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BILL ANALYSIS



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Senate Bill 946 (as introduced 4-17-18)
Sponsor: Senator Ken Horn
Committee: Economic Development and International Investment

Date Completed: 4-19-18

CONTENT

The bill would enact the "Going Pro Talent Fund Act" to do the following:

- **Require the Department of Talent and Economic Development (TED) to create and operate the Going Pro Talent Program.**
- **Require TED to work with Michigan Works Agencies to implement the Program.**
- **Provide for monetary awards to employers to pay the expenses of workforce training.**
- **Require applications for an award to include a training plan.**
- **Require TED to develop criteria for evaluating applications and training plans.**
- **Include in the criteria requirements that training be provided by qualified training providers, and that a plan not be for basic training or training required by Federal or State law.**
- **Create the "Go Pro Talent Fund" and require money in the Fund to be spent for payment of awards and administration of the Program.**
- **Require TED to submit an annual report on the Program to the Legislature.**
- **Allow TED to promulgate rules to implement the Act.**

Program Creation; Awards

The stated purpose of the Going Pro Talent 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.

The Department would have to create and operate the Program and work with Michigan Works Agencies to implement it. Michigan Works Agencies would have to conduct outreach to inform employers of the Program. A Michigan Works Agency could submit to TED an application for a Program award on behalf of a qualified employer, or on behalf of two or more qualified employers for a shared training program.

The Department would have to work with the Michigan Works Agencies to develop an application. The application would have to include a requirement that a qualified employer submit a training plan.

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

- Be not more than six months in duration, unless approved by TED.
- Conclude within one year after the date TED approved the award, unless approved by the Department.
- Be conducted by a qualified training provider.
- Not be for basic training or training required by State or Federal law.

The Department would 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 considered necessary.

Any of the following changes made by an awardee to an approved training plan would not require the approval of the Michigan Works Agency or TED:

- Changes to the dates of the qualified training, if the new dates would not result in the training concluding after one year following the date TED approved the award.
- A change in the provider of the training, if the content of the training did not change.
- Changes to which qualified employees would receive the training.

Expenses for which a program award could be used would include all of the following:

- The actual cost of classroom training, including instructor costs and instructional materials.
- The actual cost of the 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 began before the date of the award, unless approved by TED.
- 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 of the award to TED, which would have to deposit the money into the Going Pro Talent Fund.

Going Pro Talent Fund

The Fund would be created within the State Treasury. The State Treasurer could receive money or other assets from any source for deposit into the Fund. The State Treasurer would be required to direct the investment of the Fund and credit to it interest and earnings from Fund investments.

The Department of Talent and Economic Development would have to spend money from the Fund, upon appropriation, only for the payment of awards to awardees, the administration of the program, or both. The Department would be the administrator of the Fund for auditing purposes.

Money in the Fund at the close of the fiscal year would remain in the Fund and would not lapse to the General Fund.

Report to the Legislature

By March 15 of each year, beginning in 2019, TED would have to provide a written report regarding the Program to the chairpersons of the standing committees and the Appropriations subcommittees of the House of Representatives and the Senate with jurisdiction over legislation pertaining to workforce development. The report would have to include all of the following information from the immediately preceding fiscal year:

- The total amount of funding awarded, organized by industry and region.
- The total number of applications received and the total number of applications approved, organized by industry and region.
- Any other relevant information, as determined by TED, including the total number of individuals hired and trained and the total number of apprenticeships or jobs created.

The report also would have to include the following information for each awardee:

- The name of the awardee.
- The amount of the award received by the awardee.
- The type of training approved for the awardee.
- The number of qualified employees who completed the approved training.

Definitions

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

"Qualified employer" would mean an employer that has a physical presence in the State, as determined by the TED, and that meets any other criteria established by TED.

"Qualified training provider" would mean a training provider qualified to provide training under the Act, as determined by TED. A qualified training provider could be any of the following:

- A community college.
- A proprietary school licensed under the Proprietary Schools Act.
- A qualified employer.
- A vendor that provides training for the operation of equipment or systems for which the vendor is the provider.

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government. The Going Pro program already exists within the Department of Talent and Economic Development and is funded under the discretion of the Legislature. The Department of Treasury would experience minimal expenses to create and administer the Going Pro Talent Fund, which would be within current appropriations.

Fiscal Analyst: Cory Savino

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.