

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 14**

A bill to establish and implement a work opportunity employer reimbursement program; and to prescribe the powers and duties of certain state agencies and officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "work
2 opportunity act".

3 Sec. 3. As used in this act:

4 (a) "Department" means the department of talent and economic
5 development.

6 (b) "Employer" means an employer as defined in section 3401(d)
7 of the internal revenue code of 1986, 26 USC 3401. Any person
8 required to withhold for federal income tax purposes shall prima
9 facie be deemed an employer.

1 (c) "Full-time job" means a service performed by an individual
2 for 35 hours or more each week and whose income and social security
3 taxes are withheld from the wages earned by that individual for
4 performing the service.

5 (d) "Fund" means the work opportunity employer reimbursement
6 fund created in section 7.

7 (e) "Grant program" means the work opportunity employer
8 reimbursement program established in section 5.

9 (f) "Person" means an individual, partnership, corporation,
10 association, governmental entity, or other legal entity.

11 (g) "Qualified ex-felon" means an individual who is certified
12 by the Michigan unemployment insurance agency as having been
13 convicted of a felony under any statute of the United States or any
14 state and having a hiring date that is not more than 1 year after
15 the last date on which the individual was convicted or released
16 from prison and who is currently on probation or parole.

17 (h) "Qualified first-year wages" means the wages paid or
18 incurred by the employer attributable to services rendered by a
19 qualified ex-felon during the 1-year period beginning with the day
20 the qualified ex-felon begins work for the employer.

21 (i) "Qualified new job" means a full-time job created by the
22 employer or another full-time job previously held by another
23 employee who separated from employment voluntarily or for cause.

24 Sec. 5. (1) The department shall establish and implement a
25 work opportunity employer reimbursement program that uses money
26 from the fund to provide grants to employers for the hiring of
27 qualified ex-felons.

1 (2) The grant program shall require that an employer applying
2 to receive a grant shall employ at least 1 qualified ex-felon in a
3 qualified new job for a minimum of 120 hours.

4 (3) An employer that wishes to apply for a grant shall submit
5 an application to the department containing the information
6 required by the department, including all of the following:

7 (a) The employer's federal employer identification number or
8 the department of treasury number assigned to the employer.

9 (b) The qualified ex-felon's department of corrections number,
10 if applicable, and the status of his or her parole or probation.

11 (c) The amount of qualified first-year wages.

12 (d) A copy of the certification received from the Michigan
13 unemployment insurance agency.

14 (4) If the department approves a grant, the department shall
15 notify the employer. Upon confirmation that the employer has hired
16 a qualified ex-felon who worked at least 120 hours in a qualified
17 new job, the department shall, subject to the limitation under
18 subsection (5), approve and disburse the grant funds to the
19 employer as follows:

20 (a) For a qualified ex-felon who worked at least 120 hours but
21 not more than 400 hours, an amount equal to 25% of the qualified
22 first-year wages or \$1,500.00, whichever is less.

23 (b) For a qualified ex-felon who worked more than 400 hours,
24 an amount equal to 40% of the qualified first-year wages or
25 \$2,400.00, whichever is less.

26 (5) The department shall not approve a grant of more than
27 \$7,200.00 per employer per fiscal year. The department shall not

1 issue a grant under this program for more than 1 year for the same
2 qualified ex-felon.

3 Sec. 7. (1) The work opportunity employer reimbursement fund
4 is created within the state treasury.

5 (2) The state treasurer may receive money or other assets from
6 any source for deposit into the fund. The state treasurer shall
7 direct the investment of the fund. The state treasurer shall credit
8 to the fund interest and earnings from fund investments.

9 (3) Money in the fund at the close of the fiscal year shall
10 remain in the fund and shall not lapse to the general fund.

11 (4) The Michigan talent investment agency in the department
12 shall be the administrator of the fund for auditing purposes.

13 (5) The Michigan talent investment agency shall expend money
14 from the fund, upon appropriation, only for 1 or more of the
15 following purposes:

16 (a) Grants issued pursuant to the grant program.

17 (b) Not more than 10% of the money appropriated from the fund
18 for the employment of not more than 1 FTE to administer the grant
19 program.

20 Sec. 9. The department shall prepare an annual report that
21 describes the money received by the fund, the balance of the fund,
22 the total expenditures from the fund, and the number of grants
23 issued with money from the fund for that year. The department shall
24 provide this report to the standing committees of each house of the
25 legislature with jurisdiction over corrections issues.