

CREATE THE GOING PRO TALENT FUND

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Senate Bill 946 (S-1) as passed by the Senate

Sponsor: Sen. Ken Horn

House Committee: Workforce and Talent Development

Senate Committee: Economic Development and International Investment

Complete to 5-21-18

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 946 would create a new act: the Going Pro Talent Fund Act.

Going Pro Talent Program and Application

The Department of Talent and Economic Development (TED) would create and operate the Going Pro Talent Program, working with the Michigan Works agencies to implement the program. Michigan Works agencies would have to conduct outreach to inform employers of the program.

The purpose of the program would be to provide competitive awards to *qualified employers* for workforce training, including talent enhancement, increasing worker productivity, development of workforce skills, leadership and management training, and worker retention.

Qualified employer would be defined as an employer that has a physical presence in Michigan and that meets any other criteria established by TED.

A Michigan Works agency could submit an application to TED for a program award on behalf of a qualified employer, or on behalf of two or more qualified employers for a shared training program.

By August 1, 2018, TED would have to develop criteria to evaluate applications and training plans and post the criteria on its website. The criteria would have to ensure that all training plans meet, at a minimum, all of the following:

- Be less than 6 months in duration, unless approved by TED.
- Conclude within 1 year after TED approves the award, unless approved otherwise.
- Be conducted by a *qualified training provider*.
- Not be a basic training or training that is required by federal or state law.

Qualified training provider would be defined as a training provider qualified to provide training under the act, as determined by TED. A qualified training provider could be, but would not be limited to, any of the following:

- A community college.
- An institution of higher education described in the Michigan Constitution of 1963.

- A proprietary school licensed under the Proprietary Schools Act.
- A registered U.S. Department of Labor joint apprenticeship training center.
- A qualified employer.
- A vendor that provides training for the operation of equipment or systems for which the vendor is the provider.

TED would also have to work with Michigan Works agencies to develop a uniform training agreement to be used by awardees. The agreement would have to include the responsibilities of the awardee and any other requirements TED considers necessary.

An awardee could make the following changes to an approved training plan without approval of the Michigan Works agency or TED:

- The dates of the qualified training, as long as the new dates do not violate the 1-year window.
- A change in the provider or the training, if the content of the training does not change.
- Changes as to which *qualified employees* will receive the training.

Qualified employee would be defined as an employee of a qualified employer who is a United States citizen or otherwise authorized to work in the U.S.; who is employed by the qualified employer when the approved training begins; who works primarily in Michigan and for whom the qualified employer pays all applicable taxes; and who is, as determined by TED, a permanent full-time employee.

Fund

The bill would create the Going Pro Talent Fund within the state treasury. The state treasurer could receive money from any source for deposit into the fund. The treasurer would direct the investment of the fund and credit to the fund interest and earnings from fund investments. Money in the fund at the close of a fiscal year would remain in the fund and not lapse to the general fund. TED could expend money from the fund, upon appropriation, for the following purposes: (1) the payment of awards to awardees, and (2) administration of the Going Pro Talent Program.

Program Awards

Program awards could be used for, but would not be limited to, any of the following:

- The actual cost of classroom training, including instructor and instructional materials.
- The actual cost of on-the-job training, including wage reimbursement, as determined by TED.
- Other costs as determined by TED.

An awardee could not spend any amount of a program award on any of the following:

- Equipment, including tools and computers.
- Licensing fees.
- Curriculum development.
- Qualified employee travel costs.

- Online training subscriptions.
- Training that begins before the date of the award, unless approved.
- Offsetting tuition reimbursement.

If a qualified employer used less than the full amount of an award, the Michigan Works agency would have to remit the remaining amount to TED, which would deposit the money into the Going Pro Talent Fund.

Program Report

Beginning in 2019, by March 15 of every year, TED would have to provide a written report on the program to the chairpersons of the House and Senate standing and appropriations committees with jurisdiction over legislation pertaining to workforce development. The report would have to include the following information for the preceding fiscal year:

- Total number of funding awarded, organized by industry and region.
- Total number of applications received and approved, organized by industry and region.
- Name, award amount, training approved, and number of qualified employees who completed the approved training, for each awardee.
- Any other information determined relevant by TED, including the total number of individuals hired and trained and total number of apprenticeships or jobs created.

FISCAL IMPACT:

Senate Bill 946 would have no direct fiscal impact on state or local government. While the bill creates the Going Pro Talent Fund and the statutory framework for the Going Pro Talent Program, funding for the program would be subject to annual legislative appropriations. The bill includes no specific revenue source for the Going Pro Talent Fund.

Going Pro is a line-item appropriation in the Department of Talent and Economic Development budget funded at \$46.4 million in FY 2017-18. According to the department, the bill would effectively codify the Skilled Trades Training Program portion (renamed Going Pro in FY 2017-18) funded by the line item. In FY 2017-18, approximately \$29.7 million is allocated for this program.

The provisions of the bill also authorize the fund to be used for administration of the program. For FY 2017-18, approximately \$2.3 million is allocated for administrative expenses. The bill does not include an expenditure cap for administration.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.