

**SUBSTITUTE FOR
SENATE BILL NO. 766**

A bill to make appropriations for the department of labor and economic opportunity for the fiscal year ending September 30, 2025; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of labor and economic opportunity for the fiscal year ending September 30, 2025 from the following funds:

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

APPROPRIATION SUMMARY

Full-time equated unclassified positions	34.5
Full-time equated classified positions	2,633.0

1	GROSS APPROPRIATION		\$ 2,199,732,900
2	Interdepartmental grant revenues:		
3	Total interdepartmental grants and		
4	intradepartmental transfers		0
5	ADJUSTED GROSS APPROPRIATIONS		\$ 2,199,732,900
6	Federal revenues:		
7	Total federal revenues		1,177,165,800
8	Special revenue funds:		
9	Total local revenues		10,700,000
10	Total private revenues		12,584,600
11	Total other state restricted revenues		439,024,800
12	State general fund/general purpose		\$ 560,257,700
13	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
14	SUPPORT		
15	Full-time equated unclassified positions	34.5	
16	Full-time equated classified positions	66.0	
17	Unclassified salaries--FTE positions	34.5	\$ 4,739,900
18	Executive direction and operations--FTEs	66.0	10,852,200
19	Property management		6,353,600
20	GROSS APPROPRIATION		\$ 21,945,700
21	Appropriated from:		
22	Federal revenues:		
23	DED, vocational rehabilitation and independent		
24	living		3,355,000
25	DOL, federal funds		3,257,200
26	DOL-ETA, unemployment insurance		2,619,000
27	DOL, occupational safety and health		517,300
28	Federal funds		2,550,500

1	Special revenue funds:		
2	Asbestos abatement fund		52,200
3	Corporation fees		1,881,500
4	Michigan state housing development authority		
5	fees and charges		658,500
6	Private occupational school license fees		55,700
7	Radiological health fees		293,200
8	Safety education and training fund		784,700
9	Second injury fund		276,200
10	Securities fees		2,092,700
11	Self-insurers security fund		151,000
12	Silicosis and dust disease fund		114,200
13	Worker's compensation administrative revolving		
14	fund		91,300
15	State general fund/general purpose	\$	3,195,500
16	Sec. 103. WORKFORCE DEVELOPMENT		
17	Full-time equated classified positions	233.0	
18	23+ high school diploma program		\$ 3,000,000
19	At-risk youth grants		5,700,000
20	Community and worker economic transition		
21	office--FTEs	10.0	2,500,000
22	Going pro		55,000,000
23	Helmets to hardhats		250,000
24	High school equivalency-to-school program		250,000
25	Michigan office of rural prosperity--FTE	1.0	697,400
26	MiSTEM advisory council--FTEs	3.0	665,300
27	Office of future mobility and electrification		2,000,000
28	Veterans property tax exemption payments		100

1	Voluntary income tax assistance grants		2,000,000
2	Workforce development--FTEs	219.0	439,502,800
3	GROSS APPROPRIATION		\$ 511,565,600
4	Appropriated from:		
5	Federal revenues:		
6	DAG, employment and training		4,000,400
7	DED-OESE, GEAR-UP		5,500,000
8	DED-OVAE, adult education		20,000,000
9	DED-OVAE, basic grants to states		19,000,000
10	DOL, federal funds		106,345,500
11	DOL-ETA, workforce investment act		173,488,600
12	Federal funds		21,759,300
13	Social security act, temporary assistance to		
14	needy families		63,698,800
15	Special revenue funds:		
16	Local revenues		300,000
17	Private funds		5,291,300
18	Contingent fund, penalty and interest		22,134,400
19	Defaulted loan collection		181,100
20	State general fund/general purpose		\$ 69,866,200
21	Sec. 104. REHABILITATION SERVICES		
22	Full-time equated classified positions	671.0	
23	Bureau of services for blind persons--FTEs	116.0	\$ 29,736,700
24	Centers for independent living		19,718,600
25	Michigan rehabilitation services--FTEs	555.0	145,412,200
26	Subregional libraries state aid		451,800
27	GROSS APPROPRIATION		\$ 195,319,300
28	Appropriated from:		

1	Federal revenues:		
2	Federal funds		1,461,000
3	DED, vocational rehabilitation and independent		
4	living		137,598,800
5	Supplemental security income		8,588,600
6	Special revenue funds:		
7	Local - blind services		100,000
8	Local - vocational rehabilitation match		5,300,000
9	Private - blind services, private		111,800
10	Private - gifts, bequests, and donations		531,500
11	Michigan business enterprise program fund		350,000
12	Rehabilitation service fees		150,300
13	Second injury fund		38,300
14	State general fund/general purpose	\$	41,089,000
15	Sec. 105. EMPLOYMENT SERVICES		
16	Full-time equated classified positions	409.0	
17	Bureau of employment relations--FTEs	22.0	\$ 4,605,900
18	Compensation supplement fund		820,000
19	First responder presumed coverage claims		4,000,000
20	Insurance funds administration--FTEs	23.0	4,817,500
21	Michigan occupational safety and health		
22	administration--FTEs	217.0	37,474,600
23	Office of global Michigan--FTEs	15.0	44,949,800
24	Private and occupational distance learning--		
25	FTEs	3.0	872,400
26	Radiation safety section--FTEs	26.0	4,106,100
27	Wage and hour program--FTEs	33.0	4,555,000

1	Worker's compensation board of magistrates--		
2	FTEs	10.0	2,302,400
3	Worker's disability compensation agency--FTEs	56.0	9,982,500
4	Worker's disability compensation appeals		
5	commission--FTEs	4.0	355,100
6	GROSS APPROPRIATION		\$ 118,841,300
7	Appropriated from:		
8	Federal revenues:		
9	DOL, occupational safety and health		15,784,200
10	HHS, mammography quality standards		513,300
11	HHS, refugee assistance program fund		38,419,100
12	Special revenue funds:		
13	Asbestos abatement fund		959,200
14	Corporation fees		11,533,100
15	Distance education fund		376,500
16	First responder presumed coverage fund		4,000,000
17	Private occupational school license fees		495,900
18	Radiological health fees		3,842,800
19	Safety education and training fund		11,499,800
20	Second injury fund		2,454,900
21	Securities fees		11,054,400
22	Self-insurers security fund		1,647,600
23	Silicosis and dust disease fund		715,000
24	Worker's compensation administrative revolving		
25	fund		4,396,900
26	State general fund/general purpose		\$ 11,148,600
27	Sec. 106. UNEMPLOYMENT INSURANCE AGENCY		
28	Full-time equated classified positions	744.0	

1	Unemployment insurance agency--FTEs	736.0	\$	297,186,400
2	Unemployment insurance agency - advocacy			
3	assistance			1,500,000
4	Unemployment insurance appeals commission--FTEs	8.0		4,430,600
5	GROSS APPROPRIATION		\$	303,117,000
6	Appropriated from:			
7	Federal revenues:			
8	DOL-ETA, unemployment insurance			280,357,100
9	Special revenue funds:			
10	Contingent fund, penalty and interest			22,759,900
11	State general fund/general purpose		\$	0
12	Sec. 107. COMMISSIONS			
13	Full-time equated classified positions	19.0		
14	Asian Pacific American affairs commission--FTE	1.0	\$	223,600
15	Black leadership council--FTEs	0.0		100
16	Commission on Middle Eastern American Affairs--			
17	FTE	1.0		214,000
18	Hispanic/Latino commission of Michigan--FTE	1.0		296,200
19	Michigan community service commission--FTEs	14.0		19,614,300
20	Michigan women's commission--FTEs	2.0		1,540,400
21	GROSS APPROPRIATION		\$	21,888,600
22	Federal revenues:			
23	Federal funds			18,200,200
24	Special revenue funds:			
25	Private funds			1,250,000
26	State general fund/general purpose		\$	2,438,400
27	Sec. 108. INFORMATION TECHNOLOGY			
28	Information technology services and projects		\$	29,785,900

1	GROSS APPROPRIATION	\$ 29,785,900
2	Appropriated from:	
3	Federal revenues:	
4	DED, vocational rehabilitation and independent	
5	living	3,193,100
6	DOL-ETA, unemployment insurance	23,003,200
7	DOL, occupational safety and health	372,300
8	Special revenue funds:	
9	Asbestos abatement fund	35,300
10	Corporation fees	343,400
11	Distance education fund	20,700
12	Private occupational school license fees	82,400
13	Radiological health fees	155,900
14	Safety education and training fund	403,300
15	Second injury fund	180,700
16	Securities fees	1,064,900
17	Self-insurers security fund	125,600
18	Silicosis and dust disease fund	45,000
19	State general fund/general purpose	\$ 760,100
20	Sec. 109. STRATEGIC OUTREACH AND ATTRACTION	
21	RESERVE	
22	Critical industry program	\$ 100
23	Michigan strategic site readiness program	100
24	360 program	100
25	GROSS APPROPRIATION	\$ 300
26	Appropriated from:	
27	Special revenue funds:	
28	Strategic outreach and attraction reserve fund	300

1	State general fund/general purpose	\$	0
2	Sec. 110. MICHIGAN STRATEGIC FUND		
3	Full-time equated classified positions	164.0	
4	Arts and cultural program	\$	11,879,200
5	Business attraction and community		
6	revitalization		100,000,000
7	Community college skilled trades equipment		
8	program		4,600,000
9	Entrepreneurship ecosystem		12,650,000
10	Facility for rare isotope beams		7,300,000
11	Job creation services--FTEs	164.0	31,570,100
12	Lighthouse preservation program		307,500
13	Michigan community development financial		
14	institution fund grants		10,000,000
15	Pure Michigan		25,000,000
16	Revitalization and placemaking program		50,000,000
17	GROSS APPROPRIATION	\$	253,306,800
18	Appropriated from:		
19	Federal revenues:		
20	Federal funds		3,000,000
21	NFAH-NEA, promotion of the arts, partnership		
22	agreement		1,050,000
23	State historic preservation, national park		
24	service grants		1,900,000
25	Special revenue funds:		
26	Local promotion fund		5,000,000
27	Private - Michigan council for the arts fund		200,000
28	Private - special project advances		200,000

1	Private promotion fund		5,000,000
2	21st century jobs trust fund		75,000,000
3	Contingent fund, penalty and interest		4,600,000
4	Michigan lighthouse preservation fund		307,500
5	Michigan state housing development authority		
6	fees and charges		4,811,300
7	Revitalization and placemaking fund		50,000,000
8	State brownfield redevelopment fund		3,002,100
9	State historic preservation office fees and		
10	charges		503,500
11	State general fund/general purpose	\$	98,732,400
12	Sec. 111. MICHIGAN STATE HOUSING DEVELOPMENT		
13	AUTHORITY		
14	Full-time equated classified positions	318.0	
15	Community development block grants	\$	47,000,000
16	Housing and rental assistance--FTEs	318.0	51,448,200
17	Michigan housing and community development		
18	program		50,000,000
19	MSHDA technology services and projects		3,749,700
20	Payments on behalf of tenants		166,860,000
21	Property management		3,506,500
22	GROSS APPROPRIATION	\$	322,564,400
23	Appropriated from:		
24	Federal revenues:		
25	HUD, lower income housing assistance		166,860,000
26	HUD-CPD, community development block grant		49,773,300
27	Special revenue funds:		
28	Michigan housing and community development fund		50,000,000

1	Michigan state housing development authority		
2	fees and charges		55,931,100
3	State general fund/general purpose	\$	0
4	Sec. 112. STATE LAND BANK AUTHORITY		
5	Full-time equated classified positions	9.0	
6	State land bank authority	\$	6,397,900
7	GROSS APPROPRIATION	\$	6,397,900
8	Appropriated from:		
9	Federal revenues:		
10	Federal revenues		1,000,000
11	Special revenue funds:		
12	Land bank fast track fund		3,370,500
13	State general fund/general purpose	\$	2,027,400
14	Sec. 113. ONE-TIME APPROPRIATIONS		
15	ARISE Michigan	\$	5,000,000
16	Behavioral/mental health worker scholarship		1,500,000
17	Business attraction and workforce development		22,000,000
18	Community center grants		20,000,000
19	Community development grants		50,000,000
20	Community revitalization and municipal support		15,500,000
21	CTE equipment and training grants		5,000,000
22	Cultural vibrancy grants		11,000,000
23	Tech innovation hubs		100
24	Focus: hope		1,000,000
25	Housing affordability match		50,000,000
26	Housing affordability programs		100,000,000
27	Language access		500,000
28	Michigan innovation fund		60,000,000

1	Michigan minority owned business	10,000,000
2	Michigan office of rural prosperity	2,500,000
3	Parks and recreation grants	5,500,000
4	Short-term loan grants	2,500,000
5	Public health and safety grants	10,000,000
6	Critical infrastructure grants	23,000,000
7	Talent attraction and youth development grants	18,000,000
8	Tree safety grants	2,000,000
9	GROSS APPROPRIATION	\$ 415,000,100
10	Appropriated from:	
11	Federal revenues:	
12	Special revenue funds:	
13	Corporation fees	24,000,000
14	Other state restricted revenue	60,000,000
15	State general fund/general purpose	\$ 331,000,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2024-2025

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2025, total state spending under part 1 from state sources is \$999,282,500.00 and state spending under part 1 from state sources to be paid to local units of government is \$111,224,900.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

1	At-risk youth grants	\$	5,700,000
2	Community revitalization and municipal support		15,500,000
3	Critical infrastructure grants		23,000,000
4	Going pro		54,750,000
5	Workforce development programs		10,999,900
6	Michigan rehabilitation services		275,000
7	Arts and cultural program		1,000,000
8	TOTAL	\$	111,224,900

9 Sec. 202. The appropriations under this part and part 1 are
10 subject to the management and budget act, 1984 PA 431, MCL 18.1101
11 to 18.1594.

12 Sec. 203. As used in this part and part 1:

13 (a) "Department" means the department of labor and economic
14 opportunity.

15 (b) "Director" means the director of the department.

16 (c) "FTE" means full-time equated.

17 (d) "Fund", unless the context clearly implies a different
18 meaning, means the Michigan strategic fund.

19 (e) "MEDC" means the Michigan economic development
20 corporation, which is the public body corporate created under
21 section 28 of article VII of the state constitution of 1963 and the
22 urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
23 124.512, by contractual interlocal agreement effective April 5,
24 1999, between local participating economic development corporations
25 formed under the economic development corporations act, 1974 PA
26 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

27 (f) "MEGA" means the Michigan economic growth authority.

28 (g) "MSHDA" means the Michigan state housing development
29 authority.

1 (h) "MiSTEM" means Michigan science, technology, engineering,
2 and mathematics.

3 (i) "PATH" means Partnership. Accountability. Training. Hope.

4 (j) "Standard report recipients" means the senate and house
5 appropriations subcommittees on labor and economic opportunity, the
6 senate and house fiscal agencies, the senate and house policy
7 offices, and the state budget office.

8 (k) "STEM" means science, technology, engineering, and
9 mathematics.

10 (l) "USDOL" means the United States Department of Labor.

11 Sec. 204. The department shall use the internet to fulfill the
12 reporting requirements of this part. This requirement includes
13 transmitting reports to the standard report recipients and any
14 other required recipients by email and posting the reports on an
15 internet site.

16 Sec. 205. To the extent permissible under section 261 of the
17 management and budget act, 1984 PA 431, MCL 18.1261, all of the
18 following apply to the expenditure of funds appropriated in part 1:

19 (a) The funds must not be used for the purchase of foreign
20 goods or services, or both, if competitively priced and of
21 comparable quality American goods or services, or both, are
22 available.

23 (b) Preference must be given to goods or services, or both,
24 manufactured or provided by Michigan businesses, if they are
25 competitively priced and of comparable quality.

26 (c) Preference must be given to goods or services, or both,
27 that are manufactured or provided by Michigan businesses owned and
28 operated by veterans, if they are competitively priced and of
29 comparable quality.

1 Sec. 206. The department shall not take disciplinary action
2 against an employee of the department for communicating with a
3 member of the legislature or legislative staff, unless the
4 communication is prohibited by law.

5 Sec. 207. Consistent with section 217 of the management and
6 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare
7 a report on out-of-state travel expenses not later than January 1.
8 The report must list all travel by classified and unclassified
9 employees outside this state in the previous fiscal year that was
10 funded in whole or in part with funds appropriated in the
11 department's budget. The department shall submit the report to the
12 standard report recipients and to the senate and house
13 appropriations committees. The report must include all of the
14 following information:

15 (a) The dates of each travel occurrence.

16 (b) The total transportation and related expenses of each
17 travel occurrence and the proportions funded with state general
18 fund/general purpose revenues, state restricted revenues, federal
19 revenues, and other revenues.

20 Sec. 208. (1) The department shall not use funds appropriated
21 in part 1 to hire a person to provide legal services that are the
22 responsibility of the attorney general. This section does not apply
23 to legal services for bonding activities or to outside legal
24 services that the attorney general authorizes.

25 (2) The department shall make timely reimbursement to the
26 department of the attorney general for legal services provided by
27 the department of the attorney general to the department. If the
28 department fails to make timely reimbursement, the department of
29 the attorney general may increase the amount billed to include a

1 penalty for late reimbursement. As used in this section, "timely
2 reimbursement" means reimbursement not later than 60 days after the
3 department receives a bill for the legal services from the
4 department of the attorney general.

5 Sec. 209. Not later than December 15, the state budget office
6 shall prepare and submit a report that provides estimates of the
7 total general fund/general purpose appropriation lapses at the
8 close of the previous fiscal year. The report must summarize the
9 projected year-end general fund/general purpose appropriation
10 lapses by major departmental program or program areas. The state
11 budget office shall submit the report to the chairpersons of the
12 senate and house appropriations committees.

13 Sec. 211. The department shall cooperate with the department
14 of technology, management, and budget to maintain a searchable
15 website accessible by the public at no cost that includes, but is
16 not limited to, all of the following for the department:

- 17 (a) Fiscal year-to-date expenditures by category.
18 (b) Fiscal year-to-date expenditures by appropriation unit.
19 (c) Fiscal year-to-date payments to a selected vendor,
20 including the vendor name, payment date, payment amount, and
21 payment description.
22 (d) The number of active department employees by job
23 classification.
24 (e) Job specifications and wage rates.

25 Sec. 212. Not later than 14 days after the release of the
26 executive budget recommendation, the department shall cooperate
27 with the state budget office to provide an annual report on
28 estimated state restricted fund balances, state restricted fund
29 projected revenues, and state restricted fund expenditures for the

1 previous 2 fiscal years. The report must be submitted to the
2 standard report recipients and to the chairpersons of the senate
3 and house appropriations committees.

4 Sec. 213. The department shall maintain, on a publicly
5 accessible website, information that identifies, tracks, and
6 regularly updates key metrics that are used to monitor and improve
7 the department's performance.

8 Sec. 214. (1) Funds appropriated in part 1 must not be used to
9 restrict or impede a marginalized community's access to government
10 resources, programs, or facilities.

11 (2) From the funds appropriated in part 1, local governments
12 shall report any action or policy that attempts to restrict or
13 interfere with the duties of a local health officer.

14 Sec. 215. To the extent permissible under the management and
15 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall
16 take all reasonable steps to ensure geographically disadvantaged
17 business enterprises compete for and perform contracts to provide
18 services or supplies, or both. The director shall strongly
19 encourage firms with which the department contracts to subcontract
20 with certified geographically disadvantaged business enterprises
21 for services, supplies, or both. As used in this section,
22 "geographically disadvantaged business enterprises" means that term
23 as defined in Executive Directive No. 2019-08.

24 Sec. 216. On a quarterly basis, the department shall report on
25 the number of full-time equated positions in pay status by civil
26 service classification, including a comparison by line item of the
27 number of full-time equated positions authorized from funds
28 appropriated in part 1 to the actual number of full-time equated
29 positions employed by the department at the end of the reporting

1 period. The report must be submitted to the senate and house
2 appropriations committees and to the standard report recipients.

3 Sec. 217. It is the intent of the legislature that the
4 department maximize the efficiency of the state workforce and, if
5 possible, prioritize in-person work and post its in-person, remote,
6 or hybrid work policy on its website.

7 Sec. 218. If the state administrative board, acting under
8 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
9 appropriated under this part or part 1, the legislature may, by a
10 concurrent resolution adopted by a majority of the members elected
11 to and serving in each house, inter-transfer funds within this part
12 or part 1 for the particular department, board, commission,
13 officer, or institution.

14 Sec. 219. The department shall receive and retain copies of
15 all reports funded from appropriations in part 1. The department
16 shall follow federal and state guidelines for short-term and long-
17 term retention of records. The department may electronically retain
18 copies of reports unless otherwise required by federal and state
19 guidelines.

20 Sec. 220. Not later than April 1, the department shall report
21 on each specific policy change made to implement a public act
22 affecting the department that took effect during the previous
23 calendar year. The department shall submit the report to the
24 standard report recipients, to the senate and house appropriations
25 committees, and to the joint committee on administrative rules.

26 Sec. 221. (1) From the funds appropriated in part 1, the
27 department shall do all of the following:

28 (a) Report any amounts of severance pay for a department
29 director, deputy director, or other high-ranking department

1 official not later than 14 days after a severance agreement with
2 the director or official is signed. The name of the director or
3 official and the amount of severance pay must be included in the
4 report required by this subdivision.

5 (b) Not later than February 1, report on the total amount of
6 severance pay remitted to former department employees during the
7 fiscal year and the total number of former department employees
8 that were remitted severance pay during the previous fiscal year.

9 (2) Reports required by this section must be submitted to the
10 standard report recipients and to the senate and house
11 appropriations committees.

12 (3) As used in this section, "severance pay" means
13 compensation that is both payable or paid upon the termination of
14 employment and in addition to either wages or benefits earned
15 during the course of employment or generally applicable retirement
16 benefits.

17 Sec. 222. To the extent possible, the department shall not
18 expend appropriations under part 1 until all existing authorized
19 work project funds available for the same purposes are exhausted.

20 Sec. 223. General fund appropriations in part 1 must not be
21 expended for items in cases where federal funding or private grant
22 funding is available for the same expenditures.

23 Sec. 224. (1) For any grant program or project funded in part
24 1 intended for a single recipient organization or unit of local
25 government, the grant program or project is for a public purpose
26 and the department shall follow procurement statutes of this state,
27 including any bidding requirements, unless the department can fully
28 validate, through information detailed in this part or public
29 supporting documents, both of the following:

1 (a) The specific organization or unit of local government that
2 will receive or administer the funds.

3 (b) How the funds will be administered and expended.

4 (2) Notwithstanding any other conditions or requirements for
5 direct appropriation grants, the department shall perform at least
6 all of the following activities to administer the grants described
7 in subsection (1):

8 (a) Develop a standard application process, grantee reporting
9 requirements, and any other necessary documentation, including
10 sponsorship information as specified under subsection (3).

11 (b) Establish a process to review, complete, and execute a
12 grant agreement with a grant recipient. The department shall not
13 execute a grant agreement unless all necessary documentation has
14 been submitted and reviewed.

15 (c) Verify to the extent possible that a grant recipient will
16 use funds for a public purpose that serves the economic prosperity,
17 health, safety, or general welfare of the residents of this state.

18 (d) Review and verify all necessary information to ensure the
19 grant recipient is reasonably able to execute the grant agreement,
20 perform its fiduciary duty, and comply with all applicable state
21 and federal statutes. The department may deduct the cost of
22 background checks performed as part of this verification from the
23 amount of the designated grant award.

24 (e) Establish a standard timeline to review all documents
25 submitted by grant recipients and provide a response within 45
26 business days stating whether submitted documents by a grant
27 recipient are sufficient or in need of additional information.

28 (3) A sponsor of a grant described in subsection (1) must be a
29 legislator or the department. A legislative sponsor must be

1 identified through a letter submitted by that legislator's office
2 to the department and state budget director containing the name of
3 the grant recipient, the intended amount of the grant, a
4 certification from that legislator that the grant is for a public
5 purpose, and specific citation of the section and subsection of the
6 public act that authorizes the grant, as applicable. If a
7 legislative sponsor is not identified before January 15, 2025, the
8 department shall do 1 of the following:

9 (a) Identify the department as the sponsor.

10 (b) Decline to execute the grant agreement.

11 (4) An executed grant agreement under this section between the
12 department and a grant recipient must include at least all of the
13 following:

14 (a) All necessary identifying information for the grant
15 recipient, including any tax and financial information for the
16 department to administer funds under this section.

17 (b) A description of the project for which the grant funds
18 will be expended, including tentative timelines and the estimated
19 budget. The department shall not reimburse expenditures that are
20 outside of the project purpose, as stated in the executed grant
21 agreement, from appropriations in part 1.

22 (c) Unless otherwise specified in department policy, a
23 requirement that funds appropriated for the grants described in
24 subsection (1) may be used only for expenditures that occur on or
25 after the effective date of this act.

26 (d) At the discretion of the department, a provision for an
27 initial disbursement of 50% to the grant recipient on execution of
28 the grant agreement consistent with part II, chapter 10, section
29 200 of the Financial Management Guide.

1 (e) A requirement that after an initial 50% disbursement under
2 subdivision (d), additional funds will be disbursed only after
3 verification that the initial payment has been fully expended in
4 accordance with the project purpose. The department shall disburse
5 the remaining funds after the grantee has provided sufficient
6 documentation, as determined by the department, to verify that all
7 expenditures were made in accordance with the project purpose.

8 (f) A requirement for reporting by the grant recipient to the
9 department that provides the status of the project and an
10 accounting of all funds expended by the grant recipient, as
11 determined by the department.

12 (g) A claw-back provision that allows the department of
13 treasury to recoup or otherwise collect any funds that are
14 declined, unspent, or otherwise misused.

15 (5) If appropriate to improve the administration or oversight
16 of a grant described in subsection (1), the department may adopt a
17 memorandum of understanding with another state department to
18 perform the required duties under this section.

19 (6) A grant recipient shall respond to all reasonable
20 information requests from the department related to grant
21 expenditures and retain grant records for not less than 7 years,
22 and the grant may be subject to monitoring, site visits, and audits
23 as determined by the department. The grant agreement required under
24 this section must include signed assurance by the chief executive
25 officer or other executive officer of the grant recipient that the
26 requirements of this subsection will be met.

27 (7) The grant recipient shall expend all funds awarded and
28 complete all projects not later than September 30, 2029. If at that
29 time any unexpended funds remain, the grant recipient shall return

1 those funds to the state treasury. If a grant recipient does not
2 provide information sufficient to execute a grant agreement not
3 later than June 1, 2025, the department shall return funds
4 associated with the grant to the state treasury.

5 (8) The state budget director may, on a case-by-case basis,
6 extend the deadline in subsection (7) on request by a grant
7 recipient. The state budget director shall notify the chairs of the
8 house and senate appropriations committees not later than 5 days
9 after an extension is granted.

10 (9) Subject to subsection (10), the department shall post a
11 report in a publicly accessible location on its website not later
12 than March 15, 2025. The report must list the grant recipient,
13 project purpose, and location of the project for each grant
14 described in subsection (1), the status of funds allocated and
15 disbursed under the grant agreement, and the legislative sponsor,
16 if applicable. The department shall update the report not later
17 than June 15, 2025 and again not later than September 15, 2025, and
18 post the updated reports. At each posting of the report, the
19 department shall include the most comprehensive information it has
20 available at the time of posting for grants awarded.

21 (10) If the state budget office determines that it is more
22 efficient for the state budget office to compile the information
23 required under subsection (9) for all of the affected departments
24 and post a report of the compiled information by the date required
25 under subsection (9) than for the individual departments to comply
26 with subsection (9), the state budget office may compile that
27 information and post that report.

28 (11) As applicable, the legislative sponsor of a grant
29 described in subsection (1) shall comply with all applicable laws

1 concerning conflicts of interest in seeking a direct grant. A
2 legislative sponsor shall not seek a grant for a recipient if a
3 conflict of interest exists.

4 (12) If the department reasonably determines that the funds
5 allocated for an executed grant agreement under this section were
6 misused or that use of the funds was misrepresented by the grant
7 recipient, the department shall not award any additional funds
8 under the executed grant agreement and shall refer the grant for
9 review following internal audit protocols.

10

11 **DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**

12 Sec. 301. (1) In addition to the funds appropriated in part 1,
13 there is appropriated an amount not to exceed \$30,000,000.00 for
14 federal contingency authorization. Amounts appropriated under this
15 subsection are not available for expenditure until they have been
16 transferred to another line item in part 1 under section 393(2) of
17 the management and budget act, 1984 PA 431, MCL 18.1393.

18 (2) In addition to the funds appropriated in part 1, there is
19 appropriated an amount not to exceed \$560,000,000.00 for state
20 restricted contingency authorization. Amounts appropriated under
21 this subsection are not available for expenditure until they have
22 been transferred to another line item in part 1 under section
23 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

24 (3) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$11,000,000.00 for private
26 contingency authorization. Amounts appropriated under this
27 subsection are not available for expenditure until they have been
28 transferred to another line item in part 1 under section 393(2) of
29 the management and budget act, 1984 PA 431, MCL 18.1393.

1 (4) In addition to the funds appropriated in part 1, there is
2 appropriated an amount not to exceed \$2,000,000.00 for local
3 contingency authorization. Amounts appropriated under this
4 subsection are not available for expenditure until they have been
5 transferred to another line item in part 1 under section 393(2) of
6 the management and budget act, 1984 PA 431, MCL 18.1393.

7 Sec. 302. Federal pass-through funds to local institutions and
8 governments that are received in amounts in addition to those
9 included in part 1 and that do not require additional state
10 matching funds are appropriated for the purposes intended. The
11 department may carry forward into the succeeding fiscal year
12 unexpended federal pass-through funds to local institutions and
13 governments that do not require additional state matching funds.
14 The department shall report the amount and source of the funds to
15 the standard report recipients no later than 10 business days after
16 receiving any additional pass-through funds.

17 Sec. 303. As a condition of receiving funds in part 1, the
18 department must utilize SIGMA as an appropriation and expenditure
19 reporting system to track all financial transactions with
20 individual vendors, contractual partners, grantees, recipients of
21 business incentives, and recipients of other economic assistance.
22 Encumbrances and expenditures must be reported in a timely manner.

23 Sec. 304. (1) Grants supported with private revenues received
24 by the department are appropriated upon receipt and are available
25 for expenditure by the department for purposes specified within the
26 grant agreement and as permitted under state and federal law.

27 (2) No later than 10 days after the receipt of a private grant
28 appropriated in subsection (1), the department shall notify the
29 house and senate chairpersons of the subcommittees, the senate and

1 house fiscal agencies, and the state budget director of the receipt
2 of the grant, including the fund source, purpose, and amount of the
3 grant.

4 (3) The amount appropriated under subsection (1) must not
5 exceed \$1,500,000.00.

6 Sec. 305. (1) The department may charge registration fees to
7 attendees of informational, training, or special events sponsored
8 by the department, and related to activities that are under the
9 department's purview.

10 (2) The fees under subsection (1) must reflect the costs for
11 the department to sponsor the informational, training, or special
12 events.

13 (3) Revenue generated by the registration fees under
14 subsection (1) is appropriated upon receipt and available for
15 expenditure to cover the department's costs of sponsoring
16 informational, training, or special events.

17 (4) Revenue generated by registration fees under this section
18 in excess of the department's costs of sponsoring informational,
19 training, or special events must carry forward to the subsequent
20 fiscal year and not lapse to the general fund.

21 (5) The amount appropriated under subsection (3) must not
22 exceed \$500,000.00.

23 Sec. 306. (1) The department may sell documents at a price not
24 to exceed the cost of production and distribution. Money received
25 from the sale of these documents must revert to the department. In
26 addition to the funds appropriated in part 1, these funds are
27 available for expenditure when they are received by the department
28 of treasury. This subsection applies only to R 418.10101 to R
29 418.101504 of the Michigan Administrative Code.

1 (2) Unexpended funds at the end of the fiscal year must carry
2 forward to the subsequent fiscal year and not lapse to the general
3 fund. The revenue carried forward under this section must be used
4 as the first source of funds in the subsequent fiscal year.

5 Sec. 307. If the revenue collected by the department for
6 radiological health administration and projects from fees and
7 collections exceeds the amount appropriated in part 1, the revenue
8 must be carried forward into the subsequent fiscal year. The
9 revenue carried forward under this section must be used as the
10 first source of funds in the subsequent fiscal year.

11 Sec. 308. Funds appropriated in part 1 must not be used by a
12 department, authority, or agency to purchase an ownership interest
13 in a casino.

14 Sec. 309. Funds appropriated under part 1 or this part must
15 not be used for construction, repair, or remodeling of a building
16 or structure owned or leased by this state unless the construction,
17 repair, or remodeling is performed by individuals who have
18 completed or are enrolled in a registered apprenticeship program,
19 as that term is defined in 29 USC 50c, that is certified as
20 approved by the United States Secretary of Labor as described in 29
21 USC 50c.

22

23 **STRATEGIC OUTREACH AND ATTRACTION RESERVE**

24 Sec. 350. In addition to the funds appropriated in part 1, up
25 to \$500,000,000.00 from the strategic outreach and attraction
26 reserve fund is appropriated to the strategic outreach and
27 attraction reserve fund established in section 4 of the Michigan
28 trust fund act, 2000 PA 489, MCL 12.254. Funds appropriated in this
29 section must be used to support activities under section 88s or 88t

1 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088s and
2 125.2088t, after they have been transferred to another line item
3 under section 393(2) of the management and budget act, 1984 PA 431,
4 MCL 18.1393. Under section 4(2) of the Michigan trust fund act,
5 2000 PA 489, MCL 12.254, funds appropriated under this section that
6 are not restricted, obligated, or committed at the close of the
7 fiscal year ending September 30, 2025 must lapse to the state
8 general fund. If Senate Bill Nos. 559 and 562 of the 102nd
9 Legislature are enacted into law, the department shall expend funds
10 under all requirements of Senate Bill Nos. 559 and 562 of the 102nd
11 Legislature.

12 Sec. 351. The legislature finds and declares that
13 appropriations for the critical industry program, the Michigan
14 strategic site readiness program, and the 360 program are for a
15 public purpose and serve the health, safety, and general welfare of
16 the residents of this state.

17 Sec. 352. (1) It is the intent of the legislature that the
18 funds in part 1 for the critical industry program and the Michigan
19 strategic site readiness program are expended in a manner that will
20 maximize job creation, grow wages, support existing business in
21 this state, attract new business development to this state, and
22 include community support and equity.

23 (2) It is the intent of the legislature that the Michigan
24 strategic fund prioritize the adoption of conditions related to the
25 expense of funds in part 1 that include, but are not limited to,
26 the following:

27 (a) Claw-back provisions in a written agreement between the
28 fund and a qualified business relating to the creation or retention
29 of jobs must be structured to ensure that those jobs are retained

1 for not less than 5 years.

2 (b) Projects must be located in a qualified census tract, as
3 defined by the United States Department of Housing and Urban
4 Development, or in communities with an unemployment rate in excess
5 of the state average.

6 (c) A written agreement between the fund and a qualified
7 business or eligible applicant that must include a first-source
8 hiring provision between the qualified business or eligible
9 applicant and an entity or entities recommended by the workforce
10 development agency serving the area where the project is located.

11 (d) A written agreement between the fund and a qualified
12 business or eligible applicant that must include a community
13 benefits agreement as determined by the fund.

14 (e) A written agreement between the fund and a qualified
15 business or eligible applicant that must require the qualified
16 business or eligible applicant to offer employee services may
17 include, but not be limited to:

18 (i) Child care services.

19 (ii) Transportation supports.

20 (iii) Postsecondary educational institutions.

21 (iv) Customized assistance programs for employees.

22 (v) Customized job training programs, job readiness programs,
23 or extension programs.

24 (vi) Credential requirements pipeline programs.

25 (vii) Workforce talent investment programming.

26 (viii) Tuition debt forgiveness or repayment supports.

27 (ix) Outreach, screening, preapplication support, and
28 interviewing services.

29 (x) On-site training and support centers.

1 (3) As used in this section:

2 (a) "Eligible applicant" means that term as defined under
3 section 88t of the Michigan strategic fund act, 1984 PA 270, MCL
4 125.2088t.

5 (b) "Qualified business" means that term as defined under
6 section 88s of the Michigan strategic fund act, 1984 PA 270, MCL
7 125.2088s.

8 (4) It is the intent of the legislature that the department
9 shall expend dollars with all requirements of Senate Bill Nos. 559
10 and 562 of the 102nd Legislature, if Senate Bill Nos. 559 and 562
11 of the 102nd Legislature is enacted into law.

12

13 **MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

14 Sec. 401. (1) MSHDA shall annually present a report to the
15 standard report recipients on the status of the authority's housing
16 production goals under all financing programs established or
17 administered by the authority. The report must give special
18 attention to efforts to raise affordable multifamily and single-
19 family housing production goals.

20 (2) MSHDA shall not restrict eligibility in any financing
21 program for housing units without a permanent foundation unless
22 this restriction is required by the funding source.

23 (3) MSHDA shall report semiannually on production goals. The
24 first report is due March 15 of the current fiscal year and must
25 include efforts to raise affordable multifamily and single-family
26 housing goals. The second report is due September 30 of the current
27 fiscal year and must include a summary of each program, the status
28 of goal progress, and how the programs are utilized by citizens of
29 this state.

1 Sec. 402. The funds appropriated in part 1 for the Michigan
2 housing and community development program must be expended for
3 projects as described in sections 58b and 58c of the state housing
4 development authority act of 1966, 1966 PA 346, MCL 125.1458b and
5 125.1458c.

6 Sec. 403. In addition to the funds appropriated in part 1,
7 federal HUD-CPD community development block grant funding is
8 appropriated to complete all program activities from prior program
9 years ending with the 2023 program allocation per Executive
10 Reorganization Order 2023-1. These funds may be expended for the
11 community development block grant program and administration of the
12 program.

13 Sec. 404. From the funds appropriated in part 1 for housing
14 and rental assistance, no less than 2.0 FTE positions must work to
15 the extent permissible with the department of health and human
16 services on transition and supportive housing to support the
17 transition to permanent housing with MSHDA.

18 Sec. 405. From the funds appropriated in part 1 for Michigan
19 housing and community development program, no less than
20 \$7,500,000.00 must be allocated to provide homeless supportive
21 housing with municipalities and nonprofits that provide supportive
22 housing to the homeless. Applicants are required to provide no less
23 than a 50% match of funds. Awardees shall receive no less than 20%
24 of the funding in this subsection. The department shall prioritize
25 applicants that support homeless veterans.

26
27 **STATE LAND BANK AUTHORITY**

28 Sec. 451. (1) In addition to the amounts appropriated in part
29 1, the state land bank authority may expend revenues received under

1 the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774,
2 for the purposes authorized by the act, including, but not limited
3 to, the acquisition, lease, management, demolition, maintenance, or
4 rehabilitation of real or personal property, payment of debt
5 service for notes or bonds issued by the authority, and other
6 expenses to clear or quiet title property held by the authority.
7 The state land bank authority may establish partnerships with local
8 land bank authorities.

9 (2) Not later than March 15, the state land bank authority
10 shall submit a report to the standard report recipients on the
11 number of real properties acquired, leased, managed, demolished,
12 maintained, or rehabilitated in the immediately preceding fiscal
13 year and list any partnerships that the state land bank authority
14 has with any local land bank authorities. The report must be
15 submitted to the chairpersons of the relevant senate and house of
16 representatives appropriations subcommittees, the senate and house
17 fiscal agencies, and the state budget director.

18

19 **MICHIGAN STRATEGIC FUND**

20 Sec. 501. The report required under section 9 of the Michigan
21 strategic fund act, 1984 PA 270, MCL 125.2009, must be transmitted
22 by March 15.

23 Sec. 502. In addition to the appropriations in part 1, Travel
24 Michigan may receive and expend private revenue related to the use
25 of "Pure Michigan" and all other copyrighted slogans and images.
26 This revenue may come from the direct licensing of the name and
27 image or from the royalty payments from various merchandise sales.
28 Revenue collected is appropriated for the marketing of this state
29 as a travel destination. The funds are available for expenditure

1 when they are received by the department of treasury. If the fund
2 receives revenues from the use of "Pure Michigan", the fund shall
3 provide a report that lists the revenues by source received from
4 the use of "Pure Michigan" and all other copyrighted slogans and
5 images. The report must provide a detailed list of expenditures of
6 revenues received under this section. The report must be provided
7 to the standard report recipients by March 15.

8 Sec. 503. (1) From the funds appropriated in part 1 for Pure
9 Michigan, general fund dollars must be appropriated for the
10 following purposes:

11 (a) Conduction of market research regionally, nationally, and
12 internationally for use in market campaigns.

13 (b) Production of advertisements for the promotion of Michigan
14 as a place to live, learn, build, work, play, and succeed.

15 (c) Placement of advertisements that have a diverse
16 representation in regional, national, and international market
17 campaigns to promote Michigan as a state that welcomes all
18 individuals and families.

19 (d) Other activities that promote Michigan as a place to live,
20 learn, build, work, play, and succeed.

21 (e) Matching marketing campaigns funded from the local
22 promotion fund or private promotion fund.

23 (2) The fund may contract any of the activities under
24 subsection (1).

25 (3) The fund may work in cooperation with local units of
26 government, nonprofit entities, and private entities on Pure
27 Michigan promotion campaigns. The fund shall include agreements
28 prior to undertaking cooperative marketing campaigns.

29 (4) The department shall provide an annual report no later

1 than March 15, on the utilization of funds for eligible activities
2 in subsection (1), including a breakdown by eligible use, efforts
3 taken to broaden the scope of marketing activities to diverse
4 populations, a breakdown of money spent within this state and
5 outside of this state, and targeted marketing to encourage
6 residents from other states to move to this state.

7 Sec. 504. (1) A local promotion fund is created in the
8 department of labor and economic opportunity. The fund may receive
9 funds from local units of government and nonprofit entities and
10 deposit these funds into the local promotion fund. Funds received
11 are available for expenditure for use in Pure Michigan promotion
12 campaigns. The fund may maintain individual accounts for local
13 units of government and nonprofit entities that deposit funds into
14 the local promotion fund upon request from a local unit of
15 government. As used in this subsection, "local unit of government"
16 includes cities, villages, townships, counties, and regional
17 councils of government.

18 (2) Local promotion funds appropriated in part 1 may be used
19 for media production and placements, national and international
20 marketing campaigns, and for other activities that promote Michigan
21 as a place to live, work, and play.

22 (3) Any unexpended or unencumbered balance must be disposed of
23 in accordance with the management and budget act, 1984 PA 431, MCL
24 18.1101 to 18.1594, unless carryforward authorization has been
25 otherwise provided for.

26 (4) The department shall provide an annual report no later
27 than March 15 on any funds that have been generated by local units
28 of government and how those funds have been expended.

29 Sec. 505. (1) A private promotion fund is created in the

1 department of labor and economic opportunity. The fund may receive
2 funds from private entities and deposit these funds into the
3 private promotion fund. Funds received are available for
4 expenditure for use in Pure Michigan promotion campaigns. The fund
5 may maintain individual accounts for private entities that deposit
6 funds into the private promotion fund upon request from a private
7 entity.

8 (2) Private promotion funds appropriated in part 1 may be used
9 for media production and placements, national and international
10 marketing campaigns, and for other activities that promote Michigan
11 as a place to live, work, and play.

12 (3) Any unexpended or unencumbered balance shall be disposed
13 of in accordance with the management and budget act, 1984 PA 431,
14 MCL 18.1101 to 18.1594, unless carryforward authorization has been
15 otherwise provided for.

16 Sec. 506. (1) As a condition of receiving funds appropriated
17 in part 1, the fund must provide a report of all approved
18 amendments to projects for the immediately preceding year under
19 sections 88r and 90b of the Michigan strategic fund act, 1984 PA
20 270, MCL 125.2088r and 125.2090b. The report must provide a
21 description of each amendment, by award, that includes, but is not
22 limited to, the following:

23 (a) The amended award amount relative to the prior award
24 amount.

25 (b) The amended number of committed jobs relative to the prior
26 number of committed jobs.

27 (c) The amended amount of qualified investment committed
28 relative to the prior amount of qualified investment committed.

29 (d) A description of any change in scope of the project.

1 (e) A description of any change in project benchmarks,
2 deadlines, or completion dates.

3 (f) The reason or justification for the amendment approval.

4 (g) All subprograms funded with the business attraction and
5 community revitalization line item.

6 (2) In addition to being posted online, the report must be
7 distributed by March 15.

8 Sec. 507. (1) As a condition of receiving funds appropriated
9 in part 1, the fund must request the following information from the
10 MEDC:

11 (a) Approved budget from the MEDC executive committee for the
12 current fiscal year and actual budget expenditures for the
13 preceding fiscal years.

14 (b) Expenditures and revenues as part of the current and
15 preceding year budgets, including the available fund balance for
16 the current and preceding fiscal years.

17 (c) The total number of FTEs, by state and corporate status.

18 (d) A reporting of activities, programs, and grants consistent
19 with the preceding fiscal year budget.

20 (2) Information received by the fund under this section must
21 be posted online and distributed by March 15.

22 Sec. 508. As a condition of receiving funds under part 1, any
23 interlocal agreement entered into by the fund must include language
24 that states that if a local unit of government has a contract or
25 memorandum of understanding with a private economic development
26 agency, the MEDC will work cooperatively with that private
27 organization in that local area.

28 Sec. 509. (1) Of the funds appropriated to the fund or through
29 grants to the MEDC, funds must not be expended for the purchase of

1 options on land or the purchase of land unless at least 1 of the
2 following conditions applies:

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

4 (b) The land is obtained through a purchase or exercise of an
5 option at the invitation of the local unit of government and local
6 economic development agency.

7 (c) The land is obtained from the state land bank authority or
8 a local land bank authority.

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

14 (3) As used in this section, "economically distressed area"
15 means an area in a city, village, or township that has been
16 designated as blighted; a city, village, or township that shows
17 negative population change from 1970 and a poverty rate and
18 unemployment rate greater than the statewide average; or an area
19 certified as a neighborhood enterprise zone under the neighborhood
20 enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786.

21 (4) If land or options on land are purchased under subsection
22 (1), the fund shall provide a report to the standard report
23 recipients that provides a list of all properties purchased, all
24 options on land purchased, the location of the land purchased, and
25 the purchase price if the fund purchases options on land or land.
26 The report must be submitted before March 15.

27 Sec. 510. As a condition for receiving funds in part 1, not
28 later than March 15, the fund must provide a report for the
29 immediately preceding fiscal year on the jobs for Michigan

1 investment fund, created in section 88h of the Michigan strategic
2 fund act, 1984 PA 270, MCL 125.2088h. The report must include, but
3 is not limited to, all of the following:

4 (a) A detailed listing of revenues, by fund source, to the
5 jobs for Michigan investment fund. The listing must include the
6 manner and reason for which the funds were appropriated to the jobs
7 for Michigan investment fund.

8 (b) A detailed listing of expenditures, by project, from the
9 jobs for Michigan investment fund.

10 (c) A fiscal year-end balance of the jobs for Michigan
11 investment fund.

12 Sec. 511. (1) From the appropriations in part 1 to the fund
13 and granted or transferred to the MEDC, any unexpended or
14 unencumbered balance must be disposed of in accordance with the
15 requirements in the management and budget act, 1984 PA 431, MCL
16 18.1101 to 18.1594, unless carryforward authorization has been
17 otherwise provided for.

18 (2) Any encumbered funds, including encumbered funds
19 subsequently unobligated, must be used for the same purposes for
20 which funding was originally appropriated in this part and part 1.

21 (3) For funds appropriated in part 1 to the fund, any
22 carryforward authorization subsequently created through a work
23 project must be preserved until a cash or accrued expenditure has
24 been executed or the allowable work project time period has
25 expired.

26 Sec. 512. (1) As a condition of receiving funds under part 1,
27 the fund must ensure that the MEDC and the fund comply with all of
28 the following:

29 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to

1 15.246.

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

3 (c) Annual audits of all financial records by the auditor
4 general or the auditor general's designee.

5 (d) All reports required by law to be submitted to the
6 legislature.

7 (2) If the MEDC is unable for any reason to perform duties
8 under this part, the fund may exercise those duties.

9 Sec. 513. As a condition for receiving the appropriations in
10 part 1, any staff of the MEDC involved in private fund-raising
11 activities must not be party to any decisions regarding the
12 awarding of grants, incentives, or tax abatements from the fund,
13 the critical **industry** program, the Michigan strategic site
14 readiness program, the 360 program, the MEDC, or the Michigan
15 economic growth authority.

16 Sec. 514. From the funds appropriated in part 1 for business
17 attraction and community revitalization, not less than 20% must be
18 granted by the fund board for brownfield redevelopment and historic
19 preservation projects under the community revitalization program
20 authorized by chapter 8C of the Michigan strategic fund act, 1984
21 PA 270, MCL 125.2090 to 125.2090d.

22 Sec. 520. (1) The fund shall report to the standard report
23 recipients on the status of the film incentives at the same time as
24 it submits the annual report required under section 455 of the
25 Michigan business tax act, 2007 PA 36, MCL 208.1455. The department
26 of treasury shall provide the fund with the data necessary to
27 prepare the report. Incentives included in the report shall include
28 all of the following:

29 (a) The tax credit provided under section 455 of the Michigan

1 business tax act, 2007 PA 36, MCL 208.1455.

2 (b) The tax credit provided under section 457 of the Michigan
3 business tax act, 2007 PA 36, MCL 208.1457.

4 (c) The tax credit provided under section 459 of the Michigan
5 business tax act, 2007 PA 36, MCL 208.1459.

6 (d) The amount of any tax credit claimed under former section
7 367 of the income tax act of 1967, 1967 PA 281.

8 (e) Any tax credits provided for film and digital media
9 production under the Michigan economic growth authority act, 1995
10 PA 24, MCL 207.801 to 207.810.

11 (f) Loans to an eligible production company or film and
12 digital media private equity fund authorized under section 88d(3),
13 (4), and (5) of the Michigan strategic fund act, 1984 PA 270, MCL
14 125.2088d.

15 (2) The report under subsection (1) must include all of the
16 following information:

17 (a) For each tax credit, the number of contracts signed, the
18 projected expenditures qualifying for the credit, and the estimated
19 value of the credits. For loans, the number of loans made under
20 each section, the interest rate of those loans, the loan amount,
21 the percent of the projected budget of each production financed by
22 those loans, and the estimated interest earnings from the loan.

23 (b) For credits authorized under section 455 of the Michigan
24 business tax act, 2007 PA 36, MCL 208.1455, for productions
25 completed by December 31, the expenditures of each production
26 eligible for the credit that has filed a request for certificate of
27 completion with the film office, broken down into expenditures for
28 goods, services, or salaries and wages and showing separately
29 expenditures in each local unit of government, including

1 expenditures for personnel, whether or not they were made to a
2 Michigan entity, and whether or not they were taxable under the
3 laws of this state.

4 (c) For loans, the report must include the number of loans
5 that have been fully repaid, with principal and interest shown
6 separately, and the number of loans that are delinquent or in
7 default, and the amount of principal that is delinquent or is in
8 default.

9 (d) For each of the tax credit incentives and loan incentives
10 listed in subsection (1), a breakdown for each project or
11 production showing each of the following:

12 (i) The number of temporary jobs created.

13 (ii) The number of permanent jobs created.

14 (iii) The number of persons employed in Michigan as a result of
15 the incentive, on a full-time equated basis.

16 (e) A listing of all projects the Michigan film and digital
17 media office provided assistance on, a listing of the services
18 provided for each project, and an estimate of investment leveraged.

19 (3) For any information not included in the report due to the
20 provisions of section 455(6), 457(6), or 459(6) of the Michigan
21 business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459,
22 the report shall do all of the following:

23 (a) Indicate how the information would describe the commercial
24 and financial operations or intellectual property of the company.

25 (b) Attest that the information has not been publicly
26 disseminated at any time.

27 (c) Describe how disclosure of the information may put the
28 company at a competitive disadvantage.

29 (4) Any information not disclosed due to the provisions of

1 section 455(6), 457(6), or 459(6) of the Michigan business tax act,
2 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, must be presented
3 at the lowest level of aggregation that would no longer describe
4 the commercial and financial operations or intellectual property of
5 the company.

6 (5) The fund shall report no later than March 15 to the
7 standard report recipients on the activities of the Michigan film
8 and digital media office for the immediately preceding fiscal year.
9 The report must include, but not be limited to, a listing of all
10 projects the Michigan film and digital media office provided
11 assistance on, a listing of the services provided for each project,
12 and an estimate of investment leveraged.

13 Sec. 522. As a condition of receiving an award from the fund,
14 each business incubator or accelerator that received an award from
15 the fund must maintain and update a dashboard of indicators to
16 measure the effectiveness of the business incubator and accelerator
17 programs. Indicators must include the direct jobs created, new
18 companies launched as a direct result of business incubator or
19 accelerator involvement, businesses expanded as a direct result of
20 business incubator or accelerator involvement, direct investment in
21 client companies, private equity financing obtained by client
22 companies, grant funding obtained by client companies, and other
23 measures developed by the recipient business incubators and
24 accelerators in conjunction with the MEDC. Dashboard indicators
25 must be reported for the previous fiscal year and cumulatively, if
26 available. Each recipient shall submit a copy of their dashboard
27 indicators to the fund by March 1. The fund shall transmit the
28 local reports by March 15 to the standard report recipients.

29 Sec. 523. (1) From the appropriations in part 1, the Michigan

1 arts and culture council shall administer an arts and cultural
2 grant program that maintains an equitable geographic distribution
3 of funding and utilizes past arts and cultural grant programs as a
4 guideline for administering this program. The council shall do all
5 of the following:

6 (a) On or before October 1, publish proposed application
7 criteria, instructions, and forms for use by eligible applicants.
8 The council shall provide at least a 2-week period for public
9 comment before finalizing the application criteria, instructions,
10 and forms.

11 (b) Assess a nonrefundable application fee that may be applied
12 for each application. Application fees must be deposited in the
13 council for the arts fund and are appropriated for expenses
14 necessary to administer the programs. These funds are available for
15 expenditure when they are received and may be carried forward to
16 the following fiscal year.

17 (c) Issue grants to public and private arts and cultural
18 entities.

19 (d) Within 1 business day after the award announcements,
20 provide to each member of the legislature and the fiscal agencies a
21 list of all grant recipients and the total award given to each
22 recipient, sorted by county.

23 (e) In addition to the information in subdivision (d), report
24 to the standard report recipients on the number of applications
25 received, number of grants awarded, total amount requested from
26 applications received, and total amount of grants awarded.

27 (2) The appropriation in part 1 for arts and cultural program
28 shall not be used for the administration of the grant program under
29 this section.

1 Sec. 524. (1) The general fund/general purpose funds
2 appropriated in part 1 to the fund for business attraction and
3 community revitalization must be transferred to the 21st century
4 jobs trust fund per section 90b(3) of the Michigan strategic fund
5 act, 1984 PA 270, MCL 125.2090b.

6 (2) Funds transferred to the 21st century jobs trust fund
7 under subsection (1) are appropriated and available for allocation
8 as authorized in the Michigan strategic fund act, 1984 PA 270, MCL
9 125.2001 to 125.2094.

10 Sec. 525. For the funds appropriated in part 1 for business
11 attraction and community revitalization, the fund shall report
12 quarterly to the standard report recipients on the amount of funds
13 considered appropriated, pre-encumbered, encumbered, and expended
14 by current fiscal year appropriation and each work project for any
15 previous fiscal years. The report must also include a listing of
16 all previous appropriations for business attraction and community
17 revitalization, or a predecessor, that were considered
18 appropriated, pre-encumbered, encumbered, or expended that have
19 lapsed back to the fund for any purpose.

20 Sec. 526. (1) The fund, in conjunction with the department of
21 treasury, shall report by November 1 to the standard report
22 recipients on the annual cost of the MEGA tax credits. The report
23 must include for each year the board-approved credit amount,
24 adjusted for credit amendments where applicable, and the actual and
25 projected value of tax credits for each year from 1995 to the
26 expiration of the credit program. For years for which credit claims
27 are complete, the report must include the total of actual
28 certificated credit amounts. For years that claims are still
29 pending or not yet submitted, the report must include a combination

1 of actual credits where available and projected credits. Credit
2 projections must be based on updated estimates of employees, wages,
3 and benefits for eligible companies.

4 (2) In addition to the report under subsection (1), the fund,
5 in conjunction with the department of treasury, shall report to the
6 standard report recipients by November 1 on the annual cost of all
7 other certificated credits by program, for each year until the
8 credits expire or can no longer be collected. The report must
9 include estimates on the brownfield redevelopment credit, film
10 credits, MEGA photovoltaic technology credit, MEGA polycrystalline
11 silicon manufacturing credit, MEGA vehicle battery credit, and
12 other certificated credits.

13 Sec. 527. As a condition of receiving appropriations in part
14 1, prior to authorizing the transfer of any previously authorized
15 tax credit that would increase the liability to this state, the
16 fund, on behalf of the fund's board, must notify the standard
17 report recipients of the transfer of any previously authorized tax
18 credit that would increase the liability to this state not fewer
19 than 30 days prior to the authorization of the tax credit transfer.

20 Sec. 528. (1) From the funds appropriated in part 1 for
21 business attraction and community revitalization, the fund shall
22 identify specific outcomes and performance measures, including, but
23 not limited to, the following:

24 (a) Total verified jobs created by the business attraction
25 program during the previous fiscal year.

26 (b) Total private investment obtained through the business
27 attraction and community revitalization programs during the
28 previous fiscal year.

29 (c) Amount of private and public square footage created and

1 reactivated through the community revitalization program during the
2 previous fiscal year.

3 (d) A summary of any metrics used to evaluate the outcomes and
4 performance of the programs.

5 (2) The fund shall submit a report to the standard report
6 recipients by March 15. The report must describe the specific
7 outcomes and measures required in subsection (1) and provide the
8 results and data related to these outcomes and measures for the
9 previous fiscal year if related information is available for the
10 previous fiscal year.

11 Sec. 529. In addition to the funds appropriated in part 1, the
12 funds collected by state historic preservation programs for
13 document reproduction and services and application fees are
14 appropriated for all expenses necessary to provide the required
15 services. These funds are available for expenditure when they are
16 received and may be carried forward into the succeeding fiscal
17 year.

18 Sec. 530. Tax capture revenues collected in accordance with
19 written agreements under the good jobs for Michigan program and
20 transferred from the general fund for deposit into the good jobs
21 for Michigan fund, and for both calculated payments from the good
22 jobs for Michigan fund to authorized businesses and distributions
23 to the Michigan strategic fund for administrative expenses, are
24 appropriated pursuant to the provisions of chapter 8D of the
25 Michigan strategic fund act, 1984 PA 270, MCL 125.2090g to
26 125.2090j.

27 Sec. 531. (1) If Senate Bill Nos. 579, 580, and 581 of the
28 102nd Legislature are enacted into law, money deposited in the
29 H.I.R.E. Michigan fund under section 51f of the income tax act of

1 1967, 1967 PA 281, MCL 206.51f, is appropriated and available for
2 expenditure for the purposes described in section 90w of the
3 Michigan strategic fund act, 1984 PA 270, MCL 205.90w.

4 (2) As used in this section, "H.I.R.E. Michigan fund" means
5 that term as defined in section 90t of the Michigan strategic fund
6 act, 1984 PA 270, MCL 205.90t.

7 Sec. 532. The department shall provide a report to the
8 standard report recipients on March 15 that includes, but is not
9 limited to, fiscal year-to-date expenditures by division and
10 program unit within the job creation services line item.

11 Sec. 533. (1) From the funds appropriated in part 1 for
12 revitalization and placemaking program, \$25,000,000.00 must be used
13 by the department to administer the revitalization and placemaking
14 program and perform activities necessary to implement this section.

15 (2) The program under this section shall support
16 transformational public space development projects in central city
17 neighborhoods or concentrated districts and leverage
18 interdepartmental and cross-sector coordination through local
19 talent plans that are designed to increase this state's population
20 of young talent by creating high-density, high-amenity, walkable,
21 vibrant street life neighborhoods or districts, and to create
22 business ownership opportunities for local residents. Qualified
23 plan proposals must include all of the following:

24 (a) The transition of roadway usage from cars to alternative
25 transportation spaces, including, but not limited to, walking,
26 biking, and transit.

27 (b) Commercial corridor activation, including innovations to
28 fill vacant retail space with locally owned businesses.

29 (c) Mixed-use development that contributes to dense, walkable

1 areas.

2 (d) A plan to do all of the following:

3 (i) Support greater density.

4 (ii) Increase access to affordable or middle-income housing.

5 (iii) Improve direct access to multi-modal transportation.

6 (iv) Improve quality of life through increased parks, green
7 spaces, outdoor recreation, and arts and cultural amenities.

8 (3) The legislature finds and declares that the appropriation
9 described in this section is for a public purpose and serves the
10 health, safety, and general welfare of the residents of this state.

11 (4) The department shall do at least all of the following to
12 implement the program:

13 (a) Develop guidelines to accept and review local plans from
14 eligible applicants and award funding for approved local plans to
15 increase this state's population of young talent by creating high-
16 density, high-amenity, walkable, vibrant street life neighborhoods
17 or districts, and to create business ownership opportunities for
18 local residents.

19 (b) Consult with local stakeholders, provide education and
20 consultation to the public during the application process, and
21 regularly monitor implementation progress of approved local plans.

22 (c) Review existing best practices for similar programs and
23 consult with third-party experts, including academic and research
24 institutions based in this state.

25 (d) Lead a multi-agency coordination effort to leverage all
26 available resources that will maximize the effectiveness of the
27 initiative. As necessary, the department may establish memorandums
28 of understanding with other state agencies or establish a committee
29 of state agency representatives to support the initiative.

1 (5) The department shall allocate funding for the program
2 through the development and submission of local talent plans from
3 eligible applicants that use a blend of layered, multifaceted
4 activities in subsection (7) to meet the goals of this section.

5 (6) Eligible applicants for a grant must be a consortium of
6 entities that includes local governments, local economic
7 development organizations, the nonprofit community, and the
8 business community. Consortium applicants must appoint a nonprofit
9 organization as the lead applicant to serve as fiduciary and
10 project manager for the consortium. An eligible applicant may
11 partner with other government agencies, consortiums, authorities,
12 and community anchor or nonprofit entities, to submit and implement
13 an approved local plan. Notwithstanding local plan revisions or
14 subsequent funding rounds, an eligible applicant shall not submit
15 more than one local plan. Only grant applicants that provide a
16 minimum of 50% local or private match funds may be considered for a
17 grant under this section.

18 (7) Approved talent plans shall include at least 1 of the
19 following eligible activities to meet the objectives of the
20 program:

21 (a) Planning, engineering, permitting review, and other local
22 assessments to support implementation of a local talent plan.

23 (b) Demonstrated community engagement, stakeholder support, or
24 commitment to the local talent plan. As applicable, stakeholders
25 may include, but not be limited to:

26 (i) Neighborhood associations.

27 (ii) City councils, planning committees, or other local
28 government agencies, including public safety agencies.

29 (iii) Economic development organizations or local businesses or

1 business organizations.

2 (iv) Local anchor institutions.

3 (v) Local nonprofits, foundations, or community organizations.

4 (vi) Regional planning organizations or consortiums.

5 (vii) Public transit organizations.

6 (viii) Faith-based organizations.

7 (ix) Tribal governments.

8 (c) Plans for the redevelopment of existing housing stock.

9 (d) Plans to improve utilization of mixed-use and commercial
10 property, including, but not limited to, the conversion of
11 commercial space for affordable housing.

12 (e) Road repairs and other surface improvements that will
13 increase walkability, access to green space, dedicated nonmotorized
14 transportation, and access to rapid transit or high-speed rail.

15 (f) Supports for small businesses and emerging entrepreneurs,
16 including access to credit and professional development.

17 (g) Plans to enhance parks, green space, community recreation,
18 promotion of local artists or art installations, and outdoor social
19 spaces.

20 (h) Activities to pursue other sources of funding to directly
21 support a local plan, including other governmental funds or private
22 resources.

23 (8) In addition to the eligible activities in subsection (7),
24 approved local plans must include the following:

25 (a) A defined area such as a neighborhood, district, or
26 corridor in which a local talent plan will be implemented. Unless
27 identified as a supporting part of an approved talent plan, funds
28 allocated to approved plans must only be used within the plan's
29 defined area.

1 (b) A description of how local plan activities directly
2 support the objectives in subsection (2).

3 (c) A description of how funds appropriated from part 1 will
4 be used and any other funds or resources that will be provided to
5 ensure a plan meets all the objectives of subsection (2).

6 (d) Identification of stakeholders that were engaged in the
7 development and committed to the implementation of an approved
8 plan.

9 (e) In addition to any state or federal resources,
10 identification of local or private match funds or resources that
11 will be committed.

12 (f) A proposed implementation timeline and demonstration of a
13 plan's sustainability after any state or federal funds are
14 exhausted.

15 (g) Identifiable goals and measurable outcomes to be used to
16 monitor progress.

17 (9) The department shall establish a state agency workgroup to
18 support the implementation of this section and contract with at
19 least one consultant that is a nonprofit research organization or
20 public education institution based in this state with experience in
21 at least placemaking research to support this section. The MSHDA
22 shall participate in the workgroup and shall provide funding from
23 the housing and community development fund to support
24 implementation of the affordable or middle-income housing
25 components of approved grants. The MEDC shall participate in the
26 workgroup to support implementation of the commercial corridor
27 activation, including innovations to fill vacant retail space with
28 locally owned businesses.

29 (10) The department may retain up to 3% of funds under this

1 section for implementation costs, including support costs for the
2 operation of the agency workgroup, and contracts with third-party
3 consultants. The department may reimburse state agencies for costs
4 associated with participation in a workgroup under this section.

5 (11) Not later than 60 days after the effective date of this
6 section, the department shall solicit interest from state agencies
7 to participate in the workgroup established in subsection (8). The
8 department shall solicit participation in the workgroup from
9 agencies that oversee, deploy resources for, or coordinate state
10 activities related to any of the following:

11 (a) Housing services, including access to lending, credit,
12 vouchers, home repair resources, existing housing stock, or blight
13 elimination.

14 (b) Economic development, community development or
15 revitalization, or business supports.

16 (c) Transportation and mobility.

17 (d) Arts and cultural funding and organizations.

18 (e) Parks, outdoor recreation, trails, greenways, and open
19 space funding and organizations.

20 (12) The state agency workgroup shall serve as a conduit to
21 coordinate state resources or programs that can be used to support
22 approved local talent plans. Subject to participation, the state
23 agency workgroup may be used to evaluate applications and support
24 implementation and oversight of approved plans.

25 (13) The department shall establish methods to receive public
26 feedback during the development and implementation of this section,
27 post online the guidelines for local plans, and identify available
28 research or resources that may be used to support the development
29 of a talent plan.

1 (14) In evaluating each application and subject to subsection
2 (15), the department shall use objective criteria, including but
3 not limited to, comprehensive nature of the plan, local support
4 identified, long-term sustainability, and likelihood to achieve the
5 goals of the Michigan Talent Concentration Partnership Initiative.
6 The department must consider all of the following when selecting
7 grant recipients:

8 (a) The extent to which a proposed plan will support the
9 creation and ongoing success of locally owned businesses.

10 (b) The extent to which a proposed plan will create dense,
11 walkable, vibrant spaces.

12 (c) The extent to which zoning and code restrictions have
13 been, or will need to be, modified to support high-density
14 residential development.

15 (d) The extent to which the proposed plan supports facilities
16 and walkways that house or present cultural arts programs,
17 performances, and exhibitions.

18 (e) The extent to which the proposed plan provides mixed-
19 income housing.

20 (f) The likelihood of successful implementation of a proposed
21 plan and its sustainability.

22 (15) The department shall award funding to the following:

23 (a) \$15,000,000.00 to one project in each of the following
24 cities:

25 (i) A city with a population greater than 500,000 according to
26 the most recent federal decennial census.

27 (ii) A city with a population between 198,000 and 199,000
28 according to the most recent federal decennial census.

29 (iii) A city with a population between 107,000 and 108,000

1 according to the most recent federal decennial census.

2 (iv) A city with a population between 123,000 and 124,000
3 according to the most recent federal decennial census.

4 (b) \$10,000,000.00 to projects in all regional prosperity
5 zones that meet the requirements of this section. Except as
6 otherwise provided in this subdivision, no regional property zone
7 may receive more than 1 grant under this subdivision. The grants
8 allocated in subsection (15)(a) are excluded when determining the
9 limit under this subdivision.

10 (16) The department shall publish approved local plans and
11 funding allocations from part 1. The department may approve
12 subsequent rounds of funding for local plans if either funds become
13 available or there are remaining funds from part 1. Remaining funds
14 must be awarded in the same manner consistent with this section
15 and, as necessary, prorated based on availability of funds.

16 (17) The department shall ensure grant agreements with
17 applicants include regular progress reports and claw-back
18 provisions verify that all expenditures are made in accordance with
19 an approved local plan. Applicants receiving funds under this
20 section shall respond to all reasonable information requests from
21 the department related to the funds received under this section.

22 (18) The department shall provide biannual updates on March 15
23 and September 30 to the standard report recipients on the
24 implementation of this program, including, but not limited to:

25 (a) The utilization of funds allocated from part 1, including
26 the amount and status of any funds allocated for approved local
27 plans and the amount retained by the department or state agencies
28 to support implementation of this section.

29 (b) Identify the activities undertaken by agency workgroup

1 participants to communicate the implementation of local talent
2 concentration plans to each of their respective agencies, and
3 identification of any existing programs or resources that may be
4 used to support the implementation of a local talent concentration
5 plan.

6 (c) For the first and second reports required after the
7 effective date of this act, identification of state agencies that
8 were solicited to participate in the state agency workgroup, and
9 those agencies that have appointed an individual to participate in
10 the state agency work group.

11 (19) The unexpended portion of grants under this section are
12 designated as a work project appropriation in accordance with
13 section 451a of the management and budget act, 1984 PA 431, MCL
14 18.1451a. Any unencumbered or unallocated money shall not lapse at
15 the end of the fiscal year and shall be available for grant awards
16 or other expenditures under this section for the project until the
17 project has been completed. The following apply to the work
18 project:

19 (a) The purpose of the project is to support transformational
20 investments and leverage intergovernmental coordination to increase
21 this state's population of young talent by creating high-density,
22 high-amenity, walkable, and vibrant street life neighborhoods or
23 districts, and to create business ownership opportunities for local
24 residents.

25 (b) All grants must be distributed in accordance with this
26 section and the grant guidelines as part of the application process
27 and grant agreements between the department and grant recipients.

28 (c) The estimated cost of the work project is \$25,000,000.00.

29 (d) The tentative completion date for the work project is

1 September 30, 2029.

2 Sec. 534. (1) The funds appropriated in part 1 for Michigan
3 community development financial institutions fund grants are
4 transferred to the Michigan community development financial
5 institutions fund, which is created under this section. All funds
6 in the Michigan community development financial institutions fund,
7 including funds unallocated from prior years, are appropriated for
8 grants to eligible community development financial institutions
9 under this section and related expenditures permitted under this
10 section. The legislature finds and declares that the appropriation
11 described in this section is for a public purpose, including
12 promoting community economic revitalization and community
13 development through community development financial institutions.

14 (2) No later than October 31, 2024, the Michigan strategic
15 fund shall develop a grant application consistent with this section
16 that is published and available on its publicly accessible website.

17 (3) The application required under subsection (2) must include
18 all of the following:

19 (a) The name of the community development financial
20 institution applying for a grant from the CDFI fund.

21 (b) The location of the principal office of the applicant.

22 (c) Documentation indicating whether the applicant is a
23 Michigan CDFI or a multistate CDFI.

24 (d) An indication of whether the applicant is or is not a
25 depository institution.

26 (e) The amount of the grant sought, not exceeding the maximum
27 eligible amount of the grant under subsections (4) to (6).

28 (f) If the community development financial institution is a
29 depository institution, the net assets of the depository

1 institution.

2 (g) If the community development financial institution is not
3 a depository institution, the amount of qualifying commitments made
4 by the community development financial institution during the 3
5 applicant fiscal years preceding the fiscal year in which the
6 application is submitted.

7 (h) A description of the amount an applicant is eligible to
8 apply for under subsections (4) to (6).

9 (i) A description of the proposed use of the grant award by
10 the applicant for eligible activities consistent with the
11 requirements of this chapter, the Riegle community development and
12 regulatory improvement act of 1994, Public Law 103-325, 12 USC 4701
13 to 4719, and any other requirements applicable under federal law.

14 (j) Documentation of the applicant's certification as a
15 community development financial institution that meets the
16 eligibility requirements under 12 CFR 1805.201 by the community
17 development financial institutions fund established under section
18 104 of the Riegle community development and regulatory improvement
19 act of 1994, Public Law 103-325, 12 USC 4703. The documentation
20 required by this subdivision may include the list of community
21 development financial institutions in good standing maintained and
22 published by the federal fund.

23 (k) A statement that the applicant is in compliance with all
24 requirements applicable to the applicant under the Riegle community
25 development and regulatory improvement act of 1994, Public Law 103-
26 325, 12 USC 4701 to 4719.

27 (4) A community development financial institution that is a
28 depository institution is eligible for a grant award in the
29 following amount:

1 (a) Up to \$253,000.00 if the depository institution has total
2 net assets of less than \$500,000,000.00.

3 (b) Up to \$380,000.00 if the depository institution has total
4 net assets of \$500,000,000.00 to \$999,999,999.99.

5 (c) Up to \$507,000.00 if the depository institution has total
6 net assets of \$1,000,000,000.00 to \$1,999,999,999.99.

7 (d) Up to \$633,000.00 if the depository institution has total
8 net assets of \$2,000,000,000.00 or more.

9 (5) Except as otherwise provided in subsection (6), a
10 community development financial institution that is not a
11 depository institution is eligible for a grant award in the
12 following amount:

13 (a) Up to \$127,000.00 if the community development financial
14 institution made qualifying commitments in an amount that averaged
15 less than \$1,000,000.00 per applicant fiscal year during the 3
16 fiscal years preceding the fiscal year in which an application for
17 a grant is submitted.

18 (b) Up to \$380,000.00 if the community development financial
19 institution made qualifying commitments in an amount that averaged
20 from \$1,000,000.00 to \$3,999,999.99 per applicant fiscal year
21 during the 3 fiscal years preceding the fiscal year in which an
22 application for a grant is submitted.

23 (c) Up to \$633,000.00 if the community development financial
24 institution made qualifying commitments in an amount that averaged
25 from \$4,000,000.00 to \$5,999,999.99 per applicant fiscal year
26 during the 3 fiscal years preceding the fiscal year in which an
27 application for a grant is submitted.

28 (d) Up to \$887,000.00 if the community development financial
29 institution made qualifying commitments in an amount that averaged

1 from \$6,000,000.00 to \$9,999,999.00 per applicant fiscal year
2 during the 3 fiscal years preceding the fiscal year in which an
3 application for a grant is submitted.

4 (e) Up to \$1,013,333.00 if the community development financial
5 institution made qualifying commitments in an amount that averaged
6 at least \$10,000,000.00 per applicant fiscal year during the 3
7 fiscal years preceding the fiscal year in which an application for
8 a grant is submitted.

9 (6) A grant to a multistate CDFI that is not a depository
10 institution under subsection (5) must not exceed \$633,000.00.

11 (7) The Michigan strategic fund shall accept applications for
12 a grant under this section until November 30, 2024. The Michigan
13 strategic fund shall approve or deny a grant application within 49
14 days after the receipt of an administratively complete application
15 as determined by the Michigan strategic fund. If the application
16 complies with the requirements of this section, the Michigan
17 strategic fund shall approve the award of the grant in the amount
18 requested by the applicant. The Michigan strategic fund may deny a
19 grant application submitted under this section only for the
20 following reasons:

21 (a) The applicant does not satisfy all of the requirements
22 under this section.

23 (b) Subject to subsection (9), there is insufficient money in
24 the CDFI fund to pay the grant amount requested.

25 (c) The applicant is not in compliance with applicable
26 requirements under the Riegle community development and regulatory
27 improvement act of 1994, Public Law 103-325, 12 USC 4701 to 4719.

28 (8) If the Michigan strategic fund denies an application under
29 subsection (7), the applicant may provide additional information to

1 the Michigan strategic fund within 7 days after the notice of
2 denial. The Michigan strategic fund shall review and reconsider the
3 application and additional information within 28 days after the
4 applicant provides additional information.

5 (9) If there is an insufficient amount of money in the CDFI
6 fund to pay the grants approved, the amount of each grant shall be
7 reduced proportionately by the Michigan strategic fund based upon
8 the amount of money available in the CDFI fund. If the amount of
9 money available to pay grants approved for a round of grant
10 applications exceeds the amount needed to pay the grant awards, the
11 Michigan strategic fund may increase each grant awarded in that
12 round in an amount proportionate to the total of all grant awards
13 for that round.

14 (10) Upon approval of an application, the Michigan strategic
15 fund and the applicant shall sign a written grant agreement
16 providing the terms of the grant agreement. A grant agreement must
17 include all of the following:

18 (a) A requirement that at least 80% of the grant award be used
19 for financial products and financial services or expenditures of
20 money or commitments to expend money to reduce the interest rate
21 otherwise applicable under a loan agreement or funding agreement.

22 (b) A restriction that no more than 10% of the grant award be
23 used for technical assistance activities described in 12 CFR
24 1805.303.

25 (c) A restriction that no more than 10% of the grant award be
26 used for administration and operations.

27 (d) A requirement that a grant award be committed under a loan
28 agreement or funding agreement or disbursed by the recipient within
29 3 years after the date that the recipient receives the grant award.

1 (e) A requirement that the entire amount of the grant award be
2 expended within this state.

3 (f) A requirement that the grant award recipient maintain its
4 certification as a community development financial institution
5 under 12 CFR 1805.201 while the grant agreement is in effect.

6 (g) A requirement that the grant award recipient comply with
7 all requirements applicable under the Riegle community development
8 and regulatory improvement act of 1994, Public Law 103-325, 12 USC
9 4701 to 4719, while the agreement is in effect.

10 (h) Provisions authorizing the Michigan strategic fund to
11 enforce the terms of the grant agreement, including a requirement
12 that a noncompliant recipient of a grant award may be required to
13 repay the portion of the award not committed by the recipient
14 pursuant to a permitted loan, program, or agreement. Money repaid
15 under this subdivision must be deposited in the CDFI fund.

16 (i) A requirement for the grant award recipient to report on
17 activities consistent with the requirements of subsection (14).

18 (j) If the grant agreement includes a grant of federal money,
19 the grant agreement must require the recipient to comply with any
20 requirements applicable to the use of the federal money.

21 (11) A grant agreement may provide for the community
22 development financial institution that is the recipient of a grant
23 award to serve as an intermediary lender to another community
24 development financial institution consistent with the purposes of
25 this section if not prohibited by federal law applicable to the
26 expenditure of any federal grant money.

27 (12) If not prohibited by federal law applicable to the
28 expenditure of any federal grant money, a grant agreement must
29 permit a grant award recipient to assign the award to an affiliate

1 and for the affiliate to assume the obligations of the grant award
2 recipient if the affiliate satisfies all of the following:

3 (a) Is a community development financial institution.

4 (b) Is organized in the same manner as the grant award
5 recipient.

6 (c) Is controlled by the grant award recipient in 1 or both of
7 the following ways:

8 (i) The grant award recipient owns a majority of the stock of
9 the affiliate.

10 (ii) A majority of the members of the board of the affiliate
11 also are members of the board of the grant award recipient.

12 (13) Except as otherwise provided in subsection (14), the
13 Michigan strategic fund shall require the recipient of a grant
14 award under this chapter to report annually to the Michigan
15 strategic fund regarding its activities under this section
16 beginning on the May 1 following the applicant fiscal year in which
17 the grant award was received by the recipient. The Michigan
18 strategic fund shall publish on its website a standard form for the
19 report. Except as otherwise provided in subsection (14), the report
20 must include all of the following information:

21 (a) A copy of the recipient's most recent confirmation of
22 recertification as a community development financial institution
23 issued by the community development financial institutions fund
24 under 12 CFR 1805.201, which may include the list of community
25 development financial institutions in good standing maintained and
26 published by the federal fund.

27 (b) A list of financial products and services provided during
28 the prior applicant fiscal year that includes all of the following:

29 (i) The name of each transaction.

- 1 (ii) A transition tracking number for each transaction.
- 2 (iii) The date of each transaction.
- 3 (iv) The amount of each transaction.
- 4 (v) The total project cost for each transaction if other
5 funding was involved.
- 6 (vi) The physical address of the borrower or customer for each
7 transaction.
- 8 (vii) The census tract of the borrower or customer for each
9 transaction.
- 10 (viii) An indication of whether the census tract in which the
11 transaction is located is an eligible investment area.
- 12 (ix) A description of the projected economic impact of the
13 transaction.
- 14 (x) A description of any financial products or financial
15 services provided.
- 16 (c) A description of technical assistance provided during the
17 prior applicant fiscal year.
- 18 (d) A summary of expenditures for administration and
19 operations provided during the prior applicant fiscal year that
20 includes all of the following:
- 21 (i) A description of administration and operations costs
22 incurred.
- 23 (ii) Professional fees and expenses incurred.
- 24 (iii) A summary of any other eligible expenses for
25 administration and operation.
- 26 (14) A grant award recipient is not required to provide a
27 report under this section for any applicant fiscal year in which it
28 did not loan or otherwise commit or disburse grant award money. The

1 Michigan strategic fund shall not include information in the report
2 required under subsection (13) if information that otherwise would
3 be included in a report under subsection (13) is either of the
4 following:

5 (a) Exempt from disclosure or confidential as proprietary
6 business or financial information under the Riegle community
7 development and regulatory improvement act of 1994, Public Law 103-
8 325, 12 USC 4701 to 4719.

9 (b) Exempt from disclosure under the freedom of information
10 act, 1976 PA 442, MCL 15.231 to 15.246.

11 (15) The Michigan strategic fund shall make all reasonable
12 efforts to ensure that at least 10% of the funds appropriated under
13 this section support businesses operated by underrepresented
14 entrepreneurs or are allocated to community development financial
15 institutions that primarily support underrepresented entrepreneurs.

16 (16) Except as otherwise provided in subsection (3), the
17 Michigan strategic fund may expend up to 4% of the appropriation
18 provided from the CDFI fund for the costs it incurs in
19 administering the programs and activities in this section.

20 (17) The unexpended portion of money for the Michigan
21 community development financial institution fund grants is
22 designated as a work project appropriation in accordance with
23 section 451a of the management and budget act, 1984 PA 431, MCL
24 18.1451a. Any unencumbered or unallotted money must not lapse at
25 the end of the fiscal year and must be available for grant awards
26 or other expenditures under this section for the project until the
27 project has been completed. The following apply to the work
28 project:

29 (a) The purpose of the project is to provide grants to

1 eligible community development financial institutions under this
2 section.

3 (b) All grants will be distributed in accordance with this
4 section and the grant guidelines as part of the application process
5 and grant agreements between the Michigan strategic fund and grant
6 recipients.

7 (c) The estimated cost of the work project is up to
8 \$10,000,000.00.

9 (d) The tentative completion date for the work project is
10 September 30, 2029.

11 (18) As used in this section:

12 (a) "CDFI fund" means the Michigan community development
13 financial institutions fund created in subsection (1).

14 (b) "Community development financial institution" means that
15 term as defined in section 103 of the Riegle community development
16 and regulatory improvement act of 1994, Public Law 103-325, 12 USC
17 4702, but is limited to a community development financial
18 institution that satisfies all of the following:

19 (i) Is an entity that meets the eligibility requirements
20 described in 12 CFR 1805.200.

21 (ii) Is certified as a community development financial
22 institution that meets the eligibility requirements under 12 CFR
23 1805.201 by the community development financial institutions fund
24 established under section 104 of the Riegle community development
25 and regulatory improvement act of 1994, Public Law 103-325, 12 USC
26 4703.

27 (iii) Maintains 1 or more physical offices within this state.

28 (iv) Employs 2 or more individuals at a physical office within
29 this state, including employees of an affiliate of the community

1 development financial institution that provides services to the
2 community development financial institution.

3 (v) Is a Michigan CDFI or a multistate CDFI.

4 (c) "Depository institution" means any of the following:

5 (i) A bank as that term is defined in section 3(a) of the
6 federal deposit insurance act, 12 USC 1813(a).

7 (ii) A savings association as that term is defined in section
8 3(b) of the federal deposit insurance act, 12 USC 1813(b).

9 (iii) A credit union as that term is defined in section 102 of
10 the credit union act, 2003 PA 215, MCL 490.102.

11 (iv) A depository institution holding company as that term is
12 defined in 12 CFR 1805.104.

13 (d) "Eligible activities" means activities described in 12 CFR
14 1805.301, and includes credit enhancements, loan loss reserves,
15 equity investments, expenditures of money or commitments to expend
16 money to reduce the interest rate otherwise applicable under a loan
17 agreement or funding agreement, and grants related to these
18 activities.

19 (e) "Federal fund" means the federal community development
20 financial institutions fund within the United States Department of
21 Treasury.

22 (f) "Financial products" means that term as defined in 12 CFR
23 1805.104.

24 (g) "Financial services" means that term as defined in 12 CFR
25 1805.104.

26 (h) "Michigan CDFI" means a community development financial
27 institution that satisfies all of the following:

28 (i) Is certified as a community development financial
29 institution that meets the eligibility requirements under 12 CFR

1 1805.201 by the community development financial institutions fund
2 established under section 104 of the Riegle community development
3 and regulatory improvement act of 1994, Public Law 103-325, 12 USC
4 4703.

5 (ii) Is headquartered at an address in this state, as
6 recognized by the federal fund.

7 (iii) Has a target market that includes this state, as
8 recognized by the federal fund.

9 (iv) Serves 1 or more targeted populations located within this
10 state.

11 (i) "Multistate CDFI" means a community development financial
12 institution that is not a Michigan CDFI but is a community
13 development financial institution that committed under a loan
14 agreement or other funding agreement at least \$10,000,000.00 in
15 financial products and financial services to a target market within
16 this state under the Riegle community development and regulatory
17 improvement act of 1994, Public Law 103-325, 12 USC 4701 to 4719,
18 during the 5 applicant fiscal years preceding the applicant fiscal
19 year in which an application for a grant is submitted.

20 (j) "Qualifying commitment" means funding committed by a
21 community development financial institution under a loan agreement
22 or other funding agreement in target markets or targeted
23 populations in this state that is either of the following:

24 (i) Financial products or financial services committed under
25 the Riegle community development and regulatory improvement act of
26 1994, Public Law 103-325, 12 USC 4701 to 4719.

27 (ii) An additional credit enhancement, loan loss reserve, or
28 equity investment committed by the community development financial
29 institution or an affiliate of the community development financial

1 institution.

2 (k) "Target market" means that term as defined in 12 CFR
3 1805.104.

4 (l) "Targeted population" means that term as defined in 12 CFR
5 1805.104.

6

7 **EMPLOYMENT SERVICES**

8 Sec. 601. From the funds appropriated in part 1 for wage and
9 hour program, the department shall conduct investigations of child
10 labor violations and wage theft from workers.

11

12 **WORKFORCE DEVELOPMENT**

13 Sec. 702. The department shall administer the PATH training
14 program in accordance with the requirements of the state social
15 welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all other
16 applicable laws and regulations.

17 Sec. 703. From the funds appropriated in part 1 for workforce
18 development, the department may allocate funding for grants to
19 nonprofit organizations that offer programs under the workforce
20 innovation and opportunity act, 29 USC 3101 to 3361, for eligible
21 youth that focus on apprenticeship readiness, pre-apprenticeship
22 and apprenticeship activities, entrepreneurship, work-readiness
23 skills, job shadowing, or financial literacy. Organizations
24 eligible for funding under this section must have the capacity to
25 provide similar programs in urban areas, as determined by the
26 United States Census Bureau according to the most recent federal
27 decennial census. Additionally, programs eligible for funding under
28 this section must include the participation of local business
29 partners. The department shall develop other appropriate

1 eligibility requirements to ensure compliance with applicable
2 federal rules and regulations.

3 Sec. 704. From the funds appropriated in part 1, the
4 department shall make available, in person or by telephone, 1
5 disabled veterans outreach program specialist or local veterans
6 employment representative to Michigan works service centers, as
7 resources permit, during hours of operation, and shall continue to
8 make the appropriate placement of veterans and disabled veterans a
9 priority.

10 Sec. 705. (1) In addition to the funds appropriated in part 1,
11 any unencumbered and unrestricted funds allocated under the federal
12 workforce innovation and opportunity act, 29 USC 3101 to 3361, or
13 trade adjustment assistance funds available from prior fiscal years
14 are appropriated for the purposes originally intended.

15 (2) The department shall report by February 15 on the amount
16 by fiscal year of funds allocated under the federal workforce
17 innovation and opportunity act, 29 USC 3101 to 3361, appropriated
18 under this section.

19 Sec. 707. (1) The department shall publish data and reports on
20 March 15 and September 30 on the department website concerning the
21 status of going pro funded in part 1. The report must include the
22 following:

23 (a) The number of awardees participating in the program and
24 the names of those awardees organized by major industry group.

25 (b) The amount of funding received by each awardee under the
26 program.

27 (c) The amount of funding leveraged from each awardee.

28 (d) The training models established by each awardee.

29 (e) The number of individuals enrolled in classroom training,

1 on-the-job training, or new USDOL registered apprentices.

2 (f) The number of qualified employees who completed the
3 approved training.

4 (g) The number of applications received and the number of
5 grants awarded for each region.

6 (h) The number of individuals hired and trained.

7 (i) Going pro expenditures, by program or grant type, for the
8 previous fiscal year and projected expenditures, by program or
9 grant type, for the current fiscal year.

10 (j) The number of individuals who still work for the awardee 1
11 year after completing an approved training.

12 (2) The department shall expand workforce training and
13 reemployment services to better connect workers to in-demand jobs
14 and identify specific outcomes with performance metrics for this
15 initiative, including, but not limited to, new apprenticeships,
16 individuals to be hired and trained, current employees trained,
17 training completed, and employment retention rate at 6 months, and
18 hourly wage at 6 months.

19 Sec. 708. To the extent consistent with sections 7 and 9 of
20 the going pro talent fund act, 2018 PA 260, MCL 408.157 and
21 408.159, the department shall administer the program as follows:

22 (a) The department shall work cooperatively with grantees to
23 maximize the amount of funds from part 1 that are available for
24 direct training.

25 (b) The department, workforce development partners, including
26 regional Michigan works agencies, and employers shall collaborate
27 and work cooperatively to prioritize and streamline the expenditure
28 of the funds appropriated in part 1. The department shall ensure
29 that going pro provides a collaborative statewide network of

1 workforce and employee skill development partners that addresses
2 the employee talent needs throughout this state.

3 (c) The department shall ensure that grants are utilized for
4 individual skill enhancement and to address in-demand talent needs
5 in Michigan.

6 (d) The department shall do all of the following:

7 (i) Develop program goals and detailed guidance for prospective
8 participants to follow to qualify under the program.

9 (ii) Post the program goals and detailed guidance on the
10 department website and distribute the program goals and detailed
11 guidance to workforce development partners, including local
12 Michigan works agencies, by October 1.

13 (iii) Conduct periodic assessments of employer and employee
14 needs that are evaluated on a regional basis.

15 (iv) Identify solutions and goals to be implemented to satisfy
16 employer and employee needs.

17 (v) Not allow a business to receive more than 1 grant in a
18 single fiscal year or receive a grant that is more than
19 \$500,000.00.

20 (e) The department shall use no more than 1% of total going
21 pro appropriation for administration of the program.

22 (f) Not less than 5% of total grants awarded must go to each
23 of the following industries:

24 (i) Research and development

25 (ii) New technologies.

26 (iii) Advancing technologies.

27 Sec. 709. The funds appropriated in part 1 for MiSTEM advisory
28 council must be used to support the staff for the MiSTEM network,
29 and for administrative, training, and travel costs related to the

1 MiSTEM council. The staff for the MiSTEM network shall do all of
2 the following:

3 (a) Serve as a liaison among and between the department, the
4 department of education, the MiSTEM council, the governor's
5 workforce development board, the MiSTEM regions, the department of
6 lifelong education, advancement, and potential, and any other
7 relevant organization or entity in a manner that creates a robust
8 statewide STEM culture, that empowers STEM teachers, that
9 integrates business and education into the STEM network, and that
10 ensures high-quality STEM experiences for pupils.

11 (b) Coordinate the implementation of a marketing campaign,
12 including, but not limited to, a website that includes dashboards
13 of outcomes, to build STEM awareness and communicate STEM needs and
14 opportunities to pupils, parents, educators, and the business
15 community.

16 (c) Work with the department of education and the MiSTEM
17 council to coordinate, award, and monitor MiSTEM state and federal
18 grants to the MiSTEM network regions and conduct reviews of grant
19 recipients, including, but not limited to, pupil experience and
20 feedback.

21 (d) Report to the governor, the legislature, and the MiSTEM
22 council annually on the activities and performance of the MiSTEM
23 network regions.

24 (e) Coordinate recurring discussions and work with regional
25 staff to ensure that a network or loop of feedback and best
26 practices are shared, including funding, programming, professional
27 learning opportunities, discussion of MiSTEM strategic vision, and
28 regional objectives.

29 (f) Coordinate major grant application efforts with the MiSTEM

1 council to assist regional staff with grant applications on a local
2 level. The MiSTEM council shall leverage private and nonprofit
3 relationships to coordinate and align private funds in addition to
4 funds appropriated under this section.

5 (g) Train state and regional staff in the STEMworks rating
6 system, in collaboration with the MiSTEM council and the department
7 of education.

8 (h) Hire MiSTEM network region staff in collaboration with the
9 network region fiscal agent.

10 Sec. 710. (1) Of the funds appropriated in part 1 for
11 workforce development, the department shall provide a report to the
12 standard report recipients on the status of workforce development
13 by March 15. The report must include the following:

14 (a) The amount of funding allocated to each Michigan works
15 agency and the total funding allocated to the workforce training
16 programs statewide by fund source.

17 (b) The number of participants enrolled in education or
18 training programs by each Michigan works agency.

19 (c) The average duration of training for training program
20 participants by each Michigan works agency.

21 (d) The number of participants enrolled in remedial education
22 programs and the number of participants enrolled in literacy
23 programs.

24 (e) The number of participants enrolled in programs at 2-year
25 institutions.

26 (f) The number of participants enrolled in programs at 4-year
27 institutions.

28 (g) The number of participants enrolled in proprietary schools
29 or other technical training programs.

1 (h) The number of participants that have completed education
2 or training programs.

3 (i) The number of participants who secured employment in
4 Michigan within 1 year of completing a training program.

5 (j) The number of participants who completed a training
6 program and secured employment in a field related to their
7 training.

8 (k) The average wage earned by participants who completed a
9 training program and secured employment within 1 year.

10 (l) The actual revenues received by the fund source and fund
11 appropriated for each discrete workforce development program area.

12 (2) Data collection for the report must be for the previous
13 state fiscal year.

14 Sec. 711. From the funds appropriated in part 1 for helmets to
15 hardhats, funds must be awarded to a national nonprofit program
16 that connects national guard, reserve, retired, and transitioning
17 active-duty military service members with skilled training and
18 quality career opportunities in the construction industry. Grant
19 funding must be used to recruit and assist veterans to transition
20 into apprenticeship programs in this state.

21 Sec. 712. (1) The funds appropriated in part 1 for the 23+
22 high school diploma program must be awarded for a program to assist
23 adults over 23 years of age in obtaining high school diplomas and
24 placement in career training programs.

25 (2) For purposes of this section, an eligible program provider
26 may be a public, nonprofit, or private accredited diploma-granting
27 institution, but must have at least 2 years of experience providing
28 dropout recovery services in this state.

29 (3) The department shall issue a request for qualifications

1 for eligible program providers to participate in the pilot program.
2 To be considered a qualified program provider, the institution must
3 offer all of the following:

- 4 (a) Dropout reengagement services.
- 5 (b) Academic intake assessments.
- 6 (c) An integrated learning plan.
- 7 (d) A course catalog that includes all graduation
8 requirements.
- 9 (e) Remediation coursework.
- 10 (f) Academic resilience assessment and intervention.
- 11 (g) Employability skills development.
- 12 (h) Industry recognized credentials.
- 13 (i) Credit for on-the-job training.
- 14 (j) A robust support framework, including technology, social
15 support, and academic support accredited by a recognized
16 accrediting body.

17 (k) WorkKeys preparation.

18 (4) The department shall announce qualified program providers
19 no later than January 1 of the current fiscal year. Qualified
20 program providers must start providing programming by February 1 of
21 the current fiscal year.

22 (5) The department shall reimburse qualified program providers
23 for each month of satisfactory monthly progress as described in
24 section 23a of the state school aid act of 1979, 1979 PA 94, MCL
25 388.1623a, at a rate of \$500.00 per month. A payment shall be made
26 to a qualified program provider for the completion of the following
27 by a pupil:

28 (a) \$500.00 for the completion of an employability skills
29 certification program equal to at least 1 unit of high school

1 credit obtained through classroom or online instruction.

2 (b) \$250.00 for the attainment of an industry-recognized
3 credential requiring up to 50 hours of training.

4 (c) \$500.00 for the attainment of an industry-recognized
5 credential requiring 50 to 100 hours of training.

6 (d) \$750.00 for the attainment of an industry-recognized
7 credential requiring more than 100 hours of training.

8 (e) \$1,000.00 for attainment of a high school diploma.

9 (f) \$2,500.00 for placement in a job in an in-demand career
10 pathway.

11 (6) The department shall develop policies and guidelines to
12 implement this section.

13 Sec. 713. The funds appropriated in part 1 for at-risk youth
14 grants must be awarded to the Michigan franchise holder of the
15 national Jobs for America's Graduates program for the
16 administration of the Jobs for Michigan's Graduates program.

17 Sec. 714. (1) The funds appropriated in part 1 for the high
18 school equivalency-to-school program must be used to fund the cost
19 of high school equivalency testing and certification under this
20 section. The department shall administer a Michigan high school
21 equivalency-to-school program that covers the cost of providing the
22 high school equivalency test free of charge to individuals who meet
23 all of the following requirements:

24 (a) The individual has not previously been administered a high
25 school equivalency test free of charge under this section.

26 (b) The individual meets at least 1 of the following
27 requirements:

28 (i) Prior to taking the high school equivalency test, the
29 individual successfully completed a department-approved high school

1 equivalency preparation program.

2 (ii) Prior to taking the high school equivalency test, the
3 individual completed the official high school equivalency practice
4 test and the individual's score indicated that the individual is
5 likely to pass.

6 (2) A department-approved high school equivalency preparation
7 program must include all of the following:

8 (a) Instructional and tutorial assistances.

9 (b) High school equivalency test practice.

10 (c) Required attendance at program instructional sessions.

11 (d) A curriculum that prepares students for opportunities in
12 postsecondary education and the job market.

13 (e) Information on potential postsecondary and career
14 pathways.

15 (f) Counseling on preparing for and applying to college.

16 (g) Personal and job readiness skills development.

17 (h) Comprehensive information on college costs and financial
18 aid.

19 (i) College and career assessments.

20 (j) Computer-based instruction, practice, or remediation.

21 (3) The department shall post online an announcement of the
22 Michigan high school equivalency-to-school program, minimum
23 standards for high school equivalency preparation program approval,
24 and approval procedures.

25 (4) The department shall do all of the following:

26 (a) Develop procedures consistent with this section under
27 which individuals can take the high school equivalency test without
28 charge.

29 (b) Provide program information for educators and students on

1 the department website, including explanations of the procedures
2 developed under this subsection, and contact information for
3 questions about the program.

4 (c) Provide an estimate of the full-year cost of the program
5 to the senate and house appropriations subcommittees on labor and
6 economic opportunity, the senate and house fiscal agencies, and the
7 state budget director.

8 (5) By September 30, the department shall report to the
9 standard report recipients on utilization of the high school
10 equivalency incentive program, including numbers of high school
11 equivalency certifications issued by location, year-to-date
12 expenditures, and numbers of participants qualifying under
13 subsection (1)(b)(i) or (ii), or both.

14 Sec. 715. (1) The department shall provide reporting regarding
15 the interagency agreement with the department of health and human
16 services, which concerns TANF funding to provide job readiness and
17 welfare-to-work programming. The reporting must include specific
18 outcome and performance reporting requirements as described in this
19 section. TANF funding provided to the department in the current
20 fiscal year is contingent on compliance with the data and reporting
21 requirements described in this section. The department shall
22 provide all of the following items for the previous year by January
23 1 of the current fiscal year:

24 (a) An itemized spending report on TANF funding, including all
25 of the following:

26 (i) Direct services to clients.

27 (ii) Administrative expenditures.

28 (b) The number of family independence program clients served
29 through the TANF funding, including all of the following:

1 (i) The number and percentage who obtained employment through
2 Michigan Works!

3 (ii) The number and percentage who fulfilled their TANF work
4 requirement through other job readiness programming.

5 (iii) Average TANF spending per client.

6 (iv) The number and percentage of clients who were referred to
7 Michigan Works! But did not receive a job or job readiness
8 placement and the reasons why.

9 (2) Not later than March 15 of the current fiscal year, the
10 department shall provide to the senate and house appropriations
11 subcommittees on health and human services and the standard report
12 recipients an annual report on the following matters itemized by
13 Michigan works agency:

14 (a) The number of referrals to Michigan works job readiness
15 programs.

16 (b) The number of referrals to Michigan works job readiness
17 programs who became a participant in the Michigan works job
18 readiness programs.

19 (c) The number of participants who obtained employment.

20 (d) The cost per participant case.

21 (3) As used in this section, "TANF" means temporary assistance
22 for needy families as described in 42 USC 601 to 619.

23 Sec. 716. The office of rural prosperity shall act to
24 encourage and enable appropriate community advancements and
25 improvements, including, but not limited to, housing,
26 infrastructure, education, workforce development, and other needs
27 uniquely present in rural areas of this state that will assist in
28 expansion of rural development.

29 Sec. 717. (1) From the funds appropriated in part 1 for the

1 community and worker economic transition office, the department may
2 hire employees and deploy capabilities to evaluate and address the
3 impacts of economic transitions in sectors such as, but not limited
4 to, the auto, utility, manufacturing, and building trades, on
5 workers, communities, and employers. Activities of the community
6 and worker economic transition office may include developing
7 transition mitigation strategies, conducting data analysis,
8 coordinating across state and federal agencies, engaging
9 stakeholders, and providing resource navigation support. The
10 department shall develop and submit to the governor and legislature
11 a community and worker economic transition plan by December 31,
12 2025, as required under sections 7(3)(f) and 9 of the community and
13 worker economic transition act, 2023 PA 232, MCL 408.917 and
14 408.919. Beginning February 13, 2025, the department shall also
15 submit an annual report on office activities and progress made on
16 the transition plan to the legislature as required under section
17 7(5) of the community and worker economic transition act, 2023 PA
18 232, MCL 408.917.

19 (2) The department shall provide an annual activity report to
20 the standard report recipients not later than March 15 of the
21 current fiscal year on the mission statement, goals, metrics, and
22 recommendations of the community and worker economic transition
23 office.

24 Sec. 718. (1) From the ongoing funds appropriated in part 1
25 for voluntary income tax assistance grants, the department shall
26 allocate funds to a nonprofit trade association to provide all of
27 the following:

28 (a) Free tax preparation services for tax filers in this
29 state.

1 (b) Expanded statewide access to free tax preparation
2 services.

3 (c) Expanded local capacity to provide free tax preparation
4 services.

5 (2) Administration costs to provide the services listed in
6 subsections (1)(a) to (c) must not exceed \$200,000.00.

7

8 **UNEMPLOYMENT**

9 Sec. 801. The unemployment insurance agency shall provide an
10 annual report to the standard report recipients by March 15 of the
11 current fiscal year that includes, but is not limited to, fiscal
12 year-to-date expenditures by division and program unit.

13 Sec. 802. (1) From the funds appropriated in part 1, the
14 department on behalf of the unemployment insurance agency shall
15 provide a quarterly report to the standard report recipients within
16 45 days after the end of each quarter that includes, but is not
17 limited to, the following:

18 (a) The average number of unique claimants for the quarter.

19 (b) The average number of eligible claimants with
20 certification for the quarter.

21 (c) The average number of claims paid for the quarter.

22 (d) The total amount of standard unemployment insurance
23 payments paid for the quarter.

24 (e) The total amount of unemployment insurance tax generated
25 for the quarter.

26 (f) The balance of the Michigan unemployment trust fund at the
27 end of the quarter.

28 (2) The department shall include the same information required
29 in subsection (1) for the previous 12 months. The department shall

1 include the most recent quarterly report on the department's
2 webpage.

3 Sec. 803. From the funds appropriated in part 1, the
4 department shall provide a quarterly report to the standard report
5 recipients within 45 days after the end of each quarter that
6 includes, but is not limited to, the following:

7 (a) The number of new fraudulent and noncompliant cases that
8 have been identified or issued by the unemployment insurance
9 agency, classified by employer or claimant, during the quarter.

10 (b) The total amount of penalties and interest issued on
11 fraudulent and noncompliant cases during the quarter.

12 (c) The total amount of penalties and interest dollars
13 received during the quarter by employer or claimant.

14 (d) The total amount of collectible penalties and interest
15 still owed to this state by employer or claimant.

16 (e) The number of fraudulent and noncompliant cases that have
17 been appealed by an employer or claimant during the quarter.

18 Sec. 804. (1) The funds appropriated in part 1 for
19 unemployment insurance agency must be used to staff unemployment
20 insurance agency branch offices for in-person appointments for
21 unemployment insurance agency claimant services.

22 (2) The department shall provide a semiannual report due March
23 15 and September 30 of the current fiscal year that includes all of
24 the following:

25 (a) The number and location of in-person offices.

26 (b) The average number of staff at each location over the
27 previous 6 months.

28 (c) The volume of in-person claimants served at each location
29 in the previous 6 months.

1 (d) The volume of calls served at each location in the
2 previous 6 months.

3 (e) The average wait time at each location for claimants
4 served in the previous 6 months.

5 Sec. 805. Funds appropriated in part 1 for the unemployment
6 insurance agency may be used by the unemployment insurance agency
7 to increase capacity by an estimated 500 limited-term employees.

8 Sec. 806. (1) From the funds appropriated in part 1 for the
9 unemployment insurance agency, the department shall maintain
10 customer service standards for employers and claimants making use
11 of the various means by which they can access the system.

12 (2) The department shall identify specific outcomes and
13 performance metrics for this initiative, including, but not limited
14 to, the following:

15 (a) Unemployment benefit fund balance.

16 (b) Process improvement - fiscal integrity.

17 (c) Process improvement - determination timeliness.

18 (d) Process improvement - determination quality.

19 Sec. 807. Funds earned or authorized by the USDOL in addition
20 to the appropriation in part 1 for the unemployment insurance
21 agency are appropriated and may be expended for staffing and
22 related expenses incurred in the operation of its programs. These
23 funds may be spent after the department notifies the standard
24 report recipients of the purpose and amount of each grant award.

25
26 **REHABILITATION SERVICES**

27 Sec. 901. The Michigan rehabilitation services and bureau of
28 services for blind persons shall work collaboratively with service
29 organizations and government entities to identify allowable match

1 dollars to secure available federal vocational rehabilitation
2 funds.

3 Sec. 902. From the funds appropriated in part 1, the
4 department shall provide an annual report to the standard report
5 recipients on efforts taken to improve the Michigan rehabilitation
6 services by February 1. The report must include all of the
7 following line items:

8 (a) Reductions and changes in administration costs and
9 staffing.

10 (b) Service delivery plans and implementation steps achieved.

11 (c) Reorganization plans and implementation steps achieved.

12 (d) Plans to integrate Michigan rehabilitation services
13 programs into other services provided by the department.

14 (e) Quarterly expenditures by major spending category.

15 (f) Employment and job retention rates from both Michigan
16 rehabilitation services and its nonprofit partners.

17 (g) Success rate of each district in achieving the program
18 goals.

19 Sec. 903. (1) From the funds appropriated in part 1 for
20 Michigan rehabilitation services, the department shall allocate
21 funding along with available federal match to support the provision
22 of vocational rehabilitation services to eligible agricultural
23 workers with disabilities. Authorized services shall assist
24 agricultural workers with disabilities in acquiring or maintaining
25 quality employment and independence.

26 (2) By March 1 of the current fiscal year, the department
27 shall report to the standard report recipients on the total number
28 of clients served and the total amount of federal matching funds
29 obtained throughout the duration of the program.

1 Sec. 904. If the department is at risk of entering into an
2 order of selection for services, the department shall notify the
3 standard report recipients within 2 weeks of receiving
4 notification.

5 Sec. 905. From the funds appropriated in part 1 for Michigan
6 rehabilitation services, the department shall allocate funding to
7 support the administration of the personal assistance services
8 reimbursement for employment program. Michigan rehabilitation
9 services may work collaboratively with service organizations to
10 administer the program.

11 Sec. 906. (1) Funds appropriated in part 1 for independent
12 living must be used to support the general operations of centers
13 for independent living in delivering mandated independent living
14 services in compliance with federal rules and regulations,
15 including 45 CFR Part 1329, for the centers, by existing centers
16 for independent living to serve underserved areas, and for projects
17 to build the capacity of centers for independent living to deliver
18 independent living services. Applications for the funds must be
19 reviewed in accordance with criteria and procedures established by
20 the department. Funds must be used in a manner consistent with the
21 state plan for independent living. Services provided should assist
22 people with disabilities to move toward self-sufficiency,
23 including, but not limited to, support for accessing transportation
24 and health care, obtaining employment, community living, nursing
25 home transition, information and referral services, education,
26 youth transition services, veterans, and stigma reduction
27 activities and community education. This includes the independent
28 living guide services that specifically focus on economic self-
29 sufficiency.

1 (2) In partnership with service providers, the department
2 shall provide a report to the standard report recipients by March 1
3 of the current fiscal year on direct customer and system outcomes
4 and performance measures.

5 (3) The unexpended funds appropriated in part 1 for centers
6 for independent living are designated as a work project
7 appropriation, and any unencumbered or unallotted funds must not
8 lapse at the end of the fiscal year and must be available for
9 expenditures for projects under this section until the projects
10 have been completed. The following is in compliance with section
11 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

12 (a) The purpose of the project is to support the state plan
13 for independent living.

14 (b) The project will be accomplished by utilizing centers for
15 independent living.

16 (c) The total estimated cost of the project is \$20,218,600.00.

17 (d) The tentative completion date is September 30, 2026.

18 Sec. 907. (1) The appropriation in part 1 for the bureau of
19 services for blind persons includes funds for case services. These
20 funds may be used for tuition payments for blind clients.

21 (2) Revenue collected by the bureau of services for blind
22 persons and from private and local sources that is unexpended at
23 the end of the fiscal year must carry forward to the subsequent
24 fiscal year.

25 Sec. 908. The bureau of services for blind persons may provide
26 and enter into agreements to provide general services, training,
27 meetings, information, special equipment, software, facility use,
28 and technical consulting services to other principal executive
29 departments, state agencies, local units of government, the

1 judicial branch of government, other organizations, and patrons of
2 department facilities. The department may charge fees for these
3 services that are reasonably related to the cost of providing the
4 services. In addition to the funds appropriated in part 1, funds
5 collected by the department for these services are appropriated for
6 all expenses necessary. The funds appropriated under this section
7 are allotted for expenditure when they are received by the
8 department of treasury.

9 Sec. 909. (1) The funds appropriated in part 1 for a regional
10 or subregional library must not be released until a budget for that
11 regional or subregional library has been approved by the department
12 for expenditures for library services directly serving the blind
13 and persons with disabilities.

14 (2) To receive subregional state aid as appropriated in part
15 1, a regional or subregional library's fiscal agency must agree to
16 maintain local funding support at the same level in the current
17 fiscal year as in the fiscal agency's preceding fiscal year. If a
18 reduction in expenditures equally affects all agencies in a local
19 unit of government that includes the regional or subregional
20 library's fiscal agency, the reduction must not be interpreted as a
21 reduction in local support and must not disqualify a regional or
22 subregional library from receiving state aid under part 1. If a
23 reduction in income affects a library cooperative or district
24 library that includes a regional or subregional library's fiscal
25 agency or a reduction in expenditures for the regional or
26 subregional library's fiscal agency, a reduction in expenditures
27 for the regional or subregional library must not be interpreted as
28 a reduction in local support and must not disqualify a regional or
29 subregional library from receiving state aid under part 1.

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COMMISSIONS

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Sec. 951. From the funds appropriated in part 1, the office of global Michigan is to coordinate with the Asian Pacific American affairs commission, the Commission on Middle Eastern American affairs, and the Hispanic/Latino commission of Michigan to produce a report by January 31 to the standard report recipients. The report must include, but is not limited to, the following:

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10

(a) Total number of people with whom each commission directly interacts through programming.

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(b) Total number of public events that each commission conducted.

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(c) Description of the activities that the commissions initiated to promote cooperation between the commissions.

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(d) A list of any other commissions that interact with the office of global Michigan.

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(e) Programmatic costs of each commission.

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Sec. 952. An expenditure of funds appropriated in part 1 by the Asian Pacific American affairs commission, the commission on Middle Eastern American affairs, the Hispanic/Latino commission of Michigan, or any other commission within the department for a commission event must be directly related to the mission statement of that commission.

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Sec. 953. The office of global Michigan must produce a report by January 31 to the standard report recipients. The report may include other information, but it must include all of the following:

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(a) The number of individuals served through each major program and activity.

1 (b) The number of refugee arrivals, the job placement rate of
2 those refugees actively receiving services under the global
3 Michigan grants, and the average wage and initial job placements
4 for those refugees.

5 (c) A list of the activities that the office has conducted to
6 attract and retain international, advanced degree, and
7 entrepreneurial talent.

8 (d) A list of goals for the office and the metric used to
9 determine if each goal is achieved.

10
11 **ONE-TIME APPROPRIATIONS**

12 Sec. 1000. (1) From the funds appropriated in part 1 for ARISE
13 Michigan, the department shall award grant to nonpartisan community
14 groups for 1 or more of the following purposes:

15 (a) Community events.

16 (b) Giveaways.

17 (c) Community resources.

18 (d) Community beautification.

19 (e) Meeting location funding.

20 (f) Municipal library improvements.

21 (2) All grants must be awarded on a competitive basis with
22 priority given to applicants in distressed communities. An awardee
23 must not receive more than 1 grant under this section. The
24 department shall not award more than 1% of the total appropriation
25 under this section to a single grant recipient.

26 (3) The department shall not use any of the funds appropriated
27 under this section for administration.

28 Sec. 1001. From the funds appropriated in part 1 for
29 behavioral/mental health worker scholarship, the department shall

1 allocate funds to support a scholarship program for behavioral or
2 mental health students or existing workers seeking advanced degrees
3 or certifications in this state. The department shall develop
4 application guidelines and require necessary documentation to
5 administer this section. The department may partner with other
6 departments or nonprofit organizations to assist in administering
7 scholarships.

8 Sec. 1002. (1) From the funds appropriated in part 1 for
9 business attraction and workforce development, the department shall
10 award grants for the following purposes:

11 (a) Workforce training focused on new technologies.

12 (b) Infrastructure improvements.

13 (c) Marketplace and business corridor development.

14 (d) Innovation center support.

15 (e) Business resource center support.

16 (f) Small business corridor development.

17 (g) Business district investment.

18 (2) Except for the grants awarded under subsections (4) to (7)
19 all grants must be awarded on a competitive basis with priority
20 given to applicants in distressed communities. An awardee must not
21 receive more than 1 grant under this section. The department shall
22 not award more than 10% of the total appropriation under this
23 section to a single grant recipient.

24 (3) The department shall not use any of the funds appropriated
25 under this section for administration.

26 (4) From the funds appropriated in part 1 for business
27 attraction and workforce development, \$100.00 must be awarded to an
28 alliance of interprofessional partners, organizations, and health
29 centers to increase recruitment, training, and retention of health

1 professionals to increase access to primary care. Funds must be
2 used to increase the clinical placements for health professional
3 students in rural and underserved areas, strengthen
4 interdisciplinary scholars programming, conduct a state-wide
5 clinical training capacity survey, and expand pipeline programs
6 throughout the state in the rural and underserved areas.

7 (5) From the funds appropriated in part 1 for business
8 attraction and workforce development, \$100.00 must be allocated to
9 Michigan Works! to support youth career exploration initiatives
10 with a focus on healthcare.

11 (6) From the funds appropriated in part 1 for business
12 attraction and workforce development, \$100.00 must be allocated to
13 a statewide nonprofit foundation to support a scholarship program
14 for nursing students or existing nurses seeking advanced degrees or
15 certifications in this state.

16 (7) From the funds appropriated in part 1 for business
17 attraction and workforce development, \$100.00 must be awarded to a
18 statewide business network to support employment-centric social
19 enterprises with direct grant, technical assistance, and
20 programming.

21 Sec. 1003. Funds appropriated in part 1 for community center
22 grants must be awarded to community centers that applied for
23 community center grants under section 501 of 2023 PA 321, but did
24 not receive a grant under that program.

25 Sec. 1004. (1) From the funds appropriated in part 1 for
26 community revitalization and municipal supports, the department
27 shall award grants for the following purposes:

28 (a) Downtown development authority or downtown improvements.

29 (b) The creation or update of, or investment in municipal

1 master plans.

2 (c) Municipal facility improvements.

3 (d) Municipal infrastructure renovations or improvements.

4 (e) Court or jail rehabilitation.

5 (f) Municipal library improvements.

6 (g) Distressed community facade improvements.

7 (2) All grants must be awarded on a competitive basis with
8 priority given to applicants in distressed communities. An awardee
9 must not receive more than 1 grant under this section. The
10 department shall not award more than 10% of the total appropriation
11 under this section to a single grant recipient.

12 (3) The department shall not use any of the funds appropriated
13 under this section for administration.

14 Sec 1005. (1) Funds appropriated in part 1 for CTE equipment
15 and training grants must be allocated to career and technical
16 education programs to purchase new equipment for training programs.
17 The department may work with the department of education to
18 administer grants. Except for the grants awarded under subsections
19 (2) and (3), all grants must be awarded on a competitive basis with
20 priority given to applicants in distressed communities. An awardee
21 must not receive more than 1 grant under this section. The
22 department shall not award more than 10% of the total appropriation
23 under this section to a single grant recipient.

24 (2) From the funds appropriated in part 1 for CTE equipment
25 and training grants, \$100.00 must be allocated for training in the
26 construction and energy industries.

27 (3) From the funds appropriated in part 1 for CTE equipment
28 and training grants, \$100.00 must be allocated to support
29 specialized training for lead service line replacement, expand

1 pilot career and technical education programs, and build capacity
2 for pre-apprenticeship and apprenticeship programs.

3 Sec. 1006. (1) From the funds appropriated in part 1 for
4 cultural vibrancy grants, the department shall award grants for the
5 following purposes:

6 (a) Cultural downtown improvements.

7 (b) Cultural programming.

8 (c) Cultural center support.

9 (d) Mural or art promotion.

10 (e) Improvements to operas, theaters, symphonies, or
11 performing hall or grounds.

12 (f) Improvements to museums, zoos, aquariums, galleries, or
13 science centers.

14 (g) Infrastructure improvements.

15 (2) All grants must be awarded on a competitive basis with
16 priority given to applicants in distressed communities. An awardee
17 must not receive more than 1 grant under this section. The
18 department shall not award more than 10% of the total appropriation
19 under this section to a single grant recipient.

20 (3) The department shall not use any of the funds appropriated
21 under this section for administration.

22 Sec. 1007. From the funds appropriated in part 1 for tech
23 innovation hubs, \$100.00 must be allocated to technical innovation
24 centers to support matching available federal dollars to transform
25 them into globally competitive innovation centers for the next
26 decade.

27 Sec. 1008. From the funds appropriated in part 1 for Focus:
28 HOPE, \$1,000,000.00 must be awarded to Focus: HOPE for 1 or more of
29 the following purposes:

- 1 (a) Education and workforce development programming.
- 2 (b) Early childhood education.
- 3 (c) Youth development.
- 4 (d) Food assistance.
- 5 (e) Community empowerment and advocacy.

6 Sec. 1009. (1) Subject to subsection (3), from the funds
7 appropriated in part 1 for housing affordability match, the
8 department may use up to \$50,000,000.00 to leverage nonstate
9 matching funds and supplement housing affordability programs under
10 section 1009.

11 (2) The department shall solicit nonstate funding
12 opportunities from community partners, private foundations, faith-
13 based organizations, or other governmental entities to maximize the
14 funds appropriated in part 1 for housing affordability.

15 (3) The department shall prioritize the following match
16 recipients:

- 17 (a) Veterans.
- 18 (b) Senior citizens.
- 19 (c) Human trafficking victims.
- 20 (d) Low-income individuals.
- 21 (e) Workforce development participants.
- 22 (f) Individuals who are aging out of foster care.
- 23 (g) Adult foster care facilities.
- 24 (h) Single-parent households with minor children.
- 25 (i) Mixed-income developments.

26 (4) The department shall not use or obligate funds
27 appropriated in part 1 for housing affordability match unless all
28 of the following conditions have been met:

- 29 (a) The department has secured 1 to 1 fund matching with

1 nonstate funding sources to match the funds from part 1 for housing
2 affordability match. If a nonstate match is secured, the department
3 shall notify the state budget director.

4 (b) Not later than 10 days after receiving notice from the
5 department under subdivision (a), the state budget director shall
6 notify the chairs of the house and senate appropriations committees
7 and include all of the following information in the notice:

8 (i) The amount and sources of nonstate funds secured to match
9 the funds appropriated in part 1 for housing affordability match.

10 (ii) A description of how nonstate funds will be allocated and
11 how the allocation of the funds will support the housing goals of
12 this state and the programs created under section 1009.

13 (iii) The planned allocation of housing affordability match
14 funds and how the allocation of the funds will supplement programs
15 created under section 1009.

16 (c) The department may begin allocating housing affordability
17 match funds not less than 30 days after the chairs of the house and
18 senate appropriations committee have been notified by the state
19 budget director under subdivision (b) of the match secured.

20 (d) The department shall only use from part 1 an equal amount
21 of nonstate funds secured for housing affordability programs that
22 support this state's housing goals.

23 (5) Nonstate funds secured by the department may be in the
24 form of a grant to the department, a cooperative agreement, or a
25 memorandum of understanding to demonstrate a financial commitment
26 towards supporting this state's housing goals. Nonstate funds used
27 to match funds in this section may be administered by another
28 entity if the department and state budget director satisfactorily
29 meet the requirements of subsection (3).

1 (6) If the department is notified that the conditions of a
2 nonstate funding committed are not fully completed, the department
3 shall notify the state budget director and chairs of house and
4 senate Appropriations committees within 3 business days.

5 (7) The department shall submit quarterly reports to the
6 standard report recipients that provide all of the following
7 information:

8 (a) Partners providing nonstate match, including the amount
9 and form of the match and any requirements of the partner with
10 respect to the matching funds.

11 (b) Partners involved and meetings held in the previous
12 quarter.

13 (c) Outcomes from meetings held in the previous quarter.

14 (d) Actionable plans determined at meetings and progress made
15 on implementing those plans.

16 (e) Applications made available to eligible grantees.

17 (f) Applicants seeking grants under this section and the
18 status of those grant applications.

19 (g) Details on people and communities assisted.

20 (h) Applicants awarded grants under this section, including
21 the date, location, and the amount of the approved match.

22 (8) The unexpended funds appropriated in part 1 for housing
23 affordability match are designated as a work project appropriation,
24 and any unencumbered or unallotted funds shall not lapse at the end
25 of the fiscal year and shall be available for expenditures for
26 projects under this section until the projects have been completed.
27 The following is in compliance with section 451a of the management
28 and budget act, 1984 PA 431, MCL 18.1451a:

29 (a) The purpose of the project is to assist with housing

1 affordability.

2 (b) The project will be accomplished by utilizing state
3 employees, contracts, or grants.

4 (c) The estimated cost of the project is \$50,000,000.00.

5 (d) The tentative completion date is September 30, 2029.

6 Sec. 1010. (1) From the funds appropriated in part 1 for
7 housing affordability programs, the department shall administer 1
8 or more programs that provide grants, loans, or other incentives in
9 accordance with state law to persons for the purpose of increasing
10 access to affordable housing, supplementing existing housing
11 programs, and leveraging external resources to support housing
12 goals in this state.

13 (2) Funds awarded to a person under this section must be used
14 for 1 or more of the following:

15 (a) To support closing the gap between the price of affordable
16 homeownership and costs to develop or rehabilitate housing stock.

17 (b) To increase affordable low-income and middle-income
18 housing stock, which may include missing middle and workforce
19 housing.

20 (c) To increase homeownership rates and grow middle class
21 generational wealth through home ownership.

22 (d) To coordinate and leverage funds to support broader
23 community revitalization, talent, or placemaking initiatives.

24 (e) To reverse the impact of redlining.

25 (f) To support first generation homeownership, which may
26 include assistance with down payments, closing costs, and costs to
27 reduce interest rates on mortgage payments.

28 (3) In the development of program guidelines, the department
29 shall consult with housing stakeholders, including, but not limited

1 to, the following:

2 (a) Other governmental entities.

3 (b) Housing advocates and nonprofit organizations that support
4 affordable housing access for residents.

5 (c) Construction and building trade organizations.

6 (d) Academic professionals with expertise in housing best
7 practices.

8 (4) The department shall ensure that each housing region of
9 this state is represented in the award of funds under this section.
10 In awarding funds under this section, the department shall
11 prioritize allocations to communities or census tracts that will
12 revitalize existing neighborhoods and corridors or support a
13 broader community revitalization, talent, or placemaking
14 initiatives.

15 (5) The department may retain not more than 2% from funds
16 appropriated in part 1 for housing affordability programs to
17 support costs to administer this section.

18 (6) From the funds appropriated in part 1 for housing
19 affordability programs, the department shall use at least
20 \$45,000,000.00 to establish a grant program to provide down payment
21 assistance or other direct financing supports for eligible
22 residents. The department shall establish guidelines for the
23 administration of the grant program under this subsection, which
24 must do all of the following:

25 (a) Establish regional or subregional income thresholds for
26 qualifying residents based on the area median income.

27 (b) Require a grantee to repay the full amount of the grant if
28 the home is sold or used primarily as a rental within 5 years of
29 the closing date.

1 (c) Require a grantee to complete a homebuyer education class
2 approved by the department that covers issues related to
3 homeownership, including, but not limited to, any of the following:

4 (i) How to avoid loan and scams.

5 (ii) Basic financial literacy and budget counseling.

6 (iii) Financial assistance in emergencies.

7 (iv) Repair programs available.

8 (v) Property tax overview, what to expect, and how to plan.

9 (d) Require a grantee to be a first-time home buyer or an
10 individual who has not bought a home in the 20 years immediately
11 preceding the grant application.

12 (e) Require the home subject to the financial assistance to be
13 the grantee's primary residence.

14 (f) Provide that the grant may be used by the grantee to buy
15 down an interest rate, decrease the amount the grantee owes, or a
16 combination thereof.

17 (g) Prohibit the award of grants to individuals who own other
18 property.

19 (h) Require the grant to be restricted to the amount needed to
20 reasonably address the value gap.

21 (i) Establish construction or rehabilitation criteria for
22 homes supported by the grants.

23 (7) From the funds appropriated in part 1 for housing
24 affordability programs, the department shall allocate at least
25 \$2,000,000.00 for weatherization training grants. Grants must be
26 allocated to nonprofit organizations, labor organizations, job
27 training centers or educational institutions that train workers for
28 weatherization and retrofit careers. The department shall award
29 grants through a competitive process that prioritizes grant

1 recipients servicing minority, marginalized, and low-income
2 residents of this state. The department may not award more than 1
3 grant to a single nonprofit organization, labor organization,
4 training center, or educational institution. The department must
5 award grants to at least 4 applicants.

6 (8) From the funds appropriated in part 1 for housing
7 affordability programs, the department shall allocate at least
8 \$30,000,000.00 to establish a grant program for housing
9 stabilization activities. The department shall award grants to
10 counties, state or local land banks, public housing agencies,
11 nonprofit organizations that support affordable or attainable
12 housing access for residents, community action agencies, or to
13 municipalities that currently have, or enter into, a partnership
14 with nonprofits that support affordable housing or legal assistance
15 for eviction prevention or property tax appeal. A person awarded a
16 grant must use the funds for 1 of more of the following:

17 (a) Blight elimination activities, including, any of the
18 following under subparagraphs (i), (ii), and (iii), and subject to
19 subparagraph (iv):

20 (i) Demolition of vacant residential, commercial, or industrial
21 structures, including reasonable and necessary costs directly
22 related to demolition.

23 (ii) Stabilization of vacant residential, commercial, or
24 industrial structures identified for future rehabilitation.

25 (iii) Rehabilitation or development of vacant publicly-owned
26 structures, which must prioritize rehabilitation to historically
27 designated structures, including, but not limited to, buildings,
28 schools, and residential homes.

29 (iv) The department shall coordinate the award of grants for

1 blight elimination activities with the state and local land bank
2 authorities.

3 (b) Foreclosure prevention programs that mitigate tax
4 foreclosures and provide financial counseling services to eligible
5 residents who are at risk of foreclosure and forfeiture, if the
6 program is approved by the department and all of the following
7 apply:

8 (i) The program has financial counseling requirements for
9 receiving foreclosure assistance.

10 (ii) The program demonstrates that eligible residents are
11 informed about existing homeowner credits and exemptions, including
12 the poverty and principal residence exemptions.

13 (iii) The relief amounts available to each qualified homeowner
14 under the program are based on the amount of property taxes in
15 arrears and length of delinquency.

16 (iv) The department shall require demonstration of a local
17 match to receive a foreclosure prevention grant.

18 (v) Demonstration by grantees that eligible residents are
19 informed about existing state and local programs and policies which
20 homeowners may use to avoid tax foreclosure with payment plans and
21 other intervention actions.

22 (vi) If the grantee is a nonprofit, funded organizations should
23 have the capacity to determine legal challenges to tax foreclosure
24 and advise and represent or be able to timely refer to appropriate,
25 free legal services.

26 (c) Public and supportive housing activities for low-income
27 residents, including:

28 (i) Eviction prevention assistance, counseling, or emergency
29 rental assistance.

1 (ii) Expansion of public housing, site-based section 8, section
2 8 vouchers, or permanent supportive housing for eligible
3 individuals.

4 (iii) Code enforcement activities.

5 (iv) Costs to transition eligible residents out of public
6 housing that has been identified as hazardous or not meeting local
7 building or public health standards.

8 (d) No more than 10% of the total appropriation under this
9 subsection may go to 1 awardee.

10 (9) From the funds appropriated in part 1 for housing
11 affordability programs, the department shall use at least
12 \$20,000,000.00 for homeowner repair programs. The department shall
13 issue grants to other governmental entities or nonprofit
14 organizations that currently provide weatherization,
15 preweatherization, or retrofitting home services to a majority of
16 low-income, underserviced, minority populations or implement a
17 state program in regions in which a local partner does not exist to
18 administer a homeowner repair program that is consistent with the
19 following:

20 (a) The department shall prioritize allocations that allow for
21 whole home retrofits by using funds to complete home repair
22 projects that are required before initiating other whole-home
23 retrofit or weatherization projects. The intent of the
24 prioritization is for funds under this subsection to expand
25 services and address deferred homes that would otherwise be denied
26 under the current federal and state limitations for weatherization
27 or other whole-home retrofit or weatherization projects.

28 (b) The department shall coordinate the allocation of
29 homeowner repairs funds with similar home repair, weatherization,

1 and environmental hazard mitigation programs administered by state
2 agencies to seek a streamlined approach and single access point for
3 homeowners and the public.

4 (c) The department shall require a local match component equal
5 to at least 50% of the grant provided to a grantee under this
6 subsection.

7 (d) The department shall establish a working group with at
8 least representatives from the departments of Health and Human
9 Services and the department of Environment, Great Lakes, and Energy
10 to maximize the value of funds administered by each department for
11 home repairs, weatherization, and environmental hazard mitigation.

12 (e) The department shall require a local match component equal
13 to at least 30% of the grant provided to a grantee under this
14 subsection.

15 (f) Recipients of funds shall use homeowner repair program
16 funding on their primary residence.

17 (g) No more than 10% of the total appropriation under this
18 subsection can go to 1 awardee.

19 (10) From the funds appropriated in part 1 for housing
20 affordability programs, the department shall use at least
21 \$3,000,000.00 for innovative housing proposals. Grants awarded
22 under this subsection must align with existing state housing plans.
23 Individual grant awards under this subsection must not exceed
24 \$1,000,000.00. The department shall develop and administer a grant
25 program for governmental entities or nonprofit organizations to
26 seek grants for affordable housing initiatives that support front
27 line workers, including, but not limited to, any of the following:

28 (a) Healthcare workers.

29 (b) Teachers.

1 (c) Senior citizens.

2 (d) Adult foster care providers.

3 (e) Individuals aging out of foster care.

4 (f) Veterans in this state.

5 (11) The department shall submit quarterly reports to the
6 standard report recipients that provide all of the following
7 information:

8 (a) Partners involved and meetings held in the previous
9 quarter.

10 (b) Outcomes from meetings held in the previous quarter.

11 (c) Actionable plans determined at meetings and progress made
12 on implementing those plans.

13 (d) Applications made available to eligible grantees.

14 (e) Applicants seeking grants under this section and the
15 status of those grant applications.

16 (f) Details on people and communities assisted.

17 (g) Where applicable, applicants awarded grants under this
18 section, the amount awarded, and the location or service area of
19 the grantees, and the number of individuals serviced.

20 (12) The unexpended funds appropriated in part 1 for housing
21 affordability programs are designated as a work project
22 appropriation, and any unencumbered or unallotted funds must not
23 lapse at the end of the fiscal year and must be available for
24 expenditures for projects under this section until the projects
25 have been completed. The following is in compliance with section
26 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

27 (a) The purpose of the project is to assist with equitable
28 housing affordability and accessibility.

29 (b) The project will be accomplished by utilizing state

1 employees, contracts, or grants.

2 (c) The estimated cost of the project is \$100,000,000.00.

3 (d) The tentative completion date is September 30, 2029.

4 Sec. 1011. (1) The funds appropriated in part 1 for the
5 Michigan innovation fund must be expended for activities as
6 described in the Michigan early stage venture investment act of
7 2003, 2003 PA 296, MCL 125.2231 to 125.2263.

8 (2) The Michigan strategic fund shall develop program
9 guidelines and eligibility criteria for the program and shall post
10 the information on its publicly accessible website. No less than
11 \$6,000,000.00 of the appropriated funds must be used to support
12 underrepresented entrepreneurs as defined by the Michigan strategic
13 fund.

14 (3) The Michigan strategic fund shall make awards to
15 universities, economic development organizations, nonprofit
16 organizations, and other investment vehicles or entities, as
17 determined by the Michigan strategic fund, in the creation and
18 administration of the program.

19 Sec. 1012. From the 1-time funds appropriated in part 1 for
20 the Michigan office of rural prosperity grants, the department
21 shall operate a grant program to support community activities,
22 including, but not limited to, enhancing or elevating broadband,
23 housing, infrastructure, education, workforce development, and
24 addressing other needs uniquely experienced in rural areas of this
25 state.

26 Sec. 1013. (1) From the funds appropriated in part 1 for
27 minority owned business support, the department shall award grants
28 to minority-owned businesses or nonprofit business organizations to
29 implement small business development initiatives for minority-owned

1 businesses in this state.

2 (2) Funds awarded to nonprofit business organizations may be
3 used for activities that support or develop small businesses,
4 including, but not limited to, technical assistance, grants,
5 incubation, access to capital, or other financing opportunities.

6 (3) Subject to any existing regulations, the department may
7 award direct grants to eligible small businesses in this state. The
8 department shall ensure any direct business grants have clear
9 metrics to grow small business or job creation.

10 (4) The department shall seek opportunities to award funds in
11 a geographically diverse manner for any eligible activities under
12 this section.

13 (5) The department shall issue a report to the house and
14 senate appropriations committees and post on their website not
15 later than September 30 of each year, until funds have been
16 expended. At a minimum, the report must contain all of the
17 following information:

18 (a) The number of awards granted under this section.

19 (b) The amount of each award.

20 (c) The recipient and purpose of each award.

21 (d) Any recommendations to improve the future distribution of
22 funds to eligible entities under this section.

23 (6) The department may not retain more than 2% of the total
24 appropriation under this section to administer this section or to
25 promote the availability of funds.

26 (7) The unexpended funds appropriated in part 1 for statewide
27 minority business and entrepreneurial support initiatives are
28 designated as a work project appropriation, and any unencumbered or
29 unallotted funds must not lapse at the end of the fiscal year and

1 must be available for expenditures for projects under this section
2 until the projects have been completed. The following is in
3 compliance with section 451a of the management and budget act, 1984
4 PA 431, MCL 18.1451a:

5 (a) The purpose of the project is to implement statewide
6 minority business and entrepreneurial support initiatives.

7 (b) The project will be accomplished by utilizing state
8 employees, the MEDC, or contracts.

9 (c) The total estimated cost of the project is \$10,000,000.00.

10 (d) The tentative completion date is September 30, 2029.

11 Sec. 1014. (1) From the funds appropriated in part 1 for parks
12 and recreational grants, the department shall award grants for the
13 following purposes:

14 (a) Trail development.

15 (b) Nature center improvements.

16 (c) Park improvements.

17 (d) Foot bridge construction or development.

18 (e) Wi-Fi accessibility.

19 (f) Park and greenway infrastructure development.

20 (g) Recreation improvements.

21 (h) Community gardens.

22 (2) All grants must be awarded on a competitive basis with
23 priority given to applicants in distressed communities. An awardee
24 must not receive more than 1 grant under this section. The
25 department shall not award more than 10% of the total appropriation
26 under this section to a single grant recipient.

27 (3) The department shall not use any of the funds appropriated
28 under this section for administration.

29 Sec. 1015. (1) The funds appropriated in part 1 for short-term

1 loan grants must be used by the department to operate a grant
2 program for short-term lenders that meet the requirements of this
3 section to provide lending to residents of this state.

4 (2) The department shall develop program guidelines, eligible
5 criteria, and an application process for organizations to provide
6 lending to individuals with a demonstrated financial hardship or
7 need.

8 (3) The department shall award grants to organizations that
9 have a license under section 12 of the deferred presentment service
10 transactions act, 2005 PA 244, MCL 487.2132 or are a bank, credit
11 union, community development financial institution, or nonprofit
12 organization licensed and regulated under state or federal law. The
13 lender must have at least 1 physical location in this state and
14 serve residents of this state.

15 (4) Lenders must use grants to provide short-term loans of not
16 more than \$1,200.00 to individuals with a demonstrated financial
17 hardship or need. The annual percentage rate on the loan must not
18 be more than 36%. Lenders that receive grants under this program
19 may use the interest generated off of the loans from the grants
20 received to issue additional loans under the requirements of this
21 section.

22 (5) If an organization no longer complies with this program
23 then the lender must return the grant amount to the department.

24 (6) The department may not use more than 2% of the total
25 appropriation under this section for administration of the program
26 and may not use more than 5% of the total appropriation under this
27 section for marketing and outreach.

28 (7) The department shall submit quarterly reports to the
29 standard report recipients that provide all of the following

1 information:

2 (a) Grants issued to each grant recipient that received a
3 grant under this program.

4 (b) The number individuals serviced by each grant recipient.

5 (c) The percentage of loans paid back to each grant recipient.

6 (d) Any grant recipients that have returned grants to the
7 department and are no long participating in the program.

8 (e) Any feedback from grant recipients on the program.

9 (8) After the first year of the program, the department is
10 required to submit only an annual report by March 15 that includes
11 the information required in subsection (7).

12 (9) The unexpended funds appropriated in part 1 for short-term
13 loan grants are designated as a work project appropriation, and any
14 unencumbered or unallotted funds must not lapse at the end of the
15 fiscal year and must be available for expenditures for projects
16 under this section until the projects have been completed. The
17 following is in compliance with section 451a of the management and
18 budget act, 1984 PA 431, MCL 18.1451a:

19 (a) The purpose of the project is to provide grants to
20 eligible applicants.

21 (b) The project will be accomplished by using state employees,
22 contracts, or grants.

23 (c) The estimated cost of the project is \$2,500,000.00.

24 (d) The tentative completion date is September 30, 2029.

25 Sec. 1016. (1) From the funds appropriated in part 1 for
26 public health and safety grants, the department shall award grants
27 for the following purposes:

28 (a) Disaster preparedness and repair.

29 (b) Systems or software upgrades.

- 1 (c) Emergency or dispatch upgrades.
- 2 (d) Response vehicle purchase.
- 3 (e) Programming.
- 4 (f) Emergency equipment.
- 5 (g) Station improvements or relocation.
- 6 (h) Operation center upgrades.
- 7 (i) De-escalation or implicit bias training.

8 (2) All awards must be awarded on a competitive basis with
9 priority given to applicants in distressed communities. An awardee
10 must not receive more than 1 grant under this section. The
11 department shall not award more than 10% of the total appropriation
12 under this section to a single grant recipient.

13 (3) The department shall not use any of the funds appropriated
14 under this section for administration.

15 Sec. 1017. (1) From the funds appropriated in part 1 for
16 critical infrastructure grants the department shall award grants
17 for the following purposes:

- 18 (a) Bridge reconstruction or improvements.
- 19 (b) Parking lot improvements.
- 20 (c) Road sewage repair.
- 21 (d) Road reconstruction or improvements.
- 22 (e) Grade separation or rail improvements.
- 23 (f) Traffic signals.
- 24 (g) Drain repair or replacement.

25 (2) All grants must be awarded on a competitive basis with
26 priority given to applicants in distressed communities. An awardee
27 must not receive more than 1 grant under this section. The
28 department shall not award more than 10% of the total appropriation
29 under this section to a single grant recipient.

1 (3) The department shall not use any of the funds appropriated
2 under this section for administration.

3 Sec. 1018. (1) From the funds appropriated in part 1 for
4 talent attraction and youth development grants, the department
5 shall award grants for the following purposes:

6 (a) STEM women and minority groups.

7 (b) Youth innovation centers.

8 (c) Programming training programs.

9 (d) Mixed-use housing or economic development small business
10 accelerator support.

11 (e) Before and after school programs.

12 (2) Except for the grant awarded under subsection (4), all
13 grants must be awarded on a competitive basis with priority given
14 to applicants in distressed communities. An awardee must not
15 receive more than 1 grant under this section. The department shall
16 not award more than 10% of the total appropriation under this
17 section to a single grant recipient.

18 (3) The department shall not use any of the funds appropriated
19 under this section for administration.

20 (4) From the funds appropriated in part 1 for talent
21 attraction and youth development grants, \$100.00 must be awarded to
22 an automotive, mobility, and technology cluster association to
23 attract and retain high-tech talent to support the automotive and
24 mobility industry in this state.

25 Sec. 1019. The funds appropriated in part 1 for tree safety
26 grants must be allocated by the department to municipalities that
27 have a tree safety program or have had a tree safety program within
28 the previous 5 years to support tree safety initiatives. The
29 department shall give priority to municipalities that have

1 previously applied for funding in previous years, but have not been
2 awarded funds for tree safety programs. An awardee must not receive
3 more than 1 grant under this section. The department shall not
4 award more than 10% of the total appropriation under this section
5 to a single grant recipient.