



SENATE BILL No. 232

February 21, 2001, Introduced by Senators and JOHNSON, STILLE, GOUGEON and
MC MANUS referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2002; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of career development and the Michigan strategic fund for the fiscal year ending September 30, 2002, from the funds indicated in this part, the

1 following:

2 **TOTAL APPROPRIATIONS**

3 APPROPRIATION SUMMARY:

4	Full-time equated unclassified positions. . . 6.0	
5	Full-time equated classified positions . . 1,376.0	
6	GROSS APPROPRIATION	\$ 710,311,300
7	Interdepartmental grant revenues:	
8	Total interdepartmental grants and	
9	intradepartmental transfers	1,148,000
10	ADJUSTED GROSS APPROPRIATION	\$ 709,163,300
11	Federal revenues:	
12	Total federal revenues	526,634,300
13	Special revenue funds:	
14	Total local revenues	14,978,200
15	Total private revenues	3,246,300
16	Total other state restricted revenues	61,494,500
17	State general fund/general purpose	\$ 102,810,000

18 **Sec. 102. DEPARTMENT OF CAREER DEVELOPMENT**

19 **(1) APPROPRIATION SUMMARY:**

20	Full-time equated unclassified positions . . 6.0	
21	Full-time equated classified positions . . 1,141.0	
22	GROSS APPROPRIATION	\$ 530,105,300
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	Total interdepartmental grants and intradepartmental	
26	transfers	1,048,000
27	ADJUSTED GROSS APPROPRIATION	\$ 529,057,300
28	Federal revenues:	
29	Total federal revenues	463,699,900

1	Special revenue funds:		
2	Total local revenues		14,978,200
3	Total private revenues		2,369,300
4	Total other state restricted revenues		11,444,500
5	State general fund/general purpose	\$	36,538,400
6	(2) DEPARTMENTAL ADMINISTRATION		
7	Full-time equated unclassified positions . . 6.0		
8	Unclassified salaries	\$	<u>559,000</u>
9	GROSS APPROPRIATION	\$	559,000
10	Appropriated from:		
11	State general fund/general purpose	\$	559,000
12	(3) DEPARTMENT OPERATIONS		
13	Full-time equated classified positions . . 103.0		
14	Administration--103.0 FTE positions	\$	11,766,900
15	Building occupancy charges - property development		
16	services		651,300
17	Special project advances		200,000
18	Worker's compensation		<u>217,800</u>
19	GROSS APPROPRIATION	\$	12,836,000
20	Appropriated from:		
21	Federal revenues:		
22	CNS		202,000
23	DED-OSERS, rehabilitation services, vocational		
24	rehabilitation of state grants		4,329,100
25	DOL-ETA, workforce investment act		741,600
26	DOL, federal funds		3,279,000
27	Federal revenues		100,000
28	HHS, temporary assistance for needy families . .		1,064,200
29	Special revenue funds:		

1	Private-special project advances	200,000
2	Contingent fund, penalty and interest	412,000
3	State general fund/general purpose	\$ 2,508,100
4	(4) WORKFORCE DEVELOPMENT	
5	Full-time equated classified positions . . 664.0	
6	Employment training services--569.0 FTE positions	\$ 65,093,900
7	Michigan career and technical institute	
8	--95.0 FTE positions	<u>10,677,800</u>
9	GROSS APPROPRIATION	\$ 75,771,700
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG-MDOC	32,400
13	Federal revenues:	
14	CNS	1,669,000
15	DAG, employment and training	258,300
16	DED-OPSE, multiple grants	815,500
17	DED-OSERS, centers for independent living . . .	58,200
18	DED-OSERS, rehabilitation long-term training . .	566,900
19	DED-OSERS, rehabilitation services, vocational	
20	rehabilitation of state grants	44,238,000
21	DED-OSERS, state grants for technical related	
22	assistance	55,700
23	DOL-ETA, workforce investment act	4,259,500
24	DED - Perkins Act	171,900
25	HHS, temporary assistance for needy families . .	3,497,600
26	HHS-SSA, supplemental security income	4,185,500
27	Special revenue funds:	
28	Local-vocational rehabilitation match	3,247,100
29	Private-gifts, bequests, and donations	1,396,300

1	Rehabilitation services fees	1,236,900
2	Second injury fund	51,500
3	Student fees	308,000
4	Training material fees	256,300
5	State general fund/general purpose	\$ 9,467,100
6	(5) CAREER EDUCATION PROGRAMS	
7	Full-time equated classified positions . . 71.0	
8	Career and technical education--32.0 FTE positions	\$ 3,029,600
9	Postsecondary education--23.0 FTE positions . .	2,406,700
10	Adult education--14.0 FTE positions	2,175,900
11	Commission on Spanish-speaking affairs--2.0 FTE	
12	positions	<u>217,600</u>
13	GROSS APPROPRIATION	\$ 7,829,800
14	Appropriated from:	
15	Federal revenues:	
16	Federal revenues	5,616,900
17	Special revenue funds:	
18	Private occupational school license fees	274,100
19	Defaulted loan collection fees	100,000
20	State general fund/general purpose	\$ 1,838,800
21	(6) DEPARTMENT GRANTS	
22	Adult basic education	\$ 13,500,000
23	Council of Michigan foundations	6,000,000
24	Focus: HOPE	5,994,300
25	Job training programs subgrantees	106,818,300
26	Michigan community service commission	
27	subgrantees	6,900,000
28	Personal assistance services	462,000
29	Pre-college programs in engineering and the	

1	sciences	1,044,700
2	Supported employment grants	1,441,300
3	Technology assistance grants	1,378,700
4	Carl D. Perkins grants	41,500,000
5	Vocational rehabilitation client	
6	services/facilities	50,183,400
7	Vocational rehabilitation independent living . .	3,115,700
8	Welfare to work programs	<u>140,499,000</u>
9	GROSS APPROPRIATION	\$ 378,837,400
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG-MDOC	1,015,600
13	Federal revenues:	
14	CNS	5,500,000
15	DAG, employment and training	13,000,000
16	DED-OSERS, centers for independent living . . .	525,000
17	DED-OSERS, client assistance for individuals	
18	with disabilities	440,000
19	DED-OSERS, rehabilitation services, vocational	
20	rehabilitation of state grants	34,935,200
21	DED-OSERS, rehabilitation services facilities .	2,272,500
22	DED-OSERS, supported employment	1,441,300
23	DED-OSERS, state grants for technical related	
24	assistance	1,378,700
25	DED-OVAE, adult education	13,500,000
26	DED-OVAE, basic grants to states	41,500,000
27	DOL-ETA, workforce investment act	104,602,700
28	DOL-ETA, welfare-to-work	20,000,000
29	HHS, temporary assistance for needy families . .	98,499,000

1	HHS-SSA, supplemental security income	2,362,500
2	Special revenue funds:	
3	Local-vocational rehabilitation match	6,437,400
4	Local-vocational rehabilitation facilities match	1,278,300
5	Private-gifts, bequests, and donations	800,000
6	Contingent fund, penalty and interest account .	1,000,000
7	Tobacco settlement revenue	6,000,000
8	State general fund/general purpose	\$ 22,349,200
9	(7) EMPLOYMENT SERVICE AGENCY	
10	Full-time equated classified positions . . 303.0	
11	Building occupancy charges - property development	
12	service	\$ 674,100
13	Worker's compensation	143,800
14	Employment services--251.0 FTE positions	49,184,200
15	Labor market information--52.0 FTE positions . .	<u>4,453,100</u>
16	GROSS APPROPRIATION	\$ 54,455,200
17	Appropriated from:	
18	Federal revenues:	
19	DED-OSERS - Rehabilitation services, vocational	
20	rehabilitation of state grants	1,304,900
21	DOL, federal funds	47,329,200
22	Special revenue funds:	
23	Total local revenues	4,015,400
24	Contingent fund, penalty and interest account .	1,805,700
25	State general fund/general purpose	\$ 0
26	(8) BUDGETARY SAVINGS	
27	Budgetary savings	\$ <u>(183,800)</u>
28	GROSS APPROPRIATION	\$ (183,800)
29	Appropriated from:	

1	State general fund/general purpose	\$	(183,800)
2	Sec. 103. MICHIGAN STRATEGIC FUND		
3	(1) APPROPRIATION SUMMARY:		
4	Full-time equated classified positions	235.0	
5	GROSS APPROPRIATION	\$	180,206,000
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers		100,000
10	ADJUSTED GROSS APPROPRIATION	\$	180,106,000
11	Federal revenues:		
12	Total federal revenues		62,934,400
13	Special revenue funds:		
14	Total local revenues		0
15	Total private revenues		850,000
16	Total other state restricted revenues		50,050,000
17	State general fund/general purpose	\$	66,271,600
18	(2) MICHIGAN STRATEGIC FUND		
19	Full-time equated classified positions	235.0	
20	Administration--40.0 FTE positions	\$	5,559,600
21	Job creation services--195.0 FTE positions		25,437,300
22	Michigan promotion program		8,542,500
23	Economic development job training grants		31,000,000
24	Community development block grants		60,000,000
25	Health and aging research and development		
26	initiative		<u>50,000,000</u>
27	GROSS APPROPRIATION	\$	180,539,400
28	Appropriated from:		
29	Interdepartmental grant revenues:		

1	IDG-MDEQ, air quality fees	100,000
2	Federal revenues:	
3	DOL-ETA, employment service	771,200
4	HUD-CPD, community development block grant . . .	62,163,200
5	Special revenue funds:	
6	Private-Michigan certified development	
7	corporation fees	350,000
8	Private-special project advances	500,000
9	Industry support fees	50,000
10	Tobacco settlement trust fund	50,000,000
11	State general fund/general purpose	\$ 66,605,000
12	(3) BUDGETARY SAVINGS	
13	Budgetary savings	\$ <u>(333,400)</u>
14	GROSS APPROPRIATION	\$ (333,400)
15	Appropriated from:	
16	State general fund/general purpose	\$ (333,400)

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 from state resources under part 1 for fiscal year 2001-2002 is \$164,304,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2001-2002 is \$0.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Sec. 202. The appropriations authorized under this bill are subject to the management and budget act, 1984, PA 431, MCL 18.1101 to 18.1594.

1 Sec. 203. As used in this bill:

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

3 (b) "CEO" means chief executive officer.

4 (c) "CNS" means the corporation for national services.

5 (d) "DAG" means the United States department of agriculture.

6 (e) "DED" means the United States department of education.

7 (f) "DED-OPSE" means the DED office of postsecondary education.

8 (g) "DED-OSERS" means the DED office of special education
9 rehabilitation services.

10 (h) "DED-OVAE" means the DED office of vocational and adult
11 education.

12 (i) "Department" means the department of career development.

13 (j) "Director" means the director of the department of career
14 development.

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

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

17 (m) "Fiscal agencies" means the Michigan house fiscal agency and
18 the Michigan senate fiscal agency.

19 (n) "FTE" means full-time equated.

20 (o) "Fund" means the Michigan strategic fund.

21 (p) "GED" means general education degree.

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

24 (r) "HHS-SSA" means HHS social security administration.

25 (s) "HUD-CPD" means HUD community planning and development.

26 (t) "IDG" means interdepartmental grant.

27 (u) "MDEQ" means the Michigan department of environmental quality.

28 (v) "MDOC" means the Michigan department of corrections.

29 Sec. 204. The department of civil service shall bill departments
30 and agencies at the end of the first fiscal quarter for the 1% charge

1 authorized by section 5 of article XI of the state constitution of
2 1963. Payments shall be made for the total amount of the billing by
3 the end of the second fiscal quarter.

4 Sec. 205. (1) In addition to the funds appropriated for the
5 department and the fund in part 1, there is appropriated an amount not
6 to exceed \$41,000,000.00 for the department and \$7,000,000.00 for the
7 fund for federal contingency funds. These funds are not available for
8 expenditure until they have been transferred to another line item in
9 this bill under section 393(2) of the management and budget act, 1984
10 PA 431, MCL 18.1393.

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

17 (3) In addition to the funds appropriated in part 1, there is
18 appropriated an amount not to exceed \$8,000,000.00 for the department
19 for local contingency funds. These funds are not available for
20 expenditure until they have been transferred to another line item in
21 this bill under section 393(2) of the management and budget act, 1984
22 PA 431, MCL 18.1393.

23 (4) In addition to the funds appropriated in part 1, there is
24 appropriated an amount not to exceed \$1,000,000.00 for the department
25 and \$500,000.00 for the fund for private contingency funds. These
26 funds are not available for expenditure until they have been
27 transferred to another line item in this bill under section 393(2) of
28 the management and budget act, 1984 PA 431, MCL 18.1393.

29 Sec. 206. Unless otherwise specified, the department and fund
30 shall use the Internet to fulfill the reporting requirements of this

1 bill. This may include transmission of reports via electronic mail to
2 the recipients identified for each reporting requirement or it may
3 include placement of reports on an Internet or Intranet site.
4 Quarterly, the department and fund shall provide to the appropriations
5 subcommittee members, state budget office, and the fiscal agencies an
6 electronic and paper copy listing of the reports submitted during the
7 most recent 3-month period along with the Internet or Intranet site of
8 each report, if any.

9 Section 207. (1) A hiring freeze is imposed on the state
10 classified civil service. State departments and agencies are
11 prohibited from hiring any new full-time state classified civil
12 service employees and prohibited from filling any vacant state
13 classified civil service positions. This hiring freeze does not apply
14 to internal transfers of classified employees from one position to
15 another within a department.

16 (2) The state budget director shall grant exceptions to this
17 hiring freeze when the state budget director believes that the hiring
18 freeze will result in rendering a state department or agency unable to
19 deliver basic services, cause loss of revenue to the state, result in
20 the inability of the state to receive federal funds, or would
21 necessitate additional expenditures that exceed any savings from
22 maintaining a vacancy. The state budget director shall report by the
23 thirtieth of each month to the chairpersons of the senate and house
24 standing committees on appropriations the number of exceptions to the
25 hiring freeze approved during the previous month and the reasons to
26 justify the exception.

27 Section 208. (1) The negative appropriation for budgetary savings
28 in part 1 shall be satisfied by savings from the hiring freeze imposed
29 in section 207 and, if necessary, by other savings identified by the
30 department director and approved by the state budget director.

(2) Appropriation authorizations shall be adjusted after the approval of transfers by the legislature pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

DEPARTMENT OF CAREER DEVELOPMENT

Sec. 301. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in part 1.

Sec. 302. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701 to 717, 720 to 724, 730 to 732, 740 to 741, 750, 752, 760 to 762, 770 to 777b, 777d to 777f, 780, 781 to 785, 790 to 794d, 795 to 795q, and 796 to 796i.

Sec. 303. (1) Of the funds appropriated in part 1 for vocational rehabilitation independent living, all general fund/general purpose revenue not used to match federal funds shall be used for the support of centers for independent living which are in compliance with federal standards for such centers, for the development of new centers in areas presently unserved or underserved, for technical assistance to centers, and for projects to build capacity of centers to deliver independent living services. Applications for such funds shall be reviewed in accordance with criteria and procedures established by the statewide independent living council, the Michigan rehabilitation services unit within the department, and the Michigan commission for

1 the blind. Funds must be used in a manner consistent with the
2 priorities established in the state plan for independent living. The
3 department is directed to work with the Michigan association of
4 centers for independent living and the local workforce development
5 boards to identify other competitive sources of funding.

6 (2) The statewide independent living council and the Michigan
7 association of centers for independent living shall jointly produce a
8 report providing the following information:

9 (a) Results in terms of enhanced statewide access to independent
10 living services to individuals who do not have access to such services
11 through other existing public agencies, including measures by which
12 these results can be monitored over time. These measures shall
13 include:

14 (i) Total number of persons assisted by the centers and a
15 comparison to the number assisted in the previous year.

16 (ii) Number of persons moved out of nursing homes into independent
17 living situations and a comparison to the number assisted in the
18 previous year.

19 (iii) Number of persons for whom accommodations were provided to
20 enable independent living or access to employment and a comparison to
21 the number assisted in the previous year.

22 (iv) The total number of disabled individuals served by personal
23 care attendants and the number of personal care attendants provided
24 through the use of any funds appropriated in part 1 administered by a
25 center for independent living and a comparison to the number served in
26 the previous year.

27 (b) Information from each center for independent living receiving
28 funding through appropriations in part 1 detailing their total budget
29 for their most recently completed fiscal year as well as the amount
30 within that budget funded through the vocational rehabilitation

1 independent living grant program referenced in part 1, the total
2 amount funded through other state agencies, the amount funded through
3 federal sources, and the amount funded through local and private
4 sources.

5 (c) Savings to state taxpayers in other specific areas that can be
6 shown to be the direct result of activities funded from the vocational
7 rehabilitation independent living grant program during the most
8 recently completed state fiscal year.

9 (3) The report required in subsection (2) shall be submitted to
10 the appropriate appropriations subcommittees, the fiscal agencies, and
11 the state budget director on or before January 15, 2002.

12 Sec. 304. (1) The appropriation in part 1 to the department for
13 the work first program shall be expended for grants which provide
14 employment and training services to family independence program
15 applicants and recipients and may be expended for grants which provide
16 employment and training services to former family independence program
17 recipients, as well as to recipients of noncash public assistance,
18 specifically child day care, Medicaid, or food stamp benefits. The
19 work first program, however, shall not be construed to be an
20 entitlement to services.

21 (2) An applicant may be a school district, intermediate school
22 district, community college, public or private nonprofit college or
23 university, nonprofit organization that provides school-to-work
24 transition programs or that provides employment and training services
25 or vocational rehabilitation programs or state licensed accredited
26 vocational or technical education programs, proprietary school
27 licensed by the state board of education, local workforce development
28 board, or a consortium consisting of any combination of school
29 districts, intermediate school districts, community colleges,
30 nonprofit organizations described in this subsection, licensed

1 proprietary schools, or public or private nonprofit colleges or
2 universities described in this subsection.

3 (3) When the work first job search requirements have been
4 completed, if the participant has not found employment, the work first
5 site shall identify the barriers which may have prevented the
6 participant from obtaining employment and assist the client in
7 removing those barriers. The work first site shall also identify
8 appropriate education and job training programs which would be
9 available to the participant.

10 (4) Work first program participants shall include applicants and
11 recipients of the family independence program established under
12 section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and
13 such individuals referred to a job club program by a county family
14 independence agency board or a county friend of the court as long as
15 the participation in the job club is part of an application made under
16 this section.

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

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

23 (7) Work first program participants must receive or be provided an
24 explanation of the program including their benefits and
25 responsibilities before the job interview phase of the program. This
26 explanation shall include clear guidelines with regard to an
27 individual's eligibility for postemployment training support and for
28 applying hours in training toward federal work requirements.

29 (8) The department shall make every effort to place a minimum of
30 50% of clients who participate in the work first program in positions

1 that provide wages of \$6.00 per hour or more.

2 (9) The department shall submit to the fiscal agencies and the
3 state budget director by March 15, 2002, a report on the work first
4 program, including the number of participants served under this
5 section, the number of persons who located employment through work
6 first, the average wage of participants who found employment, the
7 number of persons who retained jobs for 90 days, the number of
8 participants placed in employment training and education programs, the
9 number of clients referred to work first who failed to report, a
10 compilation of barriers to employment by incidence and type
11 experienced by participants, and the number of participants referred
12 back to the family independence agency.

13 (10) The department shall provide to the state budget director and
14 the fiscal agencies by May 15 and November 15 of each year a report on
15 the work first grants. The report due by May 15 shall provide the
16 information described in this subsection for each grant or contract
17 awarded during the preceding 2 quarters of the state fiscal year. The
18 report due by November 15 shall provide this information for each
19 grant or contract awarded during the preceding full fiscal year. The
20 report shall contain both of the following:

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

22 (b) The number of participants in each service delivery area and
23 the number of clients placed in employment in each service delivery
24 area.

25 (11) Work first participants may meet the work participation
26 requirement by combining a minimum of 10 hours per week of work with
27 training/education. Training/education may last up to 12 months and
28 the calculated hours may include actual classroom seat time up to 10
29 hours per week plus up to 1 hour of study time for each hour of
30 classroom seat time. The combined work and training/education hours

1 must equal the minimum number of hours required to meet the federal
2 work participation requirements, 30 hours per week for a single
3 parent, 35 hours per week for 2-parent families, 55 hours if utilizing
4 federally funded day care, and 20 hours per week for single parents
5 with a child under the age of 6. Work first participants may enroll in
6 additional hours of classroom seat time beyond 10 hours. However,
7 these hours and the related study time will not count toward the work
8 participation requirement. The training may be no longer than a 1-year
9 program, or the final year of a 2- or 4-year undergraduate program
10 which is designed to lead to immediate labor force attachment.

11 (12) Work first participants may meet the federal work
12 participation requirement through enrollment in a short-term
13 vocational program requiring 30 hours of classroom seat time per week
14 for a period not to exceed 6 months, or by enrollment in full-time
15 internships, practicums, or clinicals required by an academic or
16 training institution for licensure, professional certification, or
17 degree completion, without an additional work requirement. Two-parent
18 families who receive federally funded day care must work an additional
19 25 hours per week to meet the federal work participation requirement.
20 In cases where a short-term vocational program lasts less than 6
21 months, the participant shall be eligible to enroll in 1 additional
22 short-term vocational program for a combined period not to exceed a
23 total of 6 months.

24 (13) Work first participants who lack a high school diploma or GED
25 and who enroll in high school completion or classes to obtain a GED
26 may count up to 10 hours of classroom seat time, combined with a
27 minimum number of hours of work per week, to meet their federal work
28 participation requirement. There shall be no time limit on high school
29 completion. GED preparation shall be limited to 6 months.

30 Sec. 305. (1) Using all relevant state data sources, the

1 department shall acquire data on former work first participants, whose
2 family independence program cases closed due to earnings during fiscal
3 year 2000, for the third year in the continuing longitudinal study
4 started in fiscal year 2000. In addition, first and second year data
5 will also be compiled on former work first participants whose family
6 independence program cases were closed due to earnings during fiscal
7 year 2000 and 2001. The data will include the following:

- 8 (a) The number and percentage employed.
- 9 (b) The average hourly wage of those employed.
- 10 (c) The current hourly wage of those employed.
- 11 (d) The range of wages earned by those employed.
- 12 (e) The number of individuals that earned each wage amount.
- 13 (f) The number and percentage receiving health care benefits from
14 their employer.
- 15 (g) The number and percentage receiving tuition reimbursement from
16 their employer.
- 17 (h) The number and percentage receiving training benefits from
18 their employer.
- 19 (i) The type of jobs obtained by former participants in general
20 categories.
- 21 (j) The length of time former participants have retained their
22 jobs, or if participants have had more than 1 job, the length of time
23 employed at each job.
- 24 (k) The number and percentage continuing to receive any type of
25 public assistance.
- 26 (l) If the former recipient has children, whether the children are
27 enrolled in and attending school.
- 28 (m) The extent to which the former participant feels that they and
29 their family are better off now than when they were on cash assistance
30 with regard to household income, housing, food and nutritional needs,

1 child health care, and access to health insurance coverage.

2 (2) The department shall file a report containing the identified
3 data with the appropriate house and senate appropriation subcommittees
4 and fiscal agencies by March 15, 2002.

5 (3) The department shall cooperate with the family independence
6 agency in formulating and acquiring the identified data.

7 (4) The department may retain a third party to conduct the studies
8 to obtain the data identified under this section.

9 Sec. 306. State and federal funds allocated to local workforce
10 development boards for disbursement shall not be expended unless the
11 local workforce development boards maintain a partnership with
12 governmental agencies, public school districts, and public colleges
13 located within the local service delivery area. Each board shall
14 appoint an education advisory group made up of high-level
15 administrators within local educational institutions, workforce
16 development board members, other employers, labor, academic educators,
17 and parents of public school pupils.

18 Sec. 307. Of the funds appropriated in part 1 for precollege
19 programs in engineering and the sciences, \$620,000.00 shall be
20 provided in the form of a grant to the Detroit precollege engineering
21 program, incorporated and \$424,700.00 shall be provided in the form of
22 a grant to the Grand Rapids area precollege engineering program.

23 Sec. 308. Funds earned or authorized by the United States
24 department of labor in excess of the gross appropriation in part 1 for
25 the employment service agency from the United States department of
26 labor are appropriated and may be expended for staffing and related
27 expenses incurred in the operation of its programs. These funds may be
28 spent after the department notifies the appropriations subcommittees
29 of the house and senate and the state budget office of the purpose and
30 amount of each grant award.

1 Sec. 309. The funds appropriated in part 1 for the council of
2 Michigan foundations from tobacco settlement revenue shall be
3 distributed to the council of Michigan foundations as a grant to
4 support local community efforts to address youth and senior health
5 needs. The council may distribute the funds according to a formula
6 determined by the council or may invest these funds. Any investment
7 earnings from this appropriation shall be used for the same purpose as
8 the original appropriation.

9 Sec. 310. The department may carry into the succeeding fiscal year
10 unexpended federal pass-through funds to local institutions and
11 governments that do not require additional state matching funds.
12 Federal pass-through funds to local institutions and governments that
13 are received in amounts in addition to those included in part 1 and
14 that do not require additional state matching funds are appropriated
15 for the purposes intended.

16 Sec. 311. Of the amounts appropriated in part 1 for postsecondary
17 education, private occupational school license fees shall fund related
18 administrative costs of the proprietary schools oversight unit within
19 the department.

20 Sec. 312. Money in the school loan exception fee fund that is
21 unexpended at the end of the fiscal year shall not revert to the
22 general fund but shall be carried over to the succeeding fiscal year.

23 Sec. 313. The department is appropriated an amount not to exceed
24 \$100,000.00 from collection of defaulted loans under the future
25 faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa
26 Parks programs to offset costs of administering the loan collections.

27 Sec. 314. From the funds appropriated in part 1 for postsecondary
28 education, the department shall compile data from each university that
29 receives funding for the future faculty program within the King-
30 Chavez-Parks initiative on employment outcomes for program

1 participants. The report shall be distributed to the house and senate
2 appropriations committees and the state budget office by February 1 of
3 each year. The report shall include data from each participating
4 university covering the most recently completed fiscal year. The data
5 shall include all of the following:

6 (a) The number of participants receiving support under the
7 program.

8 (b) The number of participants obtaining full-time employment.

9 (c) The number of participants obtaining full-time employment in
10 college faculty positions.

11 (d) The number of participants obtaining full-time employment in
12 college faculty positions within the university through which they
13 received future faculty program support for graduate studies.

14 Sec. 315. The appropriation in part 1 for adult education shall be
15 utilized to support the administration of up to \$100,000,000.00 in
16 general fund/general purpose revenue for adult education programs.

17 Sec. 316. It is the intent of the legislature that the King-
18 Chavez-Parks initiative is marketed by the department to Michigan
19 parents and high school and college students, to promote the benefits
20 and the availability of its various programs.

21 Sec. 317. It is the intent of the Martin Luther King, Jr. - Cesar
22 Chavez - Rosa Parks future faculty program to increase the pool of
23 minority candidates pursuing faculty teaching careers in postsecondary
24 education. Each university shall apply the percentage increase
25 applicable to every university in the calculation of appropriations
26 allocated to the future faculty program.

27 Sec. 318. (1) It is the intent of the Martin Luther King, Jr. -
28 Cesar Chavez - Rosa Parks college day program to introduce school
29 children underrepresented in postsecondary education to the potential
30 of a college education.

1 (2) Individual program plans of each university shall include a
2 budget of equal contributions from this program, the participating
3 public university, the participating school district, and the
4 participating independent degree-granting college. College day funds
5 shall not be expended to cover indirect cost. Not more than 20% of the
6 university match shall be attributable to indirect costs. Each
7 university shall apply the percentage increase applicable to every
8 university in the calculation of appropriations allocated to the
9 college day program.

10 Sec. 319. (1) It is the intent of the Martin Luther King, Jr. -
11 Cesar Chavez - Rosa Parks select student support services program to
12 develop academically and economically disadvantaged student retention
13 programs for 4-year public and independent educational institutions in
14 this state.

15 (2) An award made under this program to any one institution shall
16 not be greater than \$150,000.00, and the amount awarded shall be
17 matched on a 70% state, 30% college or university basis.

18 Sec. 320. (1) It is the intent of the Martin Luther King, Jr. -
19 Cesar Chavez - Rosa Parks college/university partnership program
20 between 4-year public and independent colleges and universities and
21 public community colleges to increase the number of underrepresented
22 minority students who transfer from community colleges into
23 baccalaureate programs.

24 (2) The grants shall be made under this program to Michigan public
25 and independent colleges and universities. An award to any one
26 institution shall not be greater than \$150,000.00, and the amount
27 awarded shall be matched on a 70% state, 30% university basis.

28 Sec. 321. It is the intent of the Martin Luther King, Jr. Cesar
29 Chavez Rosa Parks visiting professors program to increase the number
30 of minority instructors in the classroom and provide role models for

1 underrepresented minority students.

2 Sec. 322. Each state institution of higher education receiving
3 funds under section 325, 326, 327, 328, or 329 shall notify the
4 department by April 15, 2002 as to whether it will expend by the end
5 of its fiscal year the funds received under section 325, 326, 327,
6 328, or 329. Notwithstanding the award limitations in sections 327 and
7 328, the amount of funding reported as not being expended will be
8 reallocated to the institutions that intend to expend all funding
9 received under section 325, 326, 327, 328, or 329.

10 Sec. 323. (1) It is the intent of the Martin Luther King, Jr. -
11 Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator
12 development program to increase the number of minority students,
13 especially males, who enroll in and complete K-12 teacher education
14 programs at the baccalaureate level.

15 (2) The program shall be administered by each state-approved
16 teacher education institution in a manner prescribed by the
17 department.

18 (3) Approved teacher education institutions may and are encouraged
19 to use student support services funding in coordination with the
20 Morris Hood, Jr. funding to achieve the goals of the program.

21 **MICHIGAN STRATEGIC FUND**

22 Sec. 401. (1) The appropriation in part 1 to the fund for economic
23 development job training shall be expended for competitive grants that
24 ensure employers have the trained workers they need to compete in the
25 global economy. The fund shall expedite grant awards for employers
26 locating or expanding in Michigan and thereby creating significant
27 numbers of new jobs in the state.

28 (2) Not more than 5% of the total grant, administration, and
29 operating funds appropriated in part 1 for the fund's economic
30 development job training grants program may be expended for

1 administrative costs. Not more than 12% of the total grant awarded to
2 recipients may be expended for administration costs.

3 (3) No funds appropriated in part 1 to the fund for economic
4 development job training grants may be expended for the training of
5 permanent striker replacement workers.

6 (4) At least 70% of the economic development job training grant
7 funds shall be awarded to community colleges or a consortium of
8 community colleges and other eligible applicants pursuant to the
9 requirements of this section.

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

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

23 (7) On or before October 1, 2001, the fund shall publish proposed
24 application criteria, instructions, and forms for use by eligible
25 applicants. The fund shall provide at least a 2-week period for public
26 comment prior to finalization of the application criteria,
27 instructions, and forms.

28 (8) The award process will include a simple notice of intent to be
29 reviewed to see if the application merits further consideration. If
30 so, a full application may be submitted. Applications for all grants

1 shall be submitted to the fund, and each application shall contain at
2 least all of the following:

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

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

6 (c) A clear statement of the project's scope of activities and
7 number of participants to be involved.

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

10 (e) A budget which relates to the proposed activities and various
11 program components.

12 (9) Priority in the fund's awarding of grants shall be based on
13 the following criteria:

14 (a) Demonstrated need for the type of training offered.

15 (b) Creation and/or retention of high wage and high skilled level
16 jobs.

17 (c) Other criteria determined by the fund to be important.

18 (10) Not more than \$5,000,000.00 of the amount appropriated in
19 part 1 for economic development job training may be allocated to rapid
20 response grants for employee training programs which maintain or
21 attract permanent jobs for Michigan residents. A grant under this
22 subsection shall be awarded to eligible applicants under subsection
23 (1)(a).

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

27 (12) Funds allocated under this section shall be for the purpose
28 of ensuring that employers have trained workers they need to compete
29 in the global economy. The fund shall have on file a specific plan to
30 accomplish its objectives. The program estimated completion cost is

1 the total amount appropriated to the fund and shall have an estimated
2 completion date of September 30, 2005.

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

9 (14) For incumbent worker training, the business organization
10 shall provide 25% of the program costs in matching funds as determined
11 by the program.

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

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

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

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

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

1 (d) The matching funds, if any, to be provided by a business
2 organization.

3 (17) Of the funds appropriated in part 1 for economic development
4 job training grants, the fund shall not use these funds to finance the
5 startup or in any way subsidize any private distributor of liquor
6 products in Michigan.

7 (18) As a condition of receiving funds under part 1 of this bill,
8 the fund shall not expend any of the economic development job training
9 grant funds to train any employee who is an officer of a corporation
10 in a corporation employing more than 250 employees.

11 (19) Of the funds appropriated in part 1, \$1,000,000.00 may be
12 used for a recruitment program. This will be a program that provides
13 worker recruitment assistance to companies in Michigan. Priority for
14 using the funds shall be to recruit workers from outside the state of
15 Michigan. However, in the event funds are available for in-state
16 recruitment efforts, the Michigan works! agencies shall be utilized
17 unless they indicate they are unable to provide the service.

18 Sec. 402. The travel Michigan may establish and collect a fee to
19 cover the cost of materials and processing of photographic prints,
20 slides, videotapes, and travel product database information that are
21 requested by the media and other segments of the public and private
22 sectors. The fees collected shall be appropriated for all expenses
23 necessary to purchase and distribute these photographic prints,
24 slides, videotapes, and travel product database information. The funds
25 are available for expenditure when they are received by the department
26 of treasury.

27 Sec. 403. The fund shall submit an annual status report to the
28 appropriations subcommittees of the house of representatives and
29 senate and the state budget director on all activities, grants, and
30 investment programs financed from the strategic fund/renaissance fund

1 using investment or Indian gaming revenues. The report shall provide a
2 list of individual grants and loans made from the fund.

3 Sec. 404. The travel Michigan may receive and expend private
4 revenue related to the use of the "Michigan Great Lakes. Great Times."
5 copyrighted slogan and image. This revenue may come from the direct
6 licensing of the name and image or from the royalty payments from
7 various merchandise sales. Revenue collected is appropriated for the
8 marketing of the state as a travel destination. The funds are
9 available for expenditure when they are received by the department of
10 treasury.

11 Sec. 405. The fund shall submit on or before May 1, 2002 and
12 November 1, 2002 to the senate and house of representatives
13 appropriations subcommittees, state budget office and the fiscal
14 agencies a listing of all grants which have been awarded by the fund
15 or by the Michigan economic development corporation from the funds
16 appropriated in part 1. The list shall include all of the following:

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

20 Sec. 406. (1) The fund shall provide reports to the relevant
21 senate and house of representatives appropriations subcommittees,
22 state budget office and the fiscal agencies concerning the activities
23 of the Michigan economic development corporation. The report shall
24 include, but not be limited to, the following programs funded in part
25 1:

- 26 (a) Travel Michigan.
27 (b) Michigan business development.
28 (c) Global business development.
29 (d) Small, minority, and disabled business services.
30 (e) CDBG.

1 (f) Strategic/renaissance fund administration.

2 (g) Renaissance zones.

3 (h) Business roundtables.

4 (i) Business and clean air ombudsman.

5 (j) Economic development job training grants.

6 (k) Film office.

7 (l) Health and aging research and development initiative.

8 (m) Any other programs of the fund.

9 (2) The reports in subsection (1) shall be submitted by January 1,
10 2002. The report for each program in subsection (1)(a) through (m)
11 shall include details on the actual spending and number of FTEs for
12 that program for the previous fiscal year.

13 Sec. 407. As a condition of receiving funds under part 1, any
14 interlocal agreement entered into by the fund shall include language
15 which states that if a local unit of government has a contract or
16 memorandum of understanding with a private economic development
17 agency, the Michigan economic development corporation will work
18 cooperatively with that private organization in that local area.

19 Sec. 408. (1) Of the funds appropriated to the fund or through
20 grants to the Michigan economic development corporation, no funds
21 shall be expended for the purchase of options on land or the purchase
22 of land unless at least 1 of the following conditions applies:

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

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

27 (2) Consideration may be given to purchases where the proposed use
28 of the land is consistent with a regional land use plan, will result
29 in the redevelopment of an economically distressed area, can be
30 supported by existing infrastructure, and will not cause shifts in

1 population away from the area's population centers.

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

8 Sec. 409. (1) From the funds appropriated in part 1 for the fund,
9 \$50,000,000.00 is appropriated for a health and aging research and
10 development initiative to support basic and applied research in
11 health-related areas, with emphasis on issues related to aging. The
12 program shall be administered by the Michigan economic development
13 corporation.

14 (2) A health and aging steering committee, appointed by the
15 governor, shall consist of 14 members including the CEO of the
16 Michigan economic development corporation, a member from Michigan
17 State University, the University of Michigan, Wayne State University,
18 the VanAndel Institute, and 2 members from the private sector. The
19 remaining members shall be appointed at large and may include members
20 from the private sector, public sector, or other Michigan
21 universities. Committee members are authorized to designate alternate
22 members. The purpose of the steering committee is to provide advice
23 and oversight of the initiative, including the development of criteria
24 for the award of contracts or grants to qualifying universities,
25 institutions, or individuals. The steering committee will make
26 decisions regarding distribution of these grant funds and has the
27 authority to make minor adjustments to the category funding percentage
28 based upon the demands within categories and the quality of the
29 applications received.

30 (3) Of the funds appropriated, 40% is allocated for a basic

1 research fund, to be distributed on a competitive basis to Michigan
2 universities or Michigan nonprofit research institutes, or both, for
3 basic research in health-related areas. Not less than \$5,000,000.00 is
4 allocated to research related to aging diseases and health problems.
5 Fifty percent of the appropriated funds are earmarked for a
6 collaborative research fund to support peer-reviewed collaborative
7 grants among Michigan universities and/or private research facilities,
8 with emphasis on testing or developing emerging discoveries. Up to 10%
9 of the appropriated funds may be used to support a commercial
10 development fund to support commercialization opportunities for life
11 science research in Michigan. Appropriated funds must be matched with
12 other university, private, or federal funding. Not more than 5% of the
13 appropriated funds may be used for administrative costs of
14 administering the initiative.

15 (4) Repayment of any award made under 120 PA of 1999, 292 PA of
16 2000 or under this bill shall be deposited in accordance with the
17 following:

18 a) Repayment of the award amount shall be credited to the Michigan
19 health and aging research and development initiative;

20 b) Repayment of any funds in excess of the award amount identified
21 in subsection (a) above, including but not limited to, interest or
22 equity, shall be deposited in the Michigan strategic fund. These
23 funds are authorized for expenditure upon receipt and shall not lapse
24 to the general fund.

25 Sec. 410. The money appropriated in part 1 to the fund is subject
26 to the condition that none is spent for premiums or advertising
27 material involving personal effects or apparel including, but not
28 limited to, T-shirts, hats, coffee mugs, or other promotional items,
29 except travel Michigan.

30 Sec. 411. (1) From the general fund/general purpose appropriations

1 in part 1 to the fund and granted or transferred to the Michigan
2 economic development corporation, any unexpended or unencumbered
3 balance shall be returned to the general fund at the end of the fiscal
4 year, unless carryforward authorization is otherwise provided for.

5 (2) Any encumbered funds shall be used for the same purposes for
6 which funding was originally appropriated in this bill.

7 Sec. 412. As a condition of receiving funds under part 1, the fund
8 shall ensure that a public body corporate, created under section 28 of
9 article VII of the state constitution of 1963, and the urban
10 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512,
11 by a contractual interlocal agreement between local participating
12 economic development corporations formed under the economic
13 development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636,
14 and the Michigan strategic fund, complies with all of the following:

15 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to
16 15.246.

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

18 (c) Annual audits of all financial records by the auditor general
19 or his or her designee.

20 (d) All reports required by law to be submitted to the
21 legislature.

22 Sec. 413. As a condition for receiving the appropriations in part
23 1, any staff of the Michigan economic development corporation involved
24 in private fund-raising activities shall not be party to any decisions
25 regarding the awarding of grants or tax abatements from the Michigan
26 strategic fund, Michigan economic development corporation, or the
27 Michigan economic growth authority.

28 Sec. 414. All funds received from repayment of loans, unused
29 grants, revenues received from sales or cash flow participation
30 agreements, guarantees, or any combination thereof or interest

1 thereon, originally distributed as part of the core communities fund,
2 shall be received, held and applied by the Michigan strategic fund for
3 the purposes described in section 430 of PA 291 of 2000.

4 Sec. 415. Federal pass-through funds to local institutions and
5 governments that are received in amounts in addition to those included
6 in part 1 and that do not require additional state matching funds are
7 appropriated for the purposes intended. The fund may carry into the
8 succeeding fiscal year unexpended federal pass-through funds to local
9 institutions and governments that do not require additional state
10 matching funds.