

HOUSE SUBSTITUTE FOR

SENATE BILL NO. 285

(As amended June 17, 2003)

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2004; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. There is appropriated for the department of career
4 development and the Michigan strategic fund for the fiscal year ending
5 September 30, 2004, from the funds indicated in this part, the
6 following:

7 **TOTAL APPROPRIATIONS**

8 Full-time equated classified positions.....1,189.5

9 GROSS APPROPRIATION..... \$ [576,573,400]

Senate Bill No. 285 (H-1) as amended June 17, 2003

| | | | |
|----|--|----|---------------|
| 1 | Interdepartmental grant revenues: | | |
| 2 | Total interdepartmental grants and intradepartmental | | |
| 3 | transfers..... | \$ | 100,900 |
| 4 | ADJUSTED GROSS APPROPRIATION..... | \$ | [576,472,500] |
| 5 | Federal revenues: | | |
| 6 | Total federal revenues..... | | 471,053,700 |
| 7 | Special revenue funds: | | |
| 8 | Total local revenues..... | | 15,011,900 |
| 9 | Total private revenues..... | | 3,249,400 |
| 10 | Total other state restricted revenues..... | | 21,814,600 |
| 11 | State general fund/general purpose..... | \$ | [65,342,900] |

12 **Sec. 102. DEPARTMENT OF CAREER DEVELOPMENT**13 **(1) APPROPRIATION SUMMARY**

| | | | |
|----|--|-------|-------------|
| 14 | Full-time equated classified positions..... | 989.5 | |
| 15 | GROSS APPROPRIATION..... | \$ | 466,128,300 |
| 16 | Interdepartmental grant revenues: | | |
| 17 | Total interdepartmental grants and intradepartmental | | |
| 18 | transfers..... | | 0 |
| 19 | ADJUSTED GROSS APPROPRIATION..... | \$ | 466,128,300 |
| 20 | Federal revenues: | | |
| 21 | Total federal revenues..... | | 418,100,400 |
| 22 | Special revenue funds: | | |
| 23 | Total local revenues..... | | 15,011,900 |
| 24 | Total private revenues..... | | 2,396,300 |
| 25 | Total other state restricted revenues..... | | 6,664,700 |
| 26 | State general fund/general purpose..... | \$ | 23,955,000 |

1 **(2) DEPARTMENT OPERATIONS**

| | | | |
|----|---|----|----------------|
| 2 | Full-time equated classified positions.....60.0 | | |
| 3 | Administration--60.0 FTE positions..... | \$ | 5,779,300 |
| 4 | Building occupancy charges - property development | | |
| 5 | services..... | | 923,300 |
| 6 | Special project advances..... | | 200,000 |
| 7 | Worker's compensation..... | | <u>185,900</u> |
| 8 | GROSS APPROPRIATION..... | \$ | 7,088,500 |
| 9 | Appropriated from: | | |
| 10 | Federal revenues: | | |
| 11 | CNS..... | | 205,800 |
| 12 | DED-OSERS, rehabilitation services, vocational | | |
| 13 | rehabilitation of state grants..... | | 1,948,700 |
| 14 | DOL-ETA, workforce investment act..... | | 355,300 |
| 15 | DOL, federal funds..... | | 1,965,000 |
| 16 | Federal revenues..... | | 451,200 |
| 17 | HHS, temporary assistance for needy families..... | | 337,700 |
| 18 | Special revenue funds: | | |
| 19 | Private - special project advances..... | | 200,000 |
| 20 | Contingent fund, penalty and interest..... | | 436,100 |
| 21 | State general fund/general purpose..... | \$ | 1,188,700 |

22 **(3) WORKFORCE DEVELOPMENT**

| | | | |
|----|--|----|-------------------|
| 23 | Full-time equated classified positions.....577.5 | | |
| 24 | Employment training services--500.0 FTE positions... | \$ | 80,931,100 |
| 25 | Michigan career and technical institute--77.5 FTE | | |
| 26 | positions..... | | <u>10,894,200</u> |
| 27 | GROSS APPROPRIATION..... | \$ | 91,825,300 |

| | | |
|----|---|------------|
| 1 | Appropriated from: | |
| 2 | Federal revenues: | |
| 3 | CNS..... | 1,663,800 |
| 4 | DAG, employment and training..... | 167,600 |
| 5 | DED-OPSE, multiple grants..... | 815,500 |
| 6 | DED-OSERS, centers for independent living..... | 58,200 |
| 7 | DED-OSERS, rehabilitation long-term training..... | 566,900 |
| 8 | DED-OSERS, rehabilitation services, vocational | |
| 9 | rehabilitation of state grants..... | 46,256,100 |
| 10 | DED-OSERS, state grants for technical related | |
| 11 | assistance..... | 56,000 |
| 12 | DOL-ETA, workforce investment act..... | 3,994,000 |
| 13 | DOL, federal funds..... | 16,000,000 |
| 14 | DED-Perkins act..... | 173,600 |
| 15 | HHS, temporary assistance for needy families..... | 3,128,400 |
| 16 | HHS-SSA, supplemental security income..... | 4,394,800 |
| 17 | Special revenue funds: | |
| 18 | Private - gifts, bequests, and donations..... | 1,396,300 |
| 19 | Local vocational rehabilitation match..... | 3,054,000 |
| 20 | Rehabilitation services fees..... | 1,246,000 |
| 21 | Second injury fund..... | 51,500 |
| 22 | Student fees..... | 308,000 |
| 23 | Training material fees..... | 256,300 |
| 24 | State general fund/general purpose..... \$ | 8,238,300 |
| 25 | (4) CAREER EDUCATION PROGRAMS | |
| 26 | Full-time equated classified positions.....54.0 | |
| 27 | Career and technical education--23.0 FTE positions.. \$ | 3,324,800 |

| | | |
|----|--|----------------|
| 1 | Postsecondary education--14.0 FTE positions..... | 2,402,800 |
| 2 | Adult education--15.0 FTE positions..... | 2,283,000 |
| 3 | Commission on Spanish speaking affairs--2.0 FTE | |
| 4 | positions..... | <u>220,400</u> |
| 5 | GROSS APPROPRIATION..... \$ | 8,231,000 |
| 6 | Appropriated from: | |
| 7 | Federal revenues: | |
| 8 | Federal revenues..... | 6,130,000 |
| 9 | Special revenue funds: | |
| 10 | Private occupational school license fees..... | 378,900 |
| 11 | Defaulted loan collection fees..... | 100,000 |
| 12 | State general fund/general purpose..... \$ | 1,622,100 |
| 13 | (5) DEPARTMENT GRANTS | |
| 14 | Adult basic education..... \$ | 13,500,000 |
| 15 | Council of Michigan foundations..... | 1,000,000 |
| 16 | Focus: HOPE..... | 3,860,100 |
| 17 | Gear-up program grants..... | 3,000,000 |
| 18 | Job training programs subgrantees..... | 100,612,600 |
| 19 | Michigan community service commission subgrantees... | 6,149,900 |
| 20 | Michigan virtual university..... | 1,000,000 |
| 21 | Personal assistance services..... | 459,400 |
| 22 | Precollege programs in engineering and the sciences. | 499,900 |
| 23 | Supported employment grants..... | 1,441,300 |
| 24 | Technology assistance grants..... | 1,378,700 |
| 25 | Carl D. Perkins grants..... | 42,500,000 |
| 26 | Vocational rehabilitation client services/facilities | 51,207,300 |
| 27 | Vocational rehabilitation independent living..... | 3,069,900 |

| | | |
|----|--|-------------------|
| 1 | Welfare-to-work programs..... | <u>72,698,500</u> |
| 2 | GROSS APPROPRIATION..... \$ | 302,377,600 |
| 3 | Appropriated from: | |
| 4 | Federal revenues: | |
| 5 | CNS..... | 5,500,000 |
| 6 | DAG, employment and training..... | 13,000,000 |
| 7 | DED-OESE, gear-up..... | 3,000,000 |
| 8 | DED-OSERS, centers for independent living..... | 450,200 |
| 9 | DED-OSERS, client assistance for individuals with | |
| 10 | disabilities..... | 440,000 |
| 11 | DED-OSERS, rehabilitation services, vocational | |
| 12 | rehabilitation of state grants..... | 35,797,900 |
| 13 | DED-OSERS, rehabilitation services facilities..... | 2,272,500 |
| 14 | DED-OSERS, supported employment..... | 1,441,300 |
| 15 | DED-OSERS, state grants for technical related | |
| 16 | assistance..... | 1,378,700 |
| 17 | DED-OVAE, adult education..... | 13,500,000 |
| 18 | DED-OVAE, basic grants to states..... | 42,500,000 |
| 19 | DOL-ETA, workforce investment act..... | 104,602,700 |
| 20 | DOL-ETA, welfare-to-work..... | 20,000,000 |
| 21 | HHS, temporary assistance for needy families..... | 32,399,000 |
| 22 | HHS-SSA, supplemental security income..... | 2,480,600 |
| 23 | Special revenue funds: | |
| 24 | Private - gifts, bequests, and donations..... | 800,000 |
| 25 | Contingent fund, penalty and interest account..... | 1,000,000 |
| 26 | Local vocational rehabilitation match..... | 6,630,500 |
| 27 | Local vocational rehabilitation facilities match.... | 1,278,300 |

| | | |
|----|--|------------------|
| 1 | Tobacco settlement revenue..... | 1,000,000 |
| 2 | State general fund/general purpose..... \$ | 12,905,900 |
| 3 | (6) EMPLOYMENT SERVICE AGENCY | |
| 4 | Full-time equated classified positions.....298.0 | |
| 5 | Building occupancy charges - property development | |
| 6 | service..... \$ | 757,700 |
| 7 | Worker's compensation..... | 71,000 |
| 8 | Employment services--246.0 FTE positions..... | 43,799,300 |
| 9 | Labor market information--52.0 FTE positions..... | <u>5,485,200</u> |
| 10 | GROSS APPROPRIATION..... \$ | 50,113,200 |
| 11 | Appropriated from: | |
| 12 | Federal revenues: | |
| 13 | DED-OSERS, rehabilitation services, vocational | |
| 14 | rehabilitation of state grants..... | 1,317,400 |
| 15 | DOL, federal funds..... | 42,858,800 |
| 16 | Special revenue funds: | |
| 17 | Contingent fund, penalty and interest account..... | 1,887,900 |
| 18 | Local revenue..... | 4,049,100 |
| 19 | State general fund/general purpose..... \$ | 0 |
| 20 | (7) INFORMATION TECHNOLOGY | |
| 21 | Information technology services and projects..... \$ | <u>6,492,700</u> |
| 22 | GROSS APPROPRIATION..... \$ | 6,492,700 |
| 23 | Appropriated from: | |
| 24 | Federal revenues: | |
| 25 | Federal revenue..... | 6,492,700 |
| 26 | State general fund/general purpose..... \$ | 0 |

Sec. 103. MICHIGAN STRATEGIC FUND**(1) APPROPRIATION SUMMARY**

Full-time equated classified positions.....200.0

GROSS APPROPRIATION..... \$ **[110,445,100]**

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers..... 100,900

ADJUSTED GROSS APPROPRIATION..... \$ **[110,344,200]**

Federal revenues:

Total federal revenues..... 52,953,300

Special revenue funds:

Total private revenues..... 853,100

Total other state restricted revenues..... 15,149,900

State general fund/general purpose..... \$ **[41,387,900]****(2) MICHIGAN STRATEGIC FUND**

Full-time equated classified positions.....200.0

Administration--40.0 FTE positions..... \$ 54,600

Job creation services--160.0 FTE positions..... 19,692,900

Michigan promotion program..... 5,499,900

Economic development job training grants..... 10,047,900

Community development block grants..... 50,000,000

Life sciences and technology tri-corridor: life

sciences initiative..... 15,049,900

Life sciences and technology tri-corridor: homeland

security and automotive initiative..... 99,900

[Life Sciences Research and Commercialization Center. 10,000,000]GROSS APPROPRIATION..... \$ **[110,445,100]**

Appropriated from:

Senate Bill No. 285 (H-1) as amended June 17, 2003

| | | |
|----|---|---------------------|
| 1 | Interdepartmental grant revenues: | |
| 2 | IDG-MDEQ, air quality fees..... | 100,900 |
| 3 | Federal revenues: | |
| 4 | DOL-ETA, employment service..... | 783,700 |
| 5 | HUD-CPD, community development block grant..... | 52,169,600 |
| 6 | Special revenue funds: | |
| 7 | Private-Michigan certified development corporations | |
| 8 | fees..... | 353,100 |
| 9 | Private-special project advances..... | 500,000 |
| 10 | Industry support fees..... | 50,000 |
| 11 | Tobacco settlement revenue..... | 15,099,900 |
| 12 | State general fund/general purpose..... \$ | [41,387,900] |

13 PART 2

14 PROVISIONS CONCERNING APPROPRIATIONS

15 **GENERAL SECTIONS**

16 Sec. 201. Pursuant to section 30 of article IX of the state
 17 constitution of 1963, total state spending from state resources under
 18 part 1 for fiscal year 2003-2004 is **[\$87,157,500.00]** and state spending
 19 from state resources to be paid to local units of government for
 20 fiscal year 2003-2004 is \$0.

21 Sec. 202. The appropriations authorized under this act are
 22 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
 23 18.1594.

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

25 (a) "CEO" means chief executive officer of the Michigan strategic

- 1 fund.
- 2 (b) "CNS" means the corporation for national services.
- 3 (c) "DAG" means the United States department of agriculture.
- 4 (d) "DED" means the United States department of education.
- 5 (e) "DED-OESE" means the DED office of elementary and secondary
- 6 education.
- 7 (f) "DED-OPSE" means the DED office of postsecondary education.
- 8 (g) "DED-OSERS" means the DED office of special education
- 9 rehabilitation services.
- 10 (h) "DED-OVAE" means the DED office of vocational and adult
- 11 education.
- 12 (i) "Department" means the department of career development.
- 13 (j) "Director" means the director of the department of career
- 14 development.
- 15 (k) "DOL" means the United States department of labor.
- 16 (l) "DOL-ETA" means the DOL employment and training act.
- 17 (m) "Fiscal agencies" means the Michigan house fiscal agency and
- 18 the Michigan senate fiscal agency.
- 19 (n) "FTE" means full-time equated.
- 20 (o) "Fund" means the Michigan strategic fund.
- 21 (p) "GED" means general education degree.
- 22 (q) "HHS" means the United States department of health and human
- 23 services.
- 24 (r) "HHS-SSA" means HHS social security administration.
- 25 (s) "HUD-CPD" means HUD community planning and development.
- 26 (t) "IDG" means interdepartmental grant.
- 27 (u) "MDEQ" means the Michigan department of environmental quality.

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

9 (w) "Subcommittees" means all members of the
10 subcommittees of the house and senate appropriations committees with
11 jurisdiction over the budgets for the department and the fund.

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

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

24 (2) The state budget director shall grant exceptions to this
25 hiring freeze when the state budget director believes that the hiring
26 freeze will result in rendering a state department or agency unable to
27 deliver basic services, cause a loss of revenue to the state, result

1 in the inability of the state to receive federal funds, or would
2 necessitate additional expenditures that exceed any savings from
3 maintaining a vacancy. The state budget director shall report
4 quarterly to the chairpersons of the senate and house of
5 representatives standing committees on appropriations the number of
6 exceptions to the hiring freeze approved during the previous quarter
7 and the reasons to justify the exception.

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

14 Sec. 208. Unless otherwise specified, the department and fund
15 shall use the Internet to fulfill the reporting requirements of this
16 act. This may include transmission of reports via electronic mail to
17 the recipients identified for each reporting requirement or it may
18 include placement of reports on an Internet or Intranet site.
19 Quarterly, the department and fund shall provide to the subcommittee,
20 state budget office, and the fiscal agencies an electronic and paper
21 copy listing of the reports submitted during the most recent 3-month
22 period along with the Internet or Intranet site of each report, if
23 any.

24 Sec. 209. Funds appropriated in part 1 shall not be used for the
25 purchase of foreign goods or services, or both, if competitively
26 priced and of comparable quality American goods or services, or both,
27 are available. Preference should be given to goods or services, or

1 both, manufactured or provided by Michigan businesses if they are
2 competitively priced and of comparable value.

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

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

16 Sec. 212. The departments and state agencies receiving
17 appropriations under this act shall receive and retain copies of all
18 reports funded from appropriations in part 1. These departments and
19 state agencies shall follow federal and state guidelines for
20 short-term and long-term retention of these reports and records.

21 Sec. 213. From the funds appropriated in part 1 for information
22 technology, the department shall pay user fees to the department of
23 information technology for technology related services and projects.
24 Such user fees shall be subject to provisions of an interagency
25 agreement between the department and the department of information
26 technology.

27 Sec. 214. Amounts appropriated in part 1 for information

1 technology may be designated as work projects and carried forward to
2 support technology projects under the direction of the department of
3 information technology. Funds designated in this manner are not
4 available for expenditure until approved as work projects under
5 section 451a of the management and budget act, 1984 PA 431,
6 MCL 18.1451a.

7 **DEPARTMENT OF CAREER DEVELOPMENT**

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

14 Sec. 302. The Michigan rehabilitation service shall make every
15 effort to ensure that all sources of matching funds in this state are
16 used to obtain federal vocational rehabilitation funds. All sources
17 include, but are not limited to, privately raised funds to support
18 public nonprofit rehabilitation centers as permitted by the
19 rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701 to 718,
20 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to
21 795n, and 796 to 796l.

22 Sec. 303. The local match requirements for vocational
23 rehabilitation facilities establishment grants shall not exceed 21.3%
24 for the fiscal year ending September 30.

25 Sec. 304. (1) Of the funds appropriated in part 1 for vocational
26 rehabilitation independent living, all general fund/general purpose

1 revenue not used to match federal funds shall be used for the support
2 of centers for independent living which are in compliance with federal
3 standards for such centers, for the development of new centers in
4 areas presently unserved or underserved, for technical assistance to
5 centers, and for projects to build capacity of centers to deliver
6 independent living services. Applications for such funds shall be
7 reviewed in accordance with criteria and procedures established by the
8 statewide independent living council, the Michigan rehabilitation
9 services unit within the department, and the Michigan commission for
10 the blind. Funds must be used in a manner consistent with the
11 priorities established in the state plan for independent living. The
12 department is directed to work with the Michigan association of
13 centers for independent living and the local workforce development
14 boards to identify other competitive sources of funding.

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

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

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

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

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

4 (iv) The total number of disabled individuals served by personal
5 care attendants and the number of personal care attendants provided
6 through the use of any funds appropriated in part 1 administered by a
7 center for independent living and a comparison to the number served in
8 the previous year.

9 (b) Information from each center for independent living receiving
10 funding through appropriations in part 1 detailing their total budget
11 for their most recently completed fiscal year as well as the amount
12 within that budget funded through the vocational rehabilitation
13 independent living grant program referenced in part 1, the total
14 amount funded through other state agencies, the amount funded through
15 federal sources, and the amount funded through local and private
16 sources.

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

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

24 Sec. 305. (1) The appropriation in part 1 to the department for
25 the work first program shall be expended for grants which provide
26 employment and training services to family independence program
27 applicants and recipients and may be expended for grants which provide

1 employment and training services to former family independence program
2 recipients, as well as to recipients of noncash public assistance,
3 specifically child day care, Medicaid, or food stamp benefits. The
4 work first program, however, shall not be construed to be an
5 entitlement to services.

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

18 (3) When the work first job search requirements have been
19 completed, if the participant has not found employment, the work first
20 site shall identify the barriers which may have prevented the
21 participant from obtaining employment and assist the client in
22 removing those barriers. The work first site shall also identify
23 appropriate education and job training programs which would be
24 available to the participant. The department shall encourage the
25 Michigan works! agencies to consider transportation challenges for
26 work first participants placed in employment. When an individual is
27 re-referred to work first because of an inability to retain

1 employment, the department shall confer with the Michigan
2 rehabilitation services, the family independence agency, or other
3 professionals if deemed appropriate by the Michigan works! agency to
4 screen for and identify issues that are preventing the participant
5 from succeeding in the labor market. Each Michigan works agency shall
6 determine locally the number of times an individual may be re-referred
7 back to the program before consulting with other service agencies. If
8 no prohibitive barriers to work are found, the individual shall comply
9 with the work first program, or be subject to appropriate penalties.

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

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

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

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

Senate Bill No. 285 (H-1) as amended June 17, 2003

1 applying hours in training toward federal work requirements.

2 (8) The department shall make every effort to place a minimum of
3 50% of clients who participate in the work first program in positions
4 that provide wages of [\$8.00] per hour or more.

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

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

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

27 (b) The number of participants in each service delivery area and

1 the number of clients placed in employment in each service delivery
2 area.

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

18 (12) The work participation requirement is up to 40 hours per
19 week. However, work first participants may meet the work
20 participation requirement by combining a minimum of 10 hours per week
21 of work with training/education. Training/education may last up to 12
22 months and the calculated hours may include actual classroom seat time
23 up to 10 hours per week plus up to 1 hour of study time for each hour
24 of classroom seat time. Work first participants may enroll in
25 additional hours of classroom seat time beyond 10 hours. However,
26 these hours and the related study time will not count toward the work
27 participation requirement. The training may be no longer than a

Senate Bill No. 285 (H-1) as amended June 17, 2003

1 1-year program or the final year of a 2- or 4-year undergraduate
2 program designed to lead to immediate labor force attachment.

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

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

20 [(15) The department shall determine the formula for the allocation for
21 work first.

22

23]

24 Sec. 306. (1) Using all relevant state data sources, the
25 department shall conduct a 3-year longitudinal study of all former
26 work first participants, whose family independence program cases
27 closed due to earnings during fiscal year 1999 and in succeeding

1 fiscal years. The data will include the following:

2 (a) The number and percentage employed.

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

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

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

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

7 (f) The number and percentage receiving health care benefits from
8 their employer.

9 (g) The number and percentage receiving tuition reimbursement from
10 their employer.

11 (h) The number and percentage receiving training benefits from
12 their employer.

13 (i) The type of jobs obtained by former participants in general
14 categories.

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

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

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

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

26 (2) The department shall notify the subcommittees, fiscal
27 agencies, and state budget director electronically by March 15, 2004

1 of the location of the Internet site where the report containing the
2 identified data is located.

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

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

7 Sec. 307. State and federal funds allocated to local workforce
8 development boards for disbursement shall not be expended unless the
9 local workforce development boards maintain a partnership with
10 governmental agencies, public school districts, and public colleges
11 located within the local service delivery area. Each board shall
12 appoint an education advisory group made up of high-level
13 administrators within local educational institutions, workforce
14 development board members, other employers, labor, academic educators,
15 and parents of public school pupils.

16 Sec. 309. (1) Of the funds appropriated in part 1 for precollege
17 programs in engineering and the sciences, \$249,900.00 shall be
18 provided in the form of a grant to the Detroit precollege engineering
19 program, incorporated and \$250,000.00 shall be provided in the form of
20 a grant to the Grand Rapids area precollege engineering program.

21 (2) The department shall submit a report to the subcommittees and
22 the fiscal agencies by February 1 regarding dropout rates, grade point
23 averages, enrollment in science, engineering, and math-based
24 curricula, and employment in science, engineering, and math-based
25 fields for students within the programs. The report shall continue to
26 evaluate the effectiveness of the precollege programs in engineering
27 and sciences funded through part 1 appropriations and shall make

1 recommendations on whether state support to expand such programs to
2 other areas of the state is warranted in future fiscal years.

3 Sec. 310. Funds earned or authorized by the United States
4 department of labor in excess of the gross appropriation in part 1 for
5 the employment service agency from the United States department of
6 labor are appropriated and may be expended for staffing and related
7 expenses incurred in the operation of its programs. These funds may
8 be spent after the department notifies the subcommittees, fiscal
9 agencies, and the state budget office of the purpose and amount of
10 each grant award.

11 Sec. 311. (1) The department shall have at least 1 disabled
12 veterans outreach program specialist or local veterans employment
13 representative present, at each Michigan works! service center on a
14 full- or part-time basis during hours of operation.

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

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

26 (4) The department shall require that each Michigan works!
27 service center shall have posted in a conspicuous place within the

1 office a notice advising veterans that a disabled veterans outreach
2 program specialist or a local veterans employment representative is
3 available to assist him or her.

4 (5) The department shall require each Michigan works! service
5 center to provide free mediated services to employers wishing to hire
6 a veteran.

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

9 Sec. 313. The funds appropriated in part 1 for the council of
10 Michigan foundations from tobacco settlement revenue shall be
11 distributed to the council of Michigan foundations as a grant to
12 support local community efforts to address smoking prevention and
13 cessation efforts. The council may distribute the funds according to
14 a formula determined by the council. Any investment earnings from
15 this year or prior year appropriations shall be used for the same
16 purpose as the original appropriation.

17 Sec. 314. The department may carry into the succeeding fiscal
18 year unexpended federal pass-through funds to local institutions and
19 governments that do not require additional state matching funds.
20 Federal pass-through funds to local institutions and governments that
21 are received in amounts in addition to those included in part 1 and
22 that do not require additional state matching funds are appropriated
23 for the purposes intended.

24 Sec. 315. Of the amounts appropriated in part 1 for
25 postsecondary education, private occupational school license fees
26 shall fund related administrative costs of the proprietary schools
27 oversight unit within the department.

1 Sec. 317. The department is appropriated an amount not to exceed
2 \$100,000.00 from collection of defaulted loans under the future
3 faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa
4 Parks programs to offset costs of administering the loan collections.

5 Sec. 318. From the funds appropriated in part 1 for
6 postsecondary education, the department shall compile data from each
7 university that receives funding for the future faculty program within
8 the King-Chavez-Parks initiative on employment outcomes for program
9 participants. The report shall be distributed to the house and senate
10 appropriations committees by February 1 of each year. The report
11 shall include data from each participating university covering the
12 most recently completed fiscal year. The data shall include all of
13 the following:

14 (a) The number of participants receiving support under the
15 program.

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

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

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

22 Sec. 320. The department shall work with the department of
23 community health to establish a Medicaid buy-in program for the
24 working disabled through the options available under the federal
25 ticket to work and work incentives improvement act of 1999.

26 Sec. 321. The King-Chavez-Parks initiative shall be marketed by
27 the department to Michigan parents and high school and college

1 students, to promote the benefits and the availability of the college
2 day, select student support services, college/university partnership,
3 visiting professors, Morris Hood, Jr. educator development, and future
4 faculty programs. The department shall provide electronic
5 notification of the location of the report on the Internet to the
6 subcommittees on December 30, 2003, identifying all efforts taken to
7 market these programs, including, but not limited to, the amount of
8 funding allocated for this purpose, the fund source and any
9 expenditures or encumbrances relating to this marketing effort. It is
10 the intent of the legislature that the department administer the
11 King-Chavez-Parks initiative in the same manner as when it was
12 previously contained in the department of education and consistent
13 with all boilerplate language pertaining to the above listed programs
14 as included in the appropriations act for higher education
15 institutions.

16 Sec. 325. The department shall work cooperatively with the
17 department of civil service to identify state employees who will lose
18 their jobs as a result of an agency or program being reorganized,
19 modified, or eliminated and shall develop training programs and
20 provide training to these individuals that will provide them an
21 opportunity and skills necessary to secure new employment within state
22 government or the private sector. It shall be a priority of the
23 department to provide training and employment opportunities to these
24 individuals through their employment service locations.

25 Sec. 326. From the funds appropriated in part 1 to job training
26 programs subgrantees, the department shall allocate sufficient funds
27 to the Michigan works! service centers to allow these centers to

1 remain fully operational.

2 Sec. 328. From the funds appropriated in part 1 for the Michigan
3 virtual university, the department shall work with the Michigan
4 virtual university to do the following:

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

9 (b) Promote technology-based training to public and private sector
10 organizations that emphasize partnerships between public education and
11 the business sector.

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

15 Sec. 329. (1) Focus: HOPE shall submit a report on the use of
16 the grant's funds appropriated in part 1 to the chairs of the house
17 and senate subcommittees and the fiscal agencies that includes, but is
18 not limited to, the following:

19 (a) Detailed expenditures for administration including salaries
20 and wages of employees.

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

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

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

27 (e) Detailed expenditures for any program enhancements including

1 number of new hires and capital expenditures.

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

3 **MICHIGAN STRATEGIC FUND**

4 Sec. 401. (1) The appropriation in part 1 to the fund for
5 economic development job training shall be expended in 2 categories:
6 the business response program for employee training grants which
7 maintain or attract permanent jobs for Michigan residents and the
8 manufacturing competitiveness program for grants to fund collaborative
9 efforts which increase the competitiveness of multiple companies
10 within a grant. The business response program is allocated up to
11 \$6,523,900.00, and the manufacturing competitiveness program is
12 allocated up to \$3,524,000.00 not to exceed the part 1 appropriation
13 for this program in its entirety. The fund has the authority to
14 reallocate these amounts during the fiscal year dependent on business
15 demand and economic conditions.

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

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

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

26 (5) An applicant may be a school district, intermediate school

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

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

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

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

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

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

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

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

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

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

6 (b) Creation and/or retention of high wage and high skilled level
7 jobs.

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

9 (d) In addition, for the manufacturing competitiveness program,
10 the following criteria will receive priority; strong level of
11 collaboration and cooperation and demonstration of new techniques,
12 systems, and processes of value to the affected companies.

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

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

23 (11) For training delivered to incumbent workers under the
24 business response program, the business receiving the benefit of the
25 training shall provide a minimum of 30% of the program costs in
26 matching funds as necessitated by the program. For training delivered
27 under the manufacturing competitiveness program, the business

1 receiving the benefit of the training shall provide a minimum of 30%
2 of the program costs in matching funds as necessitated by the
3 program.

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

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

11 (14) The fund shall provide to the state budget director and the
12 fiscal agencies by May 1 and November 1 of each year a report on the
13 economic development job training grants. The report due by May 1
14 shall provide the information described in this subsection for each
15 grant or contract awarded during the preceding 2 quarters of the state
16 fiscal year. The report due by November 1 shall provide this
17 information for each grant or contract awarded during the preceding
18 full fiscal year. The report shall contain all of the following:

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

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

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

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

26 (15) Of the funds appropriated in part 1 for economic development
27 job training grants, the fund shall not use these funds to finance the

1 startup or in any way subsidize any private distributor of liquor
2 products in Michigan.

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

7 Sec. 402. Travel Michigan may establish and collect a fee to
8 cover the cost of materials and processing of photographic prints,
9 slides, videotapes, and travel product database information that are
10 requested by the media and other segments of the public and private
11 sectors. The fees collected shall be appropriated for all expenses
12 necessary to purchase and distribute these photographic prints,
13 slides, videotapes, and travel product database information. The
14 funds are available for expenditure when they are received by the
15 department of treasury.

16 Sec. 404. Travel Michigan may receive and expend private revenue
17 related to the use of the "Michigan Great Lakes. Great Times."
18 copyrighted slogan and image. This revenue may come from the direct
19 licensing of the name and image or from the royalty payments from
20 various merchandise sales. Revenue collected is appropriated for the
21 marketing of the state as a travel destination. The funds are
22 available for expenditure when they are received by the department of
23 treasury.

24 Sec. 406. The fund shall submit on or before May 1 and November
25 1 to the subcommittees, state budget office, and the fiscal agencies a
26 listing of all grants which have been awarded by the fund or by the
27 Michigan economic development corporation from the funds appropriated

1 in part 1. The list shall include all of the following:

- 2 (a) The name of the recipient.
- 3 (b) The amount awarded to the recipient.
- 4 (c) The purpose of the grant.

5 Sec. 407. (1) The fund shall provide reports to the relevant
6 subcommittees, the state budget director, and the fiscal agencies
7 concerning the activities of the Michigan economic development
8 corporation grants and investment programs financed from the strategic
9 fund using investment or Indian gaming revenues. The report shall
10 provide a list of individual grants and loans made from the fund. The
11 report shall include, but not be limited to, the following programs
12 funded in part 1:

- 13 (a) Travel Michigan.
- 14 (b) Michigan business development.
- 15 (c) Global business development.
- 16 (d) Small, minority, and disabled business services.
- 17 (e) Community development block grants.
- 18 (f) Strategic fund administration.
- 19 (g) Renaissance zones.
- 20 (h) Emerging business sectors and roundtables.
- 21 (i) Business and clean air ombudsman.
- 22 (j) Economic development job training grants.
- 23 (k) Community assistance team.
- 24 (l) Life sciences and technology tri-corridor.
- 25 (m) Any other programs of the fund.

26 (2) The reports in subsection (1) shall be submitted by January
27 1. The report for each program in subsection (1)(a) through (m) shall

1 include details on the actual spending and number of FTEs for that
2 program for the previous fiscal year.

3 Sec. 408. As a condition of receiving funds under part 1, any
4 interlocal agreement entered into by the fund shall include language
5 which states that if a local unit of government has a contract or
6 memorandum of understanding with a private economic development
7 agency, the Michigan economic development corporation will work
8 cooperatively with that private organization in that local area.

9 Sec. 409. (1) Of the funds appropriated to the fund or through
10 grants to the Michigan economic development corporation, no funds
11 shall be expended for the purchase of options on land or the purchase
12 of land unless at least 1 of the following conditions applies:

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

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

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

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

1 Sec. 410. (1) From the funds appropriated in part 1 for the life
2 sciences and technology tri-corridor, \$15,049,900.00 is appropriated
3 for the life sciences initiative and \$100,000.00 is appropriated for
4 the homeland security and automotive initiative. These funds are
5 appropriated to support the research and commercialization in these
6 respective areas. Funding for the areas of homeland security and
7 automotive initiative may also be funded from the Indian casino
8 revenue or other federal sources. The program shall be administered
9 by the Michigan economic development corporation.

10 (2) A life sciences and technology tri-corridor steering
11 committee, appointed by the governor, shall consist of 19 members
12 including the CEO of the Michigan economic development corporation,
13 the director of the department of consumer and industry services, the
14 state treasurer, a member from Michigan State University, the
15 University of Michigan, Wayne State University, Western Michigan
16 University, the Van Andel Institute, 2 members representing the
17 legislature, 1 of which is chosen by the speaker of the house of
18 representatives and 1 of which is chosen by the majority leader of the
19 senate, and 2 members actively engaged in each of the 3 targeted
20 business sectors. The remaining members shall be appointed at large
21 and may include members from the private sector, public sector, or
22 other Michigan universities. Committee members are authorized to
23 designate alternate members. The purpose of the steering committee is
24 to provide advice and oversight of the initiative, including the
25 development of criteria for the award of contracts or grants to
26 qualifying universities, institutions, companies, or individuals. The
27 steering committee will make decisions regarding distribution of these

1 funds.

2 (3) Of the funds appropriated, up to \$2,500,000.00 may be used for
3 administering the initiative including the monitoring of previous
4 years' awards and not less than \$5,000,000.00 shall be used to support
5 a competitive life sciences commercial development fund to support
6 business commercialization research opportunities in Michigan. In
7 allocating funding to the life sciences commercial development fund,
8 the life sciences and technology tri-corridor steering committee shall
9 give maximum priority to supporting all potential commercialization
10 opportunities that appear to have merit. Of the remaining funds
11 appropriated for the life sciences initiative, 55% are allocated for a
12 basic research fund, to be distributed on a competitive basis to
13 Michigan universities or Michigan nonprofit research institutes, or
14 both, for basic research in health-related areas. In addition, 45% of
15 the remaining appropriated funds for the life sciences initiative are
16 earmarked for a collaborative research fund to support peer-reviewed
17 collaborative grants among Michigan universities and/or private
18 research facilities, with emphasis on research testing or developing
19 emerging discoveries.

20 (4) Of the funds appropriated in part 1 for the homeland security
21 and automotive initiative, up to 5% may be used for administering the
22 initiative. In allocating funding to the homeland security and
23 automotive initiative, the life sciences and technology tri-corridor
24 steering committee shall ensure that all proposals receiving funding
25 from the homeland security and automotive initiative contain a life
26 sciences component and complement those proposals funded under the
27 life sciences 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 life sciences commercial
5 development fund. These funds are authorized for expenditure upon
6 receipt and shall not lapse to the general fund.

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

14 Sec. 411. The money appropriated in part 1 to the fund is
15 subject to the condition that none is spent for premiums or
16 advertising material involving personal effects or apparel including,
17 but not limited to, t-shirts, hats, coffee mugs, or other promotional
18 items, except travel Michigan.

19 Sec. 412. (1) From the general fund/general purpose
20 appropriations in part 1 to the fund and granted or transferred to the
21 Michigan economic development corporation, any unexpended or
22 unencumbered balance shall be disposed of in accordance with the
23 requirements in the management and budget act, 1984 PA 431,
24 MCL 18.1101 to 18.1594, unless carryforward authorization has been
25 otherwise provided for.

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

1 Sec. 413. As a condition of receiving funds under part 1, the
2 fund shall ensure that the MEDC and the Michigan strategic fund comply
3 with all of the following:

4 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to
5 15.246.

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

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

9 (d) All reports required by law to be submitted to the
10 legislature.

11 (e) If the MEDC is unable for any reason to perform duties under
12 this act, the Michigan strategic fund may exercise those duties.

13 Sec. 414. As a condition for receiving the appropriations in
14 part 1, any staff of the Michigan economic development corporation
15 involved in private fund-raising activities shall not be party to any
16 decisions regarding the awarding of grants or tax abatements from the
17 Michigan strategic fund, Michigan economic development corporation, or
18 the Michigan economic growth authority.

19 Sec. 415. (1) All funds received from repayment of loans, unused
20 grants, revenues received from sales or cash flow participation
21 agreements, guarantees, or any combination thereof or interest
22 thereon, originally distributed as part of the core communities fund,
23 shall be received, held, and applied by the Michigan strategic fund
24 for the purposes described in this act.

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

1 Sec. 418. (1) The funding appropriated in part 1 of 2000 PA 291
2 for the Michigan core communities fund may be used to create an urban
3 revitalization infrastructure program in the Michigan strategic fund
4 for economic development awards to create new jobs or contribute to
5 redevelopment and encourage private investment in core communities.

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

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

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

25 (5) The Michigan economic development corporation shall have all
26 administrative responsibility for the Michigan core communities fund
27 and shall establish application and application scoring criteria and

Senate Bill No. 285 (H-1) as amended June 17, 2003

1 approve awards. The Michigan economic development corporation may
2 utilize up to 1/2 of 1% of the fund for administrative purposes.

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

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

14 (8) Fifteen days prior to the award of the funds, notification
15 shall be provided to the speaker of the house of representatives, the
16 senate majority leader, the members of the house and senate
17 appropriations committees, the house and senate fiscal agencies, and
18 the state budget director.

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

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

21 (b) Land or other facilities owned or operated by a gaming
22 facility.

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

25 Sec. 419. It is the intent of the legislature that the members
26 of the executive committee of the corporation board of the MEDC be
27 subject to the advice and consent of the senate.

[Sec. 420. Included in part 1 is \$10,000,000.00 state general
fund/general purpose of base funding for the creation of a life sciences
research and commercialization center.]