

SUBSTITUTE FOR
SENATE BILL NO. 285

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.....	\$	566,575,700

1	Total interdepartmental grants and intradepartmental		
2	transfers.....	\$	100,900
3	ADJUSTED GROSS APPROPRIATION.....	\$	566,474,800
4	Federal revenues:		
5	Total federal revenues.....		471,053,700
6	Special revenue funds:		
7	Total local revenues.....		15,011,900
8	Total private revenues.....		3,249,400
9	Total other state restricted revenues.....		21,814,700
10	State general fund/general purpose.....	\$	55,345,100

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

12 **(1) APPROPRIATION SUMMARY**

13	Full-time equated classified positions.....	989.5	
14	GROSS APPROPRIATION.....	\$	466,130,000
15	Interdepartmental grant revenues:		
16	Total interdepartmental grants and intradepartmental		
17	transfers.....		0
18	ADJUSTED GROSS APPROPRIATION.....	\$	466,130,000
19	Federal revenues:		
20	Total federal revenues.....		418,100,400
21	Special revenue funds:		
22	Total local revenues.....		15,011,900
23	Total private revenues.....		2,396,300
24	Total other state restricted revenues.....		6,664,700
25	State general fund/general purpose.....	\$	23,956,700

26 **(2) DEPARTMENT OPERATIONS**

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1	Full-time equated classified positions.....	60.0		
2	Administration--60.0 FTE positions.....	\$	<<5,779,400>>	
3	Building occupancy charges - property development			
4	services.....		923,400	
5	Special project advances.....		200,000	
6	Worker's compensation.....		<u>186,000</u>	
7	GROSS APPROPRIATION.....	\$	<<7,088,800>>	
8	Appropriated from:			
9	Federal revenues:			
10	CNS.....		205,800	
11	DED-OSERS, rehabilitation services, vocational			
12	rehabilitation of state grants.....		1,948,700	
13	DOL-ETA, workforce investment act.....		355,300	
14	DOL, federal funds.....		1,965,000	
15	Federal revenues.....		451,200	
16	HHS, temporary assistance for needy families.....		337,700	
17	Special revenue funds:			
18	Private - special project advances.....		200,000	
19	Contingent fund, penalty and interest.....		436,100	
20	State general fund/general purpose.....	\$	<<1,189,000>>	
21	(3) WORKFORCE DEVELOPMENT			
22	Full-time equated classified positions.....	577.5		
23	Employment training services--500.0 FTE positions...	\$	80,931,200	
24	Michigan career and technical institute--77.5 FTE			
25	positions.....		<u>10,894,300</u>	
26	GROSS APPROPRIATION.....	\$	91,825,500	
27	Appropriated from:			

1	Federal revenues:	
2	CNS.....	1,663,800
3	DAG, employment and training.....	167,600
4	DED-OPSE, multiple grants.....	815,500
5	DED-OSERS, centers for independent living.....	58,200
6	DED-OSERS, rehabilitation long-term training.....	566,900
7	DED-OSERS, rehabilitation services, vocational	
8	rehabilitation of state grants.....	46,256,100
9	DED-OSERS, state grants for technical related	
10	assistance.....	56,000
11	DOL-ETA, workforce investment act.....	3,994,000
12	DOL, federal funds.....	16,000,000
13	DED-Perkins act.....	173,600
14	HHS, temporary assistance for needy families.....	3,128,400
15	HHS-SSA, supplemental security income.....	4,394,800
16	Special revenue funds:	
17	Private - gifts, bequests, and donations.....	1,396,300
18	Local vocational rehabilitation match.....	3,054,000
19	Rehabilitation services fees.....	1,246,000
20	Second injury fund.....	51,500
21	Student fees.....	308,000
22	Training material fees.....	256,300
23	State general fund/general purpose..... \$	8,238,500
24	(4) CAREER EDUCATION PROGRAMS	
25	Full-time equated classified positions.....54.0	
26	Career and technical education--23.0 FTE positions.. \$	3,324,900
27	Postsecondary education--14.0 FTE positions.....	2,402,900

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1	Adult education--15.0 FTE positions.....	2,283,100
2	Commission on Spanish speaking affairs--2.0 FTE	
3	positions.....	<u>220,500</u>
4	GROSS APPROPRIATION..... \$	8,231,400
5	Appropriated from:	
6	Federal revenues:	
7	Federal revenues.....	6,130,000
8	Special revenue funds:	
9	Private occupational school license fees.....	378,900
10	Defaulted loan collection fees.....	100,000
11	State general fund/general purpose..... \$	1,622,500
12	(5) DEPARTMENT GRANTS	
13	Adult basic education..... \$	13,500,000
14	Council of Michigan foundations.....	1,000,000
15	Focus: HOPE.....	<<3,860,200>>
16	Gear-up program grants.....	3,000,000
17	Job training programs subgrantees.....	100,612,700
18	Michigan community service commission subgrantees...	<<6,150,000>>
19	Michigan virtual university.....	1,000,000
20	Personal assistance services.....	459,500
21	Precollege programs in engineering and the sciences.	500,000
22	Supported employment grants.....	1,441,300
23	Technology assistance grants.....	1,378,700
24	Carl D. Perkins grants.....	42,500,000
25	Vocational rehabilitation client services/facilities	51,207,400
26	Vocational rehabilitation independent living.....	3,070,000
27	Welfare-to-work programs.....	<u>72,698,600</u>

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1	GROSS APPROPRIATION.....	\$	<<302,378,400>>
2	Appropriated from:		
3	Federal revenues:		
4	CNS.....		5,500,000
5	DAG, employment and training.....		13,000,000
6	DED-OESE, gear-up.....		3,000,000
7	DED-OSERS, centers for independent living.....		450,200
8	DED-OSERS, client assistance for individuals with		
9	disabilities.....		440,000
10	DED-OSERS, rehabilitation services, vocational		
11	rehabilitation of state grants.....		35,797,900
12	DED-OSERS, rehabilitation services facilities.....		2,272,500
13	DED-OSERS, supported employment.....		1,441,300
14	DED-OSERS, state grants for technical related		
15	assistance.....		1,378,700
16	DED-OVAE, adult education.....		13,500,000
17	DED-OVAE, basic grants to states.....		42,500,000
18	DOL-ETA, workforce investment act.....		104,602,700
19	DOL-ETA, welfare-to-work.....		20,000,000
20	HHS, temporary assistance for needy families.....		32,399,000
21	HHS-SSA, supplemental security income.....		2,480,600
22	Special revenue funds:		
23	Private - gifts, bequests, and donations.....		800,000
24	Contingent fund, penalty and interest account.....		1,000,000
25	Local vocational rehabilitation match.....		6,630,500
26	Local vocational rehabilitation facilities match....		1,278,300
27	Tobacco settlement revenue.....		1,000,000

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1	State general fund/general purpose.....	\$	<<12,906,700>>
2	(6) EMPLOYMENT SERVICE AGENCY		
3	Full-time equated classified positions.....	298.0	
4	Building occupancy charges - property development		
5	service.....	\$	757,700
6	Worker's compensation.....		71,000
7	Employment services--246.0 FTE positions.....		43,799,300
8	Labor market information--52.0 FTE positions.....		<u>5,485,200</u>
9	GROSS APPROPRIATION.....	\$	50,113,200
10	Appropriated from:		
11	Federal revenues:		
12	DED-OSERS, rehabilitation services, vocational		
13	rehabilitation of state grants.....		1,317,400
14	DOL, federal funds.....		42,858,800
15	Special revenue funds:		
16	Contingent fund, penalty and interest account.....		1,887,900
17	Local revenue.....		4,049,100
18	State general fund/general purpose.....	\$	0
19	(7) INFORMATION TECHNOLOGY		
20	Information technology services and projects.....	\$	<u>6,492,700</u>
21	GROSS APPROPRIATION.....	\$	6,492,700
22	Appropriated from:		
23	Federal revenues:		
24	Federal revenue.....		6,492,700
25	State general fund/general purpose.....	\$	0
26	Sec. 103. MICHIGAN STRATEGIC FUND		

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(1) APPROPRIATION SUMMARY

1		
2	Full-time equated classified positions.....	200.0
3	GROSS APPROPRIATION.....	\$ 100,445,700
4	Interdepartmental grant revenues:	
5	Total interdepartmental grants and intradepartmental	
6	transfers.....	100,900
7	ADJUSTED GROSS APPROPRIATION.....	\$ 100,344,800
8	Federal revenues:	
9	Total federal revenues.....	52,953,300
10	Special revenue funds:	
11	Total private revenues.....	853,100
12	Total other state restricted revenues.....	15,150,000
13	State general fund/general purpose.....	\$ 31,388,400
14	(2) MICHIGAN STRATEGIC FUND	
15	Full-time equated classified positions.....	200.0
16	Administration--40.0 FTE positions.....	\$ <<54,700>>
17	Job creation services--160.0 FTE positions.....	<<19,693,000>>
18	Michigan promotion program.....	5,500,000
19	Economic development job training grants.....	<<10,048,000>>
20	Community development block grants.....	50,000,000
21	Life sciences and technology tri-corridor: life	
22	sciences initiative.....	15,050,000
23	Life sciences and technology tri-corridor: homeland	
24	security and automotive initiative.....	<u>100,000</u>
25	GROSS APPROPRIATION.....	\$ 100,445,700
26	Appropriated from:	
27	Interdepartmental grant revenues:	

1	IDG-MDEQ, air quality fees.....	100,900
2	Federal revenues:	
3	DOL-ETA, employment service.....	783,700
4	HUD-CPD, community development block grant.....	52,169,600
5	Special revenue funds:	
6	Private-Michigan certified development corporations	
7	fees.....	353,100
8	Private-special project advances.....	500,000
9	Industry support fees.....	50,000
10	Tobacco settlement revenue.....	15,100,000
11	State general fund/general purpose..... \$	31,388,400

12 PART 2

13 PROVISIONS CONCERNING APPROPRIATIONS

14 **GENERAL SECTIONS**

15 Sec. 201. Pursuant to section 30 of article IX of the state
 16 constitution of 1963, total state spending from state resources under
 17 part 1 for fiscal year 2003-2004 is \$77,159,800.00 and state spending
 18 from state resources to be paid to local units of government for
 19 fiscal year 2003-2004 is \$0.

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

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

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

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

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

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

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

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

22 (2) The state budget director shall grant exceptions to this
23 hiring freeze when the state budget director believes that the hiring
24 freeze will result in rendering a state department or agency unable to
25 deliver basic services, cause a loss of revenue to the state, result
26 in the inability of the state to receive federal funds, or would
27 necessitate additional expenditures that exceed any savings from

1 maintaining a vacancy. The state budget director shall report
2 quarterly to the chairpersons of the senate and house of
3 representatives standing committees on appropriations the number of
4 exceptions to the hiring freeze approved during the previous month and
5 the reasons to justify the exception.

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

12 Sec. 208. Unless otherwise specified, the department and fund
13 shall use the Internet to fulfill the reporting requirements of this
14 act. This may include transmission of reports via electronic mail to
15 the recipients identified for each reporting requirement or it may
16 include placement of reports on an Internet or Intranet site.

17 Sec. 209. Funds appropriated in part 1 shall not be used for the
18 purchase of foreign goods or services, or both, if competitively
19 priced and of comparable quality American goods or services, or both,
20 are available. Preference should be given to goods or services, or
21 both, manufactured or provided by Michigan businesses if they are
22 competitively priced and of comparable value.

23 Sec. 210. The director or the CEO of each department and agency
24 receiving appropriations in part 1 are encouraged to take all
25 reasonable steps to ensure businesses in deprived and depressed
26 communities compete for and perform contracts to provide services or
27 supplies, or both. Each director or CEO will strongly encourage firms

1 with which the department contracts to subcontract with certified
2 businesses in depressed and deprived communities for services,
3 supplies, or both.

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

9 Sec. 212. The departments and state agencies receiving
10 appropriations under this act shall receive and retain copies of all
11 reports funded from appropriations in part 1. These departments and
12 state agencies shall follow federal and state guidelines for
13 short-term and long-term retention of these reports and records.

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

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

1 DEPARTMENT OF CAREER DEVELOPMENT

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

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

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

19 Sec. 304. (1) Of the funds appropriated in part 1 for vocational
20 rehabilitation independent living, all general fund/general purpose
21 revenue not used to match federal funds shall be used for the support
22 of centers for independent living which are in compliance with federal
23 standards for such centers, for the development of new centers in
24 areas presently unserved or underserved, for technical assistance to
25 centers, and for projects to build capacity of centers to deliver
26 independent living services. Applications for such funds shall be
27 reviewed in accordance with criteria and procedures established by the

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

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

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

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

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

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

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

1 the previous year.

2 (b) Information from each center for independent living receiving
3 funding through appropriations in part 1 detailing their total budget
4 for their most recently completed fiscal year as well as the amount
5 within that budget funded through the vocational rehabilitation
6 independent living grant program referenced in part 1, the total
7 amount funded through other state agencies, the amount funded through
8 federal sources, and the amount funded through local and private
9 sources.

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

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

17 Sec. 305. (1) The appropriation in part 1 to the department for
18 the work first program shall be expended for grants which provide
19 employment and training services to family independence program
20 applicants and recipients and may be expended for grants which provide
21 employment and training services to former family independence program
22 recipients, as well as to recipients of noncash public assistance,
23 specifically child day care, Medicaid, or food stamp benefits. The
24 work first program, however, shall not be construed to be an
25 entitlement to services.

26 (2) An applicant may be a school district, intermediate school
27 district, community college, public or private nonprofit college or

1 university, nonprofit organization that provides school-to-work
2 transition programs or that provides employment and training services
3 or vocational rehabilitation programs or state licensed accredited
4 vocational or technical education programs, proprietary school
5 licensed by the state board of education, local workforce development
6 board, or a consortium consisting of any combination of school
7 districts, intermediate school districts, community colleges,
8 nonprofit organizations described in this subsection, licensed
9 proprietary schools, or public or private nonprofit colleges or
10 universities described in this subsection.

11 (3) When the work first job search requirements have been
12 completed, if the participant has not found employment, the work first
13 site shall identify the barriers which may have prevented the
14 participant from obtaining employment and assist the client in
15 removing those barriers. The work first site shall also identify
16 appropriate education and job training programs which would be
17 available to the participant. The department shall encourage the
18 Michigan works! agencies to consider transportation challenges for
19 work first participants placed in employment. When an individual is
20 re-referred to work first because of an inability to retain
21 employment, the department shall confer with the Michigan
22 rehabilitation services, the family independence agency, or other
23 professionals if deemed appropriate by the Michigan works! agency to
24 screen for and identify issues that are preventing the participant
25 from succeeding in the labor market. Each Michigan works agency shall
26 determine locally the number of times an individual may be re-referred
27 back to the program before consulting with other service agencies. If

1 no prohibitive barriers to work are found, the individual shall comply
2 with the work first program, or be subject to appropriate penalties.

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

10 (5) Participants in the work first program shall not be enrolled
11 and counted in membership in a school district or intermediate school
12 district.

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

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

22 (8) The department shall make every effort to place a minimum of
23 50% of clients who participate in the work first program in positions
24 that provide wages of \$6.00 per hour or more.

25 (9) The department shall submit to the fiscal agencies and the
26 state budget director by March 15 a report on the work first program,
27 including the number of participants served under this section, the

1 number of persons who located employment through work first, the
2 average wage of participants who found employment, the number of
3 persons who retained jobs for 90 days, the number of participants
4 placed in employment training and education programs, the number of
5 clients referred to work first who failed to report, a compilation of
6 barriers to employment by incidence and type experienced by
7 participants, and the number of participants referred back to the
8 family independence agency.

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

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

18 (b) The number of participants in each service delivery area and
19 the number of clients placed in employment in each service delivery
20 area.

21 (11) The department shall make available to work first
22 participants guidelines on eligibility for postemployment training and
23 how training/education hours are applied toward work participation
24 requirements. These guidelines will be presented during joint
25 orientation conducted by the family independence agency and the
26 department contracted staff in accordance with department policy
27 issuances and family independence agency program bulletins. These

1 guidelines presented by the department and the family independence
2 agency shall balance the ability of participants to obtain training
3 and subsequent long-term high-wage employment with the need to connect
4 participants with the workplace. Any and all training/education, with
5 the exception of high school completion and GED preparation, must be
6 occupationally relevant and in demand in the labor market as
7 determined by the workforce development board. Participants must make
8 satisfactory progress to continue in a training/education component.

9 (12) The work participation requirement is up to 40 hours per
10 week. However, work first participants may meet the work
11 participation requirement by combining a minimum of 10 hours per week
12 of work with training/education. Training/education may last up to 12
13 months and the calculated hours may include actual classroom seat time
14 up to 10 hours per week plus up to 1 hour of study time for each hour
15 of classroom seat time. Work first participants may enroll in
16 additional hours of classroom seat time beyond 10 hours. However,
17 these hours and the related study time will not count toward the work
18 participation requirement. The training may be no longer than a
19 1-year program or the final year of a 2- or 4-year undergraduate
20 program designed to lead to immediate labor force attachment.

21 (13) Work first participants may meet the work participation
22 requirement through enrollment in a short-term vocational program
23 requiring 30 hours of classroom seat time per week for a period not to
24 exceed 6 months, or by enrollment in full-time internships,
25 practicums, or clinicals required by an academic or training
26 institution for licensure, professional certification, or degree
27 completion, without an additional work requirement. In cases where a

1 short-term vocational program lasts less than 6 months, the
2 participant shall be eligible to enroll in 1 additional short-term
3 vocational program for a combined period not to exceed a total of 6
4 months.

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

11 Sec. 306. (1) Using all relevant state data sources, the
12 department shall conduct a 3-year longitudinal study of all former
13 work first participants, whose family independence program cases
14 closed due to earnings during fiscal year 1999 and in succeeding
15 fiscal years. The data will include the following:

- 16 (a) The number and percentage employed.
- 17 (b) The average hourly wage of those employed.
- 18 (c) The current hourly wage of those employed.
- 19 (d) The range of wages earned by those employed.
- 20 (e) The number of individuals that earned each wage amount.
- 21 (f) The number and percentage receiving health care benefits from
22 their employer.
- 23 (g) The number and percentage receiving tuition reimbursement from
24 their employer.
- 25 (h) The number and percentage receiving training benefits from
26 their employer.
- 27 (i) The type of jobs obtained by former participants in general

1 categories.

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

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

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

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

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

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

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

21 Sec. 307. State and federal funds allocated to local workforce
22 development boards for disbursement shall not be expended unless the
23 local workforce development boards maintain a partnership with
24 governmental agencies, public school districts, and public colleges
25 located within the local service delivery area. Each board shall
26 appoint an education advisory group made up of high-level
27 administrators within local educational institutions, workforce

1 development board members, other employers, labor, academic educators,
2 and parents of public school pupils.

3 Sec. 309. (1) Of the funds appropriated in part 1 for precollege
4 programs in engineering and the sciences, \$250,000.00 shall be
5 provided in the form of a grant to the Detroit precollege engineering
6 program, incorporated and \$250,000.00 shall be provided in the form of
7 a grant to the Grand Rapids area precollege engineering program.

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

17 Sec. 310. Funds earned or authorized by the United States
18 department of labor in excess of the gross appropriation in part 1 for
19 the employment service agency from the United States department of
20 labor are appropriated and may be expended for staffing and related
21 expenses incurred in the operation of its programs. These funds may
22 be spent after the department notifies the subcommittees, fiscal
23 agencies, and the state budget office of the purpose and amount of
24 each grant award.

25 Sec. 311. (1) The department shall have at least 1 disabled
26 veterans outreach program specialist or local veterans employment
27 representative present, at each Michigan works! service center on a

1 full- or part-time basis during hours of operation.

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

7 (3) The department shall require each Michigan works! service
8 center to have an employee available to ask each individual who enters
9 the office for service whether that individual is a veteran and to
10 refer each veteran to the disabled veterans outreach program
11 specialist or local veterans employment representative on duty at the
12 time.

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

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

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

23 Sec. 313. The funds appropriated in part 1 for the council of
24 Michigan foundations from tobacco settlement revenue shall be
25 distributed to the council of Michigan foundations as a grant to
26 support local community efforts to address smoking prevention and
27 cessation efforts. The council may distribute the funds according to

1 a formula determined by the council. Any investment earnings from
2 this year or prior year appropriations shall be used for the same
3 purpose as the original appropriation.

4 Sec. 314. 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. 315. 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. 317. 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. 318. 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 by February 1 of each year. The report
25 shall include data from each participating university covering the
26 most recently completed fiscal year. The data shall include all of
27 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. 320. 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. 321. 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, 2003, 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. 325. 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. 326. 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. 328. 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. 329. (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 house
4 and senate subcommittees and the fiscal agencies that includes, but is
5 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. 330. It is the intent of the legislature that fiscal year
18 2003-2004 will be the last year that federal workforce investment act
19 funding will be appropriated to Focus: HOPE.

20 Sec. 331. The department shall ensure that any request for
21 proposal for the statewide portion of the federal workforce investment
22 act funding, appropriated in the job training programs subgrantees
23 line item in part 1, include provisions that will allow Focus: HOPE
24 to compete for these funds.

25 **MICHIGAN STRATEGIC FUND**

26 Sec. 401. (1) The appropriation in part 1 to the fund for
27 economic development job training shall be expended in 2 categories:

1 the business response program for employee training grants which
2 maintain or attract permanent jobs for Michigan residents and the
3 manufacturing competitiveness program for grants to fund collaborative
4 efforts which increase the competitiveness of multiple companies
5 within a grant. The business response program is allocated up to
6 \$6,000,000.00, and the manufacturing competitiveness program is
7 allocated up to \$3,000,000.00 not to exceed the part 1 appropriation
8 for this program in its entirety. The fund has the authority to
9 reallocate these amounts during the fiscal year dependent on business
10 demand and economic conditions.

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

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

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

22 (5) An applicant may be a school district, intermediate school
23 district, community college, public or private nonprofit college or
24 university, nonprofit organization whose primary purpose is to provide
25 education programs or employment and training services or vocational
26 rehabilitation programs or school-to-work transition programs, local
27 workforce development board, the headquarters of a federal and state

1 sponsored manufacturing technology center, or a consortium consisting
2 of any combination of school districts, intermediate school districts,
3 community colleges, nonprofit organizations described in this
4 subsection, or public or private nonprofit colleges or universities
5 described in this subsection.

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

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

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

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

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

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

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

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

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

1 (b) Creation and/or retention of high wage and high skilled level
2 jobs.

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

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

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

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

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

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

27 (13) A recipient of a grant under this section shall allow the

1 fund or the agency's designee to audit all records related to the
2 grant for all entities that receive money, either directly or
3 indirectly through a contract, from the grant funds. A grant
4 recipient or contractor shall reimburse the state for all
5 disallowances found in the audit.

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

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

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

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

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

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

25 (16) As a condition of receiving funds under part 1 of this act,
26 the fund shall not expend any of the economic development job training
27 grant funds to train any employee who is an officer of a corporation

1 in a corporation employing more than 250 employees.

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

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

7 (b) Eligible uses of the fund include investments in organizations
8 and programs that promote the development of new industry sectors in
9 Michigan; inducements to attract additional venture capital funds to
10 finance technology development; support organizations, initiatives, or
11 events that promote entrepreneurship; provide match for university
12 federal research grants; and support technology transfer and
13 commercialization programs with universities and the private sector.

14 (c) The Michigan economic development corporation shall administer
15 the Michigan growth capital fund.

16 (d) All funds received from repayment of loans, unused grants,
17 revenues received from sales or cash flow participation agreements,
18 guarantees, or any combination thereof or interest thereon, originally
19 distributed as part of the Michigan growth capital fund, shall be
20 received, held, and applied by the Michigan strategic fund for the
21 purposes described in this subsection.

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

26 Sec. 402. Travel Michigan may establish and collect a fee to
27 cover the cost of materials and processing of photographic prints,

1 slides, videotapes, and travel product database information that are
2 requested by the media and other segments of the public and private
3 sectors. The fees collected shall be appropriated for all expenses
4 necessary to purchase and distribute these photographic prints,
5 slides, videotapes, and travel product database information. The
6 funds are available for expenditure when they are received by the
7 department of treasury.

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

16 Sec. 406. The fund shall submit on or before May 1 and November
17 1 to the subcommittees, state budget office, and the fiscal agencies a
18 listing of all grants which have been awarded by the fund or by the
19 Michigan economic development corporation from the funds appropriated
20 in part 1. The list shall include all of the following:

- 21 (a) The name of the recipient.
22 (b) The amount awarded to the recipient.
23 (c) The purpose of the grant.

24 Sec. 407. (1) The fund shall provide reports to the relevant
25 subcommittees, the state budget director, and the fiscal agencies
26 concerning the activities of the Michigan economic development
27 corporation grants and investment programs financed from the strategic

1 fund using investment or Indian gaming revenues. The report shall
2 provide a list of individual grants and loans made from the fund. The
3 report shall include, but not be limited to, the following programs
4 funded in part 1:

- 5 (a) Travel Michigan.
- 6 (b) Michigan business development.
- 7 (c) Global business development.
- 8 (d) Small, minority, and disabled business services.
- 9 (e) Community development block grants.
- 10 (f) Strategic fund administration.
- 11 (g) Renaissance zones.
- 12 (h) Emerging business sectors and roundtables.
- 13 (i) Business and clean air ombudsman.
- 14 (j) Economic development job training grants.
- 15 (k) Community assistance team.
- 16 (l) Life sciences and technology tri-corridor.
- 17 (m) Any other programs of the fund.

18 (2) The reports in subsection (1) shall be submitted by January
19 1. The report for each program in subsection (1)(a) through (m) shall
20 include details on the actual spending and number of FTEs for that
21 program for the previous fiscal year.

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

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

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

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

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

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

20 Sec. 410. (1) From the funds appropriated in part 1 for the life
21 sciences and technology tri-corridor, \$15,050,000.00 is appropriated
22 for the life sciences initiative and \$100,000.00 is appropriated for
23 the homeland security and automotive initiative. These funds are
24 appropriated to support the research and commercialization in these
25 respective areas. Funding for the areas of homeland security and
26 automotive initiative may also be funded from the Indian casino
27 revenue or other federal sources. The program shall be administered

1 by the Michigan economic development corporation.

2 (2) A life sciences and technology tri-corridor steering
3 committee, appointed by the governor, shall consist of 17 members
4 including the CEO of the Michigan economic development corporation,
5 the director of the department of consumer and industry sciences, the
6 state treasurer, a member from Michigan State University, the
7 University of Michigan, Wayne State University, Western Michigan
8 University, the Van Andel Institute, and 2 members actively engaged in
9 each of the 3 targeted business sectors. The remaining members shall
10 be appointed at large and may include members from the private sector,
11 public sector, or other Michigan universities. Committee members are
12 authorized to designate alternate members. The purpose of the
13 steering committee is to provide advice and oversight of the
14 initiative, including the development of criteria for the award of
15 contracts or grants to qualifying universities, institutions,
16 companies, or individuals. The steering committee will make decisions
17 regarding distribution of these funds.

18 (3) Of the funds appropriated, up to \$2,500,000.00 may be used for
19 administering the initiative including the monitoring of previous
20 years' awards and not less than \$5,000,000.00 shall be used to support
21 a competitive life sciences commercial development fund to support
22 commercialization opportunities for life science research in
23 Michigan. In allocating funding to the life sciences commercial
24 development fund, the life sciences and technology tri-corridor
25 steering committee shall give maximum priority to supporting all
26 potential commercialization opportunities that appear to have merit.
27 Of the remaining funds appropriated for the life sciences initiative,

1 55% are allocated for a basic research fund, to be distributed on a
2 competitive basis to Michigan universities or Michigan nonprofit
3 research institutes, or both, for basic research in health-related
4 areas. In addition, 45% of the remaining appropriated funds for the
5 life sciences initiative are earmarked for a collaborative research
6 fund to support peer-reviewed collaborative grants among Michigan
7 universities and/or private research facilities, with emphasis on
8 research testing or developing emerging discoveries.

9 (4) Of the funds appropriated in part 1 for the homeland security
10 and automotive initiative, up to 5% may be used for administering the
11 initiative. In allocating funding to the homeland security and
12 automotive initiative, the life sciences and technology tri-corridor
13 steering committee shall ensure that all proposals receiving funding
14 from the homeland security and automotive initiative contain a life
15 sciences component and complement those proposals funded under the
16 life sciences initiative.

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

23 (6) The records of the life sciences and technology tri-corridor
24 steering committee involving a proposal submitted by an eligible
25 entity that are of a scientific, technical, or proprietary nature, the
26 release of which could cause competitive harm to the eligible entity
27 as determined by the health and aging steering committee, are exempt

1 from disclosure under the freedom of information act, 1976 PA 442,
2 MCL 15.231 to 15.246.

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

8 Sec. 412. (1) From the general fund/general purpose
9 appropriations in part 1 to the fund and granted or transferred to the
10 Michigan economic development corporation, any unexpended or
11 unencumbered balance shall be disposed of in accordance with the
12 requirements in the management and budget act, 1984 PA 431,
13 MCL 18.1101 to 18.1594, unless carryforward authorization has been
14 otherwise provided for.

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

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

20 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to
21 15.246.

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

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

25 (d) All reports required by law to be submitted to the
26 legislature.

27 (e) If the MEDC is unable for any reason to perform duties under

1 this act, the Michigan strategic fund may exercise those duties.

2 Sec. 414. As a condition for receiving the appropriations in
3 part 1, any staff of the Michigan economic development corporation
4 involved in private fund-raising activities shall not be party to any
5 decisions regarding the awarding of grants or tax abatements from the
6 Michigan strategic fund, Michigan economic development corporation, or
7 the Michigan economic growth authority.

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

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

17 Sec. 418. (1) The funding appropriated in part 1 of 2000 PA 291
18 for the Michigan core communities fund will be used to create an urban
19 revitalization infrastructure program in the Michigan strategic fund
20 for economic development awards to create new jobs or contribute to
21 redevelopment and encourage private investment in core communities.

22 (2) Awards will be provided to qualified local governmental units
23 as defined in the obsolete property rehabilitation act, 2000 PA 146,
24 or certified technology parks, as defined in the local development
25 financing act, 1986 PA 281, MCL 125.2151 to 125.2174.

26 (3) Awards can be used for land and property acquisition and
27 assembly, demolition, site development, utility modifications and

1 improvements, street and road improvements, telecommunication
2 infrastructure, site location and relocation, infrastructure
3 improvements, and any other costs related to the successful
4 development and implementation of core community or certified
5 technology park projects, at the discretion of the Michigan economic
6 development corporation.

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

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

19 (6) Funds will be awarded through an open competitive process
20 based on criteria including the following: project impact, project
21 marketability, lack of adequate infrastructure or land assembly
22 financing sources, local administrative capacity, and the level of
23 local matching funds. Awardees shall agree to expedite the local
24 development process, such as fast-track permitting procedures,
25 streamlined regulatory requirements, standardized construction and
26 building codes, and the use of competitive construction permitting
27 fees.

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

3 (8) Fifteen days prior to the award of the funds, notification
4 shall be provided to the speaker of the house of representatives, the
5 senate majority leader, the members of the house and senate
6 appropriations committees, and the house and senate fiscal agencies.

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

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

9 (b) Land or other facilities owned or operated by a gaming
10 facility.

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