

SUBSTITUTE FOR
SENATE BILL NO. 79

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2000; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is appropriated for the department of career devel-
2 opment and the Michigan strategic fund for the fiscal year ending
3 September 30, 2000, from the funds indicated in this part, the
4 following:

5 **TOTAL APPROPRIATIONS**

6	Full-time equated unclassified positions.....	6.0	
7	Full-time equated classified positions.....	1,307.0	
8	GROSS APPROPRIATION.....	\$	554,027,500

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1	Total interdepartmental grants and intradepartmental		
2	transfers.....	\$	1,147,000
3	ADJUSTED GROSS APPROPRIATION.....	\$	552,880,500
4	Federal revenues:		
5	Total federal revenues.....		453,526,500
6	Special revenue funds:		
7	Total local revenues.....		10,867,900
8	Total private revenues.....		3,263,700
9	Total other state restricted revenues.....		4,970,300
10	State general fund/general purpose.....	\$	80,252,100

11 Sec. 102. DEPARTMENT OF CAREER DEVELOPMENT

12 (1) APPROPRIATION SUMMARY

13	Full-time equated unclassified positions.....	6.0	
14	Full-time equated classified positions.....	1,066.0	
15	GROSS APPROPRIATION.....	\$	436,126,200
16	Interdepartmental grant revenues:		
17	Total interdepartmental grants and intradepartmental		
18	transfers.....		1,047,000
19	ADJUSTED GROSS APPROPRIATION.....	\$	435,079,200
20	Federal revenues:		
21	Total federal revenues.....		400,323,300
22	Special revenue funds:		
23	Total local revenues.....		10,867,900
24	Total private revenues.....		2,607,000

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1	Total other state restricted revenues.....	4,920,300
2	State general fund/general purpose..... \$	16,360,700
3	(2) DEPARTMENTAL ADMINISTRATION	
4	Full-time equated unclassified positions.....6.0	
5	Full-time equated classified positions.....11.0	
6	Unclassified salaries..... \$	536,200
7	Executive direction--11.0 FTE positions.....	<u>1,001,700</u>
8	GROSS APPROPRIATION..... \$	1,537,900
9	Appropriated from:	
10	Special revenue funds:	
11	State general fund/general purpose..... \$	1,537,900
12	(3) DEPARTMENT OPERATIONS	
13	Full-time equated classified positions.....86.0	
14	Administrative services--86.0 FTE positions..... \$	9,602,300
15	Building occupancy charges - property development	
16	services.....	432,600
17	Special project advances.....	200,000
18	Worker's compensation.....	<u>196,400</u>
19	GROSS APPROPRIATION..... \$	10,431,300
20	Appropriated from:	
21	Federal revenues:	
22	CNS.....	50,000
23	DED-OSERS, rehabilitation services, vocational reha-	
24	bilitation of state grants.....	1,957,300
25	DED, cooperative demonstration, school-to-work.....	57,700
26	DOL-ETA.....	408,000

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1	DOL-ETA, bureau of labor statistics.....	990,800
2	DOL-ETA, employment services.....	2,007,400
3	DOL-ETA, job training partnership grants.....	434,200
4	DOL-ETA, miscellaneous funds.....	38,900
5	DOL-ETA, veterans' employment and training	
6	administration.....	2,240,600
7	HHS, temporary assistance for needy families.....	565,700
8	Special revenue funds:	
9	Private - special project advances.....	200,000
10	Contingent fund, penalty and interest.....	790,000
11	State general fund/general purpose..... \$	690,700
12	(4) WORKFORCE DEVELOPMENT	
13	Full-time equated classified positions.....666.0	
14	Employment training services--571.0 FTE positions.... \$	59,258,600
15	Michigan career and technical institute--95.0 FTE	
16	positions.....	<u>9,675,800</u>
17	GROSS APPROPRIATION..... \$	68,934,400
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	IDG-MDOC.....	31,400
21	Federal revenues:	
22	CNS.....	516,500
23	DAG, employment and training.....	250,600
24	DED, cooperative demonstration, school-to-work.....	1,017,900
25	DED-OPSE, multiple grants.....	599,500
26	DED-OSERS, centers for independent living.....	56,500

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1	DED-OSERS, rehabilitation long-term training.....	350,200
2	DED-OSERS, rehabilitation services, vocational	
3	rehabilitation of state grants.....	40,117,700
4	DED-OSERS, state grants for technical related	
5	assistance.....	54,000
6	DOL-ETA, job training partnership act.....	3,077,700
7	DOL-ETA, multiple grants.....	578,500
8	DOL-NOICC.....	166,800
9	HHS, temporary assistance for needy families.....	3,567,500
10	HHS-SSA, supplemental security income.....	4,061,700
11	Special revenue funds:	
12	Private - gifts, bequests, and donations.....	1,357,000
13	Local vocational rehabilitation match.....	3,152,200
14	Rehabilitation services fees.....	1,908,000
15	Risk management internal service fund.....	99,700
16	Second injury fund.....	50,000
17	Student fees.....	80,000
18	Training material fees.....	249,600
19	State general fund/general purpose..... \$	7,591,400
20	(5) DEPARTMENT GRANTS	
21	Displaced homemakers..... \$	470,000
22	Job training programs subgrantees.....	102,095,600
23	Michigan community service commission subgrantees....	5,900,000
24	Personal assistance services.....	412,000
25	Pre-college programs in engineering and the sciences.	1,144,700
26	School-to-work subgrantees.....	3,000,000

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1	Supported employment grants.....	1,308,600
2	Technology assistance grants.....	1,086,600
3	Vocational rehabilitation client services/facilities.	50,104,000
4	Vocational rehabilitation independent living.....	2,981,500
5	Welfare-to-work programs.....	<u>140,279,000</u>
6	GROSS APPROPRIATION.....	\$ 308,782,000
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG-MDOC.....	1,015,600
10	Federal revenues:	
11	CNS.....	4,500,000
12	DAG, employment and training.....	13,000,000
13	DED, cooperative demonstration, school-to-work.....	3,000,000
14	DED-OSERS, centers for independent living.....	525,000
15	DED-OSERS, client assistance for individuals with	
16	disabilities.....	360,600
17	DED-OSERS, rehabilitation services, vocational reha-	
18	bilitation of state grants.....	34,935,200
19	DED-OSERS, rehabilitation services facilities.....	2,272,500
20	DED-OSERS, supported employment.....	1,308,600
21	DED-OSERS, state grants for technical related	
22	assistance.....	1,086,600
23	DOL-ETA, job training partnership act.....	96,650,000
24	DOL-ETA, multiple grants.....	4,430,000
25	HHS, temporary assistance for needy families.....	127,029,000
26	HHS-SSA, supplemental security income.....	2,362,500

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1	Special revenue funds:	
2	Private - gifts, bequests, and donations.....	800,000
3	Private - oil overcharge.....	250,000
4	Contingent fund, penalty and interest account.....	1,000,000
5	Local vocational rehabilitation match.....	6,437,400
6	Local vocational rehabilitation facilities match.....	1,278,300
7	State general fund/general purpose..... \$	6,540,700
8	(6) EMPLOYMENT SERVICE AGENCY	
9	Full-time equated classified positions.....303.0	
10	Building occupancy charges - property development	
11	service..... \$	230,100
12	Rent.....	458,300
13	Worker's compensation.....	141,300
14	Employment services--256.0 FTE positions.....	42,636,600
15	Labor market information--47.0 FTE positions.....	<u>2,974,300</u>
16	GROSS APPROPRIATION..... \$	46,440,600
17	Appropriated from:	
18	Federal revenues:	
19	DOL-ETA.....	1,312,700
20	DOL-ETA, bureau of labor statistics.....	1,651,700
21	DOL-ETA, employment service.....	26,968,400
22	DOL-ETA, miscellaneous funds.....	11,368,300
23	DOL-ETA, veterans' employment and training	
24	administration.....	4,396,500
25	Special revenue funds:	
26	Contingent fund, penalty and interest account.....	743,000

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1	State general fund/general purpose.....	\$	0
2	Sec. 103. MICHIGAN STRATEGIC FUND		
3	(1) APPROPRIATION SUMMARY		
4	Full-time equated classified positions.....		241.0
5	GROSS APPROPRIATION.....	\$	117,901,300
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and intradepartmental		
8	transfers.....		100,000
9	ADJUSTED GROSS APPROPRIATION.....	\$	117,801,300
10	Federal revenues:		
11	Total federal revenues.....		53,203,200
12	Special revenue funds:		
13	Total private revenues.....		656,700
14	Total other state restricted revenues.....		50,000
15	State general fund/general purpose.....	\$	63,891,400
16	(2) MICHIGAN STRATEGIC FUND		
17	Full-time equated classified positions.....		241.0
18	Administration--40.0 FTE positions.....	\$	5,337,100
19	Job creations services--201.0 FTE positions.....		24,537,500
20	Michigan promotion program.....		8,242,500
21	Economic development job training grants.....		29,784,200
22	Community development block grants.....		<u>50,000,000</u>
23	GROSS APPROPRIATION.....	\$	117,901,300
24	Appropriated from:		

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1	Interdepartmental grant revenues:	
2	IDG-MDEQ, air quality fees.....	100,000
3	Federal revenues:	
4	DOL-ETA, employment service.....	1,300,000
5	HUD-CPD, Community development block grant.....	51,903,200
6	Special revenue funds:	
7	Private-Michigan certified development corporations	
8	fees.....	156,700
9	Private-special project advances.....	500,000
10	Industry support fees.....	50,000
11	State general fund/general purpose..... \$	63,891,400

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PART 2

15

PROVISIONS CONCERNING APPROPRIATIONS

16 GENERAL SECTIONS

17 Sec. 201. (1) Pursuant to section 30 of article IX of the state
18 constitution of 1963, total state spending from state sources for fiscal
19 year 1999-2000 is estimated at \$85,222,400.00 in this act and state
20 spending from state sources paid to local units of government for fiscal
21 year 1999-2000 is estimated at \$29,784,200.00. The itemized statement
22 below identifies appropriations from which spending to units of local
23 government will occur:

24 MICHIGAN STRATEGIC FUND

25	Economic development job training grants..... \$	<u>29,784,200</u>
26	Total Michigan strategic fund..... \$	29,784,200

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1 (2) If it appears to the principal executive officer of a department
2 or branch that state spending to local units of government will be less
3 than the amount that was projected to be expended under subsection (1),
4 the principal executive officer shall immediately give notice of the
5 approximate shortfall to the state budget director.

6 Sec. 202. As used in this appropriation act:

7 (a) "CDBG" means community development block grant.

8 (b) "CNS" means the corporation for national services.

9 (c) "DAG" means the United States department of agriculture.

10 (d) "DED" means the United States department of education.

11 (e) "DED-OPSE" means the DED office of postsecondary education.

12 (f) "DED-OSERS" means the DED office of special education
13 rehabilitation services.

14 (g) "Department" means the department of career development.

15 (h) "DOL" means the United States department of labor.

16 (i) "DOL-ETA" means the DOL employment and training act.

17 (j) "DOL-NOICC" means the DOL national occupational information
18 coordinating committee.

19 (k) "Fiscal agencies" means the Michigan house fiscal agency and
20 the Michigan senate fiscal agency.

21 (l) "FTE" means full-time equated.

22 (m) "Fund" means the Michigan strategic fund.

23 (n) "HHS" means the United States department of health and human
24 services.

25 (o) "HHS-HCFA" means the HHS health care financing administration.

26 (p) "HHS-SSA" means HHS social security administration.

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1 (q) "HUD-CPD" means HUD community planning and development.

2 (r) "IDG" means interdepartmental grant.

3 (s) "JTPA" means job training partnership act, Public Law 97-300,
4 96 Stat. 1322.

5 (t) "MDEQ" means the Michigan department of environmental quality.

6 (u) "MDOC" means the Michigan department of corrections.

7 (v) "MES" means Michigan employment security.

8 Sec. 203. The expenditures and funding sources authorized under
9 this act are subject to the management and budget act, 1984 PA 431,
10 MCL 18.1101 to 18.1594.

11 Sec. 204. The department of civil service shall bill departments
12 and/or agencies at the end of the first fiscal quarter for the 1% charges
13 authorized by section 5 of article XI of the state constitution of 1963.
14 Payments shall be made for the total amount of the billing by the end of
15 the second fiscal quarter.

16 Sec. 205. Of the funds appropriated in part 1 that are in units
17 other than the grants unit, a department shall not provide grants to
18 local government agencies, institutions of higher education, or nonprofit
19 organizations unless the department provides notice of the grant to the
20 appropriations subcommittees of the house and senate at least 10 days
21 before the grant is issued or at least 72 hours before any announcement
22 to local governmental units or the public.

23 Sec. 206. The department and the fund shall not permit any other
24 department, agency, or office of this state to use funds or FTE positions
25 authorized for those departments or allow any funds or FTE positions from
26 any other department, agency, or office to be used within the department

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1 or fund without a 30-day notice given to the appropriations subcommittees
2 of the house and senate.

3 Sec. 207. (1) Beginning October 1, 1999, a hiring freeze is imposed
4 on the state classified civil service. State departments and agencies
5 are prohibited from hiring any new full-time state classified civil serv-
6 ice employees or filling any vacant state classified civil service
7 position. This hiring freeze does not apply to internal transfers of
8 classified employees from 1 position to another within a department or to
9 positions that are funded with 80% or more federal or restricted funds.

10 (2) The state budget director shall grant exceptions to this hiring
11 freeze when the director believes that the hiring freeze will result in
12 the state department or agency being unable to deliver basic services.
13 The state budget director shall report by the fifteenth of each month to
14 the chairpersons of the house and senate appropriations committees the
15 number of exclusions to the hiring freeze approved during the previous
16 month and the justification for the exclusion.

17 Sec. 208. The department and agency shall receive and retain copies
18 of all reports funded from part 1 appropriations.

19 Sec. 209. (1) In the expenditure of funds appropriated under this
20 act, the directors of the department and the fund shall take all reason-
21 able steps to ensure that businesses in deprived and depressed communi-
22 ties are given the opportunity to compete for and perform contracts to
23 provide services or supplies, or both, for the department and fund.

24 (2) The directors shall strongly encourage firms with which the
25 departments contract to subcontract with businesses in depressed and
26 deprived communities for services or supplies, or both.

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1 Sec. 210. Money appropriated in part 1 shall not be used for the
2 purchase of foreign goods or services when competitively priced and of
3 comparable quality American goods or services are available.

4 Sec. 211. (1) The departments shall provide to the senate and house
5 of representatives standing committees on appropriations and the senate
6 and house fiscal agencies a monthly report on all personal service con-
7 tracts awarded without competitive bidding, pricing, or rate setting.

8 The notification shall include all of the following:

9 (a) The total dollar amount of the contract.

10 (b) The duration of the contract.

11 (c) The name of the vendor.

12 (d) The type of service to be provided.

13 (2) For personal service contracts of \$100,000.00 or more, the
14 department of management and budget shall provide a monthly report on all
15 of the following:

16 (a) The total dollar amount of the contract.

17 (b) The duration of the contract.

18 (c) The name of the vendor.

19 (d) The type of service to be provided.

20 (3) The department of management and budget shall provide a monthly
21 listing of all bid requests for proposal that were issued.

22 (4) The departments shall provide a monthly summary listing of
23 information that identifies any authorizations for personal service con-
24 tracts that are provided to the department of civil service pursuant to
25 delegated authority granted to each principal executive department and
26 agency related to personal service contracts.

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1 Sec. 212. Sixty days before beginning any effort to privatize, the
2 departments shall submit a complete project plan to the appropriate house
3 and senate appropriations subcommittees and the house and senate fiscal
4 agencies. The plan shall include the criteria under which the privatiza-
5 tion initiative will be evaluated. The evaluation shall be completed and
6 submitted to the appropriate house and senate appropriations subcommit-
7 tees and the house and senate fiscal agencies within 30 months.

8 Sec. 213. All reports required in this act shall be made available
9 to the public primarily through Internet access, unless a printed version
10 is requested. The department shall provide electronic notification to
11 all legislative offices for specific reports requested by the
12 legislature.

13 **DEPARTMENT OF CAREER DEVELOPMENT**

14 Sec. 301. The Michigan career and technical institute may receive
15 equipment and in-kind contributions for the direct support of staff serv-
16 ices through the Pine Lake fund, the Delton-Kellogg school district or
17 other local or intermediate school district, or any combination of local
18 or intermediate school districts in addition to those authorized in sec-
19 tion 101.

20 Sec. 302. The Michigan rehabilitation service shall make every
21 effort to ensure that all sources of matching funds in this state are
22 used to obtain federal vocational rehabilitation funds. All sources
23 include, but are not limited to, privately raised funds to support public
24 nonprofit rehabilitation centers as permitted by the rehabilitation act
25 of 1973, Public Law 93-112, 29 U.S.C. 701 to 717, 720 to 724, 730 to 732,

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1 740 to 741, 750, 752, 760 to 762, 770 to 777b, 777d to 777f, 780, 781 to
2 785, 790 to 794d, 795 to 795q, and 796 to 796i.

3 Sec. 303. (1) The appropriation in part 1 to the department for the
4 work first program shall be expended for grants which provide employment
5 and training services to public assistance recipients.

6 (2) An applicant may be a district, intermediate district, community
7 college, public or private nonprofit college or university, nonprofit
8 organization that provides school-to-work transition programs or that
9 provides employment and training services or vocational rehabilitation
10 programs or state licensed accredited vocational or technical education
11 programs, proprietary school licensed by the state board, local workforce
12 development board, or a consortium consisting of any combination of dis-
13 tricts, intermediate districts, community colleges, nonprofit organiza-
14 tions described in this subsection, licensed proprietary schools, or
15 public or private nonprofit colleges or universities described in this
16 subsection.

17 (3) When the work first job search requirements have been completed,
18 if the participant has not found employment, the work first site shall
19 identify the barriers which may have prevented the participant from
20 obtaining employment and assist the client in removing those barriers.
21 The work first site shall also identify appropriate education and job
22 training programs which would be available to the participant.

23 (4) Work first program participants shall be limited to recipients
24 of the family independence program established under section 57a of the
25 social welfare act, 1939 PA 280, MCL 400.57a, and such individuals
26 referred to a job club program by a county family independence agency

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1 board or a county friend of the court as long as the participation in the
2 job club is part of an application made under this section.

3 (5) Participants in the work first program shall not be enrolled and
4 counted in membership in a school district or intermediate school
5 district.

6 (6) The department will work with the family independence agency to
7 coordinate support services to work first participants relating to
8 special/emergency needs.

9 (7) Work first program participants must receive or be provided an
10 explanation of the program including their benefits and responsibilities
11 before the job interview phase of the program.

12 (8) The department of career development shall make every effort to
13 place a minimum of 25% of clients who participate in the work first pro-
14 gram in positions that provide wages of \$6.00 per hour or more.

15 (9) The department of career development shall submit to the house
16 and senate fiscal agencies and the state budget director by March 15,
17 2000 a report on the work first program, including the number of partici-
18 pants served under this section, the number of persons who located
19 employment through work first, the average wage of participants who found
20 employment, the number of persons who retained jobs for 90 days, the
21 number of participants placed in employment training and education pro-
22 grams, the number of clients referred to work first who failed to report,
23 and the number of participants referred back to the family independence
24 agency with sanctions recommended by the family independence agency.

25 (10) A grant awarded under this section may extend beyond the end of
26 the fiscal year in which the grant is awarded and the funds awarded for

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1 the grant may be available in the subsequent fiscal year for payment the
2 next fiscal year.

3 (11) The department of career development shall provide to the state
4 budget director and the house and senate fiscal agencies by April 15 and
5 November 1 of each year a report on the work first grants. The report
6 due by April 15 shall provide the information described in this subsec-
7 tion for each grant or contract awarded during the preceding 2 quarters
8 of the state fiscal year. The report due by November 1 shall provide
9 this information for each grant or contract awarded during the preceding
10 full fiscal year. The report shall contain both of the following:

11 (a) The amount and recipient of each grant or contract.

12 (b) The number of participants in each service delivery area and the
13 number of clients placed in employment in each service delivery area.

14 Sec. 304. Of the funds appropriated in part 1 for precollege pro-
15 grams in engineering and the sciences, \$650,000.00 shall be provided in
16 the form of a grant to the Detroit precollege engineering program, incor-
17 porated and \$494,700.00 shall be provided in the form of a grant to the
18 Grand Rapids area precollege engineering program.

19 Sec. 305. (1) In addition to the funds appropriated for the depart-
20 ment in part 1, there is appropriated an amount not to exceed
21 \$41,000,000.00 for federal contingency funds. These funds are not avail-
22 able for expenditure until they have been transferred to another line
23 item in this act pursuant to section 393(2) of the management and budget
24 act, 1984 PA 431, MCL 18.1393.

25 (2) In addition to the funds appropriated in part 1, there is appro-
26 priated an amount not to exceed \$2,000,000.00 for state restricted
27 contingency funds. These funds are not available for expenditure until

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1 they have been transferred to another line item in this act pursuant to
2 section 393(2) of the management and budget act, 1984 PA 431,
3 MCL 18.1393.

4 (3) In addition to the funds appropriated in part 1, there is appro-
5 priated an amount not to exceed \$4,000,000.00 for local contingency
6 funds. These funds are not available for expenditure until they have
7 been transferred to another line item in this act pursuant to section
8 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

9 (4) In addition to the funds appropriated in part 1, there is appro-
10 priated an amount not to exceed \$1,000,000.00 for private contingency
11 funds. These funds are not available for expenditure until they have
12 been transferred to another line item in this act pursuant to section
13 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

14 Sec. 306. The local match requirements for vocational rehabilita-
15 tion facilities establishment grants shall not exceed 21.3%.

16 Sec. 307. Funds earned or authorized by the United States depart-
17 ment of labor in excess of the gross appropriation in part 1 for the
18 employment service agency from the United States department of labor are
19 appropriated and may be expended for staffing and related expenses
20 incurred in the operation of its programs. These funds may be spent
21 after the department notifies the appropriations subcommittees of the
22 house and senate of the purpose and amount of each grant award.

23 Sec. 308. The department shall report to the appropriations subcom-
24 mittees of the house and senate by September 30, 2000 on the distribution
25 of the Michigan community service commission volunteer investment
26 grants.

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1 Sec. 309. Of the funds appropriated in part 1 for the department
2 employment service, not more than 15% of the funds allocated to Michigan
3 works! agencies for employment service delivery may be expended for
4 Michigan works! agency administrative costs.

5 Sec. 310. Of the funds appropriated in part 1 for vocational reha-
6 bilitation independent living, not less than \$1,250,000.00 shall be used
7 for the support of centers for independent living which are in compliance
8 with federal standards for such centers, for the development of new cen-
9 ters in areas presently unserved or underserved, for technical assistance
10 to centers, and for projects to build capacity of centers to deliver
11 independent living services. Applications for such funds shall be
12 reviewed in accordance with criteria and procedures established by the
13 statewide independent living council, the Michigan rehabilitation serv-
14 ices unit within the department, and the Michigan commission for the
15 blind. Funds must be used in a manner consistent with the priorities
16 established in the state plan for independent living.

17 Sec. 311. (1) The department shall have at least 1 disabled veter-
18 ans outreach program specialist or local veterans employment representa-
19 tive present at each Michigan works! employment services office on a
20 full- or part-time basis during hours of operation.

21 (2) The department shall ensure that each Michigan works! employment
22 services office shall have the necessary equipment to allow the disabled
23 veterans outreach specialist or local veterans employment representative
24 to perform his or her duties in the same manner they were performed prior
25 to February 1, 1998.

26 (3) The department shall require each Michigan works! employment
27 services office to have an employee available to ask each individual who

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1 enters the office for service whether that individual is a veteran and to
2 refer each veteran to the disabled veterans outreach program specialist
3 or local veterans employment representative on duty at the time.

4 (4) The department shall require that each Michigan
5 works! employment services office shall have posted in a conspicuous
6 place within the office a notice advising veterans that a disabled veter-
7 ans outreach program specialist or a local veterans employment represen-
8 tative is available to assist him or her.

9 (5) The department shall require each Michigan works! employment
10 services office to provide free mediated services to employers wishing to
11 hire a veteran.

12 MICHIGAN STRATEGIC FUND

13 Sec. 401. (1) The appropriation in part 1 to the fund for economic
14 development job training shall be expended for competitive grants that
15 ensure employers have the trained workers they need to compete in the
16 global economy. The fund shall expedite grant awards for employers
17 locating or expanding in Michigan and thereby creating significant num-
18 bers of new jobs in the state.

19 (2) Not more than 2% of the total grant, administration, and operat-
20 ing funds appropriated in part 1 for the fund's economic development job
21 training grants program may be expended for administrative costs.

22 (3) No funds appropriated in part 1 to the department of Michigan
23 jobs commission for economic development job training grants may be
24 expended for the training of permanent striker replacement workers.

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1 (4) Seventy percent of the economic development job training grant
2 funds shall be awarded to community colleges or a consortium of community
3 colleges and other eligible applicants pursuant to the requirements of
4 this section.

5 (5) Training grants provided by private sector trainers may reach or
6 exceed 20% of total grants, but not less than 10%.

7 (6) Grant funds utilized for the development of web-based or other
8 distance learning training which has the substantial potential for lower-
9 ing training costs and improving access will not be subject to subsection
10 (4) as long as a community college or a consortium of community colleges
11 acts as partners in the development of the program.

12 (7) An applicant may be a district, intermediate district, community
13 college, public or private nonprofit college or university, nonprofit
14 organization whose primary purpose is to provide education programs or
15 employment and training services or vocational rehabilitation programs or
16 school-to-work transition programs, local workforce development board,
17 the headquarters of a federal and state sponsored manufacturing technol-
18 ogy center, or a consortium consisting of any combination of districts,
19 intermediate districts, community colleges, nonprofit organizations
20 described in this subsection, or public or private nonprofit colleges or
21 universities described in this subsection.

22 (8) On or before October 1, 1999, the fund shall publish proposed
23 application criteria, instructions, and forms for use by eligible
24 applicants. The fund shall provide at least a 2-week period for public
25 comment prior to finalization of the application criteria, instructions,
26 and forms.

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1 (9) Applications for all grants shall be submitted to the fund, and
2 each application shall contain at least all of the following:

3 (a) The name, address, and total number of employees of each busi-
4 ness organization whose employees are receiving job training.

5 (b) A description of the specific job skills that will be taught.

6 (c) A clear statement of the project's scope of activities, number
7 of participants to be involved, the number of participants who have been
8 an employee of the business organization for at least 30 days before the
9 date of application who are at risk of becoming unemployed unless trained
10 in the program and the number of participants who are either a new
11 employee within 30 days of the date of application or who will become a
12 new employee of the business organization as a result of the individual's
13 participation in the program.

14 (d) A commitment to maintain participant records in a form and
15 manner required by the fund.

16 (e) A budget which relates to the proposed activities and various
17 program components and which demonstrates whether the estimated costs are
18 reasonable and justified.

19 (10) Priority in the fund's awarding of grants shall be based on the
20 following criteria:

21 (a) Demonstrated need for the type of training offered and prospects
22 for participant job placement or job retention and for strengthening the
23 state's economic base.

24 (b) The average state unemployment rate for the 12-month period
25 immediately preceding application for state grant assistance for the
26 locality of the business organization.

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1 (c) The number of persons who will become employed as a result of
2 participation in the proposed program and the number of persons at risk
3 of becoming unemployed to be trained in the program.

4 (d) Qualifications of the project director and key personnel who
5 will be used in the program.

6 (e) Cost per participant and participant contact hours of training.

7 (f) Strength of commitment to guaranteed job placement upon comple-
8 tion of training.

9 (g) Other criteria determined by the fund to be important.

10 (h) The development of web-based or other distance learning training
11 programs which have the substantial potential for lowering training costs
12 and improving access to training programs.

13 (11) Not more than \$5,000,000.00 of the amount appropriated in part
14 1 for economic development job training may be allocated to rapid
15 response grants for employee training programs which maintain or attract
16 permanent jobs for Michigan residents. A grant under this subsection
17 shall be awarded to eligible applicants under subsection (1)(a) by the
18 president of the fund.

19 (12) Participants in economic development job training programs
20 shall be 16 years or older and not enrolled and counted in membership in
21 a school district or intermediate school district.

22 (13) A grant awarded under this section may extend beyond the end of
23 the fiscal year in which the grant is awarded and the funds awarded for
24 the grant may be carried over into the next fiscal year for payment in
25 the next fiscal year. Unexpended and unencumbered amounts remaining in
26 the fiscal year ending September 30, 2000, from economic development job
27 training grants awarded prior to September 15, 1999, may be used to award

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1 additional economic development job training grants during the fiscal
2 year ending September 30, 2000.

3 (14) A recipient of a grant under this section shall not charge
4 tuition or fees to participants in the program funded by the grant.
5 However, a nonprofit organization may charge tuition or fees if the
6 tuition plan or fees are recognized by the state and the nonprofit organ-
7 ization receives additional funding from other governmental or private
8 funding sources for its programs.

9 (15) If a participant in a program funded under this section is an
10 employee of a business organization whose employees are receiving job
11 training under the program and the participant was an employee of that
12 business organization prior to 30 days before the date of the grant
13 application, the business organization shall provide at least 25% of the
14 program's costs, excluding the costs of participants' wages for the time
15 participants are involved in program training. For purposes of meeting
16 the 25% match requirement, small business organizations with 250 or fewer
17 employees worldwide at the time of application may include the costs of
18 pretraining needs assessments and wages paid to participants while
19 enrolled in training. This subsection does not apply to an individual
20 who becomes a new employee of a business organization as a result of the
21 individual's participation in the program.

22 (16) A grant awarded to an economic development job training grant
23 recipient that guarantees a predetermined number of specified jobs for
24 new employees that are directly related to the participant's area of
25 training or for existing employees shall be paid to the grant recipient
26 according to the following schedule:

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1 (a) 40% of the grant amount shall be paid within 30 days after the
2 grant is awarded.

3 (b) 40% of the grant amount shall be paid at the completion of the
4 training period, after the grant recipient submits to the fund an interim
5 report specifying actual costs of the training program and training out-
6 comes of the students.

7 (c) 20% of the grant amount shall be paid at the conclusion of the
8 grant period, as determined by the fund.

9 (17) A recipient of a grant under this section shall allow the fund
10 or the agency's designee to audit all records related to the grant for
11 all entities that receive money, either directly or indirectly through a
12 contract, from the grant funds. A grant recipient or contractor shall
13 reimburse the state for all disallowances found in the audit.

14 (18) The fund shall provide to the state budget director and the
15 fiscal agencies by April 15 and November 1 of each year a report on the
16 economic development job training grants. The report due by April 15
17 shall provide the information described in this subsection for each grant
18 or contract awarded during the preceding 2 quarters of the state fiscal
19 year. The report due by November 1 shall provide this information for
20 each grant or contract awarded during the preceding full fiscal year.
21 The report shall contain all of the following:

22 (a) The amount and recipient of each grant or contract.

23 (b) The number of participants under each grant or contract and the
24 number of new hires who are in training under the grant.

25 (c) The names, addresses, and total number of employees of all busi-
26 ness organizations for whom training is or will be provided.

(d) The names, addresses, and a current estimate of the number
of individuals affected of the companies, education institutions,
and others who will utilize the web-based or other distance learning
training formats developed if the funds are utilized for this
purpose.

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1 (e) The cost savings or other benefits due to utilizing web-based or
2 other distance learning training formats as opposed to delivering a
3 comparable training program delivered face-to-face, if the funds were
4 utilized for the development of web-based or other distance learning
5 training programs.

6 (f) The matching funds, if any, to be provided by a business
7 organization.

8 Sec. 402. The travel administration may establish and collect a fee
9 to cover the cost of materials and processing of photographic prints,
10 slides, videotapes, and travel product database information that are
11 requested by the media and other segments of the public and private
12 sectors. The fees collected shall be appropriated for all expenses nec-
13 essary to purchase and distribute these photographic prints, slides, vid-
14 eotapes, and travel product database information. The funds are avail-
15 able for expenditure when they are received by the department of
16 treasury.

17 Sec. 403. (1) The fund shall submit an annual status report on the
18 operations of each foreign office to the appropriations subcommittees of
19 the house and senate. The report shall include, but not be limited to,
20 brochures and promotional material, information on the number of success-
21 ful plant locations, name of company, original and new locations, type of
22 investment, type of product, number employed, length of commitment of
23 relocations, the currency rates at the time the investment is made, and
24 any other information considered necessary for a competent evaluation of
25 the program.

26 (2) The fund shall inform the members of the appropriations
27 subcommittees of the house and senate of any decisions to close any

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1 foreign outreach office. Tax dollars shall not be expended to ship
2 automobiles for use by state officials.

3 Sec. 404. Funds appropriated to the fund, Michigan promotion pro-
4 gram, shall not be expended for the purpose of nontourism-related promo-
5 tional projects that would target the citizens of this state as its prime
6 audience.

7 Sec. 405. The fund shall submit an annual status report to the
8 appropriations subcommittees of the house and senate on all activities,
9 grants, and investment programs financed from the strategic
10 fund/renaissance fund using investment or Indian gaming revenues. The
11 report shall provide a list of individual grants and loans made from the
12 fund.

13 Sec. 406. Of the funds appropriated in part 1 for economic develop-
14 ment job training grants, the fund shall not use these funds to finance
15 the startup or in any way subsidize any private distributor of liquor
16 products in Michigan.

17 Sec. 407. As a condition of receiving funds under part 1 of this
18 act, the fund shall not expend any of the economic development job train-
19 ing grant funds to train any employee who is an officer of a corporation
20 in a corporation employing more than 250 employees.

21 Sec. 408. The travel administration may receive and expend private
22 revenue related to the use of the "Michigan Great Lakes. Great Times."
23 copyrighted slogan and image. This revenue may come from the direct
24 licensing of the name and image or from the royalty payments from various
25 merchandise sales. Revenue collected is appropriated for the marketing
26 of the state as a travel destination. The funds are available for
27 expenditure when they are received by the department of treasury.

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1 Sec. 409. (1) In addition to the funds appropriated for the fund in
2 part 1, there is appropriated an amount not to exceed \$7,000,000.00 for
3 federal contingency funds. These funds are not available for expenditure
4 until they have been transferred to another line item in this bill pursu-
5 ant to section 393(2) of the management and budget act, 1984 PA 431, MCL
6 18.1393.

7 (2) In addition to the funds appropriated in part 1, there is appro-
8 priated an amount not to exceed \$1,000,000.00 for state restricted con-
9 tingency funds. These funds are not available for expenditure until they
10 have been transferred to another line item in this bill pursuant to sec-
11 tion 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

12 (3) In addition to the funds appropriated in part 1, there is appro-
13 priated an amount not to exceed \$500,000.00 for private contingency
14 funds. These funds are not available for expenditure until they have
15 been transferred to another line item in this bill pursuant to section
16 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

17 Sec. 410. (1) Of the funds appropriated to the Michigan strategic
18 fund or through grants to the Michigan economic development corporation,
19 no funds shall be expended for the purchase of options on land or the
20 purchase of land except under the following conditions:

21 (a) In counties with populations over 250,000, land located only in
22 economically distressed areas.

23 (b) In counties with populations under 250,000, land located only in
24 economically distressed areas or land obtained through the purchase or
25 exercise of an option at the invitation of the local unit of government
26 or the local economic development agency.

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1 (2) As used in this section, "economically distressed area" means an
2 area in a city that has been designated as blighted, a municipality that
3 shows negative population change from 1970, and a poverty rate and unem-
4 ployment rate greater than the statewide average, or an area certified as
5 a neighborhood enterprise zone.

6 Sec. 411. Of the funds appropriated for the Michigan promotion pro-
7 gram, \$200,000.00 shall be used to promote tourism activities in the
8 northeast region of the state and is conditioned upon the travel Michigan
9 office working cooperatively with the sunrise side in determining how
10 this funding shall be allocated.

11 Sec. 412. The Michigan strategic fund shall submit on or before May
12 1, 2000 and November 1, 2000 to the appropriations subcommittees and the
13 fiscal agencies a listing of all grants which have been awarded by the
14 fund or by the Michigan economic development corporation from the funds
15 appropriated in part 1. The list shall include all of the following:

- 16 (a) The name of the recipient.
17 (b) The amount awarded to the recipient.
18 (c) The purpose of the grant.

19 Sec. 413. (1) The Michigan strategic fund shall provide reports to
20 the senate and house full appropriations committees and the fiscal agen-
21 cies concerning the activities of the Michigan economic development
22 corporation. The report shall include, but not be limited to, the fol-
23 lowing programs funded in part 1:

- 24 (a) Travel Michigan bureau.
25 (b) National business development.
26 (c) International business development.

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1 (d) Small, minority, and disabled business services.

2 (e) CDBG.

3 (f) Strategic/renaissance fund administration.

4 (g) Renaissance zones.

5 (h) Business roundtables.

6 (i) Business and clean air ombudsman.

7 (j) Economic development job training grants.

8 (k) Film office.

9 (2) The reports in subsection (1) shall be submitted on the follow-
10 ing basis:

11 (a) A report by October 1, 1999, detailing the expected spending
12 plan and number of FTEs for each program described in subsection (1)(a)
13 through (k) for the current fiscal year.

14 (b) A report by January 1, 2000, detailing the actual spending and
15 number of FTEs for each program described in subsection (1)(a) through
16 (k) for the previous fiscal year.

17 Sec. 414. As a condition of receiving funds under part 1, any
18 interlocal agreement entered into by the Michigan strategic fund shall
19 include language which states that if a local unit of government has a
20 contract or memorandum of understanding with a private economic develop-
21 ment agency, the Michigan economic development corporation will work
22 cooperatively with that private organization in that local area.

23 Sec. 415. Private fundraising shall only be conducted through the
24 Michigan first corporation and only be used for marketing, promotion, and
25 events. Additionally, should any employees ever be detailed to fundrai-
26 sing activities, they shall not be party to any decisions regarding the
27 awarding of grants or tax abatements from the Michigan strategic fund,

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1 the Michigan economic development corporation, or the Michigan economic
2 growth authority.

3 Sec. 416. In addition to the requirements of section 7 of the urban
4 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.507, any vacancy
5 representing this state, the Michigan strategic fund, or a representative
6 agency of this state, shall be appointed by the governor and serve at the
7 will of the commission, board, or council constituted under the interlo-
8 cal agreement entered into by this state and all local governments that
9 created the public body corporate known as the Michigan economic develop-
10 ment corporation.