

**SUBSTITUTE FOR
HOUSE BILL NO. 5521**

A bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2005; 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:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. The amounts listed in this part are appropriated for
4 the department of labor and economic growth and the Michigan strategic
5 fund, subject to the conditions set forth in this act, for the fiscal
6 year ending September 30, 2005, from the funds identified in this

1 part. The following is a summary of the appropriations in this part:

2 **DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

3 APPROPRIATION SUMMARY:

4	Full-time equated unclassified positions.....	58.5	
5	Full-time equated classified positions.....	4,238.5	
6	GROSS APPROPRIATION.....	\$	1,219,111,500
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers.....		515,200
10	ADJUSTED GROSS APPROPRIATION.....	\$	1,218,596,300
11	Federal revenues:		
12	Total federal revenues.....		792,502,100
13	Special revenue funds:		
14	Total local revenues.....		15,244,600
15	Total private revenues.....		4,140,100
16	Total other state restricted revenues.....		297,914,500
17	State general fund/general purpose.....	\$	108,795,000
18	Sec. 102. EXECUTIVE DIRECTION		
19	Full-time equated unclassified positions.....	58.5	
20	Full-time equated classified positions.....	256.0	
21	Unclassified salaries.....	\$	5,349,400
22	Energy office--9.0 FTE positions.....		4,213,500
23	Executive director programs--27.0 FTE positions.....		2,964,300
24	Policy development--25.0 FTE positions.....		2,734,700
25	Utility consumer representation.....		550,000
26	Regulatory efficiency improvements/backlog reduction		
27	initiative.....		665,600

1	MES board of review program--18.0 FTE positions.....	1,930,600
2	Commission on disability concerns--7.0 FTE positions	969,100
3	Commission for the blind--94.0 FTE positions.....	17,862,400
4	Youth low-vision program.....	241,800
5	Bureau of hearings--68.0 FTE positions.....	8,196,300
6	Rights-of-way oversight authority--5.0 FTE positions	500,000
7	Land bank fast track authority--3.0 FTE positions...	<u>650,000</u>
8	GROSS APPROPRIATION..... \$	46,827,700
9	Appropriated from:	
10	Federal revenues:	
11	DOE-OEERE, multiple grants.....	3,679,100
12	DOL-ETA, unemployment insurance.....	9,392,500
13	DOL-ETA, workforce investment act.....	99,200
14	DOL, federal funds.....	269,900
15	DOL, multiple grants for safety and health.....	170,200
16	Federal revenues.....	13,804,500
17	HHS, temporary assistance for needy families.....	23,000
18	Special revenue funds:	
19	Local revenues.....	75,000
20	Private - oil overcharge.....	30,000
21	Private revenues.....	120,700
22	Bank fees.....	174,800
23	Boiler fees.....	33,500
24	Construction code fund.....	480,900
25	Consumer finance fees.....	61,200
26	Corporation fees.....	2,425,300
27	Credit union fees.....	112,700

1	Elevator fees.....	37,400
2	Fees and collections/asbestos.....	11,100
3	Insurance regulatory fees.....	566,200
4	Land bank fast track authority.....	650,000
5	Licensing and regulation fees.....	1,121,500
6	Liquor license fees.....	100,000
7	Liquor purchase revolving fund.....	1,773,500
8	Manufactured housing commission fees.....	159,900
9	Metro authority fund.....	500,000
10	Michigan state housing development authority fees	
11	and charges.....	475,900
12	Motor carrier fees.....	36,100
13	Public utility assessments.....	1,399,600
14	Safety education and training fund.....	243,900
15	Second injury fund.....	82,300
16	Securities fees.....	2,328,900
17	Self-insurers security fund.....	22,300
18	Silicosis and dust disease fund.....	32,700
19	State restricted revenues.....	477,300
20	Tax tribunal fees.....	1,100
21	Utility consumer representation fund.....	550,000
22	Worker's compensation administrative revolving fund.	80,800
23	State general fund/general purpose..... \$	5,224,700
24	Sec. 103. MANAGEMENT SERVICES	
25	Full-time equated classified positions.....161.0	
26	Administrative services--161.0 FTE positions..... \$	14,959,500
27	Building occupancy charges - property development	

1	services.....	9,282,400
2	Rent.....	17,338,600
3	Worker's compensation.....	1,947,700
4	Special project advances.....	940,000
5	Human resources optimization user charges.....	<u>147,600</u>
6	GROSS APPROPRIATION..... \$	44,615,800
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from department of community health.....	300,000
10	Federal revenues:	
11	CNS.....	295,700
12	DED-OSERS, rehabilitation services, vocational	
13	rehabilitation of state grants.....	4,854,000
14	DOL-ETA, workforce investment act.....	439,100
15	DOL-ETA, unemployment insurance.....	14,125,000
16	DOL, federal funds.....	2,306,500
17	DOL, multiple grants for safety and health.....	573,600
18	Federal funds.....	20,600
19	Federal revenues.....	785,700
20	HHS, temporary assistance for needy families.....	311,400
21	Special revenue funds:	
22	Local revenue.....	135,500
23	Private - special project advances.....	940,000
24	Bank fees.....	287,800
25	Boiler fee revenue.....	239,100
26	Construction code fund.....	1,294,900
27	Consumer finance fees.....	103,900

1	Contingent fund, penalty and interest account.....	804,500
2	Corporation fees.....	2,584,100
3	Credit union fees.....	207,000
4	Elevator fees.....	268,100
5	Fees and collections/asbestos.....	45,300
6	Fire service fees.....	295,700
7	Insurance licensing and regulation fees.....	1,748,600
8	Insurance regulatory fees.....	553,600
9	Licensing and regulation fees.....	462,400
10	Liquor purchase revolving fund.....	3,784,500
11	Manufactured housing commission fees.....	243,300
12	Michigan state housing development authority fees	
13	and charges.....	2,933,300
14	Motor carrier fees.....	149,100
15	Private occupational school license fees.....	14,000
16	Public utility assessments.....	1,402,700
17	Rehabilitation services fees.....	90,300
18	Safety education and training fund.....	359,900
19	Second injury fund.....	171,200
20	Securities fees.....	304,700
21	Self-insurers security fund.....	61,000
22	Silicosis and dust disease fund.....	68,600
23	Worker's compensation administrative revolving fund.	95,600
24	State general fund/general purpose..... \$	955,500
25	Sec. 104. OFFICE OF FINANCIAL AND INSURANCE	
26	SERVICES	
27	Full-time equated classified positions.....	266.0

1	Administration--8.0 FTE positions.....	\$	2,632,400
2	Financial evaluation--145.0 FTE positions.....		19,543,000
3	Policy conduct and consumer assistance--113.0 FTE		
4	positions.....		<u>12,865,700</u>
5	GROSS APPROPRIATION.....	\$	35,041,100
6	Appropriated from:		
7	Federal revenues:		
8	Federal funds.....		50,400
9	Special revenue funds:		
10	Bank fees.....		7,078,600
11	Consumer finance fees.....		3,275,100
12	Credit union fees.....		4,484,200
13	Insurance continuing education fees.....		741,400
14	Insurance licensing and regulation fees.....		4,291,500
15	Insurance regulatory fees.....		13,288,100
16	Multiple employer welfare arrangement.....		65,700
17	Securities fees.....		1,766,100
18	State general fund/general purpose.....	\$	0
19	Sec. 105. PUBLIC SERVICE COMMISSION		
20	Full-time equated classified positions.....		146.0
21	Administration, planning and regulation--146.0 FTE		
22	positions.....	\$	18,734,700
23	Low-income/energy efficiency assistance.....		<u>45,000,000</u>
24	GROSS APPROPRIATION.....	\$	63,734,700
25	Appropriated from:		
26	Federal revenues:		
27	DOE-OEERE, multiple grants.....		149,000

1	DOT-RSPA, gas pipeline safety.....	940,700
2	Special revenue funds:	
3	Low-income and energy efficiency fund.....	45,000,000
4	Motor carrier fees.....	1,958,500
5	Public utility assessments.....	15,686,500
6	State general fund/general purpose..... \$	0
7	Sec. 106. LIQUOR CONTROL COMMISSION	
8	Full-time equated classified positions.....152.0	
9	Management support services-- 28.0 FTE positions.... \$	2,901,800
10	Liquor licensing and enforcement--124.0 FTE	
11	positions.....	11,587,700
12	Liquor law enforcement grants.....	6,000,000
13	Grant to department of agriculture, wine industry	
14	council.....	<u>457,200</u>
15	GROSS APPROPRIATION..... \$	20,946,700
16	Appropriated from:	
17	Special revenue funds:	
18	Liquor license revenue.....	11,411,500
19	Liquor purchase revolving fund.....	9,078,000
20	Nonretail liquor license revenue.....	457,200
21	State general fund/general purpose..... \$	0
22	Sec. 107. MICHIGAN STATE HOUSING DEVELOPMENT	
23	AUTHORITY	
24	Full-time equated classified positions.....232.0	
25	Payments on behalf of tenants..... \$	120,000,000
26	Housing and rental assistance program--232.0 FTE	
27	positions.....	<u>31,624,300</u>

1	GROSS APPROPRIATION.....	\$	151,624,300
2	Appropriated from:		
3	Federal revenues:		
4	HUD, lower income housing assistance program.....		136,971,200
5	Special revenue funds:		
6	Michigan state housing development authority fees		
7	and charges.....		14,653,100
8	State general fund/general purpose.....	\$	0
9	Sec. 108. TAX TRIBUNAL		
10	Full-time equated classified positions.....12.0		
11	Operations--12.0 FTE positions.....	\$	<u>1,371,300</u>
12	GROSS APPROPRIATION.....	\$	1,371,300
13	Appropriated from:		
14	Special revenue funds:		
15	Securities fees.....		376,100
16	Tax tribunal fees.....		688,300
17	State general fund/general purpose.....	\$	306,900
18	Sec. 109. FIRE PROTECTION GRANTS		
19	Fire protection grants.....	\$	<u>15,921,000</u>
20	GROSS APPROPRIATION.....	\$	15,921,000
21	Appropriated from:		
22	Special revenue funds:		
23	Fire protection fund.....		8,500,000
24	Liquor purchase revolving fund.....		7,421,000
25	State general fund/general purpose.....	\$	0
26	Sec. 110. OCCUPATIONAL REGULATION		
27	Full-time equated classified positions.....409.0		

1	Code enforcement and fire safety--177.0 FTE	
2	positions.....	\$ 16,519,900
3	Boiler inspection program--23.0 FTE positions.....	2,305,200
4	Elevator inspection program--27.0 FTE positions.....	2,374,700
5	Commercial services--149.0 FTE positions.....	14,735,700
6	Local manufactured housing communities inspections..	250,000
7	Manufactured housing and land resources	
8	program--22.0 FTE positions.....	2,749,300
9	Property development group--11.0 FTE positions.....	1,408,300
10	Remonumentation grants.....	<u>10,000,000</u>
11	GROSS APPROPRIATION.....	\$ 50,343,100
12	Appropriated from:	
13	Interdepartmental grant revenues:	
14	IDG from department of community health, inspection	
15	contract.....	111,100
16	Federal revenues:	
17	Federal funds.....	872,300
18	FEMA.....	150,000
19	DOT.....	85,000
20	Special revenue funds:	
21	Boiler fee revenue.....	2,460,000
22	Construction code fund.....	13,450,000
23	Corporation fees.....	5,143,000
24	Elevator fees.....	2,493,300
25	Fire service fees.....	2,100,000
26	Homeowner construction lien recovery fund.....	1,532,800
27	Licensing and regulation fees.....	8,307,100

1	Limited liability partnership revenue.....	10,000
2	Manufactured housing commission fees.....	2,364,300
3	Property development fees.....	253,200
4	Remonumentation fees.....	10,635,300
5	Real estate appraiser continuing education fund.....	45,000
6	Real estate education fund.....	217,500
7	State general fund/general purpose..... \$	113,200
8	Sec. 111. EMPLOYMENT RELATIONS	
9	Full-time equated classified positions.....25.0	
10	Employment and labor relations--25.0 FTE positions.. \$	<u>3,306,400</u>
11	GROSS APPROPRIATION..... \$	3,306,400
12	Appropriated from:	
13	Federal revenues:	
14	EEOC, federal funds.....	10,000
15	Special revenue funds:	
16	Securities fees.....	3,238,400
17	State general fund/general purpose..... \$	58,000
18	Sec. 112. SAFETY AND REGULATION	
19	Full-time equated classified positions.....229.0	
20	Occupational safety and health--229.0 FTE positions. \$	<u>23,829,900</u>
21	GROSS APPROPRIATION..... \$	23,829,900
22	Appropriated from:	
23	Federal revenues:	
24	DOL, multiple grants for safety and health.....	11,400,100
25	Special revenue funds:	
26	Corporate fees.....	1,966,500
27	Fees and collections/asbestos.....	748,200

1	Licensing and regulation fees.....	1,062,200
2	Safety education and training fund.....	7,036,600
3	Securities fees.....	1,616,300
4	State general fund/general purpose..... \$	0
5	Sec. 113. BUREAU OF WORKER'S AND UNEMPLOYMENT	
6	COMPENSATION	
7	Full-time equated classified positions.....1,216.0	
8	Administration--96.6 FTE positions..... \$	8,721,700
9	Board of magistrates and appellate commission--19.4	
10	FTE positions.....	2,591,700
11	Wage and hour division--31.0 FTE positions.....	2,381,200
12	Insurance funds administration--28.0 FTE positions..	4,199,200
13	Supplemental benefit fund.....	1,300,000
14	Unemployment programs--963.7 FTE positions.....	76,928,100
15	Advocacy assistance program--8.0 FTE positions.....	1,500,000
16	Expanded fraud control program--33.2 FTE positions..	2,789,200
17	Special audit and collections program--34.0 FTE	
18	positions.....	2,467,500
19	Training program for agency staff--2.1 FTE positions	<u>1,775,100</u>
20	GROSS APPROPRIATION..... \$	104,653,700
21	Appropriated from:	
22	Federal revenues:	
23	DOL-ETA, employment and training administration.....	576,600
24	DOL-ETA, unemployment insurance.....	79,149,800
25	Federal section 903(d), SSA funds.....	4,233,500
26	Special revenue funds:	
27	Corporation fees.....	3,512,000

1	Contingent fund, penalty and interest account.....	6,588,400
2	Licensing and regulation fees.....	703,500
3	Second injury fund.....	2,262,200
4	Securities fees.....	3,575,300
5	Self-insurers security fund.....	1,068,300
6	Silicosis and dust disease fund.....	868,700
7	Worker's compensation administrative revolving fund.	2,115,400
8	State general fund/general purpose..... \$	0
9	Sec. 114. INFORMATION TECHNOLOGY	
10	Information technology services and projects..... \$	<u>42,309,100</u>
11	GROSS APPROPRIATION..... \$	42,309,100
12	Appropriated from:	
13	Federal revenues:	
14	DOL-ETA, unemployment insurance.....	20,162,000
15	DOL, multiple grants for safety and health.....	188,500
16	Federal revenues.....	7,065,900
17	Special revenue funds:	
18	Bank fees.....	463,700
19	Boiler fee revenue.....	256,900
20	Construction code fund.....	1,395,100
21	Consumer finance fees.....	91,700
22	Corporation fees.....	1,665,900
23	Credit union fees.....	261,900
24	Elevator fees.....	247,000
25	Fees and collections/asbestos.....	11,000
26	Insurance regulatory fees.....	483,600
27	Licensing and regulation fees.....	1,077,700

1	Liquor purchase revolving fund.....	4,216,700
2	Manufactured housing commission fees.....	69,900
3	Michigan state housing development authority fees	
4	and charges.....	1,798,800
5	Motor carrier fees.....	93,400
6	Public utility assessments.....	750,800
7	Safety education and training fund.....	277,000
8	Second injury fund.....	104,000
9	Securities fees.....	1,392,700
10	Self-insurers security fund.....	37,100
11	Silicosis and dust disease fund.....	48,100
12	State general fund/general purpose..... \$	149,700
13	Sec. 115. WORKFORCE DEVELOPMENT	
14	Full-time equated classified positions.....878.5	
15	Employment training services--503.0 FTE positions... \$	83,846,100
16	Michigan career and technical institute--77.5 FTE	
17	positions.....	11,545,600
18	Employment services--246.0 FTE positions.....	44,334,000
19	Labor market information--52.0 FTE positions.....	<u>5,747,700</u>
20	GROSS APPROPRIATION..... \$	145,473,400
21	Appropriated from:	
22	Federal revenues:	
23	CNS.....	1,585,900
24	DAG, employment and training.....	172,400
25	DED-OPSE, multiple grants.....	1,115,500
26	DED-OSERS, centers for independent living.....	58,200
27	DED-OSERS, rehabilitation long-term training.....	566,900

1	DED-OSERS, rehabilitation services, vocational	
2	rehabilitation of state grants.....	47,335,400
3	DED-OSERS, state grants for technical related	
4	assistance.....	56,000
5	DOL-ETA, workforce investment act.....	4,077,500
6	DED, Perkins act.....	174,900
7	DOL, federal funds.....	61,821,500
8	DOL-ODEP.....	225,000
9	HHS, temporary assistance for needy families.....	3,207,100
10	HHS-SSA, supplemental security income.....	4,394,800
11	Special revenue funds:	
12	Local revenue.....	4,071,300
13	Local vocational rehabilitation match.....	3,054,000
14	Private - gifts, bequests, and donations.....	1,396,300
15	Contingent fund, penalty and interest account.....	1,710,600
16	Rehabilitation services fees.....	1,199,900
17	Second injury fund.....	51,500
18	Student fees.....	308,000
19	Training material fees.....	256,400
20	State general fund/general purpose..... \$	8,634,300
21	Sec. 116. CAREER EDUCATION PROGRAMS	
22	Full-time equated classified positions.....57.0	
23	Career and technical education--25.0 FTE positions.. \$	3,266,100
24	Postsecondary education--14.0 FTE positions.....	2,455,000
25	Adult education--16.0 FTE positions.....	2,304,400
26	Commission on Spanish-speaking affairs--2.0 FTE	
27	positions.....	<u>221,000</u>

1	GROSS APPROPRIATION.....	\$	8,246,500
2	Appropriated from:		
3	Federal revenues:		
4	Federal revenues.....		6,116,700
5	Special revenue funds:		
6	Private occupational school license fees.....		388,600
7	Defaulted loan collection fees.....		100,000
8	State general fund/general purpose.....	\$	1,641,200
9	Sec. 117. DEPARTMENT GRANTS		
10	Adult basic education.....	\$	17,000,000
11	Carl D. Perkins grants.....		47,500,000
12	Focus:HOPE.....		5,860,200
13	Gear-up program grants.....		3,000,000
14	Job training programs subgrantees.....		104,612,700
15	Michigan community service commission subgrantees...		5,900,000
16	Michigan virtual university.....		1,000,000
17	Personal assistance services.....		459,500
18	Precollege programs in engineering and the sciences.		500,000
19	Vocational rehabilitation client services/facilities		54,989,500
20	Vocational rehabilitation independent living.....		3,079,700
21	Welfare-to-work programs.....		<u>103,798,600</u>
22	GROSS APPROPRIATION.....	\$	347,700,200
23	Appropriated from:		
24	Federal revenues:		
25	CNS.....		5,500,000
26	DAG, employment and training.....		13,000,000
27	DED-OESE, gear-up.....		3,000,000

1	DED-OSERS, centers for independent living.....	450,200
2	DED-OSERS, client assistance for individuals with	
3	disabilities.....	440,000
4	DED-OSERS, rehabilitation services, vocational	
5	rehabilitation of state grants.....	35,797,900
6	DED-OSERS, rehabilitation services facilities.....	2,272,500
7	DED-OSERS, supported employment.....	1,541,300
8	DED-OSERS, state grants for technical related	
9	assistance.....	2,240,800
10	DED-OVAE, adult education.....	17,000,000
11	DED-OVAE, basic grants to states.....	47,500,000
12	DOL-ETA, workforce investment act.....	104,602,700
13	Federal section 903(d), SSA funds.....	21,300,000
14	HHS-SSA, supplemental security income.....	2,480,600
15	HHS, temporary assistance for needy families.....	38,299,000
16	Special revenue funds:	
17	Local vocational rehabilitation facilities match....	1,278,300
18	Local vocational rehabilitation match.....	6,630,500
19	Private - gifts, bequests, and donations.....	800,000
20	Contingent fund, penalty and interest account.....	1,000,000
21	State general fund/general purpose..... \$	42,566,400
22	Sec. 118. MICHIGAN STRATEGIC FUND	
23	Full-time equated classified positions.....199.0	
24	Administration--39.0 FTE positions..... \$	2,632,400
25	Job creation services--160.0 FTE positions.....	19,739,200
26	Michigan promotion program.....	5,717,500
27	Economic development job training grants.....	10,048,000

1	Community development block grants.....	50,000,000
2	Technology tri-corridor: life sciences initiative..	15,000,000
3	Technology tri-corridor: homeland security	
4	initiative.....	5,000,000
5	Technology tri-corridor: automotive initiative.....	5,000,000
6	Human resources optimization user charges.....	<u>29,500</u>
7	GROSS APPROPRIATION..... \$	113,166,600
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG-MDEQ, air quality fees.....	104,100
11	Federal revenues:	
12	DOL-ETA, employment service.....	813,600
13	HUD-CPD, community development block grant.....	52,200,700
14	Special revenue funds:	
15	Private - special project advances.....	853,100
16	Industry support fees.....	50,000
17	Tobacco settlement revenue.....	10,000,000
18	State general fund/general purpose..... \$	49,145,100

19 PART 2

20 PROVISIONS CONCERNING APPROPRIATIONS

21 **GENERAL SECTIONS**

22 Sec. 201. Pursuant to section 30 of article IX of the state

23 constitution of 1963, total state spending from state resources under

24 part 1 for fiscal year 2004-2005 is \$406,709,500.00 and state spending

25 from state resources to be paid to local units of government for

1 fiscal year 2004-2005 is \$33,822,700.00. The itemized statement below
 2 identifies appropriations from which spending to units of local
 3 government will occur:

4 DEPARTMENT OF LABOR AND ECONOMIC GROWTH

5	Fire protection grants.....	\$	15,921,000
6	Liquor law enforcement.....		6,000,000
7	Local manufactured housing inspections.....		201,700
8	Remonumentation grants.....		10,000,000
9	Fire fighters training council.....		<u>1,700,000</u>
10	Total department of labor and economic growth.....	\$	33,822,700

11 Sec. 202. The appropriations authorized under this act are
 12 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
 13 18.1594.

14 Sec. 203. As used in this appropriation act:

15 (a) "CEO" means chief executive officer of the Michigan economic
 16 development corporation.

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

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

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

20 (e) "DED-OESE" means the DED office of elementary and secondary
 21 education.

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

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

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

27 (i) "Department" means the department of labor and economic

1 growth, including the Michigan strategic fund.

2 (j) "Director" means the director of the department
3 of labor and economic growth.

4 (k) "DOE" means the United States department of energy.

5 (l) "DOE-OEERE" means the DOE office of energy efficiency and
6 renewable energy.

7 (m) "DOL" means the United States department of labor.

8 (n) "DOL-ETA" means the DOL employment and training administration.

9 (o) "DOL-ODEP" means the DOL office of disability employment
policy.

10 (p) "DOT" means the United States department of transportation.

11 (q) "DOT-RSPA" means the DOT research and special programs
12 administration.

13 (r) "EEOC" means equal employment opportunity commission.

14 (s) "Fiscal agencies" means Michigan house fiscal agency and
15 Michigan senate fiscal agency.

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

17 (u) "Fund" means the Michigan strategic fund.

18 (v) "GED" means general education degree.

19 (w) "HHS" means the United States department of health and human
20 services.

21 (x) "HHS-SSA" means HHS social security administration.

22 (y) "HUD" means the United States department of housing and urban
23 development.

24 (z) "HUD-CPD" means HUD community planning and development.

25 (aa) "IDG" means interdepartmental grant.

26 (bb) "MDCH" means the Michigan department of community health.

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

1 (dd) "MEDC" means the Michigan economic development corporation,
2 which is the public body corporate created under section 28 of
3 article VII of the state constitution of 1963 and the urban
4 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512,
5 by contractual interlocal agreement effective April 5, 1999, between
6 local participating economic development corporations formed under the
7 economic development corporations act, 1974 PA 338, MCL 125.1601 to
8 125.1636, and the Michigan strategic fund.

9 (ee) "MES" means Michigan employment security.

10 (ff) "Subcommittees" means all members of the subcommittees
11 of the house and senate appropriations committees with jurisdiction over
12 the budget for the department.

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

18 Sec. 205. (1) A hiring freeze is imposed on the state classified
19 civil service. State departments and agencies are prohibited from
20 hiring any new full-time state classified civil service employees and
21 prohibited from filling any vacant state classified civil service
22 positions. This hiring freeze does not apply to internal transfers of
23 classified employees from 1 position to another within a department or
24 state classified civil service positions funded fully by federal
25 funds.

26 (2) The state budget director shall grant exceptions to this
27 hiring freeze when the state budget director believes that the hiring

1 freeze will result in rendering a state department or agency unable to
2 deliver basic services, cause a loss of revenue to the state, result
3 in the inability of the state to receive federal funds, or would
4 necessitate additional expenditures that exceed any savings from
5 maintaining a vacancy. The state budget director shall report
6 quarterly to the chairpersons of the senate and house of
7 representatives standing committees on appropriations the number of
8 exceptions to the hiring freeze approved during the previous month and
9 the reasons to justify the exception.

10 Sec. 207. At least 60 days before beginning any effort to
11 privatize, the department shall submit a complete project plan to the
12 subcommittees and the fiscal agencies. The plan shall include the
13 criteria under which the privatization initiative will be evaluated.
14 The evaluation shall be completed and submitted to the fiscal agencies
15 and to the subcommittees within 30 months.

16 Sec. 208. Unless otherwise specified, the department shall use
17 the Internet to fulfill the reporting requirements of this act. This
18 requirement may include transmission of reports via electronic mail to
19 the recipients identified for each reporting requirement or it may
20 include placement of reports on the Internet or Intranet site.

21 Sec. 209. Funds appropriated in part 1 shall not be used for the
22 purchase of foreign goods or services, or both, if competitively
23 priced and of comparable quality American goods or services, or both,
24 are available. Goods or services, or both, manufactured or provided
25 by Michigan businesses shall be used if they are competitively priced
26 and of comparable value.

27 Sec. 210. The director is encouraged to take all reasonable

1 steps to ensure businesses in deprived and depressed communities
2 compete for and perform contracts to provide services or supplies, or
3 both. Each director will strongly encourage firms with which the
4 department contracts to subcontract with certified businesses in
5 depressed and deprived communities for services, supplies, or both.

6 Sec. 211. The department shall establish and maintain
7 affirmative action programs based on guidelines developed by the state
8 equal opportunity workforce planning council which was created by
9 Executive Order No. 1996-13 in order to receive general fund/general
10 purpose dollars.

11 Sec. 212. The department shall receive and retain copies of all
12 reports funded from appropriations in part 1. The department shall
13 follow federal and state guidelines for short-term and long-term
14 retention of these reports and records.

15 Sec. 213. From the funds appropriated in part 1 for information
16 technology, the department shall pay user fees to the department of
17 information technology for technology-related services and projects.
18 Such user fees shall be subject to provisions of an interagency
19 agreement between the department and the department of information
20 technology.

21 Sec. 214. Amounts appropriated in part 1 for information
22 technology may be designated as work projects and carried forward to
23 support technology projects under the direction of the department of
24 information technology. Funds designated in this manner are not
25 available for expenditure until approved as work projects under
26 section 451a of the management and budget act, 1984 PA 431,
27 MCL 18.1451a.

1 Sec. 215. (1) In addition to the funds appropriated in part 1,
2 there is appropriated an amount not to exceed \$71,500,000.00 for
3 federal contingency funds. These funds are not available for
4 expenditure until they have been transferred to another line item in
5 this act pursuant to section 393(2) of the management and budget act,
6 1984 PA 431, MCL 18.1393.

7 (2) In addition to the funds appropriated in part 1, there is
8 appropriated an amount not to exceed \$15,200,000.00 for state
9 restricted contingency funds. These funds are not available for
10 expenditure until they have been transferred to another line item in
11 this act pursuant to section 393(2) of the management and budget act,
12 1984 PA 431, MCL 18.1393.

13 (3) In addition to the funds appropriated in part 1, there is
14 appropriated an amount not to exceed \$8,180,000.00 for local
15 contingency funds. These funds are not available for expenditure
16 until they have been transferred to another line item in this act
17 pursuant to section 393(2) of the management and budget act, 1984 PA
18 431, MCL 18.1393.

19 (4) In addition to the funds appropriated in part 1, there is
20 appropriated an amount not to exceed \$1,550,000.00 for private
21 contingency funds. These funds are not available for expenditure
22 until they have been transferred to another line item in this act
23 pursuant to section 393(2) of the management and budget act, 1984 PA
24 431, MCL 18.1393.

25 Sec. 216. It is the intent of the legislature that all revenue
26 sources for funds appropriated in part 1 shall not be aggregated into
27 general categories and shall be specifically identified and detailed

1 as much as possible.

2 **REGULATORY**

3 Sec. 301. The appropriation in part 1 for fire protection grants
4 from the liquor purchase revolving fund and the fire protection fund
5 shall be appropriated to cities, villages, and townships with
6 state-owned facilities for fire services, instead of taxes, in
7 accordance with 1977 PA 289, MCL 141.951 to 141.956.

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

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

23 Sec. 304. The department may make available to interested
24 entities otherwise unavailable customized listings of nonconfidential
25 information in its possession, such as names and addresses of
26 licensees, and charge for this information as follows: base fee for 1
27 to 1,000 records at the cost to the department; 1,001 to 10,000

1 records at 2.5 cents per record; and 10,001 or more records at .5
2 cents per record. The revenue received from this service may be used
3 to offset expenses of programs as appropriated in part 1. The balance
4 of this revenue collected and unexpended at the end of the fiscal year
5 shall revert to the appropriate restricted revenue account or fund or,
6 in absence of such an account or fund, to the general fund. The
7 department shall submit an annual report on or before December 1 of
8 each year to the state budget office and the subcommittees that states
9 the amount of revenue received from the sale of information.

10 Sec. 306. The Michigan state housing development authority shall
11 annually present a report to the state budget office and the
12 subcommittees on the status of the authority's housing production
13 goals under all financing programs established or administered by the
14 authority. The report shall give special attention to efforts to
15 raise affordable multifamily housing production goals.

16 Sec. 308. The funds collected by the department for licenses,
17 permits, and other elevator regulation fees set forth in R 408.8151 of
18 the Michigan administrative code and as determined under section 8 of
19 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816,
20 that are unexpended at the end of the fiscal year shall carry forward
21 to the subsequent fiscal year. The department shall submit a report
22 on an annual basis to the state budget office and the subcommittees on
23 the amount of funds available under this section.

24 Sec. 309. If the revenue collected by the department for
25 occupational safety and health from fees and collections exceeds the
26 amount appropriated in part 1, the revenue may be carried forward into
27 the subsequent fiscal year. The revenue carried forward under this

1 section shall be used as the first source of funds in the subsequent
2 fiscal year.

3 Sec. 310. Money appropriated under this act for fire safety
4 programs shall not be expended unless, in accordance with section 2c
5 of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection and
6 plan review fees will be charged according to the following schedule:

7 Operation and maintenance inspection fee

8	<u>Facility type</u>	<u>Facility</u>	
9		<u>size</u>	<u>Fee</u>
10	Hospitals	Any	\$8.00 per bed
11	<u>Plan review and construction inspection fees for hospitals and schools</u>		
12	<u>Project cost range</u>		<u>Fee</u>
13	\$101,000.00 or less		minimum fee of \$155.00
14	\$101,001.00 to \$1,500,000.00		\$1.60 per \$1,000.00
15	\$1,500,001.00 to \$10,000,000.00		\$1.30 per \$1,000.00
16	\$10,000,001.00 or more		\$1.10 per \$1,000.00
17		or a maximum fee of \$60,000.00.	

18 Sec. 313. If the revenue collected by the department from
19 licensing and regulation fees exceeds the amount appropriated in part
20 1, the revenue may be carried forward into the subsequent fiscal
21 year. The revenue carried forward under this section shall be used as
22 the first source of funds in the subsequent fiscal year.

23 Sec. 314. Funds earned or authorized by the United States
24 department of labor in excess of the gross appropriation in part 1 for
25 the unemployment insurance agency and the employment service agency
26 from the United States department of labor are appropriated and may be
27 expended for staffing and related expenses incurred in the operation
28 of its programs. These funds may be spent after the department
29 notifies the state budget office and the subcommittees of the purpose
30 and amount of each grant award.

1 Sec. 315. The department shall sell documents at a price not to
2 exceed the cost of production and distribution. Money received from
3 the sale of these documents shall revert to the department. The funds
4 are available for expenditure when they are received by the department
5 of treasury and may only be used for costs directly related to the
6 continued updating and distribution of the documents pursuant to this
7 section. This section applies only for the following documents:

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

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

13 (c) The Michigan liquor control code of 1998, 1998 PA 58,
14 MCL 436.1101 to 436.2303.

15 (d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to
16 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to
17 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to
18 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to
19 451.818.

20 (e) Labor law books.

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

22 (g) Construction code manuals.

23 (h) Copies of transcripts from administrative law hearings.

24 Sec. 317. The department, bureau of safety and regulation, shall
25 provide an annual report by February 1 of each year to the state
26 budget office, the fiscal agencies, and the subcommittees on the
27 number of individuals killed and the number of individuals injured on

1 the job within industries regulated by the bureau during the most
2 recent year for which data are available.

3 Sec. 322. From the funds appropriated in part 1 for utility
4 consumer representation, the department shall produce and facilitate
5 the airing of public service announcements that inform utility
6 customers of the availability and purpose of these funds. The utility
7 consumer participation board shall report to the subcommittees, fiscal
8 agencies, and state budget office by September 30 on its efforts in
9 this area, including the amount of expenditures made for this
10 purpose.

11 Sec. 326. The appropriation in part 1 for the Michigan
12 commission for the blind includes funds for case services. These
13 funds may be used for tuition payments for blind clients for the
14 school year beginning September 2004.

15 Sec. 332. It is the intent of the legislature that the
16 department make every effort to hold administrative law hearings on
17 actions initiated by the department against regulated businesses or
18 against individuals in regulated occupations in locations that are
19 within 150 miles of the regulated business or of the office of the
20 individual in a regulated occupation. In addition, it is the intent
21 of the legislature that the department make every effort to hold
22 administrative law hearings on actions initiated by an individual
23 outside the department in locations within 150 miles of the home of
24 the individual bringing the action if that individual wishes to
25 testify at the hearing.

26 Sec. 335. (1) The public service commission shall report by June
27 1 of each year to the subcommittees, the state budget office, and the

1 fiscal agencies on the distribution of funds appropriated in part 1
2 for the low-income/energy efficiency assistance program.

3 (2) Of the funds appropriated in part 1 for low-income/energy
4 efficiency assistance, \$3,000,000.00 shall be allocated to community
5 action agencies across the state to support shut-off protection
6 programs for low-income individuals. Funds shall be distributed to
7 the community action agencies no later than November 1 of each year.
8 The community action agencies shall abide by any reporting and
9 monitoring requirements imposed by the public service commission on
10 other grant recipients receiving funding through this program.

11 Sec. 336. The department shall provide the subcommittees, fiscal
12 agencies, and state budget director with a report on or before
13 December 1 outlining actual expenditures for the last completed fiscal
14 year for each division within the office of financial and insurance
15 services.

16 Sec. 340. The office of financial and insurance services shall
17 provide copies of the quarterly and annual financial filings of health
18 maintenance organizations to the fiscal agencies on a timely basis.

19 Sec. 347. (1) Of the funds appropriated in part 1 for fire
20 protection grants, \$3,710,500.00 of this funding is contingent upon
21 the passage of statutory changes by September 30, 2004 that increase
22 the fiscal year 2004-2005 deposit into the liquor purchase revolving
23 fund by a minimum of \$30,000,000.00.

24 (2) Subject to the contingency described in subsection (1), any
25 deficiency in the \$8,500,000.00 appropriated for the fire protection
26 fund shall be appropriated from the liquor purchase revolving fund.

27 Sec. 349. The department and the Michigan state housing

1 development authority shall work collaboratively with other state
2 departments and agencies to maximize the use of available Michigan
3 state housing development authority fund equity to provide senior
4 assisted living that offers a continuum of care from independent
5 apartments to assisted living to nursing care and Alzheimer programs.

6 Sec. 350. (1) The department shall allocate funds to promote
7 awareness of the right of a policyholder, subscriber, member,
8 enrollee, or other individual participating in a health benefit plan,
9 after the covered person has exhausted the health carrier's internal
10 grievance process provided for by law, to request an external review
11 for an adverse determination.

12 (2) As used in this section, "covered person" means that term as
13 defined in section 3 of the patient's right to independent review act,
14 2000 PA 251, MCL 550.1903.

15 Sec. 351. (1) The department shall issue a report to the
16 subcommittees by the end of each calendar year, but not later than
17 December 31 of each year, showing the date each real estate continuing
18 education course was submitted for approval and the date of final
19 disposition, approval, or denial.

20 (2) The department shall post on its website the approved real
21 estate continuing education courses, as well as the dates, times,
22 instructors, locations, course title, and credit hours of the
23 courses.

24 (3) The department shall have available to the public online the
25 prelicensure and continuing education course approvals.

26 (4) It is the intent of the legislature that sponsors of
27 continuing education be able to report an applicant's or licensee's

1 completion of courses to the department via electronic methods.

2 Sec. 352. From the funds appropriated in part 1 for unclassified
3 salaries, the department shall provide funding for 5 worker's
4 compensation appellate commissioners and 26 worker's compensation
5 board of magistrates. Expenditures shall be made so that the 2 bodies
6 shall decide worker's compensation cases in a timely manner.

7 Sec. 353. (1) The department shall prepare a detailed report and
8 deliver it to the subcommittees not later than January 15, 2005.

9 (2) The report shall contain input from a delegate appointed from
10 and by the following organizations:

11 (a) Michigan fire chiefs association.

12 (b) Michigan state fireman's association.

13 (c) Michigan firefighter's union.

14 (d) Michigan fire service instructors association.

15 (e) Michigan fire inspectors society.

16 (f) Michigan chapter of the international association of arson
17 investigators.

18 (3) The report prepared pursuant to subsection (1) shall contain
19 information about the quality and adequacy of service from the state
20 fire investigation, education, and training under the reorganization
21 of the fire marshal division responsibilities. The report shall be
22 based on the performance of the fire marshal division in the
23 performance of its fire safety duties during fiscal year 2003-2004.

24 Sec. 354. The department may expend revenues received under the
25 Michigan broadband development authority act, 2002 PA 49, MCL 484.3201
26 to 484.3225, for necessary salaries, wages, supplies, contractual
27 services, equipment, worker's compensation insurance premiums, and

1 grants to the civil service commission and state employees' retirement
2 fund.

3 Sec. 355. Of the funds appropriated in part 1, no funds shall be
4 used to support the development of, or activities that promote the
5 development of, guidelines, rules, standards, protocols, or other
6 similar mandates that are more stringent than federal voluntary
7 ergonomics guidelines. This section does not prohibit any person from
8 adopting, or working with the state to develop, voluntary ergonomics
9 standards.

10 Sec. 356. It is the intent of the legislature that the Michigan
11 commission for the blind work collaboratively with service
12 organizations to identify qualified match dollars to maximize use of
13 available federal funds.

14 Sec. 357. If there is insufficient funding in part 1 for
15 remonumentation grants to meet the programmatic needs, the department
16 is encouraged to request additional authorization through the
17 legislative process.

18 **WORKFORCE AND CAREER DEVELOPMENT**

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

25 Sec. 402. The Michigan rehabilitation service shall make every
26 effort to ensure that all sources of matching funds in this state are
27 used to obtain federal vocational rehabilitation funds. All sources

1 include, but are not limited to, privately raised funds to support
2 public nonprofit rehabilitation centers as permitted by the
3 rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718, 720
4 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to 795n,
5 and 796 to 796l.

6 Sec. 403. The local match requirements for vocational
7 rehabilitation facilities establishment grants shall not exceed 21.3%
8 for the fiscal year ending September 30.

9 Sec. 404. (1) Of the funds appropriated in part 1 for vocational
10 rehabilitation independent living, all general fund/general purpose
11 revenue not used to match federal funds shall be used for the support
12 of centers for independent living which are in compliance with federal
13 standards for such centers, for the development of new centers in
14 areas presently unserved or underserved, for technical assistance to
15 centers, and for projects to build capacity of centers to deliver
16 independent living services. Applications for such funds shall be
17 reviewed in accordance with criteria and procedures established by the
18 statewide independent living council, the Michigan rehabilitation
19 services unit within the department, and the Michigan commission for
20 the blind. Funds must be used in a manner consistent with the
21 priorities established in the state plan for independent living. The
22 department is directed to work with the Michigan association of
23 centers for independent living and the local workforce development
24 boards to identify other competitive sources of funding.

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

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

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

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

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

14 (iv) The total number of disabled individuals served by personal
15 care attendants and the number of personal care attendants provided
16 through the use of any funds appropriated in part 1 administered by a
17 center for independent living and a comparison to the number served in
18 the previous year.

19 (b) Information from each center for independent living receiving
20 funding through appropriations in part 1 detailing their total budget
21 for their most recently completed fiscal year as well as the amount
22 within that budget funded through the vocational rehabilitation
23 independent living grant program referenced in part 1, the total
24 amount funded through other state agencies, the amount funded through
25 federal sources, and the amount funded through local and private
26 sources.

27 (c) Savings to state taxpayers in other specific areas that can be

1 shown to be the direct result of activities funded from the vocational
2 rehabilitation independent living grant program during the most
3 recently completed state fiscal year.

4 (3) The report required in subsection (2) shall be submitted to
5 the subcommittees, the fiscal agencies, and the state budget director
6 on or before January 30.

7 Sec. 405. (1) The appropriation in part 1 to the department for
8 the work first program shall be expended for grants which provide
9 employment and training services to family independence program
10 applicants and recipients and may be expended for grants that provide
11 employment and training services to former family independence program
12 recipients, as well as to recipients of noncash public assistance,
13 specifically child day care, Medicaid, or food stamp benefits. The
14 work first program, however, shall not be construed to be an
15 entitlement to services.

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

1 (3) When the work first job search requirements have been
2 completed, if the participant has not found employment, the work first
3 site shall identify the barriers which may have prevented the
4 participant from obtaining employment and assist the client in
5 removing those barriers. The work first site shall also identify
6 appropriate education and job training programs which would be
7 available to the participant. The department shall encourage the
8 Michigan works! agencies to consider transportation challenges for
9 work first participants placed in employment. When an individual is
10 re-referred to work first because of an inability to retain
11 employment, the Michigan works! agencies shall confer with the
12 Michigan rehabilitation services, the family independence agency, or
13 other professionals if considered appropriate by the Michigan
14 works! agency to screen for and identify issues that are preventing
15 the participant from succeeding in the labor market. Each Michigan
16 works! agency shall determine locally the number of times an
17 individual may be re-referred back to the program before consulting
18 with other service agencies. If no prohibitive barriers to work are
19 found, the individual shall comply with the work first program, or be
20 subject to appropriate penalties.

21 (4) Work first program participants shall include applicants and
22 recipients of the family independence program established under
23 section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and
24 such individuals referred to a job club program by a county family
25 independence agency board or a county friend of the court as long as
26 the participation in the job club is part of an application submitted
27 under this section.

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

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

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

13 (8) The department shall make every effort to place a minimum of
14 50% of clients who participate in the work first program in positions
15 that provide wages of \$8.00 per hour or more.

16 (9) The department shall submit to the fiscal agencies and the
17 state budget director by March 15 a report on the work first program,
18 including the number of participants served under this section, the
19 number of persons who located employment through work first, the
20 average wage of participants who found employment, the number of
21 persons who retained jobs for 90 days, the number of participants
22 placed in employment training and education programs, the number of
23 clients referred to work first who failed to report, a compilation of
24 barriers to employment by incidence and type experienced by
25 participants, and the number of participants referred back to the
26 family independence agency.

27 (10) The department shall provide to the state budget director and

1 the fiscal agencies by May 15 and November 15 of each year a report on
2 the work first grants. The report due by May 15 shall provide the
3 information described in this subsection for each grant or contract
4 awarded during the preceding 2 quarters of the state fiscal year. The
5 report due by November 15 shall provide this information for each
6 grant or contract awarded during the preceding full fiscal year. The
7 report shall contain both of the following:

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

9 (b) The number of participants in each service delivery area and
10 the number of clients placed in employment in each service delivery
11 area.

12 (11) The department shall make available to work first
13 participants guidelines on eligibility for postemployment training and
14 how training/education hours are applied toward work participation
15 requirements. These guidelines will be presented during joint
16 orientation conducted by the family independence agency and the
17 department contracted staff in accordance with department policy
18 issuances and family independence agency program bulletins. These
19 guidelines presented by the department and the family independence
20 agency shall balance the ability of participants to obtain training
21 and subsequent long-term high-wage employment with the need to connect
22 participants with the workplace. Any and all training/education, with
23 the exception of high school completion and GED preparation, must be
24 occupationally relevant and in demand in the labor market as
25 determined by the workforce development board. Participants must make
26 satisfactory progress to continue in a training/education component.

27 (12) The work participation requirement is up to 40 hours per

1 week. However, work first participants may meet the work participation requirement by combining a minimum of 10 hours per week of work with training/education. Training/education may last up to 12 months and the calculated hours may include actual classroom seat time up to 10 hours per week plus up to 1 hour of study time for each hour of classroom seat time. Work first participants may enroll in additional hours of classroom seat time beyond 10 hours. However, these hours and the related study time will not count toward the work participation requirement. The training may be no longer than a 1-year program or the final year of a 2- or 4-year undergraduate program designed to lead to immediate labor force attachment.

12 (13) Work first participants may meet the work participation requirement through enrollment in a short-term vocational program requiring 30 hours of classroom seat time per week for a period not to exceed 6 months, or by enrollment in full-time internships, practicums, or clinicals required by an academic or training institution for licensure, professional certification, or degree completion, without an additional work requirement. In cases where a short-term vocational program lasts less than 6 months, the participant shall be eligible to enroll in 1 additional short-term vocational program for a combined period not to exceed a total of 6 months.

23 (14) Work first participants who lack a high school diploma or GED and who enroll in high school completion or classes to obtain a GED may count up to 10 hours of classroom seat time, combined with a minimum number of hours of work per week, to meet their work participation requirement. There shall be no time limit on high

1 school completion. GED preparation shall be limited to 6 months.

2 (15) The department shall develop a memorandum of
3 understanding with the family independence agency outlining the
4 distribution of funds appropriated in the family independence agency
5 for welfare-to-work. The appropriation shall be used to support the
6 work first program.

7 Sec. 406. (1) Using all relevant state data sources, the
8 department shall conduct a 3-year longitudinal study of all former
9 work first participants, whose family independence program cases
10 closed due to earnings during fiscal year 1999 and in succeeding
11 fiscal years. The data will include the following:

12 (a) The number and percentage employed.

13 (b) The average hourly wage of those employed.

14 (c) The current hourly wage of those employed.

15 (d) The range of wages earned by those employed.

16 (e) The number of individuals that earned each wage amount.

17 (f) The number and percentage receiving health care benefits from
18 their employer.

19 (g) The number and percentage receiving tuition reimbursement from
20 their employer.

21 (h) The number and percentage receiving training benefits from
22 their employer.

23 (i) The type of jobs obtained by former participants in general
24 categories.

25 (j) The length of time former participants have retained their
26 jobs, or if participants have had more than 1 job, the length of time
27 employed at each job.

1 (k) The number and percentage continuing to receive any type of
2 public assistance.

3 (l) If the former recipient has children, whether the children are
4 enrolled in and attending school.

5 (m) The extent to which the former participant feels that they and
6 their family are better off now than when they were on cash assistance
7 with regard to household income, housing, food and nutritional needs,
8 child health care, and access to health insurance coverage.

9 (2) The department shall notify the subcommittees, fiscal
10 agencies, and state budget director electronically by March 15, 2004
11 of the location of the Internet site where the report containing the
12 identified data is located.

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

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

17 Sec. 407. State and federal funds allocated to local workforce
18 development boards for disbursement shall not be expended unless the
19 local workforce development boards maintain a partnership with
20 governmental agencies, public school districts, and public colleges
21 located within the local service delivery area. Each board shall
22 appoint an education advisory group made up of high-level
23 administrators within local educational institutions, workforce
24 development board members, other employers, labor, academic educators,
25 and parents of public school pupils.

26 Sec. 409. (1) Of the funds appropriated in part 1 for precollege
27 programs in engineering and the sciences, \$250,000.00 shall be

1 provided in the form of a grant to the Detroit precollege engineering
2 program, incorporated and \$250,000.00 shall be provided in the form of
3 a grant to the Grand Rapids area precollege engineering program.

4 (2) The department shall submit a report to the subcommittees and
5 the fiscal agencies by February 1 regarding dropout rates, grade point
6 averages, enrollment in science, engineering, and math-based
7 curricula, and employment in science, engineering, and math-based
8 fields for students within the programs. The report shall continue to
9 evaluate the effectiveness of the precollege programs in engineering
10 and sciences funded through part 1 appropriations and shall make
11 recommendations on whether state support to expand such programs to
12 other areas of the state is warranted in future fiscal years.

13 Sec. 414. The department may carry into the succeeding fiscal
14 year unexpended federal pass-through funds to local institutions and
15 governments that do not require additional state matching funds.
16 Federal pass-through funds to local institutions and governments that
17 are received in amounts in addition to those included in part 1 and
18 that do not require additional state matching funds are appropriated
19 for the purposes intended.

20 Sec. 415. Of the amounts appropriated in part 1 for
21 postsecondary education, private occupational school license fees
22 shall fund related administrative costs of the proprietary schools
23 oversight unit within the department.

24 Sec. 417. The department is appropriated an amount not to exceed
25 \$100,000.00 from collection of defaulted loans under the future
26 faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa
27 Parks programs to offset costs of administering the loan collections.

1 Sec. 418. From the funds appropriated in part 1 for
2 postsecondary education, the department shall compile data from each
3 university that receives funding for the future faculty program within
4 the King-Chavez-Parks initiative on employment outcomes for program
5 participants. The report shall be distributed to the house and senate
6 appropriations committees, the fiscal agencies, and the state budget
7 office by February 1 of each year. The report shall include data from
8 each participating university covering the most recently completed
9 fiscal year. The data shall include all of the following:

10 (a) The number of participants receiving support under the
11 program.

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

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

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

18 Sec. 420. The department shall work with the department of
19 community health to establish a Medicaid buy-in program for the
20 working disabled through the options available under the federal
21 ticket to work and work incentives improvement act of 1999.

22 Sec. 421. The King-Chavez-Parks initiative shall be marketed by
23 the department to Michigan parents and high school and college
24 students, to promote the benefits and the availability of the college
25 day, select student support services, college/university partnership,
26 visiting professors, Morris Hood, Jr. educator development, and future
27 faculty programs. The department shall provide electronic

1 notification of the location of the report on the Internet to the
2 subcommittees on December 30, 2004, identifying all efforts taken to
3 market these programs, including, but not limited to, the amount of
4 funding allocated for this purpose, the fund source and any
5 expenditures or encumbrances relating to this marketing effort.

6 Sec. 425. The department shall work cooperatively with the
7 department of civil service to identify state employees who will lose
8 their jobs as a result of an agency or program being reorganized,
9 modified, or eliminated and shall develop training programs and
10 provide training to these individuals that will provide them an
11 opportunity and skills necessary to secure new employment within state
12 government or the private sector. It shall be a priority of the
13 department to provide training and employment opportunities to these
14 individuals through their employment service locations.

15 Sec. 426. From the funds appropriated in part 1 to job training
16 programs subgrantees, the department shall allocate sufficient funds
17 to the Michigan works! service centers to allow these centers to
18 remain fully operational.

19 Sec. 428. From the funds appropriated in part 1 for the Michigan
20 virtual university, the department shall work with the Michigan
21 virtual university to do the following:

22 (a) Promote the use of education technology to accelerate career
23 and workforce development by improving the learning environment,
24 stimulating innovative teaching methods, and providing residents of
25 this state with greater technology-based career choices.

26 (b) Promote technology-based training to public and private sector
27 organizations that emphasize partnerships between public education and

1 the business sector.

2 (c) Support and encourage various collaborative efforts among
3 educational institutions and government agencies to meet the training
4 needs of the state's workforce.

5 Sec. 429. (1) Focus: HOPE shall submit a report on the use of
6 the grant's funds appropriated in part 1 to the chairs of the
7 subcommittees, the fiscal agencies, and the state budget office that
8 includes, but is not limited to, the following:

9 (a) Detailed expenditures for administration including salaries
10 and wages of employees.

11 (b) Amount allocated for education and training programs including
12 number of students served by each program.

13 (c) Amount allocated for job search assistance and career planning
14 including the number of students served by each program.

15 (d) Detailed expenditures for any contracts entered into with the
16 use of these funds.

17 (e) Detailed expenditures for any program enhancements including
18 number of new hires and capital expenditures.

19 (2) The report shall be submitted on or before January 31.

20 Sec. 430. (1) The following work project accounts totaling
21 \$11,300,000.00 are hereby canceled effective September 30, 2004:

22 (a) 08230 AY 2002 Welfare-to-work programs..... \$ 10,180,000.00.

23 (b) 08203 AY 2002 Job training programs..... \$ 620,000.00.

24 (c) 04000 AY 2002 Employment services..... \$ 500,000.00.

25 (2) The following work project account is hereby reduced for the
26 fiscal year ending September 30, 2004:

27 02000 AY 2002 Unemployment programs..... \$ 10,000,000.00.

1 (3) Of the amount in subsection (1), \$5,300,000.00 is appropriated
2 to welfare-to-work programs for the fiscal year ending September 30,
3 2005. After that appropriation, \$6,000,000.00 is appropriated to job
4 training program subgrantees for the fiscal year ending September 30,
5 2005. In the event that the work projects in subsection (1) total
6 more than \$11,300,000.00, any funds over that amount are appropriated
7 to the welfare-to-work programs for the fiscal year ending September
8 30, 2005.

9 (4) Of the amount in subsection (2), \$10,000,000.00 is
10 appropriated to welfare-to-work programs for the fiscal year ending
11 September 30, 2005.

12 **MICHIGAN STRATEGIC FUND**

13 Sec. 501. (1) The appropriation in part 1 to the fund for
14 economic development job training shall be expended in 2 categories:
15 the business response program for employee training grants which
16 maintain or attract permanent jobs for Michigan residents and the
17 manufacturing competitiveness program for grants to fund collaborative
18 efforts which increase the competitiveness of multiple companies
19 within a grant. The business response program is allocated up to
20 \$6,524,000.00, and the manufacturing competitiveness program is
21 allocated up to \$3,524,000.00 not to exceed the part 1 appropriation
22 for this program in its entirety. The fund has the authority to
23 reallocate these amounts during the fiscal year dependent on business
24 demand and economic conditions.

25 (2) Not more than \$800,000.00 of the total grant may be expended
26 for administrative costs. Not more than 10% of the total grant award

1 may be expended by a recipient for administration costs.

2 (3) No funds appropriated in part 1 to the fund for economic
3 development job training grants may be expended for the training of
4 permanent striker replacement workers, unless a strike exceeds 3 years
5 and good faith negotiations are ongoing.

6 (4) Of the total funds appropriated in part 1 for economic
7 development job training grants, at least 70% of the funds shall be
8 awarded to community colleges or a consortium of community colleges
9 and other eligible applicants pursuant to subsection (5).

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

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

26 (7) The award process will include a simple notice of intent to be
27 reviewed to see if the application merits further consideration. If

1 so, a full application may be submitted. Applications for all grants
2 shall be submitted to the fund, and each application shall contain at
3 least all of the following:

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

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

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

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

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

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

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

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

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

19 (d) In addition, for the manufacturing competitiveness program,
20 the following criteria will receive priority: strong level of
21 collaboration and cooperation and demonstration of new techniques,
22 systems, and processes of value to the affected companies.

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

27 (10) A recipient of a grant under this section shall not charge

1 tuition or fees to participants in the program funded by the grant.
2 However, a nonprofit organization may charge tuition or fees if the
3 tuition plan or fees are recognized by the state and the nonprofit
4 organization receives additional funding from other governmental or
5 private funding sources for its programs.

6 (11) For training delivered to incumbent workers under the
7 business response program, the business receiving the benefit of the
8 training shall provide a minimum of 30% of the program costs in
9 matching funds as necessitated by the program. For training delivered
10 under the manufacturing competitiveness program, the business
11 receiving the benefit of the training shall provide a minimum of 30%
12 of the program costs in matching funds as necessitated by the
13 program.

14 (12) Grant funds shall be expended on a cost reimbursement basis.

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

21 (14) The fund shall provide to the state budget director and the
22 fiscal agencies by May 1 and November 1 of each year a report on the
23 economic development job training grants. The report due by May 1
24 shall provide the information described in this subsection for each
25 grant or contract awarded during the preceding 2 quarters of the state
26 fiscal year. The report due by November 1 shall provide this
27 information for each grant or contract awarded during the preceding

1 full fiscal year. The report shall contain all of the following:

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

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

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

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

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

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

17 (17) The Michigan growth capital fund shall be used to develop the
18 technology business sector in Michigan. The Michigan growth capital
19 fund will be used to encourage private and public investment in the
20 technology business sector, and all of the following apply:

21 (a) An applicant must match state funds on a 1:1 basis.

22 (b) Eligible uses of the Michigan growth capital fund include
23 investments in organizations and programs that promote the development
24 of new industry sectors in Michigan; inducements to attract additional
25 venture capital funds to finance technology development; support
26 organizations, initiatives, or events that promote entrepreneurship;
27 provide match for university federal research grants; and support

1 technology transfer and commercialization programs with universities
2 and the private sector.

3 (c) The Michigan economic development corporation shall administer
4 the Michigan growth capital fund.

5 (d) All funds received from repayment of loans, unused grants,
6 revenues received from sales or cash flow participation agreements,
7 guarantees, or any combination thereof or interest thereon, originally
8 distributed as part of the Michigan growth capital fund, shall be
9 received, held, and applied by the fund for the purposes described in
10 this subsection.

11 (e) The Michigan economic development corporation shall provide an
12 annual report on the status of the Michigan growth capital fund to the
13 subcommittees, the fiscal agencies, and the state budget office by
14 January 31.

15 Sec. 502. Travel Michigan may establish and collect a fee to
16 cover the cost of materials and processing of photographic prints,
17 slides, videotapes, and travel product database information that are
18 requested by the media and other segments of the public and private
19 sectors. The fees collected shall be appropriated for all expenses
20 necessary to purchase and distribute these photographic prints,
21 slides, videotapes, and travel product database information. The
22 funds are available for expenditure when they are received by the
23 department of treasury.

24 Sec. 504. Travel Michigan may receive and expend private revenue
25 related to the use of the "Michigan Great Lakes. Great Times."
26 copyrighted slogan and image. This revenue may come from the direct
27 licensing of the name and image or from the royalty payments from

1 various merchandise sales. Revenue collected is appropriated for the
2 marketing of the state as a travel destination. The funds are
3 available for expenditure when they are received by the department of
4 treasury.

5 Sec. 506. The fund shall submit on or before May 1 and November
6 1 to the subcommittees, state budget office, and the fiscal agencies a
7 listing of all grants which have been awarded by the fund or by the
8 Michigan economic development corporation from the funds appropriated
9 in part 1. The list shall include all of the following:

- 10 (a) The name of the recipient.
- 11 (b) The amount awarded to the recipient.
- 12 (c) The purpose of the grant.

13 Sec. 507. (1) The fund shall provide reports to the relevant
14 subcommittees, the state budget director, and the fiscal agencies
15 concerning the activities of the Michigan economic development
16 corporation grants and investment programs financed from the fund
17 using investment or Indian gaming revenues. The report shall provide
18 a list of individual grants and loans made from the fund. The report
19 shall include, but not be limited to, the following programs funded in
20 part 1:

- 21 (a) Travel Michigan.
- 22 (b) Michigan business development.
- 23 (c) Global business development.
- 24 (d) Small, minority, and disabled business services.
- 25 (e) Community development block grants.
- 26 (f) Strategic fund administration.
- 27 (g) Renaissance zones.

1 (h) Emerging business sectors and roundtables.

2 (i) Business and clean air ombudsman.

3 (j) Economic development job training grants.

4 (k) Community assistance team.

5 (l) Technology tri-corridor.

6 (m) Any other programs of the fund.

7 (2) The reports in subsection (1) shall be submitted by January

8 1. The report for each program in subsection (1)(a) through (m) shall
9 include details on the actual spending and number of FTEs for that
10 program for the previous fiscal year.

11 Sec. 508. As a condition of receiving funds under part 1, any
12 interlocal agreement entered into by the fund shall include language
13 which states that if a local unit of government has a contract or
14 memorandum of understanding with a private economic development
15 agency, the Michigan economic development corporation will work
16 cooperatively with that private organization in that local area.

17 Sec. 509. (1) Of the funds appropriated to the fund or through
18 grants to the Michigan economic development corporation, no funds
19 shall be expended for the purchase of options on land or the purchase
20 of land unless at least 1 of the following conditions applies:

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

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

25 (2) Consideration may be given to purchases where the proposed use
26 of the land is consistent with a regional land use plan, will result
27 in the redevelopment of an economically distressed area, can be

1 supported by existing infrastructure, and will not cause shifts in
2 population away from the area's population centers.

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

9 Sec. 510. (1) From the funds appropriated in part 1 for the
10 technology tri-corridor, \$25,000,000.00 is appropriated for the
11 initiative. These funds are appropriated to support research and
12 commercialization opportunities. The program shall be administered by
13 the Michigan economic development corporation.

14 (2) A technology tri-corridor steering committee, appointed by the
15 governor, shall consist of 19 members including the CEO of the
16 Michigan economic development corporation, the director of the
17 department of labor and economic growth, the state treasurer, a member
18 from Michigan State University, the University of Michigan, Wayne
19 State University, Western Michigan University, the Van Andel
20 Institute, 2 members representing the legislature, 1 of which is
21 chosen by the speaker of the house of representatives and 1 of which
22 is chosen by the majority leader of the senate, and 2 members actively
23 engaged in each of the 3 targeted business sectors. The remaining
24 members shall be appointed at large and may include members from the
25 private sector, public sector, or other Michigan universities.
26 Committee members are authorized to designate alternate members. The
27 purpose of the steering committee is to provide advice and oversight

1 of the initiative, including the development of criteria for the
2 awards to qualifying universities, institutions, companies, or
3 individuals. The steering committee will make decisions regarding
4 distribution of these funds.

5 (3) Of the funds appropriated, up to \$2,500,000.00 may be used for
6 administering the initiative including the monitoring of previous
7 years' awards. At least \$5,500,000.00 of the life sciences initiative
8 funding, at least \$2,500,000.00 of the homeland security initiative,
9 and at least \$2,500,000.00 of the automotive initiative shall be used
10 to support competitive business commercialization research
11 opportunities in each of the respective corridor initiatives in
12 Michigan. Of the remaining funds appropriated for each of the
13 separate initiatives, 55% is allocated for a basic research fund, to
14 be distributed on a competitive basis to Michigan universities or
15 Michigan nonprofit research institutes, or both, for basic research in
16 related areas. In addition, 45% of the remaining appropriated funds
17 for each of the initiatives is earmarked for a collaborative research
18 fund to support peer-reviewed collaborative grants among Michigan
19 universities and/or private research facilities, with emphasis on
20 research testing or developing emerging discoveries.

21 (4) Repayment of any funds received as a result of awards made
22 under 1999 PA 120, 2000 PA 292, 2001 PA 80, 2002 PA 517, or this act
23 including, but not limited to, funds received as interest or return on
24 investment shall be deposited in the business commercial development
25 fund. These funds are authorized for expenditure upon receipt and
26 shall not lapse to the general fund.

27 (5) The records of the technology tri-corridor steering committee

1 involving a fiscal year 2005 proposal or life science or technology
2 tri-corridor proposals from prior fiscal years submitted by an
3 eligible entity that are of a scientific, technical, or proprietary
4 nature, the release of which could cause competitive harm to the
5 eligible entity as determined by the technology tri-corridor steering
6 committee, are exempt from disclosure under the freedom of information
7 act, 1976 PA 442, MCL 15.231 to 15.246.

8 Sec. 511. The money appropriated in part 1 to the fund is
9 subject to the condition that none is spent for premiums or
10 advertising material involving personal effects or apparel including,
11 but not limited to, t-shirts, hats, coffee mugs, or other promotional
12 items, except travel Michigan.

13 Sec. 512. (1) From the general fund/general purpose
14 appropriations in part 1 to the fund and granted or transferred to the
15 Michigan economic development corporation, any unexpended or
16 unencumbered balance shall be disposed of in accordance with the
17 requirements in the management and budget act, 1984 PA 431,
18 MCL 18.1101 to 18.1594, unless carryforward authorization has been
19 otherwise provided for.

20 (2) Any encumbered funds shall be used for the same purposes for
21 which funding was originally appropriated in this act.

22 Sec. 513. As a condition of receiving funds under part 1, the
23 fund shall ensure that the MEDC and the fund comply with all of the
24 following:

25 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to
26 15.246.

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

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

3 (d) All reports required by law to be submitted to the
4 legislature.

5 (e) If the MEDC is unable for any reason to perform duties under
6 this act, the fund may exercise those duties.

7 Sec. 514. As a condition for receiving the appropriations in
8 part 1, any staff of the Michigan economic development corporation
9 involved in private fund-raising activities shall not be party to any
10 decisions regarding the awarding of grants or tax abatements from the
11 fund, the Michigan economic development corporation, or the Michigan
12 economic growth authority.

13 Sec. 515. (1) All funds received from repayment of loans, unused
14 grants, revenues received from sales or cash flow participation
15 agreements, guarantees, or any combination thereof or interest
16 thereon, originally distributed as part of the core communities fund,
17 shall be received, held, and applied by the fund for the purposes
18 described in this act.

19 (2) The fund shall provide an annual report on the status of this
20 fund. The report shall be provided to the subcommittees, the fiscal
21 agencies, and the state budget office by January 31.

22 Sec. 518. (1) The funding appropriated in part 1 of 2000 PA 291
23 for the Michigan core communities fund may be used to create an urban
24 revitalization infrastructure program in the fund for economic
25 development awards to create new jobs or contribute to redevelopment
26 and encourage private investment in core communities.

27 (2) Awards may be provided to qualified local governmental units

1 as defined in the obsolete property rehabilitation act, 2000 PA 146,
2 or certified technology parks, as defined in the local development
3 financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

4 (3) Awards can be used for land and property acquisition and
5 assembly, demolition, site development, utility modifications and
6 improvements, street and road improvements, telecommunication
7 infrastructure, site location and relocation, infrastructure
8 improvements, and any other costs related to the successful
9 development and implementation of core community or certified
10 technology park projects, at the discretion of the Michigan economic
11 development corporation.

12 (4) Funding may be provided in the form of loans, grants, sales or
13 cash flow participation agreements, guarantees, or any combination of
14 these. A cash match of at least 10%, or local repayment guarantee
15 with a dedicated funding source, is required. Priority shall be given
16 to projects which are integrated with existing economic development
17 programs, and to projects in proportion to the amount that local
18 matching rates exceed 10%.

19 (5) The Michigan economic development corporation shall have all
20 administrative responsibility for the Michigan core communities fund
21 and shall establish application and application scoring criteria and
22 approve awards. The Michigan economic development corporation may
23 utilize up to 1/2 of 1% of the fund for administrative purposes.

24 (6) Funds will be awarded through an open competitive process
25 based on criteria including the following: project impact, project
26 marketability, lack of adequate infrastructure or land assembly
27 financing sources, local administrative capacity, and the level of

1 local matching funds. Awardees shall agree to expedite the local
2 development process, such as fast-track permitting procedures,
3 streamlined regulatory requirements, standardized construction and
4 building codes, and the use of competitive construction permitting
5 fees.

6 (7) No single applicant shall be awarded more than \$10,000,000.00
7 per project.

8 (8) Fifteen days prior to the award of the funds, notification
9 shall be provided to the speaker of the house of representatives, the
10 senate majority leader, the members of the house and senate
11 appropriations committees, the fiscal agencies, and the state budget
12 director.

13 (9) Funds shall not be awarded for any of the following purposes:

14 (a) Land sited for use as, or support for, a gaming facility.

15 (b) Land or other facilities owned or operated by a gaming
16 facility.

17 (c) Publicly owned land or facilities which may directly or
18 indirectly support a gaming facility.

19 Sec. 519. It is the intent of the legislature that the members
20 of the executive committee of the corporation board of the MEDC be
21 subject to the advice and consent of the senate.

22 Sec. 520. Of the funds appropriated in part 1 for the Michigan
23 promotion program, \$200,000.00 may be used for administration and
24 enforcement of boxing regulation in Michigan.

25 Sec. 521. Up to \$100,000.00 from available resources shall be
26 spent to create and administer a state clearinghouse on
27 entrepreneurship available to the public through the Internet.