

Act No. 354
Public Acts of 2004
Approved by the Governor
September 30, 2004
Filed with the Secretary of State
September 30, 2004
EFFECTIVE DATE: September 30, 2004

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Rep. Shulman

ENROLLED HOUSE BILL No. 5521

AN ACT bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2005; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth and the Michigan strategic fund, subject to the conditions set forth in this act, for the fiscal year ending September 30, 2005, from the funds identified in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	58.5	
Full-time equated classified positions	4,248.5	
GROSS APPROPRIATION		\$ 1,241,865,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	515,200	
ADJUSTED GROSS APPROPRIATION		\$ 1,241,350,400
Federal revenues:		
Total federal revenues	836,502,100	
Special revenue funds:		
Total local revenues	15,669,600	
Total private revenues	4,140,100	
Total other state restricted revenues	290,500,600	
State general fund/general purpose		\$ 94,538,000

Sec. 102. EXECUTIVE DIRECTION

Full-time equated unclassified positions	58.5	
Full-time equated classified positions	256.0	
Unclassified salaries		\$ 5,349,400
Energy office—9.0 FTE positions		4,213,500
Executive director programs—27.0 FTE positions		2,964,300
Policy development—25.0 FTE positions		2,734,700
Utility consumer representation		550,000
Regulatory efficiency improvements/backlog reduction initiative		665,600
MES board of review program—18.0 FTE positions		1,930,600
Commission on disability concerns—7.0 FTE positions		969,100
Commission for the blind—94.0 FTE positions		18,122,400
Youth low-vision program		241,800
Bureau of hearings—68.0 FTE positions		8,196,300
Rights-of-way oversight authority—5.0 FTE positions		500,000
Land bank fast track authority—3.0 FTE positions		650,000
GROSS APPROPRIATION		\$ 47,087,700
Appropriated from:		
Federal revenues:		
DOE-OEERE, multiple grants		3,679,100
DOL-ETA, unemployment insurance		9,392,500
DOL-ETA, workforce investment act		99,200
DOL, federal funds		269,900
DOL, multiple grants for safety and health		170,200
Federal revenues		13,804,500
HHS, temporary assistance for needy families		23,000
Special revenue funds:		
Local revenues		500,000
Private - oil overcharge		30,000
Private revenues		120,700
Bank fees		174,800
Boiler fees		33,500
Construction code fund		480,900
Consumer finance fees		61,200
Corporation fees		2,425,300
Credit union fees		112,700
Elevator fees		37,400
Fees and collections/asbestos		11,100
Insurance regulatory fees		566,200
Land bank fast track authority		650,000
Licensing and regulation fees		1,121,500
Liquor license fees		100,000
Liquor purchase revolving fund		1,773,500
Manufactured housing commission fees		159,900
Metro authority fund		500,000
Michigan state housing development authority fees and charges		475,900
Motor carrier fees		36,100
Public utility assessments		1,399,600
Safety education and training fund		243,900
Second injury fund		82,300
Securities fees		2,328,900
Self-insurers security fund		22,300
Silicosis and dust disease fund		32,700
State restricted revenues		477,300
Tax tribunal fees		1,100
Utility consumer representation fund		550,000
Worker's compensation administrative revolving fund		80,800
State general fund/general purpose		\$ 5,059,700

Sec. 103. MANAGEMENT SERVICES

Full-time equated classified positions.....	161.0	
Administrative services—161.0 FTE positions.....	\$	14,959,500
Building occupancy charges - property development services		9,282,400
Rent.....		17,338,600
Worker's compensation.....		1,947,700
Special project advances		940,000
Human resources optimization user charges.....		147,600
GROSS APPROPRIATION.....	\$	44,615,800
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health		300,000
Federal revenues:		
CNS.....		295,700
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....		4,854,000
DOL-ETA, workforce investment act		439,100
DOL-ETA, unemployment insurance		14,125,000
DOL, federal funds		2,306,500
DOL, multiple grants for safety and health		573,600
Federal funds		20,600
Federal revenues		785,700
HHS, temporary assistance for needy families.....		311,400
Special revenue funds:		
Local revenue		135,500
Private - special project advances.....		940,000
Bank fees.....		287,800
Boiler fee revenue		239,100
Construction code fund.....		1,294,900
Consumer finance fees		103,900
Contingent fund, penalty and interest account		804,500
Corporation fees.....		2,584,100
Credit union fees.....		207,000
Elevator fees		268,100
Fees and collections/asbestos		45,300
Fire service fees		295,700
Insurance licensing and regulation fees		1,748,600
Insurance regulatory fees		553,600
Licensing and regulation fees.....		462,400
Liquor purchase revolving fund.....		3,784,500
Manufactured housing commission fees.....		243,300
Michigan state housing development authority fees and charges		2,933,300
Motor carrier fees.....		149,100
Private occupational school license fees		14,000
Public utility assessments		1,402,700
Rehabilitation services fees		90,300
Safety education and training fund		359,900
Second injury fund		171,200
Securities fees		304,700
Self-insurers security fund.....		61,000
Silicosis and dust disease fund		68,600
Worker's compensation administrative revolving fund.....		95,600
State general fund/general purpose	\$	955,500

Sec. 104. OFFICE OF FINANCIAL AND INSURANCE SERVICES

Full-time equated classified positions.....	266.0	
Administration—8.0 FTE positions	\$	2,632,400
Financial evaluation—145.0 FTE positions		19,543,000
Policy conduct and consumer assistance—113.0 FTE positions		12,865,700
GROSS APPROPRIATION.....	\$	35,041,100

Appropriated from:	
Federal revenues:	
Federal funds	\$ 50,400
Special revenue funds:	
Bank fees.....	7,078,600
Consumer finance fees	3,275,100
Credit union fees.....	4,484,200
Insurance continuing education fees	741,400
Insurance licensing and regulation fees	4,291,500
Insurance regulatory fees	13,288,100
Multiple employer welfare arrangement.....	65,700
Securities fees	1,766,100
State general fund/general purpose	\$ 0

Sec. 105. PUBLIC SERVICE COMMISSION

Full-time equated classified positions.....	146.0
Administration, planning and regulation—146.0 FTE positions.....	\$ 18,734,700
Low-income/energy efficiency assistance.....	45,000,000
GROSS APPROPRIATION	\$ 63,734,700

Appropriated from:	
Federal revenues:	
DOE-OEERE, multiple grants	149,000
DOT-RSPA, gas pipeline safety.....	940,700
Special revenue funds:	
Low-income and energy efficiency fund	45,000,000
Motor carrier fees.....	1,958,500
Public utility assessments	15,686,500
State general fund/general purpose	\$ 0

Sec. 106. LIQUOR CONTROL COMMISSION

Full-time equated classified positions.....	152.0
Management support services— 28.0 FTE positions	\$ 2,901,800
Liquor licensing and enforcement—124.0 FTE positions	11,587,700
Liquor law enforcement grants.....	6,000,000
Grant to department of agriculture, wine industry council.....	457,200
GROSS APPROPRIATION	\$ 20,946,700

Appropriated from:	
Special revenue funds:	
Liquor license revenue	11,411,500
Liquor purchase revolving fund.....	9,078,000
Nonretail liquor license revenue.....	457,200
State general fund/general purpose	\$ 0

Sec. 107. MICHIGAN BROADBAND DEVELOPMENT AUTHORITY

Full-time equated classified positions.....	10.0
Director of legal and regulatory affairs—1.0 FTE position.....	\$ 143,400
Director of finance—1.0 FTE position.....	134,500
Director of marketing and customer development—1.0 FTE position	134,500
Director of accounting and purchasing—1.0 FTE position.....	108,500
Project director—1.0 FTE position.....	108,500
Director of community and government affairs—1.0 FTE position.....	92,300
Executive assistant 13—1.0 FTE position.....	71,100
Executive assistant 11—1.0 FTE position.....	61,900
Accountant—1.0 FTE position.....	54,000
Intern positions—1.0 FTE position.....	30,000
Administration	357,900
GROSS APPROPRIATION	\$ 1,296,600

Appropriated from:		
Special revenue funds:		
Michigan broadband development authority fees and charges	\$	1,296,600
State general fund/general purpose	\$	0

Sec. 108. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Full-time equated classified positions	232.0	
Payments on behalf of tenants	\$	120,000,000
Housing and rental assistance program—232.0 FTE positions		31,624,300
GROSS APPROPRIATION	\$	151,624,300
Appropriated from:		
Federal revenues:		
HUD, lower income housing assistance program		136,971,200
Special revenue funds:		
Michigan state housing development authority fees and charges		14,653,100
State general fund/general purpose	\$	0

Sec. 109. TAX TRIBUNAL

Full-time equated classified positions	12.0	
Operations—12.0 FTE positions	\$	1,371,300
GROSS APPROPRIATION	\$	1,371,300
Appropriated from:		
Special revenue funds:		
Securities fees		376,100
Tax tribunal fees		688,300
State general fund/general purpose	\$	306,900

Sec. 110. GRANTS

Fire protection grants	\$	7,210,500
GROSS APPROPRIATION	\$	7,210,500
Appropriated from:		
Special revenue funds:		
Fire protection fund		3,500,000
Liquor purchase revolving fund		3,710,500
State general fund/general purpose	\$	0

Sec. 111. OCCUPATIONAL REGULATION

Full-time equated classified positions	409.0	
Code enforcement and fire safety—177.0 FTE positions	\$	16,501,800
Boiler inspection program—23.0 FTE positions		2,305,200
Elevator inspection program—27.0 FTE positions		2,374,700
Commercial services—149.0 FTE positions		14,735,700
Local manufactured housing communities inspections		250,000
Manufactured housing and land resources program—22.0 FTE positions		2,749,300
Property development group—11.0 FTE positions		1,408,300
Remonumentation grants		10,000,000
GROSS APPROPRIATION	\$	50,325,000
Appropriated from:		
Interdepartmental grant revenues:		
IDG from department of community health, inspection contract		111,100
Federal revenues:		
Federal funds		872,300
FEMA		150,000
DOT		85,000
Special revenue funds:		
Boiler fee revenue		2,460,000
Construction code fund		13,450,000

		For Fiscal Year Ending Sept. 30, 2005
Corporation fees.....	\$	5,143,000
Elevator fees		2,493,300
Fire service fees		2,100,000
Homeowner construction lien recovery fund.....		1,532,800
Licensing and regulation fees.....		8,307,100
Limited liability partnership revenue.....		10,000
Manufactured housing commission fees.....		2,364,300
Property development fees.....		253,200
Remonumentation fees		10,635,300
Real estate appraiser continuing education fund		45,000
Real estate education fund.....		217,500
State general fund/general purpose	\$	95,100

Sec. 112. EMPLOYMENT RELATIONS

Full-time equated classified positions.....	25.0	
Employment and labor relations—25.0 FTE positions.....	\$	3,306,400
GROSS APPROPRIATION.....	\$	3,306,400
Appropriated from:		
Federal revenues:		
EEOC, federal funds		10,000
Special revenue funds:		
Securities fees		3,238,400
State general fund/general purpose	\$	58,000

Sec. 113. SAFETY AND REGULATION

Full-time equated classified positions.....	229.0	
Occupational safety and health—229.0 FTE positions	\$	23,829,900
GROSS APPROPRIATION.....	\$	23,829,900
Appropriated from:		
Federal revenues:		
DOL, multiple grants for safety and health		11,400,100
Special revenue funds:		
Corporate fees		1,966,500
Fees and collections/asbestos		748,200
Licensing and regulation fees.....		1,062,200
Safety education and training fund		7,036,600
Securities fees		1,616,300
State general fund/general purpose	\$	0

Sec. 114. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION

Full-time equated classified positions.....	1,216.0	
Administration—96.6 FTE positions	\$	8,721,700
Board of magistrates and appellate commission—19.4 FTE positions.....		2,591,700
Wage and hour division—31.0 FTE positions		2,381,200
Insurance funds administration—28.0 FTE positions.....		4,199,200
Supplemental benefit fund		1,300,000
Unemployment programs—963.7 FTE positions.....		76,928,100
Advocacy assistance program—8.0 FTE positions		1,500,000
Expanded fraud control program—33.2 FTE positions		2,789,200
Special audit and collections program—34.0 FTE positions.....		2,467,500
Training program for agency staff—2.1 FTE positions		1,775,100
GROSS APPROPRIATION.....	\$	104,653,700
Appropriated from:		
Federal revenues:		
DOL-ETA, employment and training administration.....		576,600
DOL-ETA, unemployment insurance		79,149,800
Federal Reed act funds		4,233,500

For Fiscal Year
Ending Sept. 30,
2005

Special revenue funds:		
Corporation fees.....	\$	3,512,000
Contingent fund, penalty and interest account		6,588,400
Licensing and regulation fees.....		703,500
Second injury fund		2,262,200
Securities fees		3,575,300
Self-insurers security fund.....		1,068,300
Silicosis and dust disease fund		868,700
Worker's compensation administrative revolving fund		2,115,400
State general fund/general purpose	\$	0

Sec. 115. INFORMATION TECHNOLOGY

Information technology services and projects.....	\$	42,159,400
GROSS APPROPRIATION	\$	42,159,400

Appropriated from:

Federal revenues:

DOL-ETA, unemployment insurance	20,162,000
DOL, multiple grants for safety and health	188,500
Federal revenues	7,065,900

Special revenue funds:

Bank fees.....	463,700
Boiler fee revenue	256,900
Construction code fund.....	1,395,100
Consumer finance fees	91,700
Corporation fees.....	1,665,900
Credit union fees.....	261,900
Elevator fees	247,000
Fees and collections/asbestos	11,000
Insurance regulatory fees	483,600
Licensing and regulation fees.....	1,077,700
Liquor purchase revolving fund.....	4,216,700
Manufactured housing commission fees.....	69,900
Michigan state housing development authority fees and charges	1,798,800
Motor carrier fees.....	93,400
Public utility assessments	750,800
Safety education and training fund	277,000
Second injury fund	104,000
Securities fees	1,392,700
Self-insurers security fund.....	37,100
Silicosis and dust disease fund	48,100
State general fund/general purpose	\$ 0

Sec. 116. WORKFORCE DEVELOPMENT

Full-time equated classified positions.....	878.5
Employment training services—503.0 FTE positions	\$ 83,780,300
Michigan career and technical institute—77.5 FTE positions.....	11,545,600
Employment services—246.0 FTE positions.....	44,334,000
Labor market information—52.0 FTE positions.....	5,747,700
GROSS APPROPRIATION	\$ 145,407,600

Appropriated from:

Federal revenues:

CNS.....	1,585,900
DAG, employment and training	172,400
DED-OPSE, multiple grants	1,115,500
DED-OSERS, centers for independent living.....	58,200
DED-OSERS, rehabilitation long-term training	566,900
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants	47,335,400

For Fiscal Year
Ending Sept. 30,
2005

DED-OSERS, state grants for technical-related assistance	\$	56,000
DOL-ETA, workforce investment act		4,077,500
DED, Perkins act.....		174,900
DOL, federal funds		61,821,500
DOL-ODEP.....		225,000
HHS, temporary assistance for needy families.....		3,207,100
HHS-SSA, supplemental security income.....		4,394,800
Special revenue funds:		
Local revenue		4,071,300
Local vocational rehabilitation match		3,054,000
Private - gifts, bequests, and donations		1,396,300
Contingent fund, penalty and interest account		1,710,600
Rehabilitation services fees		1,199,900
Second injury fund		51,500
Student fees		308,000
Training material fees.....		256,400
State general fund/general purpose	\$	8,568,500

Sec. 117. CAREER EDUCATION PROGRAMS

Full-time equated classified positions	57.0	
Career and technical education—25.0 FTE positions	\$	3,266,100
Postsecondary education—14.0 FTE positions		2,455,000
Adult education—16.0 FTE positions		2,304,400
Commission on Spanish-speaking affairs—2.0 FTE positions.....		221,000
GROSS APPROPRIATION	\$	8,246,500
Appropriated from:		
Federal revenues:		
Federal revenues		6,116,700
Special revenue funds:		
Private occupational school license fees		388,600
Defaulted loan collection fees		100,000
State general fund/general purpose	\$	1,641,200

Sec. 118. DEPARTMENT GRANTS

Adult basic education.....	\$	17,000,000
Carl D. Perkins grants.....		47,500,000
Focus: HOPE.....		5,860,200
Gear-up program grants.....		3,000,000
Job training programs subgrantees		119,612,700
Michigan community service commission subgrantees.....		5,900,000
Michigan virtual university.....		1,000,000
Personal assistance services		459,500
Precollege programs in engineering and the sciences		680,100
Vocational rehabilitation client services/facilities.....		54,989,500
Vocational rehabilitation independent living.....		3,079,700
Welfare-to-work programs.....		113,798,600
GROSS APPROPRIATION	\$	372,880,300
Appropriated from:		
Federal revenues:		
CNS.....		5,500,000
DAG, employment and training		13,000,000
DED-OESE, gear-up		3,000,000
DED-OSERS, centers for independent living.....		450,200
DED-OSERS, client assistance for individuals with disabilities		440,000
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....		35,797,900
DED-OSERS, rehabilitation services facilities.....		2,272,500
DED-OSERS, supported employment		1,541,300

		For Fiscal Year Ending Sept. 30, 2005
DED-OSERS, state grants for technical-related assistance	\$	2,240,800
DED-OVAE, adult education.....		17,000,000
DED-OVAE, basic grants to states.....		47,500,000
DOL-ETA, workforce investment act		119,602,700
Federal section 903(d), SSA funds		21,300,000
HHS-SSA, supplemental security income.....		2,480,600
HHS, temporary assistance for needy families.....		67,299,000
Special revenue funds:		
Local vocational rehabilitation facilities match.....		1,278,300
Local vocational rehabilitation match		6,630,500
Private - gifts, bequests, and donations		800,000
Contingent fund, penalty and interest account		1,000,000
State general fund/general purpose	\$	23,746,500
 Sec. 119. MICHIGAN STRATEGIC FUND		
Full-time equated classified positions.....	199.0	
Administration—39.0 FTE positions	\$	2,732,400
Job creation services—160.0 FTE positions		19,600,700
Michigan promotion program		5,717,500
Economic development job training grants.....		10,048,000
Community development block grants.....		50,000,000
Technology tri-corridor: life sciences initiative		30,000,000
Human resources optimization user charges.....		29,500
GROSS APPROPRIATION.....	\$	118,128,100
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDEQ, air quality fees.....		104,100
Federal revenues:		
DOL-ETA, employment service		813,600
HUD-CPD, community development block grant		52,200,700
Special revenue funds:		
Private - special project advances.....		853,100
Industry support fees		50,000
Tobacco settlement revenue		10,000,000
State general fund/general purpose	\$	54,106,600

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$385,038,600.00 and state spending from state resources to be paid to local units of government for fiscal year 2004-2005 is \$25,112,200.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Fire protection grants	\$	7,210,500
Liquor law enforcement		6,000,000
Local manufactured housing inspections.....		201,700
Remonumentation grants.....		10,000,000
Fire fighters training council.....		1,700,000
Total department of labor and economic growth.....	\$	25,112,200

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

Sec. 203. As used in this appropriation act:

- (a) "CEO" means chief executive officer of the Michigan economic development corporation.
- (b) "CNS" means the corporation for national services.
- (c) "DAG" means the United States department of agriculture.
- (d) "DED" means the United States department of education.
- (e) "DED-OESE" means the DED office of elementary and secondary education.
- (f) "DED-OPSE" means the DED office of postsecondary education.
- (g) "DED-OSERS" means the DED office of special education rehabilitation services.
- (h) "DED-OVAE" means the DED office of vocational and adult education.
- (i) "Department" means the department of labor and economic growth, including the Michigan strategic fund.
- (j) "Director" means the director of the department of labor and economic growth.
- (k) "DOE" means the United States department of energy.
- (l) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.
- (m) "DOL" means the United States department of labor.
- (n) "DOL-ETA" means the DOL employment and training administration.
- (o) "DOL-ODEP" means the DOL office of disability employment policy.
- (p) "DOT" means the United States department of transportation.
- (q) "DOT-RSPA" means the DOT research and special programs administration.
- (r) "EEOC" means equal employment opportunity commission.
- (s) "Fiscal agencies" means Michigan house fiscal agency and Michigan senate fiscal agency.
- (t) "FTE" means full-time equated.
- (u) "Fund" means the Michigan strategic fund.
- (v) "GED" means general education degree.
- (w) "HHS" means the United States department of health and human services.
- (x) "HHS-SSA" means HHS social security administration.
- (y) "HUD" means the United States department of housing and urban development.
- (z) "HUD-CPD" means HUD community planning and development.
- (aa) "IDG" means interdepartmental grant.
- (bb) "MDCH" means the Michigan department of community health.
- (cc) "MDEQ" means the Michigan department of environmental quality.
- (dd) "MEDC" means the Michigan economic development corporation, which is the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by contractual interlocal agreement effective April 5, 1999, between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.
- (ee) "MES" means Michigan employment security.
- (ff) "Subcommittees" means all members of the subcommittees of the house and senate appropriations committees with jurisdiction over the budget for the department.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 217. (1) Due to the current budgetary problems in this state, out-of-state travel for the fiscal year ending September 30, 2005 shall be limited to situations in which 1 or more of the following conditions apply:

- (a) The travel is required by legal mandate or court order or for law enforcement purposes.
- (b) The travel is necessary to protect the health or safety of Michigan citizens or visitors or to assist other states in similar circumstances.
- (c) The travel is necessary to produce budgetary savings or to increase state revenues, including protecting existing federal funds or securing additional federal funds.
- (d) The travel is necessary to comply with federal requirements.
- (e) The travel is necessary to secure specialized training for staff that is not available within this state.
- (f) The travel is financed entirely by federal or nonstate funds.

(2) If out-of-state travel is necessary but does not meet 1 or more of the conditions in subsection (1), the state budget director may grant an exception to allow the travel. Any exceptions granted by the state budget director shall be reported on a monthly basis to the house and senate appropriations committees.

(3) Not later than January 1 of each year, each department shall prepare a travel report listing all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the chairs and members of the house and senate appropriations committees, the fiscal agencies, and the state budget director. The report shall include the following information:

(a) The name of each person receiving reimbursement for travel outside this state or whose travel costs were paid by this state.

(b) The destination of each travel occurrence.

(c) The dates of each travel occurrence.

(d) A brief statement of the reason for each travel occurrence.

(e) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

(f) A total of all out-of-state travel funded for the immediately preceding fiscal year.

REGULATORY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) Labor law books.

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

(g) Construction code manuals.

(h) Copies of transcripts from administrative law hearings.

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

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

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

Sec. 330. (1) The bureau of worker's and unemployment compensation shall include in the remote initial claims center (RICCS) automated phone system a choice to speak with an employee of the unemployment agency as an option. This

option should be provided in the system as early as possible as deemed appropriate in the system design. The department shall monitor the system to ensure compliance with these guidelines.

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

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

Sec. 335. The public service commission shall report by June 1 of each year to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

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

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

Sec. 347. In addition to the funds appropriated in part 1 for fire protection grants, \$3,700,000.00 shall be appropriated contingent upon enactment of House Bill No. 5313 of the 92nd Legislature and the meeting of the threshold conditions on revenue.

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

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

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

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

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

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

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

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

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

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

(a) Michigan fire chiefs association.

(b) Michigan state fireman's association.

(c) Michigan firefighter's union.

(d) Michigan fire service instructors association.

(e) Michigan fire inspectors society.

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

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

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

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

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

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

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

Sec. 362. (1) Of the funds appropriated in part 1 for the department, \$200,000.00 may be used for administration and enforcement of boxing regulation in Michigan.

(2) It is the intent of the legislature that any additional responsibilities associated with the administration and enforcement of boxing regulation be accompanied by the passage and statutory changes that would provide an adequate fee structure to support those activities within the department.

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

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

WORKFORCE AND CAREER DEVELOPMENT

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

Sec. 402. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718, 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to 795n, and 796 to 796l.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) The number and percentage employed.
- (b) The average hourly wage of those employed.
- (c) The current hourly wage of those employed.
- (d) The range of wages earned by those employed.
- (e) The number of individuals that earned each wage amount.
- (f) The number and percentage receiving health care benefits from their employer.
- (g) The number and percentage receiving tuition reimbursement from their employer.
- (h) The number and percentage receiving training benefits from their employer.
- (i) The type of jobs obtained by former participants in general categories.
- (j) The length of time former participants have retained their jobs, or if participants have had more than 1 job, the length of time employed at each job.
- (k) The number and percentage continuing to receive any type of public assistance.
- (l) If the former recipient has children, whether the children are enrolled in and attending school.
- (m) The extent to which the former participant feels that they and their family are better off now than when they were on cash assistance with regard to household income, housing, food and nutritional needs, child health care, and access to health insurance coverage.

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

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

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

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

Sec. 409. (1) Of the funds appropriated in part 1 for precollege programs in engineering and the sciences, \$340,050.00 shall be provided in the form of a grant to the Detroit precollege engineering program, incorporated and \$340,050.00 shall be provided in the form of a grant to the Grand Rapids area precollege engineering program.

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

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

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

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

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

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

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

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

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

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

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

- (a) The number of participants receiving support under the program.
- (b) The number of participants obtaining full-time employment.
- (c) The number of participants obtaining full-time employment in college faculty positions.
- (d) The number of participants obtaining full-time employment in college faculty positions within the university through which they received future faculty program support for graduate studies.

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

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

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

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

Sec. 428. From the funds appropriated in part 1 for the Michigan virtual university, \$1,000,000.00 of general fund/general purpose funding shall be allocated to support general operations and operation of the Michigan virtual high school as described in section 98 of the state school aid act of 1979, 1979 PA 94, MCL 388.1698.

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

- (a) Detailed expenditures for administration including salaries and wages of employees.
- (b) Amount allocated for education and training programs including number of students served by each program.
- (c) Amount allocated for job search assistance and career planning including the number of students served by each program.
- (d) Detailed expenditures for any contracts entered into with the use of these funds.

- (e) Detailed expenditures for any program enhancements including number of new hires and capital expenditures.
- (2) The report shall be submitted on or before January 31.

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

- (a) 08230 AY 2002 Welfare-to-work programs \$ 10,180,000.00.
- (b) 08203 AY 2002 Job training programs \$ 620,000.00.
- (c) 04000 AY 2002 Employment services \$ 500,000.00.

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

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

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

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

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

MICHIGAN STRATEGIC FUND

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

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

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

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

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

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

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

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

- (b) A description of the specific job skills that will be taught.
- (c) A clear statement of the project's scope of activities and number of participants to be involved.
- (d) A commitment to maintain participant records in a form and manner required by the fund.
- (e) A budget which relates to the proposed activities and various program components.
- (8) Priority in the fund's awarding of grants shall be based on the following criteria:

- (a) Demonstrated need for the type of training offered.
- (b) Creation and/or retention of high wage and high skilled level jobs.
- (c) Other criteria determined by the fund to be important.

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

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

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

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

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

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

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

- (a) The amount and recipient of each grant or contract.
- (b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.
- (c) The names, addresses, and total number of employees of all business organizations for whom training is or will be provided.
- (d) The matching funds, if any, to be provided by a business organization.

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

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

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

- (a) An applicant must match state funds on a 1:1 basis.
- (b) Eligible uses of the Michigan growth capital fund include investments in organizations and programs that promote the development of new industry sectors in Michigan; inducements to attract additional venture capital funds to finance technology development; support organizations, initiatives, or events that promote entrepreneurship; provide match for university federal research grants; and support technology transfer and commercialization programs with universities and the private sector.
- (c) The Michigan economic development corporation shall administer the Michigan growth capital fund.
- (d) All funds received from repayment of loans, unused grants, revenues received from sales or cash flow participation agreements, guarantees, or any combination thereof or interest thereon, originally distributed as part of

the Michigan growth capital fund, shall be received, held, and applied by the fund for the purposes described in this subsection.

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

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

Sec. 504. Travel Michigan may receive and expend private revenue related to the use of the "Michigan Great Lakes. Great Times." copyrighted slogan and image. This revenue may come from the direct licensing of the name and image or from the royalty payments from various merchandise sales. Revenue collected is appropriated for the marketing of the state as a travel destination. The funds are available for expenditure when they are received by the department of treasury.

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

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

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

- (a) Travel Michigan.
- (b) Michigan business development.
- (c) Global business development.
- (d) Small, minority, and disabled business services.
- (e) Community development block grants.
- (f) Strategic fund administration.
- (g) Renaissance zones.
- (h) Emerging business sectors and roundtables.
- (i) Business and clean air ombudsman.
- (j) Economic development job training grants.
- (k) Community assistance team.
- (l) Technology tri-corridor.
- (m) Any other programs of the fund.

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

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

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

- (a) The land is located in an economically distressed area.
- (b) The land is obtained through a purchase or exercise of an option at the invitation of the local unit of government and local economic development agency.

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

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

Sec. 510. (1) From the funds appropriated in part 1 for the technology tri-corridor: life sciences initiative, \$30,000,000.00 is appropriated for the life sciences initiative. All funding for the areas of homeland security and automotive initiative shall be funded from the Indian casino revenue or other federal sources. The program shall be administered by the Michigan economic development corporation.

(2) A technology tri-corridor steering committee, appointed by the governor, shall consist of 19 members including the CEO, the director, the state treasurer, a member from Michigan State University, the University of Michigan, Wayne State University, Western Michigan University, and the Van Andel Institute, 2 members representing the legislature, 1 of whom is chosen by the speaker of the house of representatives and 1 of whom is chosen by the majority leader of the senate, and 2 members actively engaged in each of the 3 targeted business sectors. The remaining members shall be appointed at large and may include members from the private sector, public sector, or other Michigan universities. Committee members are authorized to designate alternate members. The purpose of the steering committee is to provide advice and oversight of the initiative, including the development of criteria for the awards to qualifying universities, institutions, companies, or individuals. The steering committee will make decisions regarding distribution of these funds.

(3) Of the funds appropriated, \$1,500,000.00 shall be allocated to a private research institute that has received a specific federal appropriation prior to 2005 for the creation of a good manufacturing practice facility. The facility shall be used for the production of drugs approved for use in clinical trials, as approved by the United States Food and Drug Administration and shall work to market the core technology alliance for the purposes of commercialization and providing access to advanced technologies to researchers affiliated with universities, private research institutes, and biotech or pharmaceutical firms. It is the intent of the legislature that \$1,500,000.00 shall be made available for these purposes in fiscal years 2006 and 2007.

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

(5) Repayment of any funds received as a result of awards made under 1999 PA 120, 2000 PA 292, 2001 PA 80, 2002 PA 517, 2003 PA 169, or this act including, but not limited to, funds received as interest or return on investment shall be deposited in the business commercial development fund. These funds are authorized for expenditure upon receipt and shall not lapse to the general fund.

(6) The records of the steering committee involving a proposal submitted by an eligible entity that are of a scientific, technical, or proprietary nature, the release of which could cause competitive harm to the eligible entity as determined by the steering committee, are exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

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

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

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

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

- (a) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
- (b) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
- (c) Annual audits of all financial records by the auditor general or his or her designee.
- (d) All reports required by law to be submitted to the legislature.
- (e) If the MEDC is unable for any reason to perform duties under this act, the fund may exercise those duties.

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

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

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

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

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

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

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

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

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

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

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

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

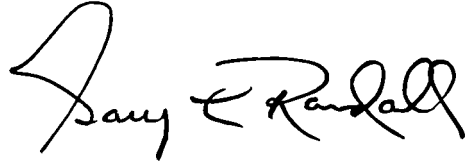
- (a) Land sited for use as, or support for, a gaming facility.
- (b) Land or other facilities owned or operated by a gaming facility.
- (c) Publicly owned land or facilities which may directly or indirectly support a gaming facility.

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

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

Sec. 522. Of the funds appropriated in part 1 of the Michigan strategic fund unit, administration line, \$100,000.00 in general fund/general purpose shall be used to conduct a feasibility study on the creation of a Michigan center for excellence. The purpose of the center is to provide federal grant and procurement assistance in order to expand Michigan's opportunities to compete for and procure federal research and development grant funds and other defense contracts. The study or a status report on the study shall be made available to the chairpersons of the appropriations subcommittees on labor and economic growth no later than May 1.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor