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BILL ANALYSIS



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Senate Bill 946 (as enacted)

PUBLIC ACT 260 of 2018

Sponsor: Senator Ken Horn

Senate Committee: Economic Development and International Development

House Committee: Workforce and Talent Development

Date Completed: 2-28-19

CONTENT

The bill enacted 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.**
- **Require training plans to be conducted by qualified training providers, and that a plan not be for basic training.**
- **Create the "Going 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.**
- **Authorize TED to promulgate rules to implement the Act.**

The bill took effect June 28, 2018.

Program Creation; Awards

The stated purpose of the Going Pro Talent Program is 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" means an employer that has a physical presence in the State, as determined by the TED, and that meets any other criteria established by TED.

The Department must create and operate the Program and work with Michigan Works Agencies to implement it. Michigan Works Agencies must conduct outreach to inform employers of the Program. A Michigan Works Agency may 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 must work with the Michigan Works Agencies to develop an application. The application must include a requirement that a qualified employer submit a training plan.

By August 1, 2018, TED must develop criteria to evaluate applications and training plans and

must post the criteria on its website. The criteria must 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 approves the award, unless approved by the Department.
- Be conducted by a qualified training provider.
- Not be for basic training.

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

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

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

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

"Qualified employee" means 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.

Expenses for which a program award may be used 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 may 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 by TED.
- Offsetting tuition reimbursement.

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

Going Pro Talent Fund

The Fund is created within the State Treasury. The State Treasurer may receive money or other assets from any source for deposit into the Fund. The State Treasurer must direct the investment of the Fund and credit to it interest and earnings from Fund investments. Money in the Fund at the close of the fiscal year must remain in the Fund, and may not lapse to the General Fund.

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

Report to the Legislature

By March 15 of each year, beginning in 2019, TED must 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 must 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 must 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 complete the approved training.

MCL 408.151 et al.

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

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