

HOUSE BILL No. 4304

February 18, 1999, Introduced by Reps. Godchaux, Kukuk, Jellema, Pappageorge, Mead, Toy, Caul, Byl, Geiger, Jansen and Scranton and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the departments of consumer and industry services, career development, the michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2000; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

1 Sec. 101. There is appropriated for the departments of consumer
2 and industry services, career development, and the Michigan strategic
3 fund for the fiscal year ending September 30, 2000, from the funds
4 indicated in this part. The following is a summary of the
5 appropriations in this part:

6 **TOTAL REGULATORY**

7 APPROPRIATION SUMMARY:

8 Full-time equated unclassified positions. . . . 70.5

9 Full-time equated classified positions 5,439.4

10 GROSS APPROPRIATION \$ 1,060,361,000

11 Interdepartmental grant revenues:

12 Total interdepartmental grants and

13 intradepartmental transfers 5,167,900

14 ADJUSTED GROSS APPROPRIATION \$ 1,055,193,100

15 Federal revenues:

16 Total federal revenues 671,416,500

17 Special revenue funds:

18 Total local revenues 10,867,900

19 Total private revenues 4,055,600

20 Total other state restricted revenues 211,443,500

21 State general fund/general purpose \$ 157,409,600

22 **Sec. 102. DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

23 **(1) APPROPRIATIONS SUMMARY:**

24 Full-time equated unclassified positions 64.5

25 Full-time equated classified positions 4,132.4

26 GROSS APPROPRIATION \$ 493,533,500

27 Interdepartmental grant revenues:

1	Total interdepartmental grants and	
2	intradepartmental transfers	4,020,900
3	ADJUSTED GROSS APPROPRIATION	\$ 489,512,600
4	Federal revenues:	
5	Total federal revenues	217,890,000
6	Special revenue funds:	
7	Total private revenues	791,900
8	Total other state restricted revenues	193,473,200
9	State general fund/general purpose	\$ 77,357,500
10	(2) EXECUTIVE DIRECTION	
11	Full-time equated unclassified positions	64.5
12	Full-time equated classified positions	74.0
13	Unclassified salaries	\$ 5,021,300
14	Executive director programs--11.0 FTE positions	1,778,900
15	Policy development--9.0 FTE positions	1,362,200
16	Utility consumer representation	850,000
17	Regulatory efficiency improvements/backlog	
18	reduction initiative	750,000
19	MES board of review program--21.0 FTE positions	1,634,000
20	Office of legal affairs--33.0 FTE positions	<u>3,100,100</u>
21	GROSS APPROPRIATION	\$ 14,496,500
22	Appropriated from:	
23	Federal revenues:	
24	DOL-ETA, unemployment insurance	2,039,900
25	DOL, multiple grants for safety and health	148,100
26	Special revenue funds:	
27	Bank fees	174,200
28	Boiler fees	22,500

1	Construction code fund	272,800
2	Consumer finance fees	40,300
3	Corporations and securities fees	181,000
4	Credit union fees	83,500
5	Elevator fees	26,000
6	Fees and collections/asbestos	10,700
7	Health professions regulatory fund	1,818,500
8	Health systems fees and collections	47,600
9	Insurance regulatory fees	641,800
10	Licensing and regulation fees	267,200
11	Liquor license fees	141,600
12	Liquor purchase revolving fund	1,054,200
13	Michigan state housing development authority	
14	fees and charges	295,800
15	Manufactured housing commission fees	145,600
16	Motor carrier fees	25,500
17	Property development fees	4,300
18	Public utility assessments	533,500
19	Safety education and training fund	200,300
20	Second injury fund	68,300
21	Self-insurers security fund	18,000
22	Silicosis and dust disease fund	26,200
23	Utility consumer representation fund	850,000
24	Worker's compensation administrative revolving	
25	fund	53,200
26	State general fund/general purpose \$	5,305,900
27	(3) COUNCIL FOR ARTS AND CULTURAL AFFAIRS	
28	Full-time equated classified positions 9.0	

1	Administration--9.0 FTE positions	\$	855,400
2	Arts and cultural grants		<u>21,548,700</u>
3	GROSS APPROPRIATION	\$	22,404,100
4	Appropriated from:		
5	Federal revenues:		
6	NFAH-NEA, promotion of the arts, state and regional		
7	programs		700,000
8	State general fund/general purpose	\$	21,704,100
9	(4) FIRE SAFETY		
10	Full-time equated classified positions	54.0	
11	Office of fire safety--54.0 FTE positions	\$	<u>4,368,200</u>
12	GROSS APPROPRIATION	\$	4,368,200
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG-department of community health, inspection		
16	contract		109,200
17	Federal revenues:		
18	Federal funds		1,298,300
19	Special revenue funds:		
20	Fire alarm regulation fees		164,300
21	Fire service fees		1,618,700
22	State general fund/general purpose	\$	1,177,700
23	(5) MANAGEMENT SERVICES		
24	Full-time equated classified positions	178.0	
25	Administration--74.0 FTE positions	\$	5,144,600
26	Technology support--104.0 FTE positions		12,540,000
27	Insurance automation		750,000
28	Health services information systems		750,000

1	Rent	6,306,400
2	Building occupancy charges - property development	
3	services	4,767,900
4	Workers' compensation	1,009,900
5	Special project advances	<u>740,000</u>
6	GROSS APPROPRIATION	\$ 32,008,800
7	Appropriated from:	
8	Federal revenues:	
9	DOL-ETA, unemployment insurance	342,400
10	DOL, multiple grants for safety and health	671,600
11	Federal funds	751,200
12	HHS, federal funds	76,100
13	Special revenue funds:	
14	Private-special project advances	740,000
15	Bank fees	299,200
16	Boiler fee revenue	220,700
17	Construction code fund	1,247,100
18	Consumer finance fees	136,500
19	Corporation and securities fees	2,026,700
20	Credit union fees	214,800
21	Elevator fees	321,400
22	Fees and collections/asbestos	52,100
23	Health professions regulatory fund.	3,559,200
24	Health systems fees and collections	256,500
25	Insurance regulatory fees	2,164,900
26	Licensing and regulation fees	1,905,300
27	Liquor license fees	160,900
28	Liquor purchase revolving fund	4,948,400
29	Michigan state housing development authority	

1	fees and charges	1,780,600
2	Manufactured housing commission fees	117,900
3	Motor carrier fees	187,600
4	Property development fees	6,100
5	Public utility assessments	2,409,700
6	Safety education and training fund	385,700
7	Second injury fund	77,400
8	Self insurers' security fund	20,300
9	Silicosis and dust disease fund	29,900
10	Worker's compensation administrative revolving	
11	fund	1,179,100
12	State general fund/general purpose \$	5,719,500
13	(6) FINANCIAL SERVICES AND CORPORATIONS	
14	Full-time equated classified positions . . . 375.0	
15	Manufactured housing commission, per diem	
16	\$50.00 \$	7,800
17	Manufactured housing and land resources program--15.0	
18	FTE positions	1,456,900
19	Corporate services--61.0 FTE positions	4,923,800
20	Investment oversight--29.0 FTE positions	2,523,800
21	Local manufactured housing communities inspections	250,000
22	Property development group--13.0 FTE positions . .	1,382,100
23	Remonumentation grants	4,500,000
24	Financial institutions administration--18.0 FTE	
25	positions	1,291,100
26	Bank regulation--50.0 FTE positions	5,166,000
27	Credit union regulation--41.0 FTE positions . . .	3,430,600
28	Financial institution consumer protection--19.0 FTE	

1	positions	1,721,200
2	Financial institution policy and legislation	
3	--5.0 FTE positions	371,300
4	Federal regulatory projects	50,600
5	Insurance bureau administration--18.0 FTE	
6	positions	2,155,600
7	Insurance financial standards--49.0 FTE	
8	positions	7,313,900
9	Insurance licensing and enforcement--30.0 FTE	
10	positions	2,533,100
11	Market standards and consumer services--27.0 FTE	
12	positions	<u>2,478,300</u>
13	GROSS APPROPRIATION	\$ 41,556,100
14	Appropriated from:	
15	Federal revenues:	
16	Federal regulatory project revenues	50,600
17	Special revenue funds:	
18	Private-travel funds	5,900
19	Bank fees	5,988,900
20	Certification and copying fees	2,127,500
21	Consumer finance fees	1,972,300
22	Corporation and securities fees	5,731,000
23	Credit union fees	4,019,000
24	Insurance regulatory fees	10,683,100
25	Insurance continuing education fees	532,400
26	Insurance licensing and regulation fees	3,127,600
27	Land sales fees	20,000
28	Limited liability partnership revenue	10,000
29	Manufactured housing commission fees	1,845,800

1	Multiple employer welfare arrangement	131,900
2	Property development fees	231,000
3	Remonumentation fees	5,079,100
4	State general fund/general purpose \$	0
5	(7) PUBLIC SERVICE COMMISSION	
6	Full-time equated classified positions	161.0
7	Administration, planning and regulation--161.0 FTE	
8	positions \$	<u>18,387,200</u>
9	GROSS APPROPRIATION \$	18,387,200
10	Appropriated from:	
11	Federal revenues:	
12	DOE-OEERE, multiple grants	2,227,900
13	DOT-RSPA, gas pipeline safety	265,000
14	Special revenue funds:	
15	Private-Great Lakes governors council	46,000
16	Motor carrier fees	1,787,700
17	Public utility assessments	14,060,600
18	State general fund/general purpose \$	0
19	(8) LIQUOR CONTROL COMMISSION	
20	Full-time equated classified positions	183.0
21	Management support services--43.0 FTE positions \$	2,929,900
22	Liquor licensing and enforcement--140.0	
23	FTE positions	10,309,800
24	Liquor law enforcement grants	6,000,000
25	Grant to department of agriculture for wine industry	
26	council	<u>424,100</u>
27	GROSS APPROPRIATION \$	19,663,800
28	Appropriated from:	

1	Special revenue funds:		
2	Liquor license revenue		10,773,300
3	Liquor purchase revolving fund		8,466,400
4	Non-retail liquor license revenue		424,100
5	State general fund/general purpose	\$	0
6	(9) MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY		
7	Full-time equated classified positions	233.0	
8	Payments on behalf of tenants	\$	66,000,000
9	Housing and rental assistance program--227.0 FTE		
10	positions		21,070,500
11	Automatic data processing--6.0 FTE positions		862,500
12	Homeless program		<u>5,290,800</u>
13	GROSS APPROPRIATION	\$	93,223,800
14	Appropriated from:		
15	Federal revenues:		
16	HUD, lower income housing assistance program		79,049,500
17	Special revenue funds:		
18	Michigan state housing development authority		
19	fees and charges		14,174,300
20	State general fund/general purpose	\$	0
21	(10) TAX TRIBUNAL		
22	Full-time equated classified positions	14.0	
23	Operations--14.0 FTE positions	\$	<u>1,576,500</u>
24	GROSS APPROPRIATION	\$	1,576,500
25	Appropriated from:		
26	Special revenue funds:		
27	Tax tribunal fees		605,500
28	State general fund/general purpose	\$	971,000

1 **(11) GRANTS**2 Fire protection grants \$ 6,675,000

3 GROSS APPROPRIATION \$ 6,675,000

4 Appropriated from:

5 Special revenue funds:

6 Liquor purchase revolving fund 6,675,000

7 State general fund/general purpose \$ 0

8 **(12) HEALTH REGULATORY SYSTEMS**

9 Full-time equated classified positions . . . 341.0

10 Health systems administration and grants--195.0

11 FTE positions \$ 26,993,600

12 Emergency medical services program state staff--

13 10.0 FTE positions 1,084,200

14 Radiological health administration and projects--

15 24.0 FTE positions 1,876,800

16 Substance abuse program administration--4.0 FTE

17 positions 387,000

18 Emergency medical services grants and contracts . 962,100

19 Health services--108.0 FTE positions 11,875,400

20 GROSS APPROPRIATION \$ 43,179,100

21 Appropriated from:

22 Federal revenues:

23 Federal funds 16,525,100

24 Special revenue funds:

25 Controlled substance license fees 1,304,400

26 Health professions regulatory fund 10,121,000

27 Health systems fees and collections 3,722,300

28 Nurse professional fund 450,000

1	State general fund/general purpose	\$	11,056,300
2	(13) REGULATORY SERVICES		
3	Full-time equated classified positions	275.0	
4	AFC, children's welfare and day care licensure--	275.0	
5	FTE positions	\$	<u>20,762,800</u>
6	GROSS APPROPRIATION	\$	20,762,800
7	Appropriated from:		
8	Federal revenues:		
9	HHS, federal funds		8,618,500
10	Special revenue funds:		
11	Licensing fees		460,800
12	State general fund/general purpose	\$	11,683,500
13	(14) OCCUPATIONAL REGULATION		
14	Full-time equated classified positions	240.0	
15			
16	Commissions and boards	\$	41,900
17	Code enforcement--99.0 FTE positions		7,427,600
18	Code enforcement flexibility		632,100
19	Boiler inspection program--18.0 FTE positions		1,449,400
20	Elevator inspection program--23.0 FTE positions		1,740,800
21	Commercial services--100.0 FTE positions		<u>8,194,100</u>
22	GROSS APPROPRIATION	\$	19,485,900
23	Appropriated from:		
24	Special revenue funds:		
25	Real estate education fund		217,500
26	Real estate appraiser continuing education fund		45,000
27	Licensing and regulation fees		6,181,100
28	Homeowner construction lien recovery fund		1,528,900

1	Health professions regulatory fund	221,600
2	Boiler fee revenue	1,588,100
3	Construction code fund	7,861,100
4	Elevator fees	1,842,600
5	State general fund/general purpose \$	0
6	(15) EMPLOYMENT RELATIONS	
7	Full-time equated classified positions 28.0	
8	Fact finding and arbitration \$	169,300
9	Employment and labor relations--28.0 FTE positions	<u>2,792,300</u>
10	GROSS APPROPRIATION \$	2,961,600
11	Appropriated from:	
12	Special revenue funds:	
13	Publication revenue	25,000
14	State general fund/general purpose \$	2,936,600
15	(16) SAFETY AND REGULATION	
16	Full-time equated classified positions 276.0	
17	Commissions and boards \$	27,700
18	Employment standards enforcement--38.0 FTE	
19	positions	2,434,400
20	Subgrantees	1,026,900
21	Occupational safety and health--238.0 FTE	
22	positions	<u>21,235,700</u>
23	GROSS APPROPRIATION \$	24,724,700
24	Appropriated from:	
25	Federal revenues:	
26	DOL, multiple grants for safety and health	12,202,300
27	Special revenue funds:	
28	Fees and collections/asbestos	694,200

1	Safety education and training fund	5,074,800
2	State general fund/general purpose	\$ 6,753,400
3	(17) WORKER'S DISABILITY COMPENSATION	
4	Full-time equated classified positions	172.4
5	Administration--119.0 FTE positions	\$ 8,020,100
6	Board of magistrates administration--8.0 FTE	
7	positions	1,737,400
8	Appellate commission administration--11.4 FTE	
9	positions	803,400
10	Supplemental benefit fund	1,500,000
11	Insurance funds administration--34.0 FTE positions	10,146,300
12	Automatic data processing	506,000
13	Grant to the Michigan jobs commission, hire the	
14	handicapped program	<u>50,000</u>
15	GROSS APPROPRIATION	\$ 22,763,200
16	Appropriated from:	
17	Special revenue funds:	
18	Second injury fund	6,456,300
19	Self insurers' security fund	1,720,100
20	Silicosis and dust disease fund	2,525,900
21	Worker's compensation administration revolving	
22	fund	2,011,400
23	State general fund/general purpose	\$ 10,049,500
24	(18) UNEMPLOYMENT AGENCY	
25	Full-time equated classified positions	1,519.0
26	Worker's compensation	\$ 622,700
27	Rent	4,232,000
28	Building occupancy charges-property development	

1	service	2,071,300
2	Unemployment program--1,441.7 FTE positions . . .	91,345,500
3	Advocacy assistance program--8.0 FTE positions . .	1,516,500
4	Special audit and collections program--34.0 FTE	
5	positions	2,085,600
6	Training program for agency staff--2.1 FTE	
7	positions	1,044,100
8	Expanded fraud control program--33.2 FTE	
9	positions	<u>2,378,500</u>
10	GROSS APPROPRIATION	\$ 105,296,200
11	Appropriated from:	
12	Interdepartmental grant revenues:	
13	IDG-family independence agency	3,911,700
14	Federal revenues:	
15	DOL, unemployment insurance	88,423,500
16	DOL-ETA	500,000
17	Federal Reed Act funds	4,000,000
18	Special revenue funds:	
19	Contingent fund, penalty and interest account . .	8,461,000
20	State general fund/general purpose	\$ 0
21	Sec. 103. DEPARTMENT OF CAREER DEVELOPMENT	
22	(1) APPROPRIATION SUMMARY:	
23	Full-time equated unclassified positions . . .	6.0
24	Full-time equated classified positions . .	1,066.0
25	GROSS APPROPRIATION	\$ 434,910,400
26	Appropriated from:	
27	Interdepartmental grant revenues:	
28	Total interdepartmental grants and intradepartmental	

1	transfers	1,047,000
2	ADJUSTED GROSS APPROPRIATION	\$ 433,863,400
3	Federal revenues:	
4	Total federal revenues	400,323,300
5	Special revenue funds:	
6	Total local revenues	10,867,900
7	Total private revenues	2,607,000
8	Total other state restricted revenues	4,920,300
9	State general fund/general purpose	\$ 15,144,900
10	(2) DEPARTMENTAL ADMINISTRATION	
11	Full-time equated unclassified positions	6.0
12	Full-time equated classified positions	11.0
13	Unclassified salaries	\$ 536,200
14	Executive office--11.0 FTE positions	<u>1,001,700</u>
15	GROSS APPROPRIATION	\$ 1,537,900
16	Appropriated from:	
17	State general fund/general purpose	\$ 1,537,900
18	(3) DEPARTMENT OPERATIONS	
19	Full-time equated classified positions	86.0
20	Administration--86.0 FTE positions	\$ 9,602,300
21	Building occupancy charges - property development	
22	services	432,600
23	Workers' compensation	196,400
24	Special project advances	<u>200,000</u>
25	GROSS APPROPRIATION	\$ 10,431,300
26	Appropriated from:	
27	Federal revenues:	
28	CNS	50,000

1	DED-OSERS, rehabilitation services, vocational		
2	rehabilitation, state grants		1,957,300
3	DOL-ETA, employment service		1,677,200
4	DOL-ETA, bureau of labor statistics		990,800
5	DOL-ETA		738,200
6	DOL-ETA, veterans' employment and training		
7	administration		2,240,600
8	DOL-ETA, miscellaneous funds		38,900
9	DOL-ETA, job training partnership grants		434,200
10	DED, cooperative demonstration, school-to-work		57,700
11	HHS, temporary assistance for needy families		565,700
12	Special revenue funds:		
13	Private-special project advances		200,000
14	Contingent fund, penalty and interest		790,000
15	State general fund/general purpose	\$	690,700
16	(4) WORKFORCE DEVELOPMENT		
17	Full-time equated classified positions	666.0	
18	Employment training services--571.0 FTE positions	\$	59,258,600
19	Michigan career and technical institute		
20	--95.0 FTE positions		<u>9,675,800</u>
21	GROSS APPROPRIATION	\$	68,934,400
22	Appropriated from:		
23	Interdepartmental grant revenues:		
24	IDG-MDOC		31,400
25	Federal revenues:		
26	CNS		516,500
27	DAG, employment and training		250,600
28	DED-OPSE, multiple grants		599,500

1	DED-OSERS, centers for independent living	56,500
2	DED-OSERS, rehabilitation long-term training . . .	350,200
3	DED-OSERS, rehabilitation services, vocational	
4	rehabilitation, state grants	40,117,700
5	DED-OSERS, state grants for technology-related	
6	assistance to individuals with disabilities . .	54,000
7	DED, cooperative demonstration, school-to-work . .	1,017,900
8	DOL-ETA, job training partnership act	3,077,700
9	DOL-ETA, multiple grants	578,500
10	DOL-NOICC	166,800
11	HHS-SSA, supplemental security income	4,061,700
12	HHS, temporary assistance for needy families . . .	3,567,500
13	Special revenue funds:	
14	Local-vocational rehabilitation match	3,152,200
15	Private-gifts, bequests, and donations	1,357,000
16	Rehabilitation services fees	1,908,000
17	Risk management internal service fund	99,700
18	Second injury fund	50,000
19	Student fees	80,000
20	Training material fees	249,600
21	State general fund/general purpose	\$ 7,591,400
22	(5) DEPARTMENT GRANTS	
23	Job training programs subgrantees	\$ 102,095,600
24	Michigan community service commission	
25	subgrantees	5,900,000
26	Displaced homemakers	470,000
27	Supported employment grants	1,308,600
28	Technology assistance grants	1,086,600

1	Vocational rehabilitation client	
2	services/facilities	50,104,000
3	Vocational rehabilitation independent living . . .	2,077,700
4	Personal assistance services	400,000
5	School-to-work subgrantees	3,000,000
6	Welfare to work programs	140,279,000
7	Precollege program in engineering and the sciences	<u>844,700</u>
8	GROSS APPROPRIATION	\$ 307,566,200
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	IDG-MDOC	1,015,600
12	Federal revenues:	
13	CNS	4,500,000
14	DAG, employment and training	13,000,000
15	DED, cooperative demonstration, school-to-work . .	3,000,000
16	DED-OSERS, centers for independent living	525,000
17	DED-OSERS, client assistance for individuals	
18	with disabilities	360,600
19	DED-OSERS, rehabilitation services facilities . .	2,272,500
20	DED-OSERS, rehabilitation services, vocational	
21	rehabilitation, state grants	34,935,200
22	DED-OSERS, supported employment	1,308,600
23	DED-OSERS, state grants for technology-related	
24	assistance to individuals with disabilities . .	1,086,600
25	DOL-ETA, job training partnership act	96,650,000
26	DOL-ETA, multiple grants	4,430,000
27	HHS-SSA, supplemental security income	2,362,500
28	HHS, temporary assistance for needy families . . .	127,029,000
29	Special revenue funds:	

1	Local-vocational rehabilitation match		6,437,400
2	Local-vocational rehabilitation facilities match .		1,278,300
3	Private-gifts, bequests, and donations		800,000
4	Private-oil overcharge		250,000
5	Contingent fund, penalty and interest account . .		1,000,000
6	State general fund/general purpose	\$	5,324,900
7	(6) EMPLOYMENT SERVICE AGENCY		
8	Full-time equated classified positions	303.0	
9	Employment service--256.0 FTE positions	\$	42,636,600
10	Labor market information--47.0 FTE positions . . .		2,974,300
11	Workers' compensation		141,300
12	Rent		458,300
13	Building occupancy charges - property development		
14	services		<u>230,100</u>
15	GROSS APPROPRIATION	\$	46,400,600
16	Appropriated from:		
17	Federal revenues:		
18	DOL-ETA, employment service		27,298,600
19	DOL-ETA, bureau of labor statistics		1,651,700
20	DOL-ETA		982,500
21	DOL-ETA, veteran's employment and training		
22	administration		4,396,500
23	DOL-ETA, miscellaneous funds		11,368,300
24	Special revenue funds:		
25	Contingent fund, penalty and interest account . .		743,000
26	State general fund/general purpose	\$	0
27	Sec. 104. MICHIGAN STRATEGIC FUND		
28	(1) APPROPRIATION SUMMARY:		

1	Full-time equated classified positions . . .	241.0	
2	GROSS APPROPRIATION		\$ 131,917,100
3	Appropriated from:		
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and intradepartmental		
6	transfers		100,000
7	ADJUSTED GROSS APPROPRIATION		\$ 131,817,100
8	Federal revenues:		
9	Total federal revenues		53,203,200
10	Special revenue funds:		
11	Total local revenues		0
12	Total private revenues		656,700
13	Total other state restricted revenues		13,050,000
14	State general fund/general purpose		\$ 64,907,200
15	(2) MICHIGAN STRATEGIC FUND		
16	Full-time equated classified positions . . .	241.0	
17	Administration--40.0 FTE positions		\$ 5,337,100
18	Job creations services--201.0 FTE positions . . .		24,537,500
19	Transportation economic development programs . .		13,000,000
20	Michigan promotion program		8,042,500
21	Economic development job training grants		31,000,000
22	Community development block grants		<u>50,000,000</u>
23	GROSS APPROPRIATION		\$ 131,917,100
24	Appropriated from:		
25	Interdepartmental grant revenues:		
26	IDG-MDEQ, air quality fees		100,000
27	Federal revenues:		
28	DOL-ETA, employment service		1,300,000

1	HUD-CPD, community development block grant	51,903,200
2	Special revenue funds:	
3	Private-Michigan certified development	
4	corporation fees	156,700
5	Private-special project advances	500,000
6	Industry support fees	50,000
7	License and chauffeur fees	13,000,000
8	State general fund/general purpose	\$ 64,907,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

12 Sec. 201. (1) Pursuant to section 30 of article IX of the state
13 constitution of 1963, total state spending under part 1 for fiscal year
14 1999-2000 is \$368,853,100.00 and state appropriations to be paid to
15 local units of government are as follows:

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

17	Arts and cultural grants	\$ 20,848,700
18	Fire protection grants	6,675,000
19	Liquor law enforcement	6,000,000
20	Local manufactured housing inspections	<u>250,000</u>
21	Total consumer and industry services	\$ 33,773,700

MICHIGAN STRATEGIC FUND

23	Economic development job training grants	\$ <u>31,000,000</u>
24	Total Michigan strategic fund	\$ 31,000,000

25 (2) If it appears to the principal executive officer of a
26 department or branch that state spending to local units of government
27 will be less than the amount that was projected to be expended under
28 subsection (1), the principal executive officer shall immediately give

1 notice of the approximate shortfall to the state budget director.

2 Sec. 202. The expenditures and funding sources authorized under
3 this act are subject to the management and budget act, 1984 PA 431, MCL
4 18.1101 to 18.1594.

5 Sec. 203. (1) Beginning October 1, 1999, a hiring freeze is imposed
6 on the state classified civil service. State departments and agencies
7 are prohibited from hiring any new full-time state classified civil
8 service employees and prohibited from filling any vacant state
9 classified civil service positions. This hiring freeze does not apply
10 to internal transfers of classified employees from one position to
11 another within a department or to positions that are funded with 80% or
12 more federal or restricted funds.

13 (2) The state budget director shall grant exceptions to this hiring
14 freeze when the state budget director believes that the hiring freeze
15 will result in rendering a state department or agency unable to deliver
16 basic services.

17 Sec. 204. The department of civil service shall bill departments
18 and agencies at the end of the first fiscal quarter for the 1% charge
19 authorized by section 5 of article XI of the state constitution of
20 1963. Payments shall be made for the total amount of the billing by
21 the end of the second fiscal quarter.

22 Sec. 205. As used in this bill:

23 (a) "AFC" means adult foster care.

24 (b) "CNS" means the corporation for national service.

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

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

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

28 (f) "DED-OSERS" means the DED office of special education and
29 rehabilitative services.

1 (g) "DOE-OEERE" means the DOE office of energy efficiency and
2 renewable energy.

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

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

5 (j) "DOL-NOICC" means the DOL national occupational information
6 coordinating committee.

7 (k) "DOL-OSHA" means the DOL occupational safety and health
8 administration.

9 (l) "DOT-RSPA" means the DOT research and special programs
10 administration.

11 (m) "Fiscal agencies" means the Michigan house fiscal agency and
12 the Michigan senate fiscal agency.

13 (n) "FTE" means full-time equated position.

14 (o) "HHS" means the United States department of health and human
15 services.

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

17 (q) "HUD" means the United States department of housing and urban
18 development.

19 (r) "HUD-CPD" means the HUD community planning and development.

20 (s) "IDG" means interdepartment grant.

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

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

23 (v) "MES" means the Michigan employment security.

24 (w) "NFAH" means the national foundation on the arts and the
25 humanities.

26 (x) "NFAH-NEA" means the NFAH national endowment for the arts.

27 (y) "OSHA" means the occupational safety and health administration.

28 **DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

29 Sec. 301. The appropriation in part 1 for grants to cities includes

1 \$6,675,000.00 from the liquor purchase revolving fund which shall be
2 appropriated to cities, villages, and townships with state-owned
3 facilities for fire services, instead of taxes, in accordance with 1977
4 PA 289, MCL 141.951 to 141.956.

5 Sec. 302. The funds collected by the financial institutions bureau
6 in connection with a conservatorship pursuant to section 32 of the
7 mortgage brokers, lenders, and services licensing act, 1987 PA 173, MCL
8 445.1682, shall be appropriated for all expenses necessary to provide
9 for the required services. Funds are available for expenditure when
10 they are received by the department of treasury and shall not lapse to
11 the general fund at the end of the fiscal year.

12 Sec. 303. The funds collected by the department of consumer and
13 industry services from corporations being liquidated pursuant to the
14 insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be
15 appropriated for all expenses necessary to provide for the required
16 services. Funds are available for expenditure when they are received
17 by the department of treasury and shall not lapse to the general fund
18 at the end of the fiscal year.

19 Sec. 304. The department of consumer and industry services may make
20 available to interested entities otherwise unavailable customized
21 listings of nonconfidential information in its possession, such as
22 names and addresses of licensees, and charge for this information as
23 follows: base fee for 1 to 1,000 records at the cost to the
24 department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001
25 or more records at .5 cents per record. The revenue received from this
26 service may be used to offset expenses of licensure and professional
27 regulation and insurance bureau programs as appropriated in part 1.
28 The balance of this revenue collected and unexpended at the end of the
29 fiscal year shall revert to the appropriate restricted revenue account

1 or fund or, in the absence of such an account or fund, to the general
2 fund. The department shall submit an annual report on or before June
3 1, 2000 to the regulatory subcommittees of the house and senate
4 appropriations committees that states the amount of revenue received
5 from the sale of information.

6 Sec. 305. The appropriation in part 1 may be used for per diem
7 payments to the members of commissions or boards for a full day of
8 committee work at which a quorum is present or for performing official
9 business as authorized by each respective commission or board within
10 the department of consumer and industry services. The per diem
11 payments shall be \$50.00 per day for all commissions and boards.

12 Sec. 306. (1) The Michigan council for arts and cultural affairs in
13 the department of consumer and industry services shall administer the
14 arts and cultural grants appropriated in part 1. The council shall
15 provide for fair and independent decisions on arts and cultural grant
16 requests based upon published criteria to evaluate program quality.
17 This criteria shall include a prohibition of art projects that include
18 displays of human wastes on religious symbols, displays of sex acts,
19 and depictions of flag desecration. The council shall seek to award
20 grants on an equitable geographic basis to the extent possible given
21 the quality of grant applications received. Priority shall be given to
22 projects that serve multiple counties and that leverage significant
23 additional public and private investment. Counties, cities, villages,
24 townships, community foundations, and organizations may apply for the
25 following categories of grants:

26 (a) State arts anchor organizations that serve a statewide
27 audience.

28 (b) Arts education programs, also known as the arts and learning
29 programs.

1 (c) Local arts programs.

2 (d) Arts organization development programs. These programs are
3 designed to encourage self-sufficiency in organizations. Grant awards
4 under this program are limited to 4 grant periods.

5 (e) Historical organizations and projects.

6 (f) Zoos.

7 (g) Publicly owned facilities, excluding stadiums used primarily
8 for professional sports events.

9 (h) Cultural and community organizations and projects.

10 (i) Art institutions.

11 (j) Symphony orchestras.

12 (k) Multi county regional arts regranting and programming councils.

13 (l) Music education camps.

14 (m) Capital outlay projects.

15 (2) Applications for arts and cultural grants shall be received by
16 the department of consumer and industry services, Michigan council for
17 arts and cultural affairs, not later than June 1, 2000.

18 (3) The appropriation for arts and cultural grants in part 1 and
19 disbursed under this section shall, at a minimum, be matched on an
20 equal dollar-for-dollar basis from local and private contributions paid
21 and received by each awardee receiving grants under this section. The
22 dollar-for-dollar match may include the reasonable value of services,
23 materials, and equipment as allowed under the federal internal revenue
24 code for charitable contributions subject also to the preapproval of
25 such a match by the Michigan council for arts and cultural affairs.
26 The Michigan council for arts and cultural affairs shall receive proof
27 of the entire amount of the matching funds, services, materials, or
28 equipment by the end of the award period. The Michigan council for
29 arts and cultural affairs shall submit a report to the regulatory

1 subcommittees of the senate and house appropriations committees
2 regarding those counties, cities, village, townships, community
3 foundations, and organizations failing to meet their matching
4 requirements by the end of the award period.

5 (4) Before any amount appropriated for arts and cultural grants in
6 part 1 may be expended for a grant to eligible applicants for the
7 purposes in this section, the department of consumer and industry
8 services shall execute a grant agreement with each grantee. The grant
9 agreement shall specify the criteria included in this section with
10 which the application complies. The grant agreement shall include a
11 list of the projects funded and the amount of funds each subgrantee, if
12 applicable, will receive for those projects. A contract shall not be
13 executed and dollars shall not be disbursed until 2 weeks after the
14 regulatory subcommittees of the senate and house appropriations
15 committees have received a copy of the proposed contract.

16 (5) By November 1, 1999, the department of consumer and industry
17 services shall report to the regulatory subcommittees of the senate and
18 house appropriations committees on how the council intends to implement
19 the provisions of this section, including the process for evaluating
20 organization quality and efforts to achieve an equitable geographic
21 distribution of grants.

22 (6) By not later than 1 month after the grant application deadline,
23 the department of consumer and industry services shall provide a list
24 of all grant applications, by county, to the regulatory subcommittees
25 of the senate and house appropriations committees. The department
26 shall, at least 30 days before the award of any grant, provide the
27 regulatory sub-committees of the senate and house appropriations
28 committees a list of all proposed grant awardees.

29 (7) Counties, cities, villages, townships, community foundations,

1 and organizations receiving funds under this section shall provide the
2 following reports to the Michigan council for arts and cultural affairs
3 and to the regulatory subcommittees of the senate and house
4 appropriations committees:

5 (a) A final report covering the grant period and due within 30 days
6 after the end of the grant period indicating at least the following:

7 (i) Revenues and expenditures, indicating whether revenues are from
8 private donations or fees.

9 (ii) Number of employees.

10 (iii) Number of new hires.

11 (b) For awardees receiving grants greater than \$100,000.00, a copy
12 of the awardee's annual report and audit report for the fiscal year in
13 which the majority of the grant took place due within 90 days after the
14 end of the awardee's fiscal year. The audit report shall include an
15 audit of grant funds. A representative sampling of grant agreements
16 shall be audited by the state auditor general. The audit report shall
17 be submitted to the regulatory subcommittees of the senate and house
18 appropriations committees for review. These awardees shall also submit
19 the information in subdivision (a) on a quarterly basis for the
20 immediately preceding quarter due on January 7, 2000, April 7, 2000,
21 July 7, 2000, and October 7, 2000.

22 (8) The recipients of grant funds under this section shall be
23 announced by the department by September 15, 2000.

24 (9) A grant awarded under this section and the matching funds which
25 conferred eligibility for the grant award shall be used by the
26 recipient of the grant award and shall not be redistributed by that
27 recipient to any other entity unless specifically provided for in the
28 grant agreement between the funded grant awardee and the council.

29 (10) The applicants for arts and cultural grant funds shall be

1 charged a nonrefundable application fee of \$100.00 or 1% of the grant,
2 whichever is less. The application fee may be used by the department
3 of consumer and industry services to recover direct and indirect costs
4 as appropriated in part 1.

5 Sec. 307. The department of consumer and industry services may
6 receive and expend contributions from public, private, and federal
7 sources, except state agencies, for the purpose of acquiring or
8 constructing art objects or promoting or preserving the arts in or on
9 state properties. Expenditures of any funds received shall be
10 consistent with the purposes of the Faxon-McNamee art in public places
11 act, 1980 PA 105, MCL 18.71 to 18.81. Any funds received under this
12 section are considered a work project account and may be carried
13 forward into the succeeding fiscal year.

14 Sec. 308. The Michigan state housing development authority shall
15 annually present a report to the regulatory subcommittees of the house
16 and senate appropriations committees on the status of the authority's
17 housing production goals under all financing programs established or
18 administered by the authority. The report shall give special attention
19 to efforts to raise affordable multifamily housing production goals.

20 Sec. 309. The department of consumer and industry services shall
21 assess and collect fees in the licensing and regulation of child care
22 organizations as defined in 1973 PA 116, MCL 722.111 to 722.128, and
23 adult foster care facilities as defined in the adult foster care
24 facility licensing act, 1979 PA 218, MCL 400.701 to 400.737. Fees
25 collected by the department shall not exceed the deducts in part 1 and
26 shall be used exclusively for the purpose of licensing and regulating
27 child care organizations and adult foster care facilities.

28 Sec. 310. The appropriation in part 1 for the department of
29 consumer and industry services, bureau of safety and regulation, safety

1 education and training division, includes funding for on-site
2 consultation and education and training programs. The appropriation in
3 part 1 anticipates that 90% of the on-site consultation program costs
4 and 50% of the education and training program costs will be supported
5 by federal OSHA funds and the remaining 10% and 50% respectively will
6 be supported by safety education and training funds. If federal OSHA
7 funding does not become available to cover up to 90% of the program
8 costs for on-site consultation and 50% for education and training, up
9 to 50% of the program costs for on-site consultation and 90% of the
10 program costs for education and training may be paid from the safety
11 education and training fund as a match for available federal funds.

12 Sec. 311. The funds collected by the department of consumer and
13 industry services for licenses, permits, and other elevator regulation
14 fees set forth in R 408.8151 of the Michigan administrative code and as
15 determined under section 8 of 1976 PA 333, MCL 338.2158, and section 16
16 of 1967 PA 227, MCL 408.816, that are unexpended at the end of the
17 fiscal year shall not lapse to the state general fund. The department
18 of consumer and industry services shall submit a report on an annual
19 basis to the regulatory subcommittees of the house and senate
20 appropriations committees on the amount of funds available under this
21 section.

22 Sec. 312. If the revenue collected by the department for
23 occupational safety and health, health systems administration, or
24 radiological health administration and projects from fees and
25 collections exceeds the amount appropriated in part 1, the revenue may
26 be carried forward into the subsequent fiscal year. The revenue
27 carried forward under this section shall be used as the first source of
28 funds in the subsequent fiscal year.

29 Sec. 313. Money appropriated under this act for fire safety

1 programs shall not be expended unless, in accordance with section 2c of
 2 the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan
 3 review fees will be charged according to the following schedule:

4 Operation and maintenance inspection fee

5 <u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
6 Hospitals	Any	\$10.00 per bed

7 Plan review and construction inspection fees for hospitals and schools

8 <u>Project cost range</u>	<u>Fee</u>
9 \$101,000.00 or less	minimum fee of \$125.00
10 \$101,001.00 to \$1,500,000.00	\$1.24 per \$1,000.00
11 \$1,500,001.00 to \$10,000,000	\$0.90 per \$1,000.00
12 \$10,000,001.00 or more	\$0.70 per \$1,000.00
13	or a maximum fee of \$50,000.00.

14 Sec. 314. If the revenue collected by the department of consumer
 15 and industry services from licensing and regulation fees exceeds the
 16 amount appropriated in part 1, the revenue may be carried forward into
 17 the subsequent fiscal year. The revenue carried forward under this
 18 section shall be used as the first source of funds in the subsequent
 19 fiscal year.

20 Sec. 315. Funds earned or authorized by the United States
 21 department of labor in excess of the gross appropriation in part 1 for
 22 the Michigan unemployment agency from the United States department of
 23 labor are appropriated and may be expended for staffing and related
 24 expenses incurred in the operation of its programs. These funds may be
 25 spent after the department of consumer and industry services notifies
 26 the regulatory subcommittees of the house and senate appropriations
 27 committees of the purpose and amount of each grant award.

28 Sec. 316. (1) In addition to the funds appropriated for the
 29 department of consumer and industry services in part 1, there is

1 appropriated an amount not to exceed \$23,500,000.00 for federal
2 contingency funds. These funds are not available for expenditure until
3 they have been transferred to another line item in this bill pursuant
4 to section 393(2) of the management and budget act, 1984 PA 431, MCL
5 18.1393.

6 (2) In addition to the funds appropriated in part 1, there is
7 appropriated an amount not to exceed \$12,200,000.00 for state
8 restricted contingency funds. These funds are not available for
9 expenditure until they have been transferred to another line item in
10 this bill pursuant to section 393(2) of the management and budget act,
11 1984 PA 431, MCL 18.1393.

12 (3) In addition to the funds appropriated in part 1, there is
13 appropriated an amount not to exceed \$180,800.00 for local 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 (4) In addition to the funds appropriated in part 1, there is
18 appropriated an amount not to exceed \$50,000.00 for private contingency
19 funds. These funds are not available for expenditure until they have
20 been transferred to another line item in this bill pursuant to section
21 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

22 Sec. 317. The department of consumer and industry services shall
23 sell documents at a price not to exceed the cost of production and
24 distribution. Money received from the sale of these documents shall
25 revert to the department of consumer and industry services. The funds
26 are available for expenditure when they are received by the department
27 of treasury and may only be used for costs directly related to the
28 continued updating and distribution of the documents pursuant to this
29 section. This section applies only for the following documents:

1 (a) Corporation and securities division documents, reports, and
2 papers required or permitted by law pursuant to section 1060(5) of the
3 business corporation act, 1972 PA 284, MCL 450.2060.

4 (b) The subdivision control manual, the state boundary commission
5 operations manual, and other local government assistance manuals.

6 (c) The Michigan liquor control code of 1998 act, 1998 PA 58, with
7 amendments.

8 (d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to
9 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to
10 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to
11 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to
12 451.818.

13 (e) Labor law books.

14 (f) Worker's compensation health care services rules.

15 (g) Minimum design standards for health care facilities.

16 **DEPARTMENT OF CAREER DEVELOPMENT**

17 Sec. 401. The Michigan career and technical institute may receive
18 equipment and in-kind contributions for the direct support of staff
19 services through the Pine Lake fund, the Delton-Kellogg school district
20 or other local or intermediate school district, or any combination of
21 local or intermediate school districts in addition to those authorized
22 in part 1.

23 Sec. 402. The Michigan rehabilitation service shall make every
24 effort to ensure that all sources of matching funds in this state are
25 used to obtain federal vocational rehabilitation funds. All sources
26 include, but are not limited to, privately raised funds to support
27 public nonprofit rehabilitation centers as permitted by the
28 rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701 to 717,
29 720 to 724, 730 to 732, 740 to 741, 750, 752, 760 to 762, 770 to 777b,

1 777d to 777f, 780, 781 to 785, 790 to 794d, 795 to 795q, and 796 to
2 796i.

3 Sec. 403. (1) The appropriation in part 1 to the department of
4 career development for the work first program shall be expended for
5 grants which provide employment and training services to public
6 assistance recipients.

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

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

25 (4) Work first program participants shall be limited to recipients
26 of the family independence program established under section 57a of the
27 social welfare act, 1939 PA 280, MCL 400.57a, and such individuals
28 referred to a job club program by a county family independence agency
29 or a county friend of the court as long as the participation in the job

1 club is part of an application made under this section.

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

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

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

11 Sec. 404. Of the funds appropriated in part 1 for precollege
12 programs in engineering and the sciences, \$500,000.00 shall be provided
13 in the form of a grant to the Detroit precollege engineering program,
14 incorporated and \$344,700.00 shall be provided in the form of a grant
15 to the Grand Rapids area precollege engineering program.

16 Sec. 405. The local match requirements for vocational
17 rehabilitation facilities establishment grants shall not exceed 21.3%.

18 Sec. 406. Funds earned or authorized by the United States
19 department of labor in excess of the gross appropriation in part 1 for
20 the employment service agency from the United States department of
21 labor are appropriated and may be expended for staffing and related
22 expenses incurred in the operation of its programs. These funds may be
23 spent after the department of career development notifies the
24 regulatory subcommittees of the house and senate appropriations
25 committees of the purpose and amount of each grant award.

26 Sec. 407. Of the funds appropriated in part 1 for the employment
27 service agency, not more than 15% of the funds allocated to Michigan
28 works! agencies for employment service delivery may be expended for
29 Michigan works! agency administrative costs.

1 Sec. 408. Of the funds appropriated in section 103(6) for
2 vocational rehabilitation independent living, not less than
3 \$1,000,000.00 shall be used for the support of centers for independent
4 living which are in compliance with federal standards for such centers,
5 for the development of new centers in areas presently unserved or
6 underserved, for technical assistance to centers, and for projects to
7 build capacity of centers to deliver independent living services.
8 Applications for such funds shall be reviewed in accordance with
9 criteria and procedures established by the statewide independent living
10 council, the Michigan rehabilitation services unit within the
11 department of career development, and the Michigan commission for the
12 blind. Funds must be used in a manner consistent with the priorities
13 established in the state plan for independent living.

14 Sec. 409. (1) In addition to the funds appropriated for the
15 department of career development in part 1, there is appropriated an
16 amount not to exceed \$41,000,000.00 for federal contingency funds.
17 These funds are not available for expenditure until they have been
18 transferred to another line item in this bill pursuant to section
19 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

20 (2) In addition to the funds appropriated in part 1, there is
21 appropriated an amount not to exceed \$2,000,000.00 for state restricted
22 contingency funds. These funds are not available for expenditure until
23 they have been transferred to another line item in this bill pursuant
24 to section 393(2) of the management and budget act, 1984 PA 431, MCL
25 18.1393.

26 (3) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$4,000,000.00 for local
28 contingency funds. These funds are not available for expenditure until
29 they have been transferred to another line item in this bill pursuant

1 to section 393(2) of the management and budget act, 1984 PA 431, MCL
2 18.1393.

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

9 **MICHIGAN STRATEGIC FUND**

10 Sec. 501. (1) The appropriation in part 1 to the Michigan strategic
11 fund for economic development job training shall be expended for
12 competitive grants that ensure employers have the trained workers they
13 need to compete in the global economy. The Michigan strategic fund
14 shall expedite grant awards for employers locating or expanding in
15 Michigan and thereby creating significant numbers of new jobs in the
16 state.

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

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

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

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

1 (6) Grant funds utilized for the development of web-based or other
2 distance learning training which has the substantial potential for
3 lowering training costs and improving access will not be subject to
4 sections 406(4) as long as a community college or a consortium of
5 community colleges act as partners in the development of the program.

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

17 (8) On or before October 1, 1999, the Michigan strategic fund shall
18 publish proposed application criteria, instructions, and forms for use
19 by eligible applicants. The Michigan strategic fund shall provide at
20 least a 2-week period for public comment prior to finalization of the
21 application criteria, instructions, and forms.

22 (9) Applications for all grants shall be submitted to the Michigan
23 strategic fund and each application shall contain at least all of the
24 following:

25 (a) The name, address, and total number of employees of each
26 business organization whose employees are receiving job training.

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

28 (c) A clear statement of the project's scope of activities, number
29 of participants to be involved, the number of participants who have

1 been an employee of the business organization for at least 30 days
2 before the date of application who are at risk of becoming unemployed
3 unless trained in the program and the number of participants who are
4 either a new employee within 30 days of the date of application or who
5 will become a new employee of the business organization as a result of
6 the individual's participation in the program.

7 (d) A commitment to maintain participant records in a form and
8 manner required by the department.

9 (e) A budget which relates to the proposed activities and various
10 program components and which demonstrates whether the estimated costs
11 are reasonable and justified.

12 (10) Priority in the awarding of grants shall be based on the
13 following criteria:

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

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

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

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

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

26 (f) Strength of commitment to guaranteed job placement upon
27 completion of training.

28 (g) Other criteria determined by the Michigan strategic fund to be
29 important.

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

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

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

13 (13) A grant awarded under this section may extend beyond the end
14 of the fiscal year in which the grant is awarded and the funds awarded
15 for the grant may be carried over into the next fiscal year for payment
16 in the next fiscal year. Unexpended and unencumbered amounts remaining
17 in the fiscal year ending September 30, 2000, from economic development
18 job training grants awarded prior to September 15, 1999 may be used to
19 award additional economic development job training grants during the
20 fiscal year ending September 30, 2000.

21 (14) A recipient of a grant under this section shall not charge
22 tuition or fees to participants in the program funded by the grant.
23 However, a nonprofit organization may charge tuition or fees if the
24 tuition plan or fees are recognized by the state and the nonprofit
25 organization receives additional funding from other governmental or
26 private funding sources for its programs.

27 (15) If a participant in a program funded under this section is an
28 employee of a business organization whose employees are receiving job
29 training under the program and the participant was an employee of that

1 business organization prior to 30 days before the date of the grant
2 application, the business organization shall provide at least 25% of
3 the program's costs, excluding the costs of participants' wages for the
4 time participants are involved in program training. For purposes of
5 meeting the 25% match requirement, small business organizations with
6 250 or fewer employees worldwide at the time of application may include
7 the costs of pretraining needs assessments and wages paid to
8 participants while enrolled in training. This subsection does not
9 apply to an individual who becomes a new employee of a business
10 organization as a result of the individual's participation in the
11 program.

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

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

19 (b) 40% of the grant amount shall be paid at the completion of the
20 training period, after the grant recipient submits to the Michigan
21 strategic fund an interim report specifying actual costs of the
22 training program and training outcomes of the students.

23 (c) 20% of the grant amount shall be paid at the conclusion of the
24 grant period, as determined by the Michigan strategic fund.

25 (17) A recipient of a grant under this section shall allow the
26 Michigan strategic fund or its designee to audit all records related to
27 the grant for all entities that receive money, either directly or
28 indirectly through a contract, from the grant funds. A grant recipient
29 or contractor shall reimburse the state for all disallowances found in

1 the audit.

2 (18) The Michigan strategic fund shall provide to the state budget
3 director and the house and senate fiscal agencies by April 15 and
4 November 1 of each year a report on the economic development job
5 training grants. The report due by April 15 shall provide the
6 information described in this subsection for each grant or contract
7 awarded during the preceding 2 quarters of the state fiscal year. The
8 report due by November 1 shall provide this information for each grant
9 or contract awarded during the preceding full fiscal year. The report
10 shall contain all of the following:

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

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

14 (c) The names, addresses, and total number of employees of all
15 business organizations for whom training is or will be provided.

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

20 (e) The cost savings or other benefits due to utilizing web-based
21 or other distance learning training formats as opposed to delivering a
22 comparable training program delivered face-to-face, if the funds were
23 utilized for the development of web-based or other distance learning
24 training programs.

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

27 Sec. 502. The travel administration may establish and collect a
28 fee to cover the cost of materials and processing of photographic
29 prints, slides, videotapes, and travel product data base information

1 that are requested by the media and other segments of the public and
2 private sectors. The fees collected shall be appropriated for all
3 expenses necessary to purchase and distribute these photographic
4 prints, slides, videotapes, and travel product data base information.
5 The funds are available for expenditure when they are received by the
6 department of treasury.

7 Sec. 503. The travel administration may receive and expend private
8 revenue related to the use of the "Michigan Great Lakes. Great Times."
9 copyrighted slogan and image. This revenue may come from the direct
10 licensing of the name and image or from the royalty payments from
11 various merchandise sales. Revenue collected is appropriated for the
12 marketing of the state as a travel destination. The funds are
13 available for expenditure when they are received by the department of
14 treasury.

15 Sec. 504. Funds appropriated to the Michigan strategic fund,
16 Michigan promotion program, shall not be expended for the purpose of
17 nontourism-related promotional projects that would target the citizens
18 of this state as its prime audience.

19 Sec. 505. (1) In addition to the funds appropriated for the
20 Michigan strategic fund in part 1, there is appropriated an amount not
21 to exceed \$7,000,000.00 for federal contingency funds. These funds are
22 not available for expenditure until they have been transferred to
23 another line item in this bill pursuant to section 393(2) of the
24 management and budget act, 1984 PA 431, MCL 18.1393.

25 (2) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$1,000,000.00 for state restricted
27 contingency funds. These funds are not available for expenditure until
28 they have been transferred to another line item in this bill pursuant
29 to section 393(2) of the management and budget act, 1984 PA 431, MCL

1 18.1393.

2 (3) In addition to the funds appropriated in part 1, there is
3 appropriated an amount not to exceed \$500,000.00 for private
4 contingency funds. These funds are not available for expenditure until
5 they have been transferred to another line item in this bill pursuant
6 to section 393(2) of the management and budget act, 1984 PA 431, MCL
7 18.1393.

8 Sec. 506. Of the funds appropriated in part 1 for economic
9 development job training grants, the Michigan strategic fund shall not
10 use these funds to finance the startup or in any way subsidize any
11 private distributor of liquor products in Michigan.

12 Sec. 507. As a condition of receiving funds under part 1 of this
13 bill, the Michigan strategic fund shall not expend any of the economic
14 development job training grant funds to train any employee who is an
15 officer of a corporation in a corporation employing more than 250
16 employees.

final page