

SENATE BILL NO. 361

EXECUTIVE BUDGET BILL

February 23, 1999, Introduced by Senators STEIL, MC MANUS and GOUGEON
and referred to the Committee on Appropriations.

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

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

5 **TOTAL REGULATORY**

6 APPROPRIATION SUMMARY:

7 Full-time equated unclassified positions. . . 70.5

8 Full-time equated classified positions . . 5,439.4

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

10 Interdepartmental grant revenues:

11 Total interdepartmental grants and

12 intradepartmental transfers 5,167,900

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

14 Federal revenues:

15 Total federal revenues 671,416,500

16 Special revenue funds:

17 Total local revenues 10,867,900

18 Total private revenues 4,055,600

19 Total other state restricted revenues 211,443,500

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

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

22 **(1) APPROPRIATIONS SUMMARY:**

23 Full-time equated unclassified positions . . . 64.5

24 Full-time equated classified positions . . 4,132.4

25 GROSS APPROPRIATION \$ 493,533,500

26 Interdepartmental grant revenues:

27 Total interdepartmental grants and

28 intradepartmental transfers 4,020,900

1	ADJUSTED GROSS APPROPRIATION	\$	489,512,600
2	Federal revenues:		
3	Total federal revenues		217,890,000
4	Special revenue funds:		
5	Total private revenues		791,900
6	Total other state restricted revenues		193,473,200
7	State general fund/general purpose	\$	77,357,500
8	(2) EXECUTIVE DIRECTION		
9	Full-time equated unclassified positions . . .	64.5	
10	Full-time equated classified positions	74.0	
11	Unclassified salaries	\$	5,021,300
12	Executive director programs--11.0 FTE positions .		1,778,900
13	Policy development--9.0 FTE positions		1,362,200
14	Utility consumer representation		850,000
15	Regulatory efficiency improvements/backlog		
16	reduction initiative		750,000
17	MES board of review program--21.0 FTE positions .		1,634,000
18	Office of legal affairs--33.0 FTE positions . . .		<u>3,100,100</u>
19	GROSS APPROPRIATION	\$	14,496,500
20	Appropriated from:		
21	Federal revenues:		
22	DOL-ETA, unemployment insurance		2,039,900
23	DOL, multiple grants for safety and health		148,100
24	Special revenue funds:		
25	Bank fees		174,200
26	Boiler fees		22,500
27	Construction code fund		272,800
28	Consumer finance fees		40,300

1	Corporations and securities fees	181,000
2	Credit union fees	83,500
3	Elevator fees	26,000
4	Fees and collections/asbestos	10,700
5	Health professions regulatory fund	1,818,500
6	Health systems fees and collections	47,600
7	Insurance regulatory fees	641,800
8	Licensing and regulation fees	267,200
9	Liquor license fees	141,600
10	Liquor purchase revolving fund	1,054,200
11	Michigan state housing development authority	
12	fees and charges	295,800
13	Manufactured housing commission fees	145,600
14	Motor carrier fees	25,500
15	Property development fees	4,300
16	Public utility assessments	533,500
17	Safety education and training fund	200,300
18	Second injury fund	68,300
19	Self-insurers security fund	18,000
20	Silicosis and dust disease fund	26,200
21	Utility consumer representation fund	850,000
22	Worker's compensation administrative revolving	
23	fund	53,200
24	State general fund/general purpose \$	5,305,900
25	(3) COUNCIL FOR ARTS AND CULTURAL AFFAIRS	
26	Full-time equated classified positions 9.0	
27	Administration--9.0 FTE positions \$	855,400
28	Arts and cultural grants	<u>21,548,700</u>

1	GROSS APPROPRIATION	\$	22,404,100
2	Appropriated from:		
3	Federal revenues:		
4	NFAH-NEA, promotion of the arts, state and regional		
5	programs		700,000
6	State general fund/general purpose	\$	21,704,100
7	(4) FIRE SAFETY		
8	Full-time equated classified positions	54.0	
9	Office of fire safety--54.0 FTE positions	\$	<u>4,368,200</u>
10	GROSS APPROPRIATION	\$	4,368,200
11	Appropriated from:		
12	Interdepartmental grant revenues:		
13	IDG-department of community health, inspection		
14	contract		109,200
15	Federal revenues:		
16	Federal funds		1,298,300
17	Special revenue funds:		
18	Fire alarm regulation fees		164,300
19	Fire service fees		1,618,700
20	State general fund/general purpose	\$	1,177,700
21	(5) MANAGEMENT SERVICES		
22	Full-time equated classified positions	178.0	
23	Administration--74.0 FTE positions	\$	5,144,600
24	Technology support--104.0 FTE positions		12,540,000
25	Insurance automation		750,000
26	Health services information systems		750,000
27	Rent		6,306,400
28	Building occupancy charges - property development		

1	services	4,767,900
2	Workers' compensation	1,009,900
3	Special project advances	<u>740,000</u>
4	GROSS APPROPRIATION	\$ 32,008,800
5	Appropriated from:	
6	Federal revenues:	
7	DOL-ETA, unemployment insurance	342,400
8	DOL, multiple grants for safety and health	671,600
9	Federal funds	751,200
10	HHS, federal funds	76,100
11	Special revenue funds:	
12	Private-special project advances	740,000
13	Bank fees	299,200
14	Boiler fee revenue	220,700
15	Construction code fund	1,247,100
16	Consumer finance fees	136,500
17	Corporation and securities fees	2,026,700
18	Credit union fees	214,800
19	Elevator fees	321,400
20	Fees and collections/asbestos	52,100
21	Health professions regulatory fund.	3,559,200
22	Health systems fees and collections	256,500
23	Insurance regulatory fees	2,164,900
24	Licensing and regulation fees	1,905,300
25	Liquor license fees	160,900
26	Liquor purchase revolving fund	4,948,400
27	Michigan state housing development authority	
28	fees and charges	1,780,600
29	Manufactured housing commission fees	117,900

1	Motor carrier fees	187,600
2	Property development fees	6,100
3	Public utility assessments	2,409,700
4	Safety education and training fund	385,700
5	Second injury fund	77,400
6	Self insurers' security fund	20,300
7	Silicosis and dust disease fund	29,900
8	Worker's compensation administrative revolving	
9	fund	1,179,100
10	State general fund/general purpose \$	5,719,500
11	(6) FINANCIAL SERVICES AND CORPORATIONS	
12	Full-time equated classified positions . . . 375.0	
13	Manufactured housing commission, per diem	
14	\$50.00 \$	7,800
15	Manufactured housing and land resources program--15.0	
16	FTE positions	1,456,900
17	Corporate services--61.0 FTE positions	4,923,800
18	Investment oversight--29.0 FTE positions	2,523,800
19	Local manufactured housing communities inspections	250,000
20	Property development group--13.0 FTE positions . .	1,382,100
21	Remonumentation grants	4,500,000
22	Financial institutions administration--18.0 FTE	
23	positions	1,291,100
24	Bank regulation--50.0 FTE positions	5,166,000
25	Credit union regulation--41.0 FTE positions . . .	3,430,600
26	Financial institution consumer protection--19.0 FTE	
27	positions	1,721,200
28	Financial institution policy and legislation	

1	--5.0 FTE positions	371,300
2	Federal regulatory projects	50,600
3	Insurance bureau administration--18.0 FTE	
4	positions	2,155,600
5	Insurance financial standards--49.0 FTE	
6	positions	7,313,900
7	Insurance licensing and enforcement--30.0 FTE	
8	positions	2,533,100
9	Market standards and consumer services--27.0 FTE	
10	positions	<u>2,478,300</u>
11	GROSS APPROPRIATION	\$ 41,556,100
12	Appropriated from:	
13	Federal revenues:	
14	Federal regulatory project revenues	50,600
15	Special revenue funds:	
16	Private-travel funds	5,900
17	Bank fees	5,988,900
18	Certification and copying fees	2,127,500
19	Consumer finance fees	1,972,300
20	Corporation and securities fees	5,731,000
21	Credit union fees	4,019,000
22	Insurance regulatory fees	10,683,100
23	Insurance continuing education fees	532,400
24	Insurance licensing and regulation fees	3,127,600
25	Land sales fees	20,000
26	Limited liability partnership revenue	10,000
27	Manufactured housing commission fees	1,845,800
28	Multiple employer welfare arrangement	131,900
29	Property development fees	231,000

1	Remonumentation fees	5,079,100
2	State general fund/general purpose	\$ 0
3	(7) PUBLIC SERVICE COMMISSION	
4	Full-time equated classified positions . . .	161.0
5	Administration, planning and regulation--161.0 FTE	
6	positions	\$ <u>18,387,200</u>
7	GROSS APPROPRIATION	\$ 18,387,200
8	Appropriated from:	
9	Federal revenues:	
10	DOE-OEERE, multiple grants	2,227,900
11	DOT-RSPA, gas pipeline safety	265,000
12	Special revenue funds:	
13	Private-Great Lakes governors council	46,000
14	Motor carrier fees	1,787,700
15	Public utility assessments	14,060,600
16	State general fund/general purpose	\$ 0
17	(8) LIQUOR CONTROL COMMISSION	
18	Full-time equated classified positions . . .	183.0
19	Management support services--43.0 FTE positions . . .	\$ 2,929,900
20	Liquor licensing and enforcement--140.0	
21	FTE positions	10,309,800
22	Liquor law enforcement grants	6,000,000
23	Grant to department of agriculture for wine industry	
24	council	<u>424,100</u>
25	GROSS APPROPRIATION	\$ 19,663,800
26	Appropriated from:	
27	Special revenue funds:	
28	Liquor license revenue	10,773,300

1	Liquor purchase revolving fund	8,466,400
2	Non-retail liquor license revenue	424,100
3	State general fund/general purpose \$	0
4	(9) MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY	
5	Full-time equated classified positions . . . 233.0	
6	Payments on behalf of tenants \$	66,000,000
7	Housing and rental assistance program--227.0 FTE	
8	positions	21,070,500
9	Automatic data processing--6.0 FTE positions . . .	862,500
10	Homeless program	<u>5,290,800</u>
11	GROSS APPROPRIATION \$	93,223,800
12	Appropriated from:	
13	Federal revenues:	
14	HUD, lower income housing assistance program . . .	79,049,500
15	Special revenue funds:	
16	Michigan state housing development authority	
17	fees and charges	14,174,300
18	State general fund/general purpose \$	0
19	(10) TAX TRIBUNAL	
20	Full-time equated classified positions 14.0	
21	Operations--14.0 FTE positions \$	<u>1,576,500</u>
22	GROSS APPROPRIATION \$	1,576,500
23	Appropriated from:	
24	Special revenue funds:	
25	Tax tribunal fees	605,500
26	State general fund/general purpose \$	971,000
27	(11) GRANTS	
28	Fire protection grants \$	<u>6,675,000</u>

1	GROSS APPROPRIATION	\$	6,675,000
2	Appropriated from:		
3	Special revenue funds:		
4	Liquor purchase revolving fund		6,675,000
5	State general fund/general purpose	\$	0
6	(12) HEALTH REGULATORY SYSTEMS		
7	Full-time equated classified positions . . .	341.0	
8	Health systems administration and grants--195.0		
9	FTE positions	\$	26,993,600
10	Emergency medical services program state staff--		
11	10.0 FTE positions		1,084,200
12	Radiological health administration and projects--		
13	24.0 FTE positions		1,876,800
14	Substance abuse program administration--4.0 FTE		
15	positions		387,000
16	Emergency medical services grants and contracts .		962,100
17	Health services--108.0 FTE positions		<u>11,875,400</u>
18	GROSS APPROPRIATION	\$	43,179,100
19	Appropriated from:		
20	Federal revenues:		
21	Federal funds		16,525,100
22	Special revenue funds:		
23	Controlled substance license fees		1,304,400
24	Health professions regulatory fund		10,121,000
25	Health systems fees and collections		3,722,300
26	Nurse professional fund		450,000
27	State general fund/general purpose	\$	11,056,300
28	(13) REGULATORY SERVICES		

1	Full-time equated classified positions . . .	275.0	
2	AFC, children's welfare and day care licensure--	275.0	
3	FTE positions		\$ <u>20,762,800</u>
4	GROSS APPROPRIATION		\$ 20,762,800
5	Appropriated from:		
6	Federal revenues:		
7	HHS, federal funds		8,618,500
8	Special revenue funds:		
9	Licensing fees		460,800
10	State general fund/general purpose		\$ 11,683,500
11	(14) OCCUPATIONAL REGULATION		
12	Full-time equated classified positions . . .	240.0	
13			
14	Commissions and boards		\$ 41,900
15	Code enforcement--99.0 FTE positions		7,427,600
16	Code enforcement flexibility		632,100
17	Boiler inspection program--18.0 FTE positions . .		1,449,400
18	Elevator inspection program--23.0 FTE positions .		1,740,800
19	Commercial services--100.0 FTE positions		<u>8,194,100</u>
20	GROSS APPROPRIATION		\$ 19,485,900
21	Appropriated from:		
22	Special revenue funds:		
23	Real estate education fund		217,500
24	Real estate appraiser continuing education fund .		45,000
25	Licensing and regulation fees		6,181,100
26	Homeowner construction lien recovery fund		1,528,900
27	Health professions regulatory fund		221,600
28	Boiler fee revenue		1,588,100

1	Construction code fund	7,861,100
2	Elevator fees	1,842,600
3	State general fund/general purpose \$	0
4	(15) EMPLOYMENT RELATIONS	
5	Full-time equated classified positions 28.0	
6	Fact finding and arbitration \$	169,300
7	Employment and labor relations--28.0 FTE positions	<u>2,792,300</u>
8	GROSS APPROPRIATION \$	2,961,600
9	Appropriated from:	
10	Special revenue funds:	
11	Publication revenue	25,000
12	State general fund/general purpose \$	2,936,600
13	(16) SAFETY AND REGULATION	
14	Full-time equated classified positions 276.0	
15	Commissions and boards \$	27,700
16	Employment standards enforcement--38.0 FTE	
17	positions	2,434,400
18	Subgrantees	1,026,900
19	Occupational safety and health--238.0 FTE	
20	positions	<u>21,235,700</u>
21	GROSS APPROPRIATION \$	24,724,700
22	Appropriated from:	
23	Federal revenues:	
24	DOL, multiple grants for safety and health	12,202,300
25	Special revenue funds:	
26	Fees and collections/asbestos	694,200
27	Safety education and training fund	5,074,800
28	State general fund/general purpose \$	6,753,400

1 **(17) WORKER'S DISABILITY COMPENSATION**

2	Full-time equated classified positions . . .	172.4	
3	Administration--119.0 FTE positions	\$	8,020,100
4	Board of magistrates administration--8.0 FTE		
5	positions		1,737,400
6	Appellate commission administration--11.4 FTE		
7	positions		803,400
8	Supplemental benefit fund		1,500,000
9	Insurance funds administration--34.0 FTE positions		10,146,300
10	Automatic data processing		506,000
11	Grant to the Michigan jobs commission, hire the		
12	handicapped program		<u>50,000</u>
13	GROSS APPROPRIATION	\$	22,763,200
14	Appropriated from:		
15	Special revenue funds:		
16	Second injury fund		6,456,300
17	Self insurers' security fund		1,720,100
18	Silicosis and dust disease fund		2,525,900
19	Worker's compensation administration revolving		
20	fund		2,011,400
21	State general fund/general purpose	\$	10,049,500
22	(18) UNEMPLOYMENT AGENCY		
23	Full-time equated classified positions . .	1,519.0	
24	Worker's compensation	\$	622,700
25	Rent		4,232,000
26	Building occupancy charges-property development		
27	service		2,071,300
28	Unemployment program--1,441.7 FTE positions . . .		91,345,500

1	Advocacy assistance program--8.0 FTE positions	1,516,500
2	Special audit and collections program--34.0 FTE	
3	positions	2,085,600
4	Training program for agency staff--2.1 FTE	
5	positions	1,044,100
6	Expanded fraud control program--33.2 FTE	
7	positions	<u>2,378,500</u>
8	GROSS APPROPRIATION	\$ 105,296,200
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	IDG-family independence agency	3,911,700
12	Federal revenues:	
13	DOL, unemployment insurance	88,423,500
14	DOL-ETA	500,000
15	Federal Reed Act funds	4,000,000
16	Special revenue funds:	
17	Contingent fund, penalty and interest account	8,461,000
18	State general fund/general purpose	\$ 0
19	Sec. 103. DEPARTMENT OF CAREER DEVELOPMENT	
20	(1) APPROPRIATION SUMMARY:	
21	Full-time equated unclassified positions	6.0
22	Full-time equated classified positions	1,066.0
23	GROSS APPROPRIATION	\$ 434,910,400
24	Appropriated from:	
25	Interdepartmental grant revenues:	
26	Total interdepartmental grants and intradepartmental	
27	transfers	1,047,000
28	ADJUSTED GROSS APPROPRIATION	\$ 433,863,400

1	Federal revenues:	
2	Total federal revenues	400,323,300
3	Special revenue funds:	
4	Total local revenues	10,867,900
5	Total private revenues	2,607,000
6	Total other state restricted revenues	4,920,300
7	State general fund/general purpose	\$ 15,144,900
8	(2) DEPARTMENTAL ADMINISTRATION	
9	Full-time equated unclassified positions	6.0
10	Full-time equated classified positions	11.0
11	Unclassified salaries	\$ 536,200
12	Executive office--11.0 FTE positions	<u>1,001,700</u>
13	GROSS APPROPRIATION	\$ 1,537,900
14	Appropriated from:	
15	State general fund/general purpose	\$ 1,537,900
16	(3) DEPARTMENT OPERATIONS	
17	Full-time equated classified positions	86.0
18	Administration--86.0 FTE positions	\$ 9,602,300
19	Building occupancy charges - property development	
20	services	432,600
21	Workers' compensation	196,400
22	Special project advances	<u>200,000</u>
23	GROSS APPROPRIATION	\$ 10,431,300
24	Appropriated from:	
25	Federal revenues:	
26	CNS	50,000
27	DED-OSERS, rehabilitation services, vocational	
28	rehabilitation, state grants	1,957,300

1	DOL-ETA, employment service	1,677,200
2	DOL-ETA, bureau of labor statistics	990,800
3	DOL-ETA	738,200
4	DOL-ETA, veterans' employment and training	
5	administration	2,240,600
6	DOL-ETA, miscellaneous funds	38,900
7	DOL-ETA, job training partnership grants	434,200
8	DED, cooperative demonstration, school-to-work . .	57,700
9	HHS, temporary assistance for needy families . . .	565,700
10	Special revenue funds:	
11	Private-special project advances	200,000
12	Contingent fund, penalty and interest	790,000
13	State general fund/general purpose \$	690,700
14	(4) WORKFORCE DEVELOPMENT	
15	Full-time equated classified positions . . . 666.0	
16	Employment training services--571.0 FTE positions \$	59,258,600
17	Michigan career and technical institute	
18	--95.0 FTE positions	<u>9,675,800</u>
19	GROSS APPROPRIATION \$	68,934,400
20	Appropriated from:	
21	Interdepartmental grant revenues:	
22	IDG-MDOC	31,400
23	Federal revenues:	
24	CNS	516,500
25	DAG, employment and training	250,600
26	DED-OPSE, multiple grants	599,500
27	DED-OSERS, centers for independent living	56,500
28	DED-OSERS, rehabilitation long-term training . . .	350,200

1	DED-OSERS, rehabilitation services, vocational	
2	rehabilitation, state grants	40,117,700
3	DED-OSERS, state grants for technology-related	
4	assistance to individuals with disabilities . .	54,000
5	DED, cooperative demonstration, school-to-work . .	1,017,900
6	DOL-ETA, job training partnership act	3,077,700
7	DOL-ETA, multiple grants	578,500
8	DOL-NOICC	166,800
9	HHS-SSA, supplemental security income	4,061,700
10	HHS, temporary assistance for needy families . . .	3,567,500
11	Special revenue funds:	
12	Local-vocational rehabilitation match	3,152,200
13	Private-gifts, bequests, and donations	1,357,000
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	Job training programs subgrantees	\$ 102,095,600
22	Michigan community service commission	
23	subgrantees	5,900,000
24	Displaced homemakers	470,000
25	Supported employment grants	1,308,600
26	Technology assistance grants	1,086,600
27	Vocational rehabilitation client	
28	services/facilities	50,104,000

1	Vocational rehabilitation independent living . . .	2,077,700
2	Personal assistance services	400,000
3	School-to-work subgrantees	3,000,000
4	Welfare to work programs	140,279,000
5	Precollege program in engineering and the sciences	<u>844,700</u>
6	GROSS APPROPRIATION	\$ 307,566,200
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	
16	with disabilities	360,600
17	DED-OSERS, rehabilitation services facilities . .	2,272,500
18	DED-OSERS, rehabilitation services, vocational	
19	rehabilitation, state grants	34,935,200
20	DED-OSERS, supported employment	1,308,600
21	DED-OSERS, state grants for technology-related	
22	assistance to individuals with disabilities . .	1,086,600
23	DOL-ETA, job training partnership act	96,650,000
24	DOL-ETA, multiple grants	4,430,000
25	HHS-SSA, supplemental security income	2,362,500
26	HHS, temporary assistance for needy families . . .	127,029,000
27	Special revenue funds:	
28	Local-vocational rehabilitation match	6,437,400
29	Local-vocational rehabilitation facilities match .	1,278,300

1	Private-gifts, bequests, and donations	800,000
2	Private-oil overcharge	250,000
3	Contingent fund, penalty and interest account . .	1,000,000
4	State general fund/general purpose \$	5,324,900
5	(6) EMPLOYMENT SERVICE AGENCY	
6	Full-time equated classified positions . . . 303.0	
7	Employment service--256.0 FTE positions \$	42,636,600
8	Labor market information--47.0 FTE positions . . .	2,974,300
9	Workers' compensation	141,300
10	Rent	458,300
11	Building occupancy charges - property development	
12	services	<u>230,100</u>
13	GROSS APPROPRIATION \$	46,400,600
14	Appropriated from:	
15	Federal revenues:	
16	DOL-ETA, employment service	27,298,600
17	DOL-ETA, bureau of labor statistics	1,651,700
18	DOL-ETA	982,500
19	DOL-ETA, veteran's employment and training	
20	administration	4,396,500
21	DOL-ETA, miscellaneous funds	11,368,300
22	Special revenue funds:	
23	Contingent fund, penalty and interest account . .	743,000
24	State general fund/general purpose \$	0
25	Sec. 104. MICHIGAN STRATEGIC FUND	
26	(1) APPROPRIATION SUMMARY:	
27	Full-time equated classified positions . . . 241.0	
28	GROSS APPROPRIATION \$	131,917,100

1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	Total interdepartmental grants and intradepartmental	
4	transfers	100,000
5	ADJUSTED GROSS APPROPRIATION	\$ 131,817,100
6	Federal revenues:	
7	Total federal revenues	53,203,200
8	Special revenue funds:	
9	Total local revenues	0
10	Total private revenues	656,700
11	Total other state restricted revenues	13,050,000
12	State general fund/general purpose	\$ 64,907,200
13	(2) MICHIGAN STRATEGIC FUND	
14	Full-time equated classified positions . . .	241.0
15	Administration--40.0 FTE positions	\$ 5,337,100
16	Job creations services--201.0 FTE positions . . .	24,537,500
17	Transportation economic development programs . .	13,000,000
18	Michigan promotion program	8,042,500
19	Economic development job training grants	31,000,000
20	Community development block grants	<u>50,000,000</u>
21	GROSS APPROPRIATION	\$ 131,917,100
22	Appropriated from:	
23	Interdepartmental grant revenues:	
24	IDG-MDEQ, air quality fees	100,000
25	Federal revenues:	
26	DOL-ETA, employment service	1,300,000
27	HUD-CPD, community development block grant	51,903,200
28	Special revenue funds:	

1	Private-Michigan certified development	
2	corporation fees	156,700
3	Private-special project advances	500,000
4	Industry support fees	50,000
5	License and chauffeur fees	13,000,000
6	State general fund/general purpose	\$ 64,907,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

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

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

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

MICHIGAN STRATEGIC FUND

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

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

Sec. 202. The expenditures and funding sources authorized under

1 this act are subject to the management and budget act, 1984 PA 431, MCL
2 18.1101 to 18.1594.

3 Sec. 203. (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
6 service employees and prohibited from filling any vacant state
7 classified civil service positions. This hiring freeze does not apply
8 to internal transfers of classified employees from one position to
9 another within a department or to positions that are funded with 80% or
10 more federal or restricted funds.

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

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

20 Sec. 205. As used in this bill:

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

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

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

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

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

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

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

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

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

3 (j) "DOL-NOICC" means the DOL national occupational information
4 coordinating committee.

5 (k) "DOL-OSHA" means the DOL occupational safety and health
6 administration.

7 (l) "DOT-RSPA" means the DOT research and special programs
8 administration.

9 (m) "Fiscal agencies" means the Michigan house fiscal agency and
10 the Michigan senate fiscal agency.

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

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

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

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

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

18 (s) "IDG" means interdepartment grant.

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

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

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

22 (w) "NFAH" means the national foundation on the arts and the
23 humanities.

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

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

26 **DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

27 Sec. 301. The appropriation in part 1 for grants to cities includes
28 \$6,675,000.00 from the liquor purchase revolving fund which shall be
29 appropriated to cities, villages, and townships with state-owned

1 facilities for fire services, instead of taxes, in accordance with 1977
2 PA 289, MCL 141.951 to 141.956.

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

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

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

1 1, 2000 to the regulatory subcommittees of the house and senate
2 appropriations committees that states the amount of revenue received
3 from the sale of information.

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

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

24 (a) State arts anchor organizations that serve a statewide
25 audience.

26 (b) Arts education programs, also known as the arts and learning
27 programs.

28 (c) Local arts programs.

29 (d) Arts organization development programs. These programs are

1 designed to encourage self-sufficiency in organizations. Grant awards
2 under this program are limited to 4 grant periods.

3 (e) Historical organizations and projects.

4 (f) Zoos.

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

7 (h) Cultural and community organizations and projects.

8 (i) Art institutions.

9 (j) Symphony orchestras.

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

11 (l) Music education camps.

12 (m) Capital outlay projects.

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

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

1 foundations, and organizations failing to meet their matching
2 requirements by the end of the award period.

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

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

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

27 (7) Counties, cities, villages, townships, community foundations,
28 and organizations receiving funds under this section shall provide the
29 following reports to the Michigan council for arts and cultural affairs

1 and to the regulatory subcommittees of the senate and house
2 appropriations committees:

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

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

7 (ii) Number of employees.

8 (iii) Number of new hires.

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

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

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

27 (10) The applicants for arts and cultural grant funds shall be
28 charged a nonrefundable application fee of \$100.00 or 1% of the grant,
29 whichever is less. The application fee may be used by the department

1 of consumer and industry services to recover direct and indirect costs
2 as appropriated in part 1.

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

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

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

26 Sec. 310. The appropriation in part 1 for the department of
27 consumer and industry services, bureau of safety and regulation, safety
28 education and training division, includes funding for on-site
29 consultation and education and training programs. The appropriation in

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

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

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

27 Sec. 313. Money appropriated under this act for fire safety
28 programs shall not be expended unless, in accordance with section 2c of
29 the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and plan

1 review fees will be charged according to the following schedule:

2 Operation and maintenance inspection fee

3	<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
4	Hospitals	Any	\$10.00 per bed

5 Plan review and construction inspection fees for hospitals and schools

6	<u>Project cost range</u>	<u>Fee</u>
7	\$101,000.00 or less	minimum fee of \$125.00
8	\$101,001.00 to \$1,500,000.00	\$1.24 per \$1,000.00
9	\$1,500,001.00 to \$10,000,000	\$0.90 per \$1,000.00
10	\$10,000,001.00 or more	\$0.70 per \$1,000.00
11	or a maximum fee of \$50,000.00.	

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

18 Sec. 315. Funds earned or authorized by the United States
 19 department of labor in excess of the gross appropriation in part 1 for
 20 the Michigan unemployment 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 consumer and industry services notifies
 24 the regulatory subcommittees of the house and senate appropriations
 25 committees of the purpose and amount of each grant award.

26 Sec. 316. (1) In addition to the funds appropriated for the
 27 department of consumer and industry services in part 1, there is
 28 appropriated an amount not to exceed \$23,500,000.00 for federal
 29 contingency funds. These funds are not available for expenditure until

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

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

10 (3) In addition to the funds appropriated in part 1, there is
11 appropriated an amount not to exceed \$180,800.00 for local contingency
12 funds. These funds are not available for expenditure until they have
13 been transferred to another line item in this bill pursuant to section
14 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

15 (4) In addition to the funds appropriated in part 1, there is
16 appropriated an amount not to exceed \$50,000.00 for private contingency
17 funds. These funds are not available for expenditure until they have
18 been 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 Sec. 317. The department of consumer and industry services shall
21 sell documents at a price not to exceed the cost of production and
22 distribution. Money received from the sale of these documents shall
23 revert to the department of consumer and industry services. The funds
24 are available for expenditure when they are received by the department
25 of treasury and may only be used for costs directly related to the
26 continued updating and distribution of the documents pursuant to this
27 section. This section applies only for the following documents:

28 (a) Corporation and securities division documents, reports, and
29 papers required or permitted by law pursuant to section 1060(5) of the

1 business corporation act, 1972 PA 284, MCL 450.2060.

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

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

6 (d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to
7 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to
8 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to
9 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to
10 451.818.

11 (e) Labor law books.

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

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

14 **DEPARTMENT OF CAREER DEVELOPMENT**

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

21 Sec. 402. The Michigan rehabilitation service shall make every
22 effort to ensure that all sources of matching funds in this state are
23 used to obtain federal vocational rehabilitation funds. All sources
24 include, but are not limited to, privately raised funds to support
25 public nonprofit rehabilitation centers as permitted by the
26 rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701 to 717,
27 720 to 724, 730 to 732, 740 to 741, 750, 752, 760 to 762, 770 to 777b,
28 777d to 777f, 780, 781 to 785, 790 to 794d, 795 to 795q, and 796 to
29 796i.

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

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

16 (3) When the work first job search requirements have been
17 completed, if the participant has not found employment, the work first
18 site shall identify the barriers which may have prevented the
19 participant from obtaining employment and assist the client in removing
20 those barriers. The work first site shall also identify appropriate
21 education and job training programs which would be available to the
22 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
27 or a county friend of the court as long as the participation in the job
28 club is part of an application made under this section.

29 (5) Participants in the work first program shall not be enrolled

1 and counted in membership in a school district or intermediate school
2 district.

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

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

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

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

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

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

28 Sec. 408. Of the funds appropriated in section 103(6) for
29 vocational rehabilitation independent living, not less than

1 \$1,000,000.00 shall be used for the support of centers for independent
2 living which are in compliance with federal standards for such centers,
3 for the development of new centers in areas presently unserved or
4 underserved, for technical assistance to centers, and for projects to
5 build capacity of centers to deliver independent living services.
6 Applications for such funds shall be reviewed in accordance with
7 criteria and procedures established by the statewide independent living
8 council, the Michigan rehabilitation services unit within the
9 department of career development, and the Michigan commission for the
10 blind. Funds must be used in a manner consistent with the priorities
11 established in the state plan for independent living.

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

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

24 (3) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$4,000,000.00 for local
26 contingency funds. These funds are not available for expenditure until
27 they have been transferred to another line item in this bill pursuant
28 to section 393(2) of the management and budget act, 1984 PA 431, MCL
29 18.1393.

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

7 **MICHIGAN STRATEGIC FUND**

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

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

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

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

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

28 (6) Grant funds utilized for the development of web-based or other
29 distance learning training which has the substantial potential for

1 lowering training costs and improving access will not be subject to
2 sections 406(4) as long as a community college or a consortium of
3 community colleges act as partners in the development of the program.

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

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

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

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

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

26 (c) A clear statement of the project's scope of activities, number
27 of participants to be involved, the number of participants who have
28 been an employee of the business organization for at least 30 days
29 before the date of application who are at risk of becoming unemployed

1 unless trained in the program and the number of participants who are
2 either a new employee within 30 days of the date of application or who
3 will become a new employee of the business organization as a result of
4 the individual's participation in the program.

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

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

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

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

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

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

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

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

24 (f) Strength of commitment to guaranteed job placement upon
25 completion of training.

26 (g) Other criteria determined by the Michigan strategic fund to be
27 important.

28 (h) The development of web-based or other distance learning
29 training programs which have the substantial potential for lowering

1 training costs and improving access to training programs.

2 (11) Not more than \$5,000,000.00 of the amount appropriated in part
3 1 for economic development job training may be allocated to rapid
4 response grants for employee training programs which maintain or
5 attract permanent jobs for Michigan residents. A grant under this
6 subsection shall be awarded to eligible applicants under subsection
7 (1)(a) by the president of the Michigan strategic fund.

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

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

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

25 (15) If a participant in a program funded under this section is an
26 employee of a business organization whose employees are receiving job
27 training under the program and the participant was an employee of that
28 business organization prior to 30 days before the date of the grant
29 application, the business organization shall provide at least 25% of

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

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

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

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

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

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

29 (18) The Michigan strategic fund shall provide to the state budget

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

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

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

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

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

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

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

25 Sec. 502. The travel administration may establish and collect a
26 fee to cover the cost of materials and processing of photographic
27 prints, slides, videotapes, and travel product data base information
28 that are requested by the media and other segments of the public and
29 private sectors. The fees collected shall be appropriated for all

1 expenses necessary to purchase and distribute these photographic
2 prints, slides, videotapes, and travel product data base information.
3 The funds are available for expenditure when they are received by the
4 department of treasury.

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

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

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

23 (2) In addition to the funds appropriated in part 1, there is
24 appropriated an amount not to exceed \$1,000,000.00 for state restricted
25 contingency funds. These funds are not available for expenditure until
26 they have been transferred to another line item in this bill pursuant
27 to section 393(2) of the management and budget act, 1984 PA 431, MCL
28 18.1393.

29 (3) In addition to the funds appropriated in part 1, there is

1 appropriated an amount not to exceed \$500,000.00 for private
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 Sec. 506. Of the funds appropriated in part 1 for economic
7 development job training grants, the Michigan strategic fund shall not
8 use these funds to finance the startup or in any way subsidize any
9 private distributor of liquor products in Michigan.

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

Final page.