

**Summary: Conference Report  
LABOR AND ECONOMIC GROWTH  
FY 2005-06 Senate Bill 276**



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	<b>FY 2004-05 YTD (as of 2/10/05)</b>	<b>Revised Executive</b>	<b>Senate</b>	<b>House</b>	<b>Conference</b>
<b>IDG/IDT</b>	\$515,200	\$10,022,400	\$10,022,400	\$489,700	\$10,822,400
<b>Federal</b>	836,502,100	842,527,600	842,527,600	852,527,600	842,527,600
<b>Local</b>	15,669,600	15,738,200	15,738,200	15,738,200	15,738,200
<b>Private</b>	4,140,100	3,990,600	3,990,600	3,990,600	3,990,600
<b>Restricted</b>	290,500,600	539,793,800	429,712,200	327,989,500	329,882,200
<b>GF/GP</b>	94,538,000	73,848,500	87,775,800	70,979,100	70,354,300
<b>Gross</b>	<b>\$1,241,865,600</b>	<b>\$1,485,921,100</b>	<b>\$1,389,766,800</b>	<b>\$1,271,714,700</b>	<b>\$1,273,315,300</b>
<b>FTEs</b>	4,307.0	4,410.0	4,413.0	4,325.0	4,410.0

**Overview**

The Department of Labor and Economic Growth (DLEG) has primary responsibility for the regulatory functions that relate specifically to commercial, business, and workers' issues. It also includes activities within the former Department of Career Development such as various employment training-related programs for displaced workers, adults, and youth, and employment services for the disabled as well as welfare recipients. The Department also houses the Michigan Strategic Fund, an autonomous agency which reports to the Director of DLEG. The fund's programs are administered by the Michigan Economic Development Corporation, with the primary task of promoting economic development in Michigan.

<b><u>Major Budget Changes from FY 2004-05 YTD Appropriations:</u></b>		<b><u>FY 2004-05 Year-to-Date</u></b>	<b><u>Conference Change</u></b>
<b>1. Fire Protection Grants</b>	<b>Gross</b>	<b>\$7,210,500</b>	<b>\$0</b>
Fire protection grants remain at current year funding level.	Restricted	7,210,500	0
	GF/GP	\$0	\$0
<b>2. Office of Fire Safety Programs</b>	<b>Gross</b>	<b>\$5,965,500</b>	<b>\$0</b>
Office of Fire Safety, which includes the Fire Fighters Training Council, Fire Marshall Program and Fire Safety Program, remains at current year funding level.	Federal	1,107,300	0
	Restricted	4,747,100	0
	IDG	111,100	0
	GF/GP	\$0	\$0
<b>3. Transfer of State Office of Administrative Hearings and Rules (SOAHR) and Michigan Child Protection Registry (MCPR)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$9,782,700</b>
Recognizes Executive Order 2005-1 for SOAHR and PA 241 of 2004 creating the Michigan Child Protection Registry transferring a total of \$9.8 million gross and 85.0 FTEs to DLEG, \$250,000 and 2.0 FTEs for MCPR, and the remainder for SOAHR.	IDG	0	9,532,700
	Restricted	0	250,000
	GF/GP	\$0	\$0
<b>4. Contract and Employee Benefit Savings</b>	<b>Gross</b>	<b>\$0</b>	<b>(\$494,200)</b>
Reduces contract, retirement and group life insurance appropriations in various lines by a total of \$494,200.	GF/GP	\$0	(\$494,200)

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<b>5. IDG from State Police for Homeland Security</b>		<b>Gross</b>	<b>\$0</b>
Adds \$0.8 million gross for Homeland Security, 40% of which is allocated to the Fire Fighters Training Council.		IDG	800,000
<b>6. MEDC Spending Reductions</b>		<b>Gross</b>	<b>\$118,128,100</b>
Reduces spending by \$3.0 million; \$0.5 million from the Administration line and \$2.5 million from the Job Creation Services line.		Federal	53,014,300
		IDG	104,100
		Private	853,100
		Restricted	10,050,000
		GF/GP	\$54,106,60
			(\$3,000,000)

**Major Boilerplate Changes from FY 2004-05:**

***Sec. 355. Prohibits Involuntary Ergonomics Rules – NEW***

Prohibits the Department from development of mandatory ergonomic rules, but allows Federal voluntary ergonomic guidelines.

***Sec. 365. Grant for Aggregate Industry – NEW***

Directs Department to allot no less than \$40,000 of MIOSHA funds to nonprofit organizations representing the aggregate industry in Michigan.

***Sec. 368. Transfer of Office of Regulatory Reform Publication and Distribution Costs – NEW***

Recognizes transfer of Office of Regulatory Reform to DLEG under Executive Order 2005-1, and provides for fees collected to be used for the cost of publication and distribution of regulations.

***Sec. 405. Work First Program – NEW***

Retains current law, except Michigan Works! Agencies are named as Work First providers.

***Secs. 527. - 530. Legislative Oversight of MEDC– NEW***

Requires MEDC to work with Office of Auditor General to audit grantee claims of job creation. Requires annual report of all MEDC staff paid more than \$80,000 annually. Requires review of best practices of economic development agencies in 49 other states and report to Legislature. Requires report to Legislature within 60 days of \$3.0 million reduction implementation plan, and impact of reduction on staffing and operations.