

SENATE 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.....	4,248.5	
6	GROSS APPROPRIATION.....	\$	1,244,984,200
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers.....		515,200
10	ADJUSTED GROSS APPROPRIATION.....	\$	1,244,469,000
11	Federal revenues:		
12	Total federal revenues.....		815,583,000
13	Special revenue funds:		
14	Total local revenues.....		15,669,600
15	Total private revenues.....		4,140,100
16	Total other state restricted revenues.....		298,179,100
17	State general fund/general purpose.....	\$	110,897,200
18	Sec. 102. EXECUTIVE DIRECTION		
19	Full-time equated unclassified positions.....	58.5	
20	Full-time equated classified positions.....	266.0	
21	Unclassified salaries.....	\$	5,349,400
22	Executive director programs--27.0 FTE positions.....		2,964,300
23	Policy development--25.0 FTE positions.....		2,734,600
24	Utility consumer representation.....		550,000
25	Regulatory efficiency improvements/backlog reduction		
26	initiative.....		665,600
27	MES board of review program--18.0 FTE positions.....		1,930,600

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1	Bureau of hearings--68.0 FTE positions.....	8,196,300
2	Energy office--9.0 FTE positions.....	4,213,500
3	Commission on disability concerns--7.0 FTE positions	969,000
4	Commission for the blind--94.0 FTE positions.....	18,122,400
5	Youth low-vision program.....	241,700
6	Right-of-way oversight authority--5.0 FTE positions.	<<499,900>>
7	Land bank fast track authority--3.0 FTE positions...	650,000
8	<<	
9		>>
10	GROSS APPROPRIATION..... \$	<<47,087,300>>
11	Appropriated from:	
12	Federal revenues:	
13	DOE-OEERE, multiple grants.....	3,679,100
14	DOL-ETA, unemployment insurance.....	9,392,500
15	DOL-ETA, workforce investment act.....	99,200
16	DOL, federal funds.....	269,900
17	DOL, multiple grants for safety and health.....	170,200
18	HHS, temporary assistance for needy families.....	23,000
19	Federal revenues.....	13,804,500
20	Special revenue funds:	
21	Private - oil overcharge.....	30,000
22	Private revenues.....	120,700
23	Local revenues.....	500,000
24	Bank fees.....	174,800
25	Boiler fees.....	33,500
26	Construction code fund.....	480,900
27	Consumer finance fees.....	61,200

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1	Corporation fees.....	2,425,300
2	Credit union fees.....	112,700
3	Elevator fees.....	37,400
4	Fees and collections/asbestos.....	11,100
5	Insurance regulatory fees.....	566,200
6	Land bank fast track authority.....	650,000
7	Licensing and regulation fees.....	1,121,500
8	Liquor license fees.....	100,000
9	Liquor purchase revolving fund.....	1,773,500
10	Manufactured housing commission fees.....	159,900
11	Metro authority fund.....	<<499,900>>
12	<<	
13		>>
14	Michigan state housing development authority fees	
15	and charges.....	475,900
16	Motor carrier fees.....	36,100
17	Public utility assessments.....	1,399,600
18	Safety education and training fund.....	243,900
19	Second injury fund.....	82,300
20	Securities fees.....	2,328,900
21	Self-insurers security fund.....	22,300
22	Silicosis and dust disease fund.....	32,700
23	Tax tribunal fees.....	1,100
24	State restricted revenues.....	477,300
25	Utility consumer representation fund.....	550,000
26	Worker's compensation administrative revolving fund.	80,800
27	State general fund/general purpose..... \$	5,059,400

1	Sec. 103. MANAGEMENT SERVICES		
2	Full-time equated classified positions.....161.0		
3	Administrative services--161.0 FTE positions.....	\$	14,959,400
4	Rent.....		17,338,500
5	Building occupancy charges - property development		
6	services.....		9,282,400
7	Worker's compensation.....		1,947,600
8	Special project advances.....		940,000
9	Human resources optimization user charges.....		<u>147,500</u>
10	GROSS APPROPRIATION.....	\$	44,615,400
11	Appropriated from:		
12	Interdepartmental grant revenues:		
13	IDG from department of community health.....		300,000
14	Federal revenues:		
15	CNS.....		295,700
16	DED-OSERS, rehabilitation services, vocational		
17	rehabilitation of state grants.....		4,854,000
18	DOL-ETA, workforce investment act.....		439,100
19	DOL-ETA, unemployment insurance.....		14,125,000
20	DOL, federal funds.....		2,306,500
21	DOL, multiple grants for safety and health.....		573,600
22	Federal funds.....		20,600
23	HHS, federal funds.....		311,400
24	Federal revenues.....		785,700
25	Special revenue funds:		
26	Local revenues.....		135,500
27	Private - special project advances.....		940,000

1	Bank fees.....	287,800
2	Boiler fee revenue.....	239,100
3	Construction code fund.....	1,294,900
4	Consumer finance fees.....	103,900
5	Contingent fund, penalty and interest account.....	804,500
6	Corporation fees.....	2,584,100
7	Credit union fees.....	207,000
8	Elevator fees.....	268,100
9	Fees and collections/asbestos.....	45,300
10	Fire service fees.....	295,700
11	Insurance licensing and regulatory fees.....	1,748,600
12	Insurance regulatory fees.....	553,600
13	Licensing and regulation fees.....	462,400
14	Liquor purchase revolving fund.....	3,784,500
15	Manufactured housing commission fees.....	243,300
16	Michigan state housing development authority fees	
17	and charges.....	2,933,300
18	Motor carrier fees.....	149,100
19	Private occupational school license fees.....	14,000
20	Public utility assessments.....	1,402,700
21	Rehabilitation services fees.....	90,300
22	Safety education and training fund.....	359,900
23	Second injury fund.....	171,200
24	Securities fees.....	304,700
25	Self-insurers security fund.....	61,000
26	Silicosis and dust disease fund.....	68,600
27	Worker's compensation administrative revolving fund.	95,600

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1	State general fund/general purpose.....	\$	955,100
2	Sec. 104. OFFICE OF FINANCIAL AND INSURANCE		
3	SERVICES		
4	Full-time equated classified positions.....	266.0	
5	Administration--8.0 FTE positions.....	\$	2,632,400
6	Policy conduct and consumer assistance--113.0 FTE		
7	positions.....		12,865,700
8	Financial evaluation--145.0 FTE positions.....		<<19,543,100>>
9	GROSS APPROPRIATION.....	\$	<<35,041,200>>
10	Appropriated from:		
11	Federal revenues:		
12	Federal funds.....		50,400
13	Special revenue funds:		
14	Bank fees.....		7,078,600
15	Consumer finance fees.....		3,275,100
16	Credit union fees.....		4,484,200
17	Insurance continuing education fees.....		741,400
18	Insurance licensing and regulation fees.....		4,291,500
19	Insurance regulatory fees.....		<<13,288,200>>
20	Multiple employer welfare arrangement.....		65,700
21	Securities fees.....		1,766,100
22	State general fund/general purpose.....	\$	0
	<<Sec. 105. MICHIGAN BROADBAND DEVELOPMENT AUTHORITY		
	Full-time equated classified positions.....	10.0	
	Director of legal and regulatory affairs--1.0 FTE		
	position.....	\$	143,400
	Director of finance--1.0 FTE position.....		134,500
	Director of marketing and customer development--1.0 FTE		
	position.....		134,500
	Director of accounting and purchasing--1.0 FTE		
	position.....		108,500
	Project director--1.0 FTE position.....		108,500
	Director of community and government affairs--1.0 FTE		
	position.....		92,300
	Executive assistant 13--1.0 FTE position.....		71,100

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Executive assistant 11--1.0 FTE position.....		61,900
Accountant--1.0 FTE position.....		54,000
Intern positions--1.0 FTE position.....		30,000
Administration.....		<u>357,900</u>
GROSS APPROPRIATION.....\$		1,296,600
Appropriated from:		
Special revenue funds:		
Michigan broadband authority fees and charges.....		1,296,600>>
23 Sec. <<106>>. PUBLIC SERVICE COMMISSION		
24 Full-time equated classified positions.....	146.0	
25 Administration, planning and regulation--	146.0 FTE	
26 positions.....	\$	18,734,700
27 Low-income/energy efficiency assistance.....		<u>45,000,000</u>

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1	GROSS APPROPRIATION.....	\$	63,734,700
2	Appropriated from:		
3	Federal revenues:		
4	DOE-OEERE, multiple grants.....		149,000
5	DOT-RSPA, gas pipeline safety.....		940,700
6	Special revenue funds:		
7	Motor carrier fees.....		1,958,500
8	Public utility assessments.....		15,686,500
9	Low-income and energy efficiency fund.....		45,000,000
10	State general fund/general purpose.....	\$	0
11	Sec. <<107>>. LIQUOR CONTROL COMMISSION		
12	Full-time equated classified positions.....	152.0	
13	Management support services--28.0 FTE positions.....	\$	2,901,800
14	Liquor licensing and enforcement--124.0 FTE		
15	positions.....		11,587,700
16	Liquor law enforcement grants.....		6,000,000
17	Grant to department of agriculture, wine industry		
18	council.....		<u>457,200</u>
19	GROSS APPROPRIATION.....	\$	20,946,700
20	Appropriated from:		
21	Special revenue funds:		
22	Liquor license revenue.....		11,411,500
23	Liquor purchase revolving fund.....		9,078,000
24	Nonretail liquor license revenue.....		457,200
25	State general fund/general purpose.....	\$	0
26	Sec. <<108>>. MICHIGAN STATE HOUSING DEVELOPMENT		
27	AUTHORITY		

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1	Full-time equated classified positions.....	232.0	
2	Payments on behalf of tenants.....	\$	120,000,000
3	Housing and rental assistance program--232.0 FTE		
4	positions.....		<u>31,624,300</u>
5	GROSS APPROPRIATION.....	\$	151,624,300
6	Appropriated from:		
7	Federal revenues:		
8	HUD, lower income housing assistance program.....		136,971,200
9	Special revenue funds:		
10	Michigan state housing development authority fees		
11	and charges.....		14,653,100
12	State general fund/general purpose.....	\$	0
13	Sec. <<109>>. TAX TRIBUNAL		
14	Full-time equated classified positions.....	12.0	
15	Operations--12.0 FTE positions.....	\$	<u>1,371,200</u>
16	GROSS APPROPRIATION.....	\$	1,371,200
17	Appropriated from:		
18	Special revenue funds:		
19	Tax tribunal fees.....		688,300
20	Securities fees.....		376,100
21	State general fund/general purpose.....	\$	306,800
22	Sec. <<110>>. GRANTS		
23	Fire protection grants.....	\$	<u>15,921,100</u>
24	GROSS APPROPRIATION.....	\$	15,921,100
25	Appropriated from:		
26	Special revenue funds:		
27	Liquor purchase revolving fund.....		7,421,100

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1	Fire protection fund.....	8,500,000
2	State general fund/general purpose..... \$	0
3	Sec. <<111>>. OCCUPATIONAL REGULATION	
4	Full-time equated classified positions.....409.0	
5	Code enforcement and fire safety--177.0 FTE	
6	positions..... \$	16,519,800
7	Boiler inspection program--23.0 FTE positions.....	2,305,200
8	Elevator inspection program--27.0 FTE positions.....	2,374,700
9	Commercial services--149.0 FTE positions.....	14,735,700
10	Local manufactured housing communities inspections..	250,000
11	Manufactured housing and land resources	
12	program--22.0 FTE positions.....	2,749,300
13	Property development group--11.0 FTE positions.....	1,408,300
14	Remonumentation grants.....	<u>10,000,000</u>
15	GROSS APPROPRIATION..... \$	50,343,000
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	IDG from department of community health, inspection	
19	contract.....	111,100
20	Federal revenues:	
21	Federal funds.....	872,300
22	FEMA.....	150,000
23	DOT.....	85,000
24	Special revenue funds:	
25	Boiler fee revenue.....	2,460,000
26	Construction code fund.....	13,450,000
27	Corporation fees.....	5,143,000

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1	Elevator fees.....	2,493,300
2	Fire service fees.....	2,100,000
3	Homeowner construction lien recovery fund.....	1,532,800
4	Licensing and regulation fees.....	8,307,100
5	Limited liability partnership revenue.....	10,000
6	Manufactured housing commission fees.....	2,364,300
7	Property development fees.....	253,200
8	Remonumentation fees.....	10,635,300
9	Real estate appraiser continuing education fund.....	45,000
10	Real estate education fund.....	217,500
11	State general fund/general purpose..... \$	113,100
12	Sec. <<112>>. EMPLOYMENT RELATIONS	
13	Full-time equated classified positions.....25.0	
14	Employment and labor relations--25.0 FTE positions.. \$	<u>3,306,300</u>
15	GROSS APPROPRIATION..... \$	3,306,300
16	Appropriated from:	
17	Federal revenues:	
18	EEOC, federal funds.....	10,000
19	Special revenue funds:	
20	Securities fees.....	3,238,400
21	State general fund/general purpose..... \$	57,900
22	Sec. <<113>>. SAFETY AND REGULATION	
23	Full-time equated classified positions.....229.0	
24	Occupational safety and health--229.0 FTE positions. \$	<u>23,829,900</u>
25	GROSS APPROPRIATION..... \$	23,829,900
26	Appropriated from:	
27	Federal revenues:	

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1	DOL, multiple grants for safety and health.....	11,400,100
2	Special revenue funds:	
3	Corporate fees.....	1,966,500
4	Fees and collections/asbestos.....	748,200
5	Licensing and regulation fees.....	1,062,200
6	Safety education and training fund.....	7,036,600
7	Securities fees.....	1,616,300
8	State general fund/general purpose..... \$	0
9	Sec. <<114>>. BUREAU OF WORKER'S AND UNEMPLOYMENT	
10	COMPENSATION	
11	Full-time equated classified positions.....1,216.0	
12	Administration--96.6 FTE positions..... \$	8,721,700
13	Board of magistrates and appellate commission	
14	administration--19.4 FTE positions.....	2,591,700
15	Wage and hour division--31.0 FTE positions.....	2,381,200
16	Insurance funds administration--28.0 FTE positions..	4,199,200
17	Supplemental benefit fund.....	1,300,000
18	Unemployment programs--963.7 FTE positions.....	76,928,100
19	Advocacy assistance program--8.0 FTE positions.....	1,500,000
20	Special audit and collections program--34.0 FTE	
21	positions.....	2,467,500
22	Training program for agency staff--2.1 FTE positions	1,775,100
23	Expanded fraud control program--33.2 FTE positions..	<u>2,789,200</u>
24	GROSS APPROPRIATION..... \$	104,653,700
25	Appropriated from:	
26	Federal revenues:	
27	DOL-ETA, employment and training administration.....	576,600

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1	DOL, unemployment insurance.....	79,149,800
2	Federal Reed act funds.....	4,233,500
3	Special revenue funds:	
4	Corporation fees.....	3,512,000
5	Contingent fund, penalty and interest account.....	6,588,400
6	Licensing and regulation fees.....	703,500
7	Second injury fund.....	2,262,200
8	Securities fees.....	3,575,300
9	Self-insurers security fund.....	1,068,300
10	Silicosis and dust disease fund.....	868,700
11	Worker's compensation administrative revolving fund.	2,115,400
12	State general fund/general purpose..... \$	0
13	Sec. <<115>>. INFORMATION TECHNOLOGY	
14	Information technology services and projects..... \$	<u>39,347,500</u>
15	GROSS APPROPRIATION..... \$	39,347,500
16	Appropriated from:	
17	Federal revenues:	
18	DOL-ETA, unemployment insurance.....	18,750,700
19	DOL, multiple grants for safety and health.....	175,300
20	Federal revenues.....	6,571,400
21	Special revenue funds:	
22	Bank fees.....	431,200
23	Boiler fee revenue.....	238,900
24	Construction code fund.....	1,297,400
25	Consumer finance fees.....	85,300
26	Corporation fees.....	1,549,300
27	Credit union fees.....	243,600

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1	Elevator fees.....	229,700
2	Fees and collections/asbestos.....	10,200
3	Insurance regulatory fees.....	449,700
4	Licensing and regulation fees.....	1,002,300
5	Liquor purchase revolving fund.....	3,921,600
6	Manufactured housing commission fees.....	65,000
7	Michigan state housing development authority fees	
8	and charges.....	1,672,900
9	Motor carrier fees.....	86,900
10	Public utility assessments.....	698,200
11	Safety education and training fund.....	257,600
12	Second injury fund.....	96,700
13	Securities fees.....	1,295,200
14	Self-insurers security fund.....	34,500
15	Silicosis and dust disease fund.....	44,700
16	State general fund/general purpose..... \$	139,200
17	Sec. <<116>>. WORKFORCE DEVELOPMENT	
18	Full-time equated classified positions.....878.5	
19	Employment training services--503.0 FTE positions... \$	83,846,000
20	Michigan career and technical institute--77.5 FTE	
21	positions.....	11,545,500
22	Employment services--246.0 FTE positions.....	44,334,000
23	Labor market information--52.0 FTE positions.....	<u>5,747,700</u>
24	GROSS APPROPRIATION..... \$	145,473,200
25	Appropriated from:	
26	Federal revenues:	
27	CNS.....	1,585,900

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1	DAG, employment and training.....	172,400
2	DED-OPSE, multiple grants.....	1,115,500
3	DED-OSERS, centers for independent living.....	58,200
4	DED-OSERS, rehabilitation long-term training.....	566,900
5	DED-OSERS, rehabilitation services, vocational	
6	rehabilitation of state grants.....	47,335,400
7	DED-OSERS, state grants for technical related	
8	assistance.....	56,000
9	DOL-ETA, workforce investment act.....	4,077,500
10	DOL, federal funds.....	61,821,500
11	DOL, ODEP.....	225,000
12	DED, Perkins act.....	174,900
13	HHS, temporary assistance for needy families.....	3,207,100
14	HHS-SSA, supplemental security income.....	4,394,800
15	Special revenue funds:	
16	Private - gifts, bequests, and donations.....	1,396,300
17	Local revenue.....	4,071,300
18	Local vocational rehabilitation match.....	3,054,000
19	Contingent fund, penalty and interest account.....	1,710,600
20	Rehabilitation services fees.....	1,199,900
21	Second injury fund.....	51,500
22	Student fees.....	308,000
23	Training materials fees.....	256,400
24	State general fund/general purpose..... \$	8,634,100
25	Sec. <<117>>. CAREER EDUCATION PROGRAMS	
26	Full-time equated classified positions.....57.0	
27	Career and technical education--25.0 FTE positions.. \$	3,266,000

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1	Postsecondary education--14.0 FTE positions.....	2,454,900
2	Adult education--16.0 FTE positions.....	2,304,300
3	Commission on Spanish speaking affairs--2.0 FTE	
4	positions.....	<u>220,900</u>
5	GROSS APPROPRIATION..... \$	8,246,100
6	Appropriated from:	
7	Federal revenues:	
8	Federal revenues.....	6,116,700
9	Special revenue funds:	
10	Private occupational school license fees.....	388,600
11	Defaulted loan collection fees.....	100,000
12	State general fund/general purpose..... \$	1,640,800
13	Sec. <<118>>. DEPARTMENT GRANTS	
14	Adult basic education..... \$	17,000,000
15	Focus: HOPE.....	5,860,100
16	Gear-up program grants.....	3,000,000
17	Job training programs subgrantees.....	119,612,700
18	Michigan community service commission subgrantees...	5,900,100
19	Michigan virtual university.....	999,900
20	Personal assistance services.....	459,400
21	Precollege programs in engineering and the sciences.	780,100
22	Carl D. Perkins grants.....	47,500,000
23	Vocational rehabilitation client services/facilities	54,989,400
24	Vocational rehabilitation independent living.....	3,079,600
25	Welfare-to-work programs.....	<u>113,798,600</u>
26	GROSS APPROPRIATION..... \$	372,979,900
27	Appropriated from:	

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1	Federal revenues:	
2	CNS.....	5,500,000
3	DAG, employment and training.....	13,000,000
4	DED-OESE, gear-up.....	3,000,000
5	DED-OSERS, centers for independent living.....	450,200
6	DED-OSERS, client assistance for individuals with	
7	disabilities.....	440,000
8	DED-OSERS, rehabilitation services, vocational	
9	rehabilitation of state grants.....	35,797,900
10	DED-OSERS, rehabilitation services facilities.....	2,272,500
11	DED-OSERS, supported employment.....	1,541,300
12	DED-OSERS, state grants for technical related	
13	assistance.....	2,240,800
14	DED-OVAE, adult education.....	17,000,000
15	DED-OVAE, basic grants to states.....	47,500,000
16	DOL-ETA, workforce investment act.....	119,602,600
17	HHS, temporary assistance for needy families.....	48,299,000
18	HHS-SSA, supplemental security income.....	2,480,600
19	Federal section 903(d), SSA funds.....	21,300,000
20	Special revenue funds:	
21	Private - gifts, bequests, and donations.....	800,000
22	Contingent fund, penalty and interest account.....	1,000,000
23	Local vocational rehabilitation match.....	6,630,500
24	Local vocational rehabilitation facilities match....	1,278,300
25	State general fund/general purpose..... \$	42,846,200
26	Sec. <<119>>. MICHIGAN STRATEGIC FUND	
27	Full-time equated classified positions.....199.0	

1	Administration--39.0 FTE positions.....	\$	2,632,300
2	Job creation services--160.0 FTE positions.....		19,739,100
3	Michigan promotion program.....		5,717,400
4	Economic development job training grants.....		10,047,900
5	Community development block grants.....		50,000,000
6	Technology tri-corridor: life sciences initiative..		20,000,000
7	Technology tri-corridor: homeland security		
8	initiative.....		1,000,000
9	Technology tri-corridor: automotive initiative.....		1,000,000
10	Michigan center for excellence in manufacturing.....		5,000,000
11	Human resources optimization user charges.....		<u>29,400</u>
12	GROSS APPROPRIATION.....	\$	115,166,100
13	Appropriated from:		
14	Interdepartmental grant revenues:		
15	IDG-MDEQ, air quality fees.....		104,100
16	Federal revenues:		
17	DOL-ETA, employment service.....		813,600
18	HUD-CPD, community development block grant.....		52,200,700
19	Special revenue funds:		
20	Private - special project advances.....		853,100
21	Industry support fees.....		50,000
22	Tobacco settlement revenue.....		10,000,000
23	State general fund/general purpose.....	\$	51,144,600

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

1 **GENERAL SECTIONS**

2 Sec. 201. Pursuant to section 30 of article IX of the state
3 constitution of 1963, total state spending from state resources under
4 part 1 for fiscal year 2004-2005 is \$409,076,300.00 and state spending
5 from state resources to be paid to local units of government for
6 fiscal year 2004-2005 is \$33,822,800.00. The itemized statement below
7 identifies appropriations from which spending to units of local
8 government will occur:

9 DEPARTMENT OF LABOR AND ECONOMIC GROWTH

10	Fire protection grants.....	\$	15,921,100
11	Liquor law enforcement.....		6,000,000
12	Local manufactured housing inspections.....		201,700
13	Remonumentation grants.....		10,000,000
14	Fire fighters training council.....		<u>1,700,000</u>
15	Total department of labor and economic growth.....	\$	33,822,800

16 Sec. 202. The appropriations authorized under this act are
17 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
18 18.1594.

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

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

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

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

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

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

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

- 1 (g) "DED-OSERS" means the DED office of special education
2 rehabilitation services.
- 3 (h) "DED-OVAE" means the DED office of vocational and adult
4 education.
- 5 (i) "Department" means the department of labor and economic
6 growth, including the Michigan strategic fund.
- 7 (j) "Director" means the director of the department
8 of labor and economic growth.
- 9 (k) "DOE" means the United States department of energy.
- 10 (l) "DOE-OEERE" means the DOE office of energy efficiency and
11 renewable energy.
- 12 (m) "DOL" means the United States department of labor.
- 13 (n) "DOL-ETA" means the DOL employment and training administration.
- 14 (o) "DOL-ODEP" means the DOL office of disability employment
policy.
- 15 (p) "DOT" means the United States department of transportation.
- 16 (q) "DOT-RSPA" means the DOT research and special programs
17 administration.
- 18 (r) "EEOC" means equal employment opportunity commission.
- 19 (s) "Fiscal agencies" means Michigan house fiscal agency and
20 Michigan senate fiscal agency.
- 21 (t) "FTE" means full-time equated.
- 22 (u) "Fund" means the Michigan strategic fund.
- 23 (v) "GED" means general education degree.
- 24 (w) "HHS" means the United States department of health and human
25 services.
- 26 (x) "HHS-SSA" means HHS social security administration.
- 27 (y) "HUD" means the United States department of housing and urban

1 development.

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

3 (aa) "IDG" means interdepartmental grant.

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

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

6 (dd) "MEDC" means the Michigan economic development corporation,
7 which is the public body corporate created under section 28 of
8 article VII of the state constitution of 1963 and the urban
9 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512,
10 by contractual interlocal agreement effective April 5, 1999, between
11 local participating economic development corporations formed under the
12 economic development corporations act, 1974 PA 338, MCL 125.1601 to
13 125.1636, and the Michigan strategic fund.

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

15 (ff) "Subcommittees" means all members of the subcommittees
16 of the house and senate appropriations committees with jurisdiction over
17 the budget for the department.

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

23 Sec. 205. (1) A hiring freeze is imposed on the state classified
24 civil service. State departments and agencies are prohibited from
25 hiring any new classified civil service employees and prohibited from
26 filling any vacant state classified civil service positions. This
27 hiring freeze does not apply to internal transfers of classified

1 employees from 1 position to another within a department.

2 (2) The hiring freeze described in subsection (1) does not apply
3 to any classified state civil service position that meets any of the
4 following criteria:

5 (a) Filling the vacant position will directly prevent the loss of
6 federal funding.

7 (b) The vacant position deals directly with the direct provision
8 of public safety services including prison officers, law enforcement
9 officers, and child services enforcement workers.

10 (c) The vacant position provides direct health care services
11 including physicians, nurses, and other direct health care providers.

12 (3) The state budget director shall report quarterly to the
13 chairpersons of the senate and house of representatives standing
14 committees on appropriations the number of new state classified civil
15 service employees hired during the previous quarter and the reasons to
16 justify the hiring.

17 Sec. 207. At least 60 days before beginning any effort to
18 privatize, the department shall submit a complete project plan to the
19 subcommittees and the fiscal agencies. The plan shall include the
20 criteria under which the privatization initiative will be evaluated.
21 The evaluation shall be completed and submitted to the fiscal agencies
22 and to the subcommittees within 30 months.

23 Sec. 208. Unless otherwise specified, the department shall use
24 the Internet to fulfill the reporting requirements of this act. This
25 requirement may include transmission of reports via electronic mail to
26 the recipients identified for each reporting requirement or it may
27 include placement of reports on the Internet or Intranet site.

1 Sec. 209. Funds appropriated in part 1 shall not be used for the
2 purchase of foreign goods or services, or both, if competitively
3 priced and of comparable quality American goods or services, or both,
4 are available. Goods or services, or both, manufactured or provided
5 by Michigan businesses shall be used if they are competitively priced
6 and of comparable value.

7 Sec. 210. The director or the CEO of each department or agency
8 receiving appropriations in part 1 is encouraged to take all
9 reasonable steps to ensure businesses in deprived and depressed
10 communities compete for and perform contracts to provide services or
11 supplies, or both. Each director or CEO will strongly encourage firms
12 with which the department contracts to subcontract with certified
13 businesses in depressed and deprived communities for services,
14 supplies, or both.

15 Sec. 212. The department shall receive and retain copies of all
16 reports funded from appropriations in part 1. The department shall
17 follow federal and state guidelines for short-term and long-term
18 retention of these reports and records.

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

26 Sec. 216. It is the intent of the legislature that all revenue
27 sources for funds appropriated in part 1 shall not be aggregated into

1 general categories and shall be specifically identified and detailed
2 as much as possible.

3 Sec. 217. (1) The department shall not spend any of the funds
4 appropriated in part 1 for travel outside the state of Michigan unless
5 an agency is statutorily required to regulate businesses that are
6 headquartered in another state but have a presence in Michigan.
7 Expenditures shall not exceed the amount expended in fiscal year
8 2003-2004 for travel related to regulating out-of-state businesses.

9 (2) From the funds appropriated in part 1, the department shall
10 spend on travel in fiscal year 2004-2005 not more than 50% of the
11 amount spent on travel in fiscal year 2003-2004, unless it is for job
12 creation or retention purposes. The fund shall not exceed the amount
13 expended in fiscal year 2003-2004 for travel in fiscal year
14 2004-2005.

15 **REGULATORY**

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

21 Sec. 302. The funds collected by the office of financial and
22 insurance services in connection with a conservatorship pursuant to
23 section 32 of the mortgage brokers, lenders, and servicers licensing
24 act, 1987 PA 173, MCL 445.1682, shall be appropriated for all expenses
25 necessary to provide for the required services. Funds are available
26 for expenditure when they are received by the department of treasury

1 and shall not lapse to the general fund at the end of the fiscal
2 year.

3 Sec. 303. The funds collected by the department from
4 corporations being liquidated pursuant to the insurance code of 1956,
5 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated for all
6 expenses necessary to provide for the required services. Funds are
7 available for expenditure when they are received by the department of
8 treasury and shall not lapse to the general fund at the end of the
9 fiscal year.

10 Sec. 304. The department may make available to interested
11 entities otherwise unavailable customized listings of nonconfidential
12 information in its possession, such as names and addresses of
13 licensees, and charge for this information as follows: base fee for 1
14 to 1,000 records at the cost to the department; 1,001 to 10,000
15 records at 2.5 cents per record; and 10,001 or more records at .5
16 cents per record. The revenue received from this service may be used
17 to offset expenses of programs as appropriated in part 1. The balance
18 of this revenue collected and unexpended at the end of the fiscal year
19 shall revert to the appropriate restricted revenue account or fund or,
20 in absence of such an account or fund, to the general fund. The
21 department shall submit an annual report on or before December 1 of
22 each year to the state budget office and the subcommittees that states
23 the amount of revenue received from the sale of information.

24 Sec. 306. The Michigan state housing development authority shall
25 annually present a report to the state budget office and the
26 subcommittees on the status of the authority's housing production
27 goals under all financing programs established or administered by the

1 authority. The report shall give special attention to efforts to
 2 raise affordable multifamily housing production goals.

3 Sec. 308. The funds collected by the department for licenses,
 4 permits, and other elevator regulation fees set forth in R 408.8151 of
 5 the Michigan administrative code and as determined under section 8 of
 6 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL 408.816,
 7 that are unexpended at the end of the fiscal year shall carry forward
 8 to the subsequent fiscal year. The department shall submit a report
 9 on an annual basis to the state budget office and the subcommittees on
 10 the amount of funds available under this section.

11 Sec. 309. If the revenue collected by the department for
 12 occupational safety and health from fees and collections exceeds the
 13 amount appropriated in part 1, the revenue may be carried forward into
 14 the subsequent fiscal year. The revenue carried forward under this
 15 section shall be used as the first source of funds in the subsequent
 16 fiscal year.

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

21 Operation and maintenance inspection fee

<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed
<u>Plan review and construction inspection fees for hospitals and schools</u>		
<u>Project cost range</u>	<u>Fee</u>	
\$101,000.00 or less	minimum fee of \$155.00	
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00	
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00	

1 \$10,000,001.00 or more \$1.10 per \$1,000.00
2 or a maximum fee of \$60,000.00.

3 Sec. 313. If the revenue collected by the department from
4 licensing and regulation fees exceeds the amount appropriated in part
5 1, the revenue may be carried forward into the subsequent fiscal
6 year. The revenue carried forward under this section shall be used as
7 the first source of funds in the subsequent fiscal year.

8 Sec. 314. Funds earned or authorized by the United States
9 department of labor in excess of the gross appropriation in part 1 for
10 the unemployment insurance agency and the employment service agency
11 from the United States department of labor are appropriated and may be
12 expended for staffing and related expenses incurred in the operation
13 of its programs. These funds may be spent after the department
14 notifies the state budget office and the subcommittees of the purpose
15 and amount of each grant award.

16 Sec. 315. The department shall sell documents at a price not to
17 exceed the cost of production and distribution. Money received from
18 the sale of these documents shall revert to the department. The funds
19 are available for expenditure when they are received by the department
20 of treasury and may only be used for costs directly related to the
21 continued updating and distribution of the documents pursuant to this
22 section. This section applies only for the following documents:

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

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

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

3 (d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to
4 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101 to
5 450.2098; the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to
6 450.3192; and the uniform securities act, 1964 PA 265, MCL 451.501 to
7 451.818.

8 (e) Labor law books.

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

10 (g) Construction code manuals.

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

12 Sec. 317. The department, bureau of safety and regulation, shall
13 provide an annual report by February 1 of each year to the state
14 budget office, the fiscal agencies, and the subcommittees on the
15 number of individuals killed and the number of individuals injured on
16 the job within industries regulated by the bureau during the most
17 recent year for which data are available.

18 Sec. 322. From the funds appropriated in part 1 for utility
19 consumer representation, the department shall produce and facilitate
20 the airing of public service announcements that inform utility
21 customers of the availability and purpose of these funds. The utility
22 consumer participation board shall report to the subcommittees, fiscal
23 agencies, and state budget office by September 30 on its efforts in
24 this area, including the amount of expenditures made for this
25 purpose.

26 Sec. 326. The appropriation in part 1 for the Michigan
27 commission for the blind includes funds for case services. These

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1 funds may be used for tuition payments for blind clients for the
2 school year beginning September 2004.

3 Sec. 330. (1) The bureau of worker's and unemployment
4 compensation shall include in the remote initial claims center (RICCS)
5 automated phone system a choice to speak with an employee of the
6 unemployment agency as an option. This option should be provided in
7 the system as early as possible as deemed appropriate in the system
8 design. The department shall monitor the system to ensure compliance
9 with these guidelines.

10 (2) The bureau of worker's and unemployment compensation should
11 continue to provide training opportunities to employees affected with
12 the implementation of RICCS.

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

24 Sec. 335. <<(1)>> The public service commission shall report by
25 June 1 of each year to the subcommittees, the state budget office, and the
26 fiscal agencies on the distribution of funds appropriated in part 1
27 for the low-income/energy efficiency assistance program. <<
 (2) Of the funds appropriated in part 1, \$5,000,000.00 is
allocated>>

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1 to the community action agencies across the state to support shut-off

2 protection programs for low-income individuals. The community action
agencies shall abide by any reporting and monitoring requirements imposed
by the public service commission on other grant recipients receiving
funding through this program. These funds shall be distributed in the
following manner:

(a) \$3,000,000.00 shall be distributed no later than November 1.

(b) The remaining \$2,000,000.00 shall be distributed on April 1,
only if no law creating a statewide low-income energy efficiency program,
funded by all regulated energy providers has been enrolled and signed by
the governor.

(3) All remaining funds shall be distributed solely within the
Detroit Edison distribution service territory.

(4) It is the intent of the legislature that the public service
commission reconsider the distribution formula for low-income energy
efficiency assistance grants by increasing the amount allocated for shut-
off protection and other low-income energy efficiency programs above the
amount allocated in fiscal year 2003-2004.>>

3 Sec. 336. The department shall provide the subcommittees, fiscal
4 agencies, and state budget director with a report on or before
5 December 1 outlining actual expenditures for the last completed fiscal
6 year for each division within the office of financial and insurance
7 services.

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

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

16 Sec. 349. The department and the Michigan state housing
17 development authority shall work collaboratively with other state
18 departments and agencies to maximize the use of available Michigan
19 state housing development authority fund equity to provide senior
20 assisted living that offers a continuum of care from independent
21 apartments to assisted living to nursing care and Alzheimer programs.

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

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

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

9 (2) The department shall post on its website the approved real
10 estate continuing education courses, as well as the dates, times,
11 instructors, locations, course title, and credit hours of the
12 courses.

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

15 (4) It is the intent of the legislature that sponsors of
16 continuing education be able to report an applicant's or licensee's
17 completion of courses to the department via electronic methods.

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

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

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

27 (a) Michigan fire chiefs association.

1 (b) Michigan state fireman's association.

2 (c) Michigan firefighter's union.

3 (d) Michigan fire service instructors association.

4 (e) Michigan fire inspectors society.

5 (f) Michigan chapter of the international association of arson
6 investigators.

7 (3) The report prepared pursuant to subsection (1) shall contain
8 information about the quality and adequacy of service from the state
9 fire investigation, education, and training under the reorganization
10 of the fire marshal division responsibilities. The report shall be
11 based on the performance of the fire marshal division in the
12 performance of its fire safety duties during fiscal year 2003-2004.

13 Sec. 355. Of the funds appropriated in part 1, no funds shall be
14 used to support the development of, or activities that promote the
15 development of, guidelines, rules, standards, protocols, or other
16 similar mandates that are more stringent than federal voluntary
17 ergonomics guidelines. This section does not prohibit any person from
18 adopting, or working with the state to develop, voluntary ergonomics
19 standards.

20 Sec. 356. It is the intent of the legislature that the Michigan
21 commission for the blind work collaboratively with service
22 organizations to identify qualified match dollars to maximize use of
23 available federal funds.

24 Sec. 357. If there is insufficient funding in part 1 for
25 remonumentation grants to meet the programmatic needs, the department
26 is encouraged to request additional authorization through the
27 legislative process.

1 Sec. 358. The real estate education fund created in section 37
2 of the state license fee act, 1979 PA 152, MCL 338.2237, and
3 administered by the department shall allow prelicensure and
4 postlicensure education to be delivered through on-line courses by a
5 community college, university, or private school, after licensure and
6 approval by the department. Expenditures from this fund may also be
7 made to support department grants for educational providers to
8 establish on-line courses that would be made available to students
9 throughout the year.

10 Sec. 359. It is the intent of the legislature that the
11 department shall grant and renew all real estate licenses within 30
12 days after the receipt of the completed application. It is also the
13 intent of the legislature that if a backlog is created as a result of
14 staffing or other administrative issues, the department shall provide
15 a temporary license that would expire 60 days after issuance or upon
16 rejection of the applicant.

17 Sec. 360. The department shall create a tracking system for real
18 estate license continuing education credits that would allow the
19 licensee to ascertain the number of approved course credits that the
20 licensee has completed.

21 Sec. 361. In addition to the amounts appropriated in part 1 for
22 the administration of the land bank fast track authority, the
23 authority may expend revenues received under the land bank fast track
24 act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes authorized
25 by the act including, but not limited to, the acquisition, lease,
26 management, demolition, maintenance, or rehabilitation of real or
27 personal property, payment of debt service for notes or bonds issued

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1 by the authority, and other expenses to clear or quiet title property
2 held by the authority.

3 Sec. 362. It is the intent of the legislature that any
4 additional responsibilities associated with the administration and
5 enforcement of boxing regulation be accompanied by the passage and
6 statutory changes that would provide an adequate fee structure to
7 support those activities within the department.

8 Sec. 363. It is the intent of the legislature that the next
9 vacancy on the worker's compensation board of magistrates be filled by
10 an individual that is a permanent resident in the Upper Peninsula.

11 Sec. 364. The department shall provide a report by January 1 on
12 the total administrative costs allocated for the broadband development
13 authority. These costs should include all staffing and other related
14 costs associated with contracts. <<The report shall also include any
payments to date for reimbursement to the Michigan state housing
development authority. If no payments have been made, then the report
shall include a detailed plan outlining the reimbursement schedule.>>

15 WORKFORCE AND CAREER DEVELOPMENT

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

22 Sec. 402. The Michigan rehabilitation service shall make every
23 effort to ensure that all sources of matching funds in this state are
24 used to obtain federal vocational rehabilitation funds. All sources
25 include, but are not limited to, privately raised funds to support
26 public nonprofit rehabilitation centers as permitted by the

1 rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718, 720
2 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to 795n,
3 and 796 to 796l.

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

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

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

26 (a) Results in terms of enhanced statewide access to independent
27 living services to individuals who do not have access to such services

1 through other existing public agencies, including measures by which
2 these results can be monitored over time. These measures shall
3 include:

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

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

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

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

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

25 (c) Savings to state taxpayers in other specific areas that can be
26 shown to be the direct result of activities funded from the vocational
27 rehabilitation independent living grant program during the most

1 recently completed state fiscal year.

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

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

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

26 (3) When the work first job search requirements have been
27 completed, if the participant has not found employment, the work first

1 site shall identify the barriers which may have prevented the
2 participant from obtaining employment and assist the client in
3 removing those barriers. The work first site shall also identify
4 appropriate education and job training programs which would be
5 available to the participant. The department shall encourage the
6 Michigan works! agencies to consider transportation challenges for
7 work first participants placed in employment. When an individual is
8 re-referred to work first because of an inability to retain
9 employment, the Michigan works! agencies shall confer with the
10 Michigan rehabilitation services, the family independence agency, or
11 other professionals if considered appropriate by the Michigan
12 works! agency to screen for and identify issues that are preventing
13 the participant from succeeding in the labor market. Each Michigan
14 works! agency shall determine locally the number of times an
15 individual may be re-referred back to the program before consulting
16 with other service agencies. If no prohibitive barriers to work are
17 found, the individual shall comply with the work first program, or be
18 subject to appropriate penalties.

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

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

1 district.

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

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

11 (8) The department shall make every effort to place a minimum of
12 50% of clients who participate in the work first program in positions
13 that provide wages of \$8.00 per hour or more.

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

25 (10) The department shall provide to the state budget director and
26 the fiscal agencies by May 15 and November 15 of each year a report on
27 the work first grants. The report due by May 15 shall provide the

1 information described in this subsection for each grant or contract
2 awarded during the preceding 2 quarters of the state fiscal year. The
3 report due by November 15 shall provide this information for each
4 grant or contract awarded during the preceding full fiscal year. The
5 report shall contain both of the following:

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

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

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

25 (12) The work participation requirement is up to 40 hours per
26 week. However, work first participants may meet the work
27 participation requirement by combining a minimum of 10 hours per week

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1 of work with training/education. Training/education may last up to 12
2 months and the calculated hours may include actual classroom seat time
3 up to 10 hours per week plus up to 1 hour of study time for each hour
4 of classroom seat time. Work first participants may enroll in
5 additional hours of classroom seat time beyond 10 hours. However,
6 these hours and the related study time will not count toward the work
7 participation requirement. The training may be no longer than a
8 1-year program or the final year of a 2- or 4-year undergraduate
9 program designed to lead to immediate labor force attachment.

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

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

<<(15) The department shall convene a work group to review and
recommend available options for providing increased flexibility regarding
the education requirements as outlined in this act.>>

27 Sec. 406. (1) Using all relevant state data sources, the

1 department shall conduct a 3-year longitudinal study of all former
2 work first participants, whose family independence program cases
3 closed due to earnings during fiscal year 1999 and in succeeding
4 fiscal years. The data will include the following:

5 (a) The number and percentage employed.

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

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

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

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

10 (f) The number and percentage receiving health care benefits from
11 their employer.

12 (g) The number and percentage receiving tuition reimbursement from
13 their employer.

14 (h) The number and percentage receiving training benefits from
15 their employer.

16 (i) The type of jobs obtained by former participants in general
17 categories.

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

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

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

25 (m) The extent to which the former participant feels that they and
26 their family are better off now than when they were on cash assistance
27 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 notify the subcommittees, fiscal
3 agencies, and state budget director electronically by March 15, 2004
4 of the location of the Internet site where the report containing the
5 identified data is located.

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

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

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

19 Sec. 409. (1) Of the funds appropriated in part 1 for precollege
20 programs in engineering and the sciences, \$390,050.00 shall be
21 provided in the form of a grant to the Detroit precollege engineering
22 program, incorporated and \$390,050.00 shall be provided in the form of
23 a grant to the Grand Rapids area precollege engineering program.

24 (2) The department shall submit a report to the subcommittees and
25 the fiscal agencies by February 1 regarding dropout rates, grade point
26 averages, enrollment in science, engineering, and math-based
27 curricula, and employment in science, engineering, and math-based

1 fields for students within the programs. The report shall continue to
2 evaluate the effectiveness of the precollege programs in engineering
3 and sciences funded through part 1 appropriations and shall make
4 recommendations on whether state support to expand such programs to
5 other areas of the state is warranted in future fiscal years.

6 Sec. 410. (1) The department shall have at least 1 disabled
7 veterans outreach program specialist or local veterans employment
8 representative present, at each Michigan works! service center on a
9 full- or part-time basis during hours of operation.

10 (2) The department shall ensure that each Michigan works! service
11 center shall have the necessary equipment to allow the disabled
12 veterans outreach specialist or local veterans employment
13 representative to perform his or her duties in the same manner they
14 were performed prior to February 1, 1999.

15 (3) The department shall require each Michigan works! service
16 center to have an employee available to ask each individual who enters
17 the office for service whether that individual is a veteran and to
18 refer each veteran to the disabled veterans outreach program
19 specialist or local veterans employment representative on duty at the
20 time.

21 (4) The department shall require that each Michigan works!
22 service center shall have posted in a conspicuous place within the
23 office a notice advising veterans that a disabled veterans outreach
24 program specialist or a local veterans employment representative is
25 available to assist him or her.

26 (5) The department shall require each Michigan works! service
27 center to provide free mediated services to employers wishing to hire

1 a veteran.

2 (6) The department shall continue to make the appropriate
3 placement of veterans and disabled veterans a priority.

4 Sec. 414. The department may carry into the succeeding fiscal
5 year unexpended federal pass-through funds to local institutions and
6 governments that do not require additional state matching funds.
7 Federal pass-through funds to local institutions and governments that
8 are received in amounts in addition to those included in part 1 and
9 that do not require additional state matching funds are appropriated
10 for the purposes intended.

11 Sec. 415. Of the amounts appropriated in part 1 for
12 postsecondary education, private occupational school license fees
13 shall fund related administrative costs of the proprietary schools
14 oversight unit within the department.

15 Sec. 417. The department is appropriated an amount not to exceed
16 \$100,000.00 from collection of defaulted loans under the future
17 faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa
18 Parks programs to offset costs of administering the loan collections.

19 Sec. 418. From the funds appropriated in part 1 for
20 postsecondary education, the department shall compile data from each
21 university that receives funding for the future faculty program within
22 the King-Chavez-Parks initiative on employment outcomes for program
23 participants. The report shall be distributed to the house and senate
24 appropriations committees, the fiscal agencies, and the state budget
25 office by February 1 of each year. The report shall include data from
26 each participating university covering the most recently completed
27 fiscal year. The data shall include all of the following:

1 (a) The number of participants receiving support under the
2 program.

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

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

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

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

13 Sec. 421. The King-Chavez-Parks initiative shall be marketed by
14 the department to Michigan parents and high school and college
15 students, to promote the benefits and the availability of the college
16 day, select student support services, college/university partnership,
17 visiting professors, Morris Hood, Jr. educator development, and future
18 faculty programs. The department shall provide electronic
19 notification of the location of the report on the Internet to the
20 subcommittees on December 30, 2004, identifying all efforts taken to
21 market these programs, including, but not limited to, the amount of
22 funding allocated for this purpose, the fund source and any
23 expenditures or encumbrances relating to this marketing effort. It is
24 the intent of the legislature that the department administer the
25 King-Chavez-Parks initiative in the same manner as when it was
26 previously contained in the department of education and consistent
27 with all boilerplate language pertaining to the above listed programs

1 as included in the appropriations act for higher education
2 institutions.

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

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

16 Sec. 428. From the funds appropriated in part 1 for the Michigan
17 virtual university, the department shall work with the Michigan
18 virtual university to do the following:

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

23 (b) Promote technology-based training to public and private sector
24 organizations that emphasize partnerships between public education and
25 the business sector.

26 (c) Support and encourage various collaborative efforts among
27 educational institutions and government agencies to meet the training

1 needs of the state's workforce.

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

6 (a) Detailed expenditures for administration including salaries
7 and wages of employees.

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

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

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

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

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

17 Sec. 430. (1) The following work project accounts totaling
18 \$11,300,000.00 are hereby canceled effective September 30, 2004:

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

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

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

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

24 02000 AY 2002 Unemployment programs..... \$ 10,000,000.00.

25 (3) Of the amount in subsection (1), \$5,300,000.00 is appropriated
26 to welfare-to-work programs for the fiscal year ending September 30,
27 2005. After that appropriation, \$6,000,000.00 is appropriated to job

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

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

9 (5) The amounts specified in subsections (3) and (4) for the
10 welfare to work programs and job training programs subgrantees under
11 section 903(d) of title IX of the social security act, chapter 531,
12 116 Stat. 31, 42 USC 1103, are appropriated to the department to
13 support job search and job readiness activities and to support 1-stop
14 center operations.

15 **MICHIGAN STRATEGIC FUND**

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

1 demand and economic conditions.

2 (2) Not more than \$800,000.00 of the total grant may be expended
3 for administrative costs. Not more than 10% of the total grant award
4 may be expended by a recipient for administration costs.

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

9 (4) Of the total funds appropriated in part 1 for economic
10 development job training grants, at least 75% of the funds shall be
11 awarded to community colleges or a consortium of community colleges
12 and other eligible applicants pursuant to subsection (5).

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

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

1 instructions, and forms.

2 (7) The award process will include a simple notice of intent to be
3 reviewed to see if the application merits further consideration. If
4 so, a full application may be submitted. Applications for all grants
5 shall be submitted to the fund, and each application shall contain at
6 least all of the following:

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

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

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

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

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

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

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

19 (b) Creation and/or retention of high wage and high skilled level
20 jobs.

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

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

26 (9) Participants in economic development job training programs
27 shall be 16 years or older and not enrolled and counted in membership

1 in a school district, intermediate school district, or community
2 college.

3 (10) 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 (11) For training delivered to incumbent workers under the
10 business response program, the business receiving the benefit of the
11 training shall provide a minimum of 20% of the program costs in
12 matching funds as necessitated by the program. For training delivered
13 under the manufacturing competitiveness program, the business
14 receiving the benefit of the training shall provide a minimum of 30%
15 of the program costs in matching funds as necessitated by the
16 program.

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

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

24 (14) The fund shall provide to the state budget director and the
25 fiscal agencies by May 1 and November 1 of each year a report on the
26 economic development job training grants. The report due by May 1
27 shall provide the information described in this subsection for each

1 grant or contract awarded during the preceding 2 quarters of the state
2 fiscal year. The report due by November 1 shall provide this
3 information for each grant or contract awarded during the preceding
4 full fiscal year. The report shall contain all of the following:

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

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

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

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

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

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

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

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

25 (b) Eligible uses of the Michigan growth capital fund include
26 investments in organizations and programs that promote the development
27 of new industry sectors in Michigan; inducements to attract additional

1 venture capital funds to finance technology development; support
2 organizations, initiatives, or events that promote entrepreneurship;
3 provide match for university federal research grants; and support
4 technology transfer and commercialization programs with universities
5 and the private sector.

6 (c) The Michigan economic development corporation shall administer
7 the Michigan growth capital fund.

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

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

18 Sec. 502. 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
25 funds are available for expenditure when they are received by the
26 department of treasury.

27 Sec. 504. Travel Michigan may receive and expend private revenue

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

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

- 13 (a) The name of the recipient.
- 14 (b) The amount awarded to the recipient.
- 15 (c) The purpose of the grant.

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

- 24 (a) Travel Michigan.
- 25 (b) Michigan business development.
- 26 (c) Global business development.
- 27 (d) Small, minority, and disabled business services.

- 1 (e) Community development block grants.
- 2 (f) Strategic fund administration.
- 3 (g) Renaissance zones.
- 4 (h) Emerging business sectors and roundtables.
- 5 (i) Business and clean air ombudsman.
- 6 (j) Economic development job training grants.
- 7 (k) Community assistance team.
- 8 (l) Technology tri-corridor.
- 9 (m) Any other programs of the fund.

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

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

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

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

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

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

1 (2) Consideration may be given to purchases where the proposed use
2 of the land is consistent with a regional land use plan, will result
3 in the redevelopment of an economically distressed area, can be
4 supported by existing infrastructure, and will not cause shifts in
5 population away from the area's population centers.

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

12 Sec. 510. (1) From the funds appropriated in part 1 for the
13 technology tri-corridor, \$22,000,000.00 is appropriated for the
14 initiative. These funds are appropriated to support research and
15 commercialization opportunities. The program shall be administered by
16 the Michigan economic development corporation.

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

1 private sector, public sector, or other Michigan universities.
2 Committee members are authorized to designate alternate members. The
3 purpose of the steering committee is to provide advice and oversight
4 of the initiative, including the development of criteria for the
5 awards to qualifying universities, institutions, companies, or
6 individuals. The steering committee will make decisions regarding
7 distribution of these funds.

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

24 (4) The technology tri-corridor steering committee shall ensure
25 that all research proposals receiving funding from the homeland
26 security and automotive initiative complement those proposals funded
27 under the Michigan center for excellence in manufacturing initiative.

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

7 (6) The records of the technology tri-corridor steering committee
8 involving a fiscal year 2005 proposal or life science or technology
9 tri-corridor proposals from prior fiscal years submitted by an
10 eligible entity that are of a scientific, technical, or proprietary
11 nature, the release of which could cause competitive harm to the
12 eligible entity as determined by the technology tri-corridor steering
13 committee, are exempt from disclosure under the freedom of information
14 act, 1976 PA 442, MCL 15.231 to 15.246.

15 (7) It is the intent of the legislature that the steering
16 committee adopt a proposal that would allow for representation from
17 each of the higher education institutions not listed in subsection (2)
18 on a rotating basis.

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

24 Sec. 512. (1) From the general fund/general purpose
25 appropriations in part 1 to the fund and granted or transferred to the
26 Michigan economic development corporation, any unexpended or
27 unencumbered balance shall be disposed of in accordance with the

1 requirements in the management and budget act, 1984 PA 431,
2 MCL 18.1101 to 18.1594, unless carryforward authorization has been
3 otherwise provided for.

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

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

9 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to
10 15.246.

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

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

14 (d) All reports required by law to be submitted to the
15 legislature.

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

18 Sec. 514. As a condition for receiving the appropriations in
19 part 1, any staff of the Michigan economic development corporation
20 involved in private fund-raising activities shall not be party to any
21 decisions regarding the awarding of grants or tax abatements from the
22 fund, the Michigan economic development corporation, or the Michigan
23 economic growth authority.

24 Sec. 515. (1) All funds received from repayment of loans, unused
25 grants, revenues received from sales or cash flow participation
26 agreements, guarantees, or any combination thereof or interest
27 thereon, originally distributed as part of the core communities fund,

1 shall be received, held, and applied by the fund for the purposes
2 described in this act.

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

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

11 (2) Awards may be provided to qualified local governmental units
12 as defined in the obsolete property rehabilitation act, 2000 PA 146,
13 or certified technology parks, as defined in the local development
14 financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

15 (3) Awards can be used for land and property acquisition and
16 assembly, demolition, site development, utility modifications and
17 improvements, street and road improvements, telecommunication
18 infrastructure, site location and relocation, infrastructure
19 improvements, and any other costs related to the successful
20 development and implementation of core community or certified
21 technology park projects, at the discretion of the Michigan economic
22 development corporation.

23 (4) Funding may be provided in the form of loans, grants, sales or
24 cash flow participation agreements, guarantees, or any combination of
25 these. A cash match of at least 10%, or local repayment guarantee
26 with a dedicated funding source, is required. Priority shall be given
27 to projects which are integrated with existing economic development

1 programs, and to projects in proportion to the amount that local
2 matching rates exceed 10%.

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

8 (6) Funds will be awarded through an open competitive process
9 based on criteria including the following: project impact, project
10 marketability, lack of adequate infrastructure or land assembly
11 financing sources, local administrative capacity, and the level of
12 local matching funds. Awardees shall agree to expedite the local
13 development process, such as fast-track permitting procedures,
14 streamlined regulatory requirements, standardized construction and
15 building codes, and the use of competitive construction permitting
16 fees.

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

19 (8) Fifteen days prior to the award of the funds, notification
20 shall be provided to the speaker of the house of representatives, the
21 senate majority leader, the members of the house and senate
22 appropriations committees, the fiscal agencies, and the state budget
23 director.

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

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

26 (b) Land or other facilities owned or operated by a gaming
27 facility.

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

3 Sec. 519. It is the intent of the legislature that the members
4 of the executive committee of the corporation board of the MEDC be
5 subject to the advice and consent of the senate.

6 Sec. 521. Up to \$100,000.00 from Indian casino revenue shall be
7 spent to create and administer a state clearinghouse on
8 entrepreneurship available to the public through the Internet.

9 Sec. 522. (1) Of the funds appropriated in part 1 for the
10 Michigan center for excellence in manufacturing, \$5,000,000.00 is
11 appropriated to develop or enhance research and development activities
12 in the manufacturing industry in the state. These funds will be used
13 to provide advisory services, educational programs including
14 internships, and federal grant and procurement assistance in order to
15 expand Michigan's opportunities to compete for and procure federal
16 research and development grant funds and other defense contracts.
17 Administrative support for this initiative shall be provided by the
18 fund.

19 (2) It is the intent of the legislature that the department shall
20 use all available resources to support the initiative described in
21 this section including, but not limited to, the following:

22 (a) Community development block grant funding.

23 (b) Economic development job training grants.

24 (c) Michigan economic growth authority.

25 (d) Technology tri-corridor initiative.