0 FTE positions.....	2,607,100
2	Utility consumer representation.....	550,000
3	Regulatory efficiency improvements/backlog reduction	
4	initiative .....	665,600
5	MES board of review program--18.0 FTE positions.....	1,930,600
6	Bureau of hearings--68.0 FTE positions.....	8,196,300
7	Energy office--9.0 FTE positions.....	4,213,500
8	Commission on disability concerns--7.0 FTE positions..	969,100
9	Commission for the blind--94.0 FTE positions.....	17,697,400
10	Youth low-vision program .....	241,800
11	Right-of-way oversight authority--5.0 FTE positions...	500,000
12	Land bank fast track authority--3.0 FTE positions.....	<u>650,000</u>
13	GROSS APPROPRIATION .....	\$ 46,535,100
14	Appropriated from:	
15	Federal revenues:	
16	DOE-OEERE, multiple grants.....	3,679,100
17	DOL-ETA, unemployment insurance.....	9,317,600
18	DOL-ETA, workforce investment act.....	103,700
19	DOL, federal funds .....	282,200
20	DOL, multiple grants for safety and health.....	170,200
21	HHS, temporary assistance for needy families.....	24,100
22	Federal revenues .....	13,866,300
23	Special revenue funds:	
24	Local revenues .....	75,000
25	Private - oil overcharge .....	30,000
26	Private revenues .....	120,700
27	Insurance regulatory fees.....	561,200

1	State restricted revenues.....	13,245,300
2	State general fund/general purpose.....	\$ 5,059,700
3	<b>Sec. 103. MANAGEMENT SERVICES</b>	
4	Full-time equated classified positions.....	161.0
5	Administrative services--161.0 FTE positions.....	\$ 15,087,100
6	Rent .....	17,338,600
7	Building occupancy charges - property development	
8	services .....	9,282,400
9	Worker's compensation .....	1,947,700
10	Special project advances .....	940,000
11	Human resources optimization user charges.....	<u>147,600</u>
12	GROSS APPROPRIATION .....	\$ 44,743,400
13	Appropriated from:	
14	Interdepartmental grant revenues:	
15	IDG from department of community health.....	300,000
16	Federal revenues:	
17	Federal revenues .....	23,839,200
18	Special revenue funds:	
19	Local revenue .....	135,500
20	Private - special project advances.....	940,000
21	Insurance regulatory fees.....	553,600
22	State restricted revenues.....	18,019,600
23	State general fund/general purpose.....	\$ 955,500
24	<b>Sec. 104. OFFICE OF FINANCIAL AND INSURANCE SERVICES</b>	
25	Full-time equated classified positions.....	266.0
26	Administration--8.0 FTE positions.....	\$ 2,632,400
27	Policy conduct and consumer assistance--113.0 FTE	

1	positions .....	12,865,700
2	Financial evaluation--145.0 FTE positions.....	<u>19,543,000</u>
3	GROSS APPROPRIATION .....	\$ 35,041,100
4	Appropriated from:	
5	Federal revenues:	
6	Federal funds .....	50,400
7	Special revenue funds:	
8	Bank fees .....	7,078,600
9	Consumer finance fees .....	3,275,100
10	Credit union fees .....	4,484,200
11	Insurance continuing education fees.....	741,400
12	Insurance licensing and regulation fees.....	4,291,500
13	Insurance regulatory fees.....	13,288,100
14	Multiple employer welfare arrangement.....	65,700
15	Securities fees .....	1,766,100
16	State general fund/general purpose.....	\$ 0
17	<b>Sec. 105. PUBLIC SERVICE COMMISSION</b>	
18	Full-time equated classified positions.....	146.0
19	Administration, planning and regulation--146.0 FTE	
20	positions .....	\$ 18,734,700
21	Low-income/energy efficiency assistance.....	<u>45,000,000</u>
22	GROSS APPROPRIATION .....	\$ 63,734,700
23	Appropriated from:	
24	Federal revenues:	
25	DOE-OEERE, multiple grants.....	149,000
26	DOT-RSPA, gas pipeline safety.....	940,700
27	Special revenue funds:	

1	Motor carrier fees .....	1,958,500
2	Public utility assessments.....	15,686,500
3	Low-income and energy efficiency fund.....	45,000,000
4	State general fund/general purpose.....	\$ 0
5	<b>Sec. 106. LIQUOR CONTROL COMMISSION</b>	
6	Full-time equated classified positions.....	152.0
7	Management support services--28.0 FTE positions.....	\$ 2,901,800
8	Liquor licensing and enforcement--124.0 FTE	
9	positions .....	11,587,700
10	Liquor law enforcement grants.....	6,000,000
11	Grant to department of agriculture, wine industry	
12	council .....	<u>457,200</u>
13	GROSS APPROPRIATION .....	\$ 20,946,700
14	Appropriated from:	
15	Special revenue funds:	
16	Liquor license revenue .....	11,411,500
17	Liquor purchase revolving fund.....	9,078,000
18	Nonretail liquor license revenue.....	457,200
19	State general fund/general purpose.....	\$ 0
20	<b>Sec. 107. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY</b>	
21	Full-time equated classified positions.....	232.0
22	Payments on behalf of tenants.....	\$ 120,000,000
23	Housing and rental assistance program--232.0 FTE	
24	positions .....	<u>31,624,300</u>
25	GROSS APPROPRIATION .....	\$ 151,624,300
26	Appropriated from:	
27	Federal revenues:	

1	HUD, lower income housing assistance program.....	136,971,200
2	Special revenue funds:	
3	Michigan state housing development authority fees	
4	and charges .....	14,653,100
5	State general fund/general purpose.....	\$ 0
6	<b>Sec. 108. TAX TRIBUNAL</b>	
7	Full-time equated classified positions.....	12.0
8	Operations--12.0 FTE positions.....	\$ <u>1,371,300</u>
9	GROSS APPROPRIATION .....	\$ 1,371,300
10	Appropriated from:	
11	Special revenue funds:	
12	Tax tribunal fees .....	688,300
13	Securities fees .....	376,100
14	State general fund/general purpose.....	\$ 306,900
15	<b>Sec. 109. FIRE PROTECTION GRANTS</b>	
16	Fire protection grants .....	\$ <u>15,921,000</u>
17	GROSS APPROPRIATION .....	\$ 15,921,000
18	Appropriated from:	
19	Special revenue funds:	
20	Liquor purchase revolving fund.....	7,421,000
21	Fire protection fund .....	8,500,000
22	State general fund/general purpose.....	\$ 0
23	<b>Sec. 110. OCCUPATIONAL REGULATION</b>	
24	Full-time equated classified positions.....	409.0
25	Code enforcement and fire safety--177.0 FTE positions.	\$ 16,519,900
26	Boiler inspection program--23.0 FTE positions.....	2,305,200
27	Elevator inspection program--27.0 FTE positions.....	2,374,700

1	Commercial services--149.0 FTE positions.....	14,735,700
2	Local manufactured housing communities inspections....	201,700
3	Manufactured housing and land resources program--22.0	
4	FTE positions .....	2,797,600
5	Property development group--11.0 FTE positions.....	1,408,300
6	Remonumentation grants .....	<u>10,000,000</u>
7	GROSS APPROPRIATION .....	\$ 50,343,100
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG from department of community health, inspection	
11	contract .....	111,100
12	Federal revenues:	
13	Federal funds .....	872,300
14	FEMA .....	150,000
15	DOT .....	85,000
16	Special revenue funds:	
17	Boiler fee revenue .....	2,460,000
18	Construction code fund .....	15,567,100
19	Corporation fees .....	5,118,500
20	Elevator fees .....	2,500,700
21	Homeowner construction lien recovery fund.....	1,532,800
22	Licensing and regulation fees.....	8,307,100
23	Limited liability partnership revenue.....	10,000
24	Manufactured housing commission fees.....	2,364,300
25	Property development fees.....	253,200
26	Remonumentation fees .....	10,635,300
27	Real estate appraiser continuing education fund.....	45,000



1	Real estate education fund.....	217,500
2	State general fund/general purpose.....	\$ 113,200
3	<b>Sec. 111. EMPLOYMENT RELATIONS</b>	
4	Full-time equated classified positions.....	25.0
5	Employment and labor relations--25.0 FTE positions....	<u>\$ 3,306,400</u>
6	GROSS APPROPRIATION .....	\$ 3,306,400
7	Appropriated from:	
8	Federal revenues:	
9	EEOC, federal funds .....	10,000
10	Special revenue funds:	
11	Securities fees .....	3,238,400
12	State general fund/general purpose.....	\$ 58,000
13	<b>Sec. 112. SAFETY AND REGULATION</b>	
14	Full-time equated classified positions.....	229.0
15	Occupational safety and health--229.0 FTE positions...	<u>\$ 23,829,900</u>
16	GROSS APPROPRIATION .....	\$ 23,829,900
17	Appropriated from:	
18	Federal revenues:	
19	DOL, multiple grants for safety and health.....	11,400,100
20	Special revenue funds:	
21	Corporate fees .....	1,966,500
22	Fees and collections/asbestos.....	748,200
23	Licensing and regulation fees.....	1,062,200
24	Safety education and training fund.....	7,036,600
25	Securities fees .....	1,616,300
26	State general fund/general purpose.....	\$ 0
27	<b>Sec. 113. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION</b>	

1	Full-time equated classified positions.....	1,216.0	
2	Administration--96.6 FTE positions.....		\$ 8,721,700
3	Board of magistrates and appellate commission--19.4 FTE		
4	positions .....		2,591,700
5	Wage and hour division--31.0 FTE positions.....		2,381,200
6	Insurance funds administration--28.0 FTE positions....		4,199,200
7	Supplemental benefit fund.....		1,300,000
8	Unemployment programs--963.7 FTE positions.....		76,928,100
9	Advocacy assistance program--8.0 FTE positions.....		1,415,000
10	Special audit and collections program--34.0 FTE		
11	positions .....		2,552,500
12	Training program for agency staff--2.1 FTE positions..		1,775,100
13	Expanded fraud control program--33.2 FTE positions....		<u>2,789,200</u>
14	GROSS APPROPRIATION .....		\$ 104,653,700
15	Appropriated from:		
16	Federal revenues:		
17	DOL-ETA, employment and training administration.....		576,600
18	DOL-ETA, unemployment insurance.....		79,221,000
19	Federal section 903(d),SSA funds.....		4,233,500
20	Special revenue funds:		
21	Corporation fees .....		3,512,000
22	Contingent fund, penalty and interest account.....		6,588,400
23	Licensing and regulation fees.....		703,500
24	Second injury fund .....		2,256,400
25	Securities fees .....		3,509,900
26	Self-insurers security fund.....		1,068,300
27	Silicosis and dust disease fund.....		868,700

1	Worker's compensation administrative revolving fund...	2,115,400
2	State general fund/general purpose.....	\$ 0
3	<b>Sec. 114. INFORMATION TECHNOLOGY</b>	
4	Information technology services and projects.....	<u>\$ 42,309,100</u>
5	GROSS APPROPRIATION .....	\$ 42,309,100
6	Appropriated from:	
7	Federal revenues:	
8	Federal revenues .....	27,416,400
9	Special revenue funds:	
10	Insurance regulatory fees.....	483,600
11	State restricted funds .....	14,259,400
12	State general fund/general purpose.....	\$ 149,700
13	<b>Sec. 115. WORKFORCE DEVELOPMENT</b>	
14	Full-time equated classified positions.....	878.5
15	Employment training services--503.0 FTE positions.....	\$ 83,346,000
16	Michigan career and technical institute--77.5 FTE	
17	positions .....	11,528,400
18	Employment services--246.0 FTE positions.....	44,927,200
19	Labor market information--52.0 FTE positions.....	<u>5,721,800</u>
20	GROSS APPROPRIATION .....	\$ 145,523,400
21	Appropriated from:	
22	Federal revenues:	
23	CNS .....	1,585,900
24	DAG, employment and training.....	172,400
25	DED-OPSE, multiple grants.....	1,115,500
26	DED-OSERS, centers for independent living.....	58,200
27	DED-OSERS, rehabilitation long-term training.....	566,900

1	DED-OSERS, rehabilitation services, vocational	
2	rehabilitation of state grants .....	46,650,800
3	DED-OSERS, state grants for technical related	
4	assistance .....	56,000
5	DOL-ETA, workforce investment act.....	4,077,500
6	DOL-ODEP .....	225,000
7	DOL, federal funds .....	62,429,800
8	DED, Perkins act .....	174,900
9	HHS, temporary assistance for needy families.....	3,207,100
10	HHS-SSA, supplemental security income.....	4,394,800
11	Special revenue funds:	
12	Local revenue .....	4,147,600
13	Local vocational rehabilitation match.....	3,054,000
14	Private - gifts, bequests, and donations.....	1,396,300
15	Contingent fund, penalty and interest account.....	1,710,600
16	Rehabilitation services fees.....	1,199,900
17	Second injury fund .....	101,500
18	Student fees .....	308,000
19	Training material fees .....	256,400
20	State general fund/general purpose.....	\$ 8,634,300
21	<b>Sec. 116. CAREER EDUCATION PROGRAMS</b>	
22	Full-time equated classified positions.....	57.0
23	Career and technical education--25.0 FTE positions....	\$ 3,266,100
24	Postsecondary education--14.0 FTE positions.....	2,455,000
25	Adult education--16.0 FTE positions.....	2,304,400
26	Commission on Spanish-speaking affairs--2.0 FTE	
27	positions .....	<u>221,000</u>

1	GROSS APPROPRIATION .....	\$	8,246,500
2	Appropriated from:		
3	Federal revenues:		
4	Federal revenues .....		6,116,700
5	Special revenue funds:		
6	Private occupational school license fees.....		388,600
7	Defaulted loan collection fees.....		100,000
8	State general fund/general purpose.....	\$	1,641,200
9	<b>Sec. 117. DEPARTMENT GRANTS</b>		
10	Adult basic education .....	\$	17,000,000
11	Focus: HOPE .....		5,860,200
12	Gear-up program grants .....		3,000,000
13	Job training programs subgrantees.....		104,612,700
14	Michigan community service commission subgrantees.....		6,180,100
15	Michigan virtual university.....		1,000,000
16	Personal assistance services.....		459,500
17	Precollege programs in engineering and the sciences...		500,000
18	Carl D. Perkins grants .....		47,500,000
19	Vocational rehabilitation client services/facilities..		54,989,500
20	Vocational rehabilitation independent living.....		3,079,700
21	Welfare-to-work programs .....		<u>113,798,600</u>
22	GROSS APPROPRIATION .....	\$	357,980,300
23	Appropriated from:		
24	Federal revenues:		
25	CNS .....		5,500,000
26	DAG, employment and training.....		13,000,000
27	DED-OESE, gear-up .....		3,000,000

1	DED-OSERS, centers for independent living.....	450,200
2	DED-OSERS, client assistance for individuals with	
3	disabilities .....	440,000
4	DED-OSERS, rehabilitation services, vocational	
5	rehabilitation of state grants .....	35,797,900
6	DED-OSERS, rehabilitation services facilities.....	2,272,500
7	DED-OSERS, supported employment.....	1,541,300
8	DED-OSERS, state grants for technical related	
9	assistance .....	2,240,800
10	DED-OVAE, adult education.....	17,000,000
11	DED-OVAE, basic grants to states.....	47,500,000
12	DOL-ETA, workforce investment act.....	104,602,700
13	HHS, temporary assistance for needy families.....	38,299,000
14	HHS-SSA, supplemental security income.....	2,480,600
15	Federal section 903(d), SSA funds.....	21,300,000
16	Special revenue funds:	
17	Local vocational rehabilitation match.....	6,630,500
18	Local vocational rehabilitation facilities match.....	1,278,300
19	Private - gifts, bequests, and donations.....	800,000
20	Contingent fund, penalty and interest account.....	1,000,000
21	State general fund/general purpose.....	\$ 52,846,500
22	<b>Sec. 118. MICHIGAN STRATEGIC FUND</b>	
23	Full-time equated classified positions.....	199.0
24	Administration--39.0 FTE positions.....	\$ 2,632,400
25	Job creation services--160.0 FTE positions.....	19,739,200
26	Michigan promotion program.....	5,717,500
27	Economic development job training grants.....	10,048,000

1	Community development block grants.....	50,000,000
2	Technology tri-corridor initiative.....	15,000,000
3	Human resources optimization user charges.....	<u>29,500</u>
4	GROSS APPROPRIATION .....	\$ 103,166,600
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG-MDEQ, air quality fees.....	104,100
8	Federal revenues:	
9	DOL-ETA, employment service.....	813,600
10	HUD-CPD, community development block grant.....	52,200,700
11	Special revenue funds:	
12	Private - special project advances.....	853,100
13	Industry support fees .....	50,000
14	Tobacco settlement trust fund.....	10,000,000
15	State general fund/general purpose.....	\$ 39,145,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

19 Sec. 201. Pursuant to section 30 of article IX of the state  
20 constitution of 1963, total state spending from state resources under  
21 part 1 for fiscal year 2004-2005 is \$406,671,000.00 and state spending  
22 from state resources to be paid to local units of government for fiscal  
23 year 2004-2005 is \$33,822,700.00. The itemized statement below  
24 identifies appropriations from which spending to units of local  
25 government will occur:

**DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

27	Fire protection grants .....	\$ 15,921,000
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1	Liquor law enforcement .....	6,000,000
2	Local manufactured housing inspections.....	201,700
3	Remonumentation grants .....	10,000,000
4	Fire fighters training council.....	<u>1,700,000</u>
5	Total department of labor and economic growth.....	\$ 33,822,700

6 Sec. 202. The appropriations authorized under this bill are subject  
7 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

8 Sec. 203. As used in this appropriation bill:

9 (a) "CEO" means chief executive officer of the Michigan economic  
10 development corporation.

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

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

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

14 (e) "DED-OESE" means the DED office of elementary and secondary  
15 education.

16 (f) "DED-OPSE" means the DED office of postsecondary education.

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

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

21 (i) "Department" means the department of labor and economic  
22 growth.

23 (j) "Director" means the director of the department of labor and  
24 economic growth.

25 (k) "DOE" means the United States department of energy.

26 (l) "DOE-OEERE" means the DOE office of energy efficiency and  
27 renewable energy.



- 1 (m) "DOL" means the United States department of labor.
- 2 (n) "DOL-ETA" means the DOL employment and training  
3 administration.
- 4 (o) "DOL-ODEP" means the DOL office of disability employment  
5 policy.
- 6 (p) "DOT" means the United States department of transportation.
- 7 (q) "DOT-RSPA" means the DOT research and special programs  
8 administration.
- 9 (r) "EEOC" means equal employment opportunity commission.
- 10 (s) "Fiscal agencies" means Michigan house fiscal agency and  
11 Michigan senate fiscal agency.
- 12 (t) "FTE" means full-time equated.
- 13 (u) "Fund" means the Michigan strategic fund.
- 14 (v) "GED" means general education degree.
- 15 (w) "HHS" means the United States department of health and human  
16 services.
- 17 (x) "HHS-SSA" means HHS social security administration.
- 18 (y) "HUD" means the United States department of housing and  
19 urban development.
- 20 (z) "HUD-CPD" means HUD community planning and development.
- 21 (aa) "IDG" means interdepartmental grant.
- 22 (bb) "MDEQ" means the Michigan department of environmental  
23 quality.
- 24 (cc) "MEDC" means the Michigan economic development corporation,  
25 which is the public body corporate created under section 28 of article  
26 VII of the state constitution of 1963 and the urban cooperation act of  
27 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual

1 interlocal agreement effective April 5, 1999, between local  
2 participating economic development corporations formed under the  
3 economic development corporations act, 1974 PA 338, MCL 125.1601 to  
4 125.1636, and the Michigan strategic fund.

5 (dd) "MES" means Michigan employment security.

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

9 Sec. 204. The department of civil service shall bill the department  
10 at the end of the first fiscal quarter for the 1% charge authorized by  
11 section 5 of article XI of the state constitution of 1963. Payments  
12 shall be made for the total amount of the billing by the end of the  
13 second fiscal quarter.

14 Sec. 208. Unless otherwise specified, the department shall use the  
15 Internet to fulfill the reporting requirements of this bill. This  
16 requirement may include transmission of reports via electronic mail to  
17 the recipients identified for each reporting requirement, or it may  
18 include placement of reports on the Internet or Intranet site.

19 Sec. 213. From the funds appropriated in part 1 for information  
20 technology, the department shall pay user fees to the department of  
21 information technology for technology-related services and projects.  
22 Such user fees shall be subject to provisions of an interagency  
23 agreement between the department and the department of information  
24 technology.

25 Sec. 214. Amounts appropriated in part 1 for information technology  
26 may be designated as work projects and carried forward to support  
27 technology projects under the direction of the department of

1 information technology. Funds designated in this manner are not  
2 available for expenditure until approved as work projects under section  
3 451a of the management and budget act, 1984 PA 431, MCL 18.1451a.

4 Sec. 215. (1) In addition to the funds appropriated in part 1, there  
5 is appropriated an amount not to exceed \$71,500,000.00 for federal  
6 contingency funds. These funds are not available for expenditure until  
7 they have been transferred to another line item in this bill under  
8 section 393(2) of the management and budget act, 1984 PA 431, MCL  
9 18.1393.

10 (2) In addition to the funds appropriated in part 1, there is  
11 appropriated an amount not to exceed \$15,200,000.00 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 under section 393(2) of the management and budget act, 1984  
15 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 \$8,180,000.00 for local  
18 contingency funds. These funds are not available for expenditure until  
19 they have been transferred to another line item in this bill under  
20 section 393(2) of the management and budget act, 1984 PA 431, MCL  
21 18.1393.

22 (4) In addition to the funds appropriated in part 1, there is  
23 appropriated an amount not to exceed \$1,550,000.00 for private  
24 contingency funds. These funds are not available for expenditure until  
25 they have been transferred to another line item in this bill under  
26 section 393(2) of the management and budget act, 1984 PA 431, MCL  
27 18.1393.

1       Sec. 216. Funds appropriated in part 1 shall not be used for the  
2 purchase of foreign goods or services, or both, if competitively priced  
3 and comparable quality American goods or services, or both, are  
4 available. Preference should be given to goods and services or both,  
5 manufactured or provided by Michigan businesses if they are  
6 competitively priced and of comparable value.

7 **DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

8       Sec. 301. The appropriation in part 1 for fire protection grants  
9 from the liquor purchase revolving fund and the fire protection fund  
10 shall be appropriated to cities, villages, and townships with state-  
11 owned facilities for fire services, instead of taxes, in accordance  
12 with 1977 PA 289, MCL 141.951 to 141.956.

13       Sec. 302. The funds collected by the office of financial and  
14 insurance services in connection with a conservatorship pursuant to  
15 section 32 of the mortgage brokers, lenders, and servicers licensing  
16 act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses  
17 necessary to provide for the required services. Funds are available  
18 for expenditure when they are received by the department of treasury  
19 and shall not lapse to the general fund at the end of the fiscal year.

20       Sec. 303. The funds collected by the department from corporations  
21 being liquidated pursuant to the insurance code of 1956, 1956 PA 218,  
22 MCL 500.100 to 500.8302, shall be appropriated for all expenses  
23 necessary to provide for the required services. Funds are available  
24 for expenditure when they are received by the department of treasury  
25 and shall not lapse to the general fund at the end of the fiscal year.

26       Sec. 304. The department may make available to interested entities  
27 otherwise unavailable customized listings of nonconfidential

1 information in its possession, such as names and addresses of  
2 licensees, and charge for this information as follows: base fee for 1  
3 to 1,000 records at the cost to the department; 1,001 to 10,000 records  
4 at 2.5 cents per record; and 10,001 or more records at .5 cents per  
5 record. The revenue received from this service may be used to offset  
6 expenses of programs as appropriated in part 1. The balance of this  
7 revenue collected and unexpended at the end of the fiscal year shall  
8 revert to the appropriate restricted revenue account or fund or, in  
9 absence of such an account or fund, to the general fund. The  
10 department shall submit an annual report on or before December 1 of  
11 each year to the state budget office and the subcommittees that states  
12 the amount of revenue received from the sale of information.

13 Sec. 305. The funds collected by the department for licenses,  
14 permits, and other elevator regulation fees set forth in R 408.8151 of  
15 the Michigan administrative code and as determined under section 8 of  
16 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816,  
17 that are unexpended at the end of the fiscal year shall carry forward  
18 to the subsequent fiscal year.

19 Sec. 306. If the revenue collected by the department for  
20 occupational safety and health from fees and collections exceeds the  
21 amount appropriated in part 1, the revenue may be carried forward into  
22 the subsequent fiscal year. The revenue carried forward under this  
23 section shall be used as the first source of funds in the subsequent  
24 fiscal year.

25 Sec. 307. Money appropriated under this bill for fire safety  
26 programs shall not be expended unless, in accordance with section 2c of  
27 the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan

1 review fees will be charged according to the following schedule:

2 Operation and maintenance inspection fee

3 <u>Facility type</u>	4 <u>Facility size</u>	5 <u>Fee</u>
6 Hospitals	7 Any	8 \$8.00 per bed

9 Plan review and construction inspection fees for hospitals and schools

10 <u>Project cost range</u>	11 <u>Fee</u>
12 \$101,000.00 or less	13 minimum fee of \$155.00
14 \$101,001.00 to \$1,500,000.00	15 \$1.60 per \$1,000.00
16 \$1,500,001.00 to \$10,000,000.00	17 \$1.30 per \$1,000.00
18 \$10,000,001.00 or more	19 \$1.10 per \$1,000.00
	20 or a maximum fee of \$60,000.00.

21 Sec. 308. If the revenue collected by the department from licensing  
 22 and regulation fees exceeds the amount appropriated in part 1, the  
 23 revenue may be carried forward into the subsequent fiscal year. The  
 24 revenue carried forward under this section shall be used as the first  
 25 source of funds in the subsequent fiscal year.

26 Sec. 309. Funds earned or authorized by the United States  
 27 department of labor in excess of the gross appropriation in part 1 for  
 28 the unemployment insurance agency and the employment service agency  
 29 from the United States department of labor are appropriated and may be  
 30 expended for staffing and related expenses incurred in the operation of  
 31 its programs. These funds may be spent after the department notifies

1 the state budget office and the subcommittees of the purpose and amount  
2 of each grant award.

3 Sec. 310. The department shall sell documents at a price not to  
4 exceed the cost of production and distribution. Money received from  
5 the sale of these documents shall revert to the department. The funds  
6 are available for expenditure when they are received by the department  
7 of treasury and may only be used for costs directly related to the  
8 continued updating and distribution of the documents pursuant to this  
9 section. This section applies only for the following documents:

10 (a) Corporation and securities division documents, reports, and  
11 papers required or permitted by law pursuant to section 1060(5) of the  
12 business corporation act, 1972 PA 284, MCL 450.2060.

13 (b) The subdivision control manual, the state boundary commission  
14 operations manual, and other local government assistance manuals.

15 (c) The Michigan liquor control code of 1998, 1998 PA 58, MCL  
16 436.1101 to 436.2303.

17 (d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to  
18 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to  
19 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to  
20 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to  
21 451.818.

22 (e) Labor law books.

23 (f) Worker's compensation health care services rules.

24 (g) Construction code manuals.

25 (h) Copies of transcripts from administrative law hearings.

26 Sec. 311. The department, bureau of safety and regulation, shall  
27 provide an annual report by February 1 of each year to the state budget

1 office, the fiscal agencies, and the subcommittees on the number of  
2 individuals killed and the number of individuals injured on the job  
3 within industries regulated by the bureau during the most recent year  
4 for which data are available.

5 Sec. 312. The appropriation in part 1 for the Michigan commission  
6 for the blind includes funds for case services. These funds may be  
7 used for tuition payments for blind clients for the school year  
8 beginning September 2004.

9 Sec. 313. Of the funds appropriated in part 1 for fire protection  
10 grants, \$3,710,500.00 of this funding is contingent upon the passage of  
11 statutory changes by September 30, 2004 that increase the fiscal year  
12 2004-2005 deposit into the liquor purchase revolving fund by a minimum  
13 of \$30,000,000.00.

14 Sec. 314. The department and the Michigan state housing development  
15 authority shall work collaboratively with other state departments and  
16 agencies to maximize the use of available Michigan state housing  
17 development authority fund equity to provide senior assisted living  
18 that offers a continuum of care from independent apartments to assisted  
19 living to nursing care and Alzheimer programs.

20 Sec. 315. The department may expend revenues received under the  
21 Michigan broadband development authority act, 2002 PA 49, MCL 484.3201  
22 to 484.3225, for necessary salaries, wages, supplies, contractual  
23 services, equipment, worker's compensation insurance premiums, and  
24 grants to the civil service commission and state employees' retirement  
25 fund.

26 Sec. 316. The Michigan career and technical institute may receive  
27 equipment and in-kind contributions for the direct support of staff



1 services through the Pine Lake fund, the Delton-Kellogg school district  
2 or other local or intermediate school district, or any combination of  
3 local or intermediate school districts in addition to those authorized  
4 in part 1.

5 Sec. 317. The Michigan rehabilitation service shall make every  
6 effort to ensure that all sources of matching funds in this state are  
7 used to obtain federal vocational rehabilitation funds. All sources  
8 include, but are not limited to, privately raised funds to support  
9 public nonprofit rehabilitation centers as permitted by the  
10 rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701 to 718,  
11 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to  
12 795n, and 796 to 796l.

13 Sec. 318. The local match requirements for vocational  
14 rehabilitation facilities establishment grants shall not exceed 21.3%  
15 for the fiscal year ending September 30.

16 Sec. 319. (1) Of the funds appropriated in part 1 for vocational  
17 rehabilitation independent living, all general fund/general purpose  
18 revenue not used to match federal funds shall be used for the support  
19 of centers for independent living which are in compliance with federal  
20 standards for such centers, for the development of new centers in areas  
21 presently unserved or underserved, for technical assistance to centers,  
22 and for projects to build capacity of centers to deliver independent  
23 living services. Applications for such funds shall be reviewed in  
24 accordance with criteria and procedures established by the statewide  
25 independent living council, the Michigan rehabilitation services unit  
26 within the department, and the Michigan commission for the blind.  
27 Funds must be used in a manner consistent with the priorities

1 established in the state plan for independent living. The department  
2 is directed to work with the Michigan association of centers for  
3 independent living and the local workforce development boards to  
4 identify other competitive sources of funding.

5 (2) The statewide independent living council and the Michigan  
6 association of centers for independent living shall jointly produce a  
7 report providing the following information:

8 (a) Results in terms of enhanced statewide access to independent  
9 living services to individuals who do not have access to such services  
10 through other existing public agencies, including measures by which  
11 these results can be monitored over time. These measures shall  
12 include:

13 (i) Total number of persons assisted by the centers and a  
14 comparison to the number assisted in the previous year.

15 (ii) Number of persons moved out of nursing homes into independent  
16 living situations and a comparison to the number assisted in the  
17 previous year.

18 (iii) Number of persons for whom accommodations were provided to  
19 enable independent living or access to employment and a comparison to  
20 the number assisted in the previous year.

21 (iv) The total number of disabled individuals served by personal  
22 care attendants and the number of personal care attendants provided  
23 through the use of any funds appropriated in part 1 administered by a  
24 center for independent living and a comparison to the number served in  
25 the previous year.

26 (b) Information from each center for independent living receiving  
27 funding through appropriations in part 1 detailing their total budget

1 for their most recently completed fiscal year as well as the amount  
2 within that budget funded through the vocational rehabilitation  
3 independent living grant program referenced in part 1, the total amount  
4 funded through other state agencies, the amount funded through federal  
5 sources, and the amount funded through local and private sources.

6 (c) Savings to state taxpayers in other specific areas that can  
7 be shown to be the direct result of activities funded from the  
8 vocational rehabilitation independent living grant program during the  
9 most recently completed state fiscal year.

10 (3) The report required in subsection (2) shall be submitted to  
11 the appropriate appropriations subcommittees, the fiscal agencies, and  
12 the state budget director on or before January 30.

13 Sec. 320. (1) The appropriation in part 1 to the department for the  
14 work first program shall be expended for grants which provide  
15 employment and training services to family independence program  
16 applicants and recipients and may be expended for grants which provide  
17 employment and training services to former family independence program  
18 recipients, as well as to recipients of noncash public assistance,  
19 specifically child day care, Medicaid, or food stamp benefits. The  
20 work first program, however, shall not be construed to be an  
21 entitlement to services.

22 (2) An applicant may be a school district, intermediate school  
23 district, community college, public or private nonprofit college or  
24 university, nonprofit organization that provides school-to-work  
25 transition programs or that provides employment and training services  
26 or vocational rehabilitation programs or state licensed accredited  
27 vocational or technical education programs, proprietary school licensed

1 by the state board of education, local workforce development board, or  
2 a consortium consisting of any combination of school districts,  
3 intermediate school districts, community colleges, nonprofit  
4 organizations described in this subsection, licensed proprietary  
5 schools, or public or private nonprofit colleges or universities  
6 described in this subsection.

7 (3) When the work first job search requirements have been  
8 completed, if the participant has not found employment, the work first  
9 site shall identify the barriers which may have prevented the  
10 participant from obtaining employment and assist the client in removing  
11 those barriers. The work first site shall also identify appropriate  
12 education and job training programs which would be available to the  
13 participant. The department shall encourage the Michigan works!  
14 agencies to consider transportation challenges for work first  
15 participants placed in employment. When an individual is re-referred  
16 to work first because of an inability to retain employment, the  
17 Michigan works! agencies shall confer with the Michigan rehabilitation  
18 services, the family independence agency, or other professionals if  
19 deemed appropriate to screen for and identify issues that are  
20 preventing the participant from succeeding in the labor market. Each  
21 Michigan works! agency shall determine locally the number of times an  
22 individual may be re-referred back to the program before consulting  
23 with other service agencies. If no prohibitive barriers to work are  
24 found, the individual shall comply with the work first program, or be  
25 subject to appropriate penalties.

26 (4) Work first program participants shall include applicants and  
27 recipients of the family independence program established under section

1 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and such  
2 individuals referred to a job club program by a county family  
3 independence agency board or a county friend of the court as long as  
4 the participation in the job club is part of an application made under  
5 this section.

6 (5) Participants in the work first program shall not be enrolled  
7 and counted in membership in a school district or intermediate school  
8 district.

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

12 (7) Work first program participants must receive or be provided  
13 an explanation of the program including their benefits and  
14 responsibilities before the job interview phase of the program. This  
15 explanation shall include clear guidelines with regard to an  
16 individual's eligibility for postemployment training support and for  
17 applying hours in training toward work requirements.

18 (8) The department shall make every effort to place a minimum of  
19 50% of clients who participate in the work first program in positions  
20 that provide wages of \$8.00 per hour or more.

21 (9) The department shall submit to the fiscal agencies and the  
22 state budget director by March 15 a report on the work first program,  
23 including the number of participants served under this section, the  
24 number of persons who located employment through work first, the  
25 average wage of participants who found employment, the number of  
26 persons who retained jobs for 90 days, the number of participants  
27 placed in employment training and education programs, the number of

1 clients referred to work first who failed to report, a compilation of  
2 barriers to employment by incidence and type experienced by  
3 participants, and the number of participants referred back to the  
4 family independence agency.

5 (10) The department shall provide to the state budget director  
6 and the fiscal agencies by May 15 and November 15 of each year a report  
7 on the work first grants. The report due by May 15 shall provide the  
8 information described in this subsection for each grant or contract  
9 awarded during the preceding 2 quarters of the state fiscal year. The  
10 report due by November 15 shall provide this information for each grant  
11 or contract awarded during the preceding full fiscal year. The report  
12 shall contain both of the following:

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

14 (b) The number of participants in each service delivery area and  
15 the number of clients placed in employment in each service delivery  
16 area.

17 (11) The department shall make available to work first  
18 participants guidelines on eligibility for postemployment training and  
19 how training/education hours are applied toward work participation  
20 requirements. These guidelines will be presented during joint  
21 orientation conducted by the family independence agency and the  
22 department contracted staff in accordance with department policy  
23 issuances and family independence agency program bulletins. These  
24 guidelines presented by the department and the family independence  
25 agency shall balance the ability of participants to obtain training and  
26 subsequent long-term high-wage employment with the need to connect  
27 participants with the workplace. Any and all training/education, with

1 the exception of high school completion and GED preparation, must be  
2 occupationally relevant and in demand in the labor market as determined  
3 by the workforce development board. Participants must make  
4 satisfactory progress to continue in a training/education component.

5 (12) The work participation requirement is up to 40 hours per  
6 week. However, work first participants may meet the work participation  
7 requirement by combining a minimum of 10 hours per week of work with  
8 training/education. Training/education may last up to 12 months and  
9 the calculated hours may include actual classroom seat time up to 10  
10 hours per week plus up to 1 hour of study time for each hour of  
11 classroom seat time. Work first participants may enroll in additional  
12 hours of classroom seat time beyond 10 hours. However, these hours and  
13 the related study time will not count toward the work participation  
14 requirement. The training may be no longer than a 1-year program or  
15 the final year of a 2- or 4-year undergraduate program designed to lead  
16 to immediate labor force attachment.

17 (13) Work first participants may meet the work participation  
18 requirement through enrollment in a short-term vocational program  
19 requiring 30 hours of classroom seat time per week for a period not to  
20 exceed 6 months, or by enrollment in full-time internships, practicums,  
21 or clinicals required by an academic or training institution for  
22 licensure, professional certification, or degree completion, without an  
23 additional work requirement. In cases where a short-term vocational  
24 program lasts less than 6 months, the participant shall be eligible to  
25 enroll in 1 additional short-term vocational program for a combined  
26 period not to exceed a total of 6 months.

27 (14) Work first participants who lack a high school diploma or

1 GED and who enroll in high school completion or classes to obtain a GED  
2 may count up to 10 hours of classroom seat time, combined with a  
3 minimum number of hours of work per week, to meet their work  
4 participation requirement. There shall be no time limit on high school  
5 completion. GED preparation shall be limited to 6 months.

6 Sec. 321. (1) Using all relevant state data sources, the department  
7 shall conduct a 3-year longitudinal study of all former work first  
8 participants, whose family independence program cases closed due to  
9 earnings during fiscal year 1999 and in succeeding fiscal years. The  
10 data will include the following:

- 11 (a) The number and percentage employed.
- 12 (b) The average hourly wage of those employed.
- 13 (c) The current hourly wage of those employed.
- 14 (d) The range of wages earned by those employed.
- 15 (e) The number of individuals that earned each wage amount.
- 16 (f) The number and percentage receiving health care benefits from  
17 their employer.
- 18 (g) The number and percentage receiving tuition reimbursement  
19 from their employer.
- 20 (h) The number and percentage receiving training benefits from  
21 their employer.
- 22 (i) The type of jobs obtained by former participants in general  
23 categories.
- 24 (j) The length of time former participants have retained their  
25 jobs, or if participants have had more than 1 job, the length of time  
26 employed at each job.
- 27 (k) The number and percentage continuing to receive any type of



1 public assistance.

2 (1) If the former recipient has children, whether the children  
3 are enrolled in and attending school.

4 (m) The extent to which the former participant feels that they  
5 and their family are better off now than when they were on cash  
6 assistance with regard to household income, housing, food and  
7 nutritional needs, child health care, and access to health insurance  
8 coverage.

9 (2) The department shall notify the subcommittees, fiscal  
10 agencies, and state budget director electronically by March 15, 2005 of  
11 the location of the Internet site where the report containing the  
12 identified data is located.

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

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

17 Sec. 322. State and federal funds allocated to local workforce  
18 development boards for disbursement shall not be expended unless the  
19 local workforce development boards maintain a partnership with  
20 governmental agencies, public school districts, and public colleges  
21 located within the local service delivery area. Each board shall  
22 appoint an education advisory group made up of high-level  
23 administrators within local educational institutions, workforce  
24 development board members, other employers, labor, academic educators,  
25 and parents of public school pupils.

26 Sec. 323. (1) Of the funds appropriated in part 1 for precollege  
27 programs in engineering and the sciences, \$250,000.00 shall be provided

1 in the form of a grant to the Detroit precollege engineering program,  
2 incorporated and \$250,000.00 shall be provided in the form of a grant  
3 to the Grand Rapids area precollege engineering program.

4 (2) The department shall submit a report to the subcommittees and  
5 the fiscal agencies by February 1 regarding dropout rates, grade point  
6 averages, enrollment in science, engineering, and math-based curricula,  
7 and employment in science, engineering, and math-based fields for  
8 students within the programs. The report shall continue to evaluate  
9 the effectiveness of the precollege programs in engineering and  
10 sciences funded through part 1 appropriations and shall make  
11 recommendations on whether state support to expand such programs to  
12 other areas of the state is warranted in future fiscal years.

13 Sec. 324. The department may carry into the succeeding fiscal year  
14 unexpended federal pass-through funds to local institutions and  
15 governments that do not require additional state matching funds.  
16 Federal pass-through funds to local institutions and governments that  
17 are received in amounts in addition to those included in part 1 and  
18 that do not require additional state matching funds are appropriated  
19 for the purposes intended.

20 Sec. 325. Of the amounts appropriated in part 1 for postsecondary  
21 education, private occupational school license fees shall fund related  
22 administrative costs of the proprietary schools oversight unit within  
23 the department.

24 Sec. 326. The department is appropriated an amount not to exceed  
25 \$100,000.00 from collection of defaulted loans under the future faculty  
26 program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks  
27 programs to offset costs of administering the loan collections.

1       Sec. 327. From the funds appropriated in part 1 for postsecondary  
2 education, the department shall compile data from each university that  
3 receives funding for the future faculty program within the King-Chavez-  
4 Parks initiative on employment outcomes for program participants. The  
5 report shall be distributed to the house and senate appropriations  
6 committees, the fiscal agencies, and the state budget office by  
7 February 1 of each year. The report shall include data from each  
8 participating university covering the most recently completed fiscal  
9 year. The data shall include all of the following:

10           (a) The number of participants receiving support under the  
11 program.

12           (b) The number of participants obtaining full-time employment.

13           (c) The number of participants obtaining full-time employment in  
14 college faculty positions.

15           (d) The number of participants obtaining full-time employment in  
16 college faculty positions within the university through which they  
17 received future faculty program support for graduate studies.

18       Sec. 328. The King-Chavez-Parks initiative shall be marketed by the  
19 department to Michigan parents and high school and college students, to  
20 promote the benefits and the availability of the college day, select  
21 student support services, college/university partnership, visiting  
22 professors, Morris Hood, Jr. educator development, and future faculty  
23 programs. The department shall provide electronic notification of the  
24 location of the report on the Internet to the subcommittees on December  
25 30, 2004, identifying all efforts taken to market these programs,  
26 including, but not limited to, the amount of funding allocated for this  
27 purpose, the fund source and any expenditures or encumbrances relating

1 to this marketing effort.

2       Sec. 329. The department shall work cooperatively with the  
3 department of civil service to identify state employees who will lose  
4 their jobs as a result of an agency or program being reorganized,  
5 modified, or eliminated and shall develop training programs and provide  
6 training to these individuals that will provide them an opportunity and  
7 skills necessary to secure new employment within state government or  
8 the private sector. It shall be a priority of the department to  
9 provide training and employment opportunities to these individuals  
10 through their employment service locations.

11       Sec. 330. From the funds appropriated in part 1 to job training  
12 programs subgrantees, the department shall allocate sufficient funds to  
13 the Michigan works! service centers to allow these centers to remain  
14 fully operational.

15       Sec. 331. From the funds appropriated in part 1 for the Michigan  
16 virtual university, the department shall work with the Michigan virtual  
17 university to do the following:

18           (a) Promote the use of education technology to accelerate career  
19 and workforce development by improving the learning environment,  
20 stimulating innovative teaching methods, and providing residents of  
21 this state with greater technology-based career choices.

22           (b) Promote technology-based training to public and private  
23 sector organizations that emphasize partnerships between public  
24 education and the business sector.

25           (c) Support and encourage various collaborative efforts among  
26 educational institutions and government agencies to meet the training  
27 needs of the state's workforce.

1       Sec. 332. (1) Focus: HOPE shall submit a report on the use of the  
2 grant's funds appropriated in part 1 to the chairs of the house and  
3 senate subcommittees, the fiscal agencies, and the state budget office  
4 that includes, but is not limited to, the following:

5           (a) Detailed expenditures for administration including salaries  
6 and wages of employees.

7           (b) Amount allocated for education and training programs  
8 including number of students served by each program.

9           (c) Amount allocated for job search assistance and career  
10 planning including the number of students served by each program.

11          (d) Detailed expenditures for any contracts entered into with the  
12 use of these funds.

13          (e) Detailed expenditures for any program enhancements including  
14 number of new hires and capital expenditures.

15          (2) The report shall be submitted on or before January 31.

16       Sec. 333. (1) The following work project accounts estimated to  
17 total \$11,300,000.00 are hereby cancelled effective September 30, 2004:

18           (a) 08230 AY 2002       Welfare to work program       \$ 10,180,000.00

19           (b) 08203 AY 2002       Job training programs           \$     620,000.00

20           (c) 04000 AY 2002       Employment services           \$500,000.00

21          (2) The following work project account is hereby reduced for the  
22 fiscal year ending September 30, 2004:

23           02000 AY 2002           Unemployment programs       \$10,000,000.00

24          (3) Of the amount in subsection (1), \$5,300,000.00 is  
25 appropriated to welfare to work programs for the fiscal year ending

26 September 30, 2005. After that appropriation, \$6,000,000.00 is

27 appropriated to job training programs subgrantees for the fiscal year

1 ending September 30, 2005. In the event that the work projects in  
2 subsection (1) total more than \$11,300,000.00, any funds over that  
3 amount are appropriated to the welfare to work programs for the fiscal  
4 year ending September 30, 2005.

5 (4) Of the amount in subsection (2), \$10,000,000.00 is  
6 appropriated to welfare to work programs for the fiscal year ending  
7 September 30, 2005.

8 **MICHIGAN STRATEGIC FUND**

9 Sec. 401. (1) The appropriation in part 1 to the fund for economic  
10 development job training shall be expended in 2 categories:  
11 the business response program for employee training grants which  
12 maintain or attract permanent jobs for Michigan residents and the  
13 manufacturing competitiveness program for grants to fund collaborative  
14 efforts which increase the competitiveness of multiple companies within  
15 a grant. The business response program is allocated up to  
16 \$6,524,000.00, and the manufacturing competitiveness program is  
17 allocated up to \$3,524,000.00 not to exceed the part 1 appropriation  
18 for this program in its entirety. The fund has the authority to  
19 reallocate these amounts during the fiscal year dependent on business  
20 demand and economic conditions.

21 (2) Not more than \$800,000.00 of the total grant may be expended  
22 for administrative costs. Not more than 10% of the total grant award  
23 may be expended by a recipient for administration costs.

24 (3) No funds appropriated in part 1 to the fund for economic  
25 development job training grants may be expended for the training of  
26 permanent striker replacement workers, unless a strike exceeds 3 years  
27 and good faith negotiations are ongoing.

1 (4) Of the total funds appropriated in part 1 for economic  
2 development job training grants, at least 70% of the funds shall be  
3 awarded to community colleges or a consortium of community colleges and  
4 other eligible applicants pursuant to subsection (5).

5 (5) An applicant may be a school district, intermediate school  
6 district, community college, public or private nonprofit college or  
7 university, nonprofit organization whose primary purpose is to provide  
8 education programs or employment and training services or vocational  
9 rehabilitation programs or school-to-work transition programs, local  
10 workforce development board, the headquarters of a federal and state  
11 sponsored manufacturing technology center, or a consortium consisting  
12 of any combination of school districts, intermediate school districts,  
13 community colleges, nonprofit organizations described in this  
14 subsection, or public or private nonprofit colleges or universities  
15 described in this subsection.

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

21 (7) The award process will include a simple notice of intent to  
22 be reviewed to see if the application merits further consideration. If  
23 so, a full application may be submitted. Applications for all grants  
24 shall be submitted to the fund, and each application shall contain at  
25 least all of the following:

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

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

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

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

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

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

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

11 (b) Creation and/or retention of high wage and high skilled level  
12 jobs.

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

14 (d) In addition, for the manufacturing competitiveness program,  
15 the following criteria will receive priority: strong level of  
16 collaboration and cooperation and demonstration of new techniques,  
17 systems, and processes of value to the affected companies.

18 (9) Participants in economic development job training programs  
19 shall be 16 years or older and not enrolled and counted in membership  
20 in a school district, intermediate school district, or community  
21 college.

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



1           (11) For training delivered to incumbent workers under the  
2 business response program, the business receiving the benefit of the  
3 training shall provide a minimum of 30% of the program costs in  
4 matching funds as necessitated by the program. For training delivered  
5 under the manufacturing competitiveness program, the business receiving  
6 the benefit of the training shall provide a minimum of 30% of the  
7 program costs in matching funds as necessitated by the program.

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

9           (13) A recipient of a grant under this section shall allow the  
10 fund or the agency's designee to audit all records related to the grant  
11 for all entities that receive money, either directly or indirectly  
12 through a contract, from the grant funds. A grant recipient or  
13 contractor shall reimburse the state for all disallowances found in the  
14 audit.

15           (14) Of the funds appropriated in part 1 for economic development  
16 job training grants, the fund shall not use these funds to finance the  
17 startup or in any way subsidize any private distributor of liquor  
18 products in Michigan.

19           (15) As a condition of receiving funds under part 1 of this bill,  
20 the fund shall not expend any of the economic development job training  
21 grant funds to train any employee who is an officer of a corporation in  
22 a corporation employing more than 250 employees.

23           (16) The Michigan growth capital fund shall be used to develop  
24 the technology business sector in Michigan. The fund will be used to  
25 encourage private and public investment in the technology business  
26 sector, and all of the following apply:

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

1 (b) Eligible uses of the fund include investments in  
2 organizations and programs that promote the development of new industry  
3 sectors in Michigan; inducements to attract additional venture capital  
4 funds to finance technology development; support organizations,  
5 initiatives, or events that promote entrepreneurship; provide match for  
6 university federal research grants; and support technology transfer and  
7 commercialization programs with universities and the private sector.

8 (c) The Michigan economic development corporation shall  
9 administer the Michigan growth capital fund.

10 (d) All funds received from repayment of loans, unused grants,  
11 revenues received from sales or cash flow participation agreements,  
12 guarantees, or any combination thereof or interest thereon, originally  
13 distributed as part of the Michigan growth capital fund, shall be  
14 received, held, and applied by the Michigan strategic fund for the  
15 purposes described in this subsection.

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

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

1       Sec. 404. Travel Michigan may receive and expend private revenue  
2 related to the use of the "Michigan Great Lakes. Great Times."  
3 copyrighted slogan and image. This revenue may come from the direct  
4 licensing of the name and image or from the royalty payments from  
5 various merchandise sales. Revenue collected is appropriated for the  
6 marketing of the state as a travel destination. The funds are  
7 available for expenditure when they are received by the department of  
8 treasury.

9       Sec. 406. The fund shall submit on or before November 1 to the  
10 subcommittees, state budget office, and the fiscal agencies a listing  
11 of all grants which have been awarded by the fund or by the Michigan  
12 economic development corporation from the funds appropriated in part 1.  
13 The list shall include all of the following:

- 14           (a) The name of the recipient.
- 15           (b) The amount awarded to the recipient.
- 16           (c) The purpose of the grant.

17       Sec. 407. (1) The fund shall provide reports to the relevant  
18 subcommittees, the state budget director, and the fiscal agencies  
19 concerning the activities of the Michigan economic development  
20 corporation grants and investment programs financed from the strategic  
21 fund using investment or Indian gaming revenues. The report shall  
22 provide a list of individual grants and loans made from the fund. The  
23 report shall include, but not be limited to, the following programs  
24 funded in part 1:

- 25           (a) Travel Michigan.
- 26           (b) Michigan business development.
- 27           (c) Global business development.

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

2 (e) Community development block grants.

3 (f) Strategic fund administration.

4 (g) Renaissance zones.

5 (h) Emerging business sectors and roundtables.

6 (i) Business and clean air ombudsman.

7 (j) Economic development job training grants.

8 (k) Community assistance team.

9 (l) Technology tri-corridor.

10 (m) Any other programs of the fund.

11 (2) The reports in subsection (1) shall be submitted by January  
12 1. The report for each program in subsection (1)(a) through (m) shall  
13 include details on the actual spending and number of FTEs for that  
14 program for the previous fiscal year.

15 Sec. 408. As a condition of receiving funds under part 1, any  
16 interlocal agreement entered into by the fund shall include language  
17 which states that if a local unit of government has a contract or  
18 memorandum of understanding with a private economic development agency,  
19 the Michigan economic development corporation will work cooperatively  
20 with that private organization in that local area.

21 Sec. 409. (1) Of the funds appropriated to the fund or through  
22 grants to the Michigan economic development corporation, no funds shall  
23 be expended for the purchase of options on land or the purchase of land  
24 unless at least 1 of the following conditions applies:

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

26 (b) The land is obtained through a purchase or exercise of an  
27 option at the invitation of the local unit of government and local

1 economic development agency.

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

7 (3) As used in this section, "economically distressed area" means  
8 an area in a city, village, or township that has been designated as  
9 blighted; a city, village, or township that shows negative population  
10 change from 1970 and a poverty rate and unemployment rate greater than  
11 the statewide average; or an area certified as a neighborhood  
12 enterprise zone.

13 Sec. 410. (1) From the funds appropriated in part 1 for the  
14 technology tri-corridor, \$15,000,000.00 is appropriated for the  
15 initiative. These funds are appropriated to support research and  
16 commercialization opportunities. The program shall be administered by  
17 the Michigan economic development corporation.

18 (2) A technology tri-corridor steering committee, appointed by  
19 the governor, shall consist of 19 members including the CEO of the  
20 Michigan economic development corporation, the director of the  
21 department of labor and economic growth, the state treasurer, a member  
22 from Michigan State University, the University of Michigan, Wayne State  
23 University, Western Michigan University, the Van Andel Institute, 2  
24 members representing the legislature, 1 of which is chosen by the  
25 speaker of the house of representatives and 1 of which is chosen by the  
26 majority leader of the senate, and 2 members actively engaged in each  
27 of the 3 targeted business sectors. The remaining members shall be

1 appointed at large and may include members from the private sector,  
2 public sector, or other Michigan universities. Committee members are  
3 authorized to designate alternate members. The purpose of the steering  
4 committee is to provide advice and oversight of the initiative,  
5 including the development of criteria for awards to qualifying  
6 universities, institutions, companies, or individuals. The steering  
7 committee will make decisions regarding distribution of these funds.

8 (3) Of the funds appropriated, up to \$2,500,000.00 may be used  
9 for administering the initiative including the monitoring of previous  
10 years' awards. A competitive business commercial development fund to  
11 support business commercialization research opportunities in Michigan  
12 is the primary focus of the initiative. At least \$5,000,000.00 shall  
13 be allocated to the business commercial development fund, and the  
14 technology tri-corridor steering committee shall give maximum priority  
15 to supporting all potential commercialization opportunities that appear  
16 to have merit.

17 (4) Repayment of any funds received as a result of awards made  
18 under 1999 PA 120, 2000 PA 292, 2001 PA 80, 2002 PA 517, or this bill  
19 including, but not limited to, funds received as interest or return on  
20 investment shall be deposited in the business commercial development  
21 fund. These funds are authorized for expenditure upon receipt and  
22 shall not lapse to the general fund.

23 (5) The records of the technology tri-corridor steering committee  
24 involving a fiscal year 2005 proposal or life science or technology  
25 tri-corridor proposals from prior fiscal years submitted by an eligible  
26 entity that are of a scientific, technical, or proprietary nature, the  
27 release of which could cause competitive harm to the eligible entity as

1 determined by the technology tri-corridor steering committee, are  
2 exempt from disclosure under the freedom of information act, 1976 PA  
3 442, MCL 15.231 to 15.246.

4 Sec. 411. The money appropriated in part 1 to the fund is subject  
5 to the condition that none is spent for premiums or advertising  
6 material involving personal effects or apparel including, but not  
7 limited to, t-shirts, hats, coffee mugs, or other promotional items,  
8 except travel Michigan.

9 Sec. 412. (1) From the general fund/general purpose appropriations  
10 in part 1 to the fund and granted or transferred to the Michigan  
11 economic development corporation, any unexpended or unencumbered  
12 balance shall be disposed of in accordance with the requirements in the  
13 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless  
14 carryforward authorization has been otherwise provided for.

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

17 Sec. 413. As a condition of receiving funds under part 1, the fund  
18 shall ensure that the MEDC and the Michigan strategic fund comply with  
19 all of the following:

20 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to  
21 15.246.

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

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

25 (d) All reports required by law to be submitted to the  
26 legislature.

27 (e) If the MEDC is unable for any reason to perform duties under

1 this bill, the Michigan strategic fund may exercise those duties.

2       Sec. 414. As a condition for receiving the appropriations in part  
3 1, any staff of the Michigan economic development corporation involved  
4 in private fund-raising activities shall not be party to any decisions  
5 regarding the awarding of grants or tax abatements from the Michigan  
6 strategic fund, Michigan economic development corporation, or the  
7 Michigan economic growth authority.

8       Sec. 415. (1) All funds received from repayment of loans, unused  
9 grants, revenues received from sales or cash flow participation  
10 agreements, guarantees, or any combination thereof or interest thereon,  
11 originally distributed as part of the core communities fund, shall be  
12 received, held, and applied by the Michigan strategic fund for the  
13 purposes described in this bill.

14       (2) The fund shall provide an annual report on the status of this  
15 fund. The report shall be provided to the subcommittees, the fiscal  
16 agencies, and the state budget office by January 31.

17       Sec. 418. (1) The funding appropriated in part 1 of 2000 PA 291 for  
18 the Michigan core communities fund may be used to create an urban  
19 revitalization infrastructure program in the Michigan strategic fund  
20 for economic development awards to create new jobs or contribute to  
21 redevelopment and encourage private investment in core communities.

22       (2) Awards may be provided to qualified local governmental units  
23 as defined in the obsolete property rehabilitation act, 2000 PA 146, or  
24 certified technology parks, as defined in the local development  
25 financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

26       (3) Awards can be used for land and property acquisition and  
27 assembly, demolition, site development, utility modifications and



1 improvements, street and road improvements, telecommunication  
2 infrastructure, site location and relocation, infrastructure  
3 improvements, and any other costs related to the successful development  
4 and implementation of core community or certified technology park  
5 projects, at the discretion of the Michigan economic development  
6 corporation.

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

14         (5) The Michigan economic development corporation shall have all  
15 administrative responsibility for the Michigan core communities fund  
16 and shall establish application and application scoring criteria and  
17 approve awards. The Michigan economic development corporation may  
18 utilize up to 1/2 of 1% of the fund for administrative purposes.

19         (6) Funds will be awarded through an open competitive process  
20 based on criteria including the following: project impact, project  
21 marketability, lack of adequate infrastructure or land assembly  
22 financing sources, local administrative capacity, and the level of  
23 local matching funds. Awardees shall agree to expedite the local  
24 development process, such as fast-track permitting procedures,  
25 streamlined regulatory requirements, standardized construction and  
26 building codes, and the use of competitive construction permitting  
27 fees.

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

3           (8) Fifteen days prior to the award of the funds, notification  
4 shall be provided to the speaker of the house of representatives, the  
5 senate majority leader, the members of the house and senate  
6 appropriations committees, the house and senate fiscal agencies, and  
7 the state budget director.

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

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

10           (b) Land or other facilities owned or operated by a gaming  
11 facility.

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

14       Sec. 419. Up to \$100,000.00 from available resources shall be spent  
15 to create and administer a state clearinghouse on entrepreneurship  
16 available to the public through the Internet.