

SUBSTITUTE FOR  
SENATE BILL NO. 276

A bill to make appropriations for the department of labor and economic growth, the Michigan strategic fund, and certain other state purposes for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

Senate Bill No. 276 as amended June 16, 2005

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, 2006, 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..... 4,354.5

GROSS APPROPRIATION. . . . . \$ <<1,389,766,800>>

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers ..... 10,022,400

ADJUSTED GROSS APPROPRIATION . . . . . \$ <<1,379,744,400>>

Federal revenues:

Total federal revenues..... 842,527,600

Special revenue funds:

Total local revenues..... 15,738,200

Total private revenues..... 3,990,600

Total other state restricted revenues..... 429,712,200

State general fund/general purpose..... \$ <<87,775,800>>

**Sec. 102. DEPARTMENTAL ADMINISTRATION**

Full-time equated unclassified positions..... 58.5

Full-time equated classified positions..... 212.0

Unclassified salaries..... \$ 5,349,400

Executive director programs--53.0 FTE positions ..... 6,228,300

1	Regulatory efficiency improvements/backlog reduction	
2	initiative .....	665,600
3	Property management.....	10,945,100
4	Rent.....	17,213,400
5	Worker's compensation.....	1,608,000
6	Special project advances.....	940,000
7	HR optimization charges.....	147,600
8	Administrative services--159.0 FTE positions .....	<u>15,535,000</u>
9	GROSS APPROPRIATION.....	\$ 58,632,400
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG from department of community health.....	300,000
13	Federal revenues:	
14	CNS.....	295,700
15	DED-OSERS, rehabilitation services, vocational	
16	rehabilitation of state grants.....	4,897,500
17	DOL-ETA, unemployment insurance.....	16,739,900
18	DOL-ETA, workforce investment act.....	809,400
19	DOL, federal funds.....	2,503,700
20	DOL, multiple grants for safety and health.....	654,000
21	Federal revenues.....	785,700
22	HHS, temporary assistance for needy families.....	347,000
23	HHS, titles XVIII and XIX.....	36,700
24	Special revenue funds:	
25	Private - special project advances.....	940,000
26	Local revenues.....	134,100
27	Bank fees.....	485,100

1	Boiler fees.....	239,400
2	Construction code fund.....	1,444,700
3	Consumer finance fees.....	168,800
4	Contingent fund penalty and interest account .....	890,000
5	Corporation fees.....	5,106,100
6	Credit union fees.....	327,600
7	Elevator fees.....	264,000
8	Fees and collections/asbestos.....	65,900
9	Fire service fees.....	232,500
10	Insurance licensing and regulation fees.....	2,209,400
11	Insurance regulatory fees.....	996,000
12	Licensing and regulation fees.....	900,900
13	Liquor purchase revolving fund.....	5,767,800
14	Manufactured housing commission fees.....	288,200
15	Michigan state housing development authority fees	
16	and charges .....	3,575,400
17	Motor carrier fees.....	185,200
18	Public utility assessments.....	2,157,200
19	Private occupational school license fees.....	14,000
20	Rehabilitation services fees.....	90,300
21	Safety education and training fund.....	502,300
22	Second injury fund.....	253,500
23	Securities fees.....	2,381,500
24	Self-insurers security fund.....	83,300
25	Silicosis and dust disease fund.....	101,300
26	Tax tribunal fees.....	1,100
27	State general fund/general purpose.....	\$ 1,457,200

1	<b>Sec. 103. OFFICE OF FINANCIAL AND INSURANCE SERVICES</b>		
2	Full-time equated classified positions.....	271.0	
3	Administration--9.0 FTE positions.....		\$ 2,686,700
4	Policy conduct and consumer assistance--117.0 FTE		
5	positions .....		14,194,400
6	Financial evaluation--145.0 FTE positions.....		<u>20,940,400</u>
7	GROSS APPROPRIATION.....		\$ 37,821,500
8	Appropriated from:		
9	Federal revenues:		
10	Federal regulatory project revenue.....		50,400
11	Special revenue funds:		
12	Bank fees.....		7,355,400
13	Consumer finance fees.....		4,034,700
14	Credit union fees.....		4,666,500
15	Insurance continuing education fees.....		829,600
16	Insurance licensing and regulation fees.....		4,488,000
17	Insurance regulatory fees.....		14,627,400
18	Multiple employer welfare arrangement.....		67,500
19	Securities fees.....		1,702,000
20	State general fund/general purpose.....		\$ 0
21	<b>Sec. 104. MICHIGAN BROADBAND DEVELOPMENT AUTHORITY</b>		
22	Full-time equated classified positions.....	13.0	
23	Director of legal and regulatory affairs--1.0 FTE		
24	positions .....		\$ 149,400
25	Director of finance--1.0 FTE positions.....		142,300
26	Project director--1.0 FTE positions.....		142,300
27	Director of accounting and purchasing--1.0 FTE		

1	positions .....	123,500
2	Director of marketing and customer development--1.0	
3	FTE positions .....	123,500
4	Director of community and government affairs--1.0	
5	FTE positions .....	97,700
6	Executive assistant 13--1.0 FTE positions .....	75,300
7	Executive assistant 11--1.0 FTE positions .....	65,500
8	Accountant--1.0 FTE positions .....	75,300
9	Department specialist 14--1.0 FTE positions .....	97,700
10	Financial specialist 14--1.0 FTE positions .....	97,700
11	Financial specialist 12--1.0 FTE positions .....	81,300
12	Intern position--1.0 FTE positions .....	39,500
13	Administration.....	<u>277,200</u>
14	GROSS APPROPRIATION.....	\$ 1,588,200
15	Appropriated from:	
16	Special revenue funds:	
17	Michigan broadband authority fees and charges .....	1,588,200
18	State general fund/general purpose .....	\$ 0
19	<b>Sec. 105. PUBLIC SERVICE COMMISSION</b>	
20	Full-time equated classified positions..... 158.0	
21	Administration, planning and regulation--147.0 FTE	
22	positions .....	\$ 18,795,000
23	Energy office--9.0 FTE positions .....	5,267,100
24	Children's protection registry administration--2.0	
25	FTE positions .....	<u>250,000</u>
26	GROSS APPROPRIATION.....	\$ 24,312,100
27	Appropriated from:	

1	Federal revenues:		
2	DOE-OEERE, multiple grants.....		4,828,100
3	DOT-RSPA, gas pipeline safety.....		984,900
4	Special revenue funds:		
5	Private - oil overcharge.....		30,000
6	Children's protection registry fund.....		250,000
7	Motor carrier fees.....		2,060,700
8	Public utility assessments.....		16,158,400
9	State general fund/general purpose.....	\$	0
10	<b>Sec. 106. LIQUOR CONTROL COMMISSION</b>		
11	Full-time equated classified positions.....	152.0	
12	Management support services--28.0 FTE positions.....	\$	3,092,300
13	Liquor licensing and enforcement--124.0 FTE positions		<u>11,278,000</u>
14	GROSS APPROPRIATION.....	\$	14,370,300
15	Appropriated from:		
16	Special revenue funds:		
17	Liquor license revenue.....		5,699,300
18	Liquor purchase revolving fund.....		8,671,000
19	State general fund/general purpose.....	\$	0
20	<b>Sec. 107. MICHIGAN STATE HOUSING DEVELOPMENT</b>		
21	<b>AUTHORITY</b>		
22	Full-time equated classified positions.....	232.0	
23	Payments on behalf of tenants.....	\$	130,000,000
24	Housing and rental assistance program--232.0 FTE		
25	positions .....		<u>32,887,700</u>
26	GROSS APPROPRIATION.....	\$	162,887,700
27	Appropriated from:		

1	Federal revenues:		
2	HUD, lower income housing assistance program .....		130,000,000
3	Special revenue funds:		
4	Michigan state housing development authority fees		
5	and charges .....		32,887,700
6	State general fund/general purpose .....	\$	0
7	<b>Sec. 108. TAX TRIBUNAL</b>		
8	Full-time equated classified positions..... 11.0		
9	Operations--11.0 FTE positions .....	\$	<u>1,298,100</u>
10	GROSS APPROPRIATION .....	\$	1,298,100
11	Appropriated from:		
12	Special revenue funds:		
13	Corporation fees .....		290,600
14	Securities fees .....		356,000
15	Tax tribunal fees .....		651,500
16	State general fund/general purpose .....	\$	0
17	<b>Sec. 109. OCCUPATIONAL REGULATION</b>		
18	Full-time equated classified positions..... 419.0		
19	Code enforcement and fire safety--177.0 FTE positions	\$	17,587,000
20	Boiler inspection program--25.0 FTE positions .....		2,592,200
21	Elevator inspection program--30.0 FTE positions .....		2,751,700
22	Commercial services--154.0 FTE positions .....		16,282,000
23	Local manufactured housing communities inspections ...		250,000
24	Manufactured housing and land resources		
25	program--22.0 FTE positions .....		2,853,200
26	Property development group--11.0 FTE positions .....		<u>1,474,200</u>
27	GROSS APPROPRIATION .....	\$	43,790,300



1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	IDG from department of community health, inspection	
4	contract .....	111,100
5	Federal revenues:	
6	FEMA.....	150,000
7	DOT.....	85,000
8	HHS, titles XVIII and XIX.....	872,300
9	Special revenue funds:	
10	Boiler fee revenue.....	2,758,600
11	Construction code fund.....	14,546,500
12	Corporation fees.....	5,430,000
13	Elevator fees.....	2,891,200
14	Fire service fees.....	2,167,300
15	Homeowner construction lien recovery fund.....	1,532,800
16	Licensing and regulation fees.....	9,084,300
17	Manufactured housing commission fees.....	2,452,200
18	Michigan boxing fund.....	206,200
19	Property development fees.....	265,700
20	Remonumentation fees.....	666,600
21	Real estate appraiser continuing education fund.....	45,000
22	Real estate education fund.....	217,500
23	Security business fund.....	308,000
24	State general fund/general purpose.....	\$ 0
25	<b>Sec. 110. EMPLOYMENT RELATIONS</b>	
26	Full-time equated classified positions..... 21.0	
27	Employment and labor relations--21.0 FTE positions ...	\$ <u>3,006,900</u>

1	GROSS APPROPRIATION.....	\$	3,006,900
2	Appropriated from:		
3	Federal revenues:		
4	EEOC, federal funds.....		10,000
5	Special revenue funds:		
6	Securities fees.....		2,944,200
7	State general fund/general purpose.....	\$	52,700
8	<b>Sec. 111. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH</b>		
9	<b>ADMINISTRATION</b>		
10	Full-time equated classified positions..... 229.0		
11	Occupational safety and health--229.0 FTE positions ..	\$	<u>25,189,300</u>
12	GROSS APPROPRIATION.....	\$	25,189,300
13	Appropriated from:		
14	Federal revenues:		
15	DOL, multiple grants for safety and health.....		12,084,200
16	Special revenue funds:		
17	Corporation fees.....		2,087,200
18	Fees and collections/asbestos.....		795,600
19	Licensing and regulation fees.....		1,126,900
20	Safety education and training fund.....		7,371,000
21	Securities fees.....		1,724,400
22	State general fund/general purpose.....	\$	0
23	<b>Sec. 112. BUREAU OF WORKER'S AND UNEMPLOYMENT</b>		
24	<b>COMPENSATION</b>		
25	Full-time equated classified positions..... 1,216.0		
26	Administration--96.6 FTE positions ..	\$	9,220,600
27	Board of magistrates and appellate commission--19.4		

1	FTE positions .....	2,786,200
2	Wage and hour division--31.0 FTE positions .....	2,548,500
3	Insurance funds administration--28.0 FTE positions ...	4,363,700
4	Supplemental benefit fund.....	1,300,000
5	Unemployment programs--971.7 FTE positions .....	81,443,100
6	Advocacy assistance program.....	1,500,000
7	Special audit and collections program--34.0 FTE	
8	positions .....	2,639,500
9	Training program for agency staff--2.1 FTE positions .	1,788,600
10	Expanded fraud control program--33.2 FTE positions ...	<u>2,954,900</u>
11	GROSS APPROPRIATION.....	\$ 110,545,100
12	Appropriated from:	
13	Federal revenues:	
14	DOL-ETA, employment and training administration .....	613,400
15	DOL-ETA, unemployment insurance .....	83,850,000
16	Federal Reed act funds .....	4,362,700
17	Special revenue funds:	
18	Corporation fees .....	3,842,300
19	Contingent fund, penalty and interest account .....	6,739,100
20	Licensing and regulation fees .....	753,100
21	Second injury fund .....	2,349,100
22	Securities fees .....	3,842,600
23	Self-insurers security fund .....	1,111,200
24	Silicosis and dust disease fund .....	903,400
25	Worker's compensation administrative revolving fund ..	2,178,200
26	State general fund/general purpose .....	\$ 0
27	<b>Sec. 113. STATE OFFICE OF ADMINISTRATIVE HEARINGS</b>	

1 **AND RULES**

2 Full-time equated classified positions..... 163.0

3 Administrative hearings and rules--163.0 FTE positions \$ 19,855,200

4 GROSS APPROPRIATION..... \$ 19,855,200

5 Appropriated from:

6 Interdepartmental grant revenues:

7 IDG from department of community health..... 1,547,300

8 IDG from department of corrections..... 3,461,000

9 IDG from department of education..... 966,300

10 IDG from department of environmental quality..... 479,300

11 IDG from department of human services..... 3,038,300

12 IDG from department of management and budget..... 40,500

13 Federal revenues:

14 DOL-ETA, unemployment insurance..... 5,761,400

15 DOL, multiple grants for safety and health..... 183,300

16 Special revenue funds:

17 Construction code fund..... 270,400

18 Corporation fees..... 328,400

19 Insurance regulatory fees..... 310,400

20 Licensing and regulation fees..... 1,015,300

21 Liquor license fees..... 100,000

22 Liquor purchase revolving fund..... 3,500

23 Manufactured housing commission fees..... 126,200

24 Public utility assessments..... 1,155,500

25 Safety education and training fund..... 177,000

26 Securities fees..... 808,700

27 Tax tribunal fees..... 73,600

1	State general fund/general purpose .....	\$	8,800
2	<b>Sec. 114. INFORMATION TECHNOLOGY</b>		
3	Information technology services and projects .....	\$	<u>42,486,200</u>
4	GROSS APPROPRIATION .....	\$	42,486,200
5	Appropriated from:		
6	Federal revenues:		
7	DOL-ETA, unemployment insurance .....		20,754,300
8	DOL, multiple grants for safety and health .....		518,400
9	Federal revenues .....		5,772,700
10	HHS, temporary assistance for needy families .....		176,300
11	Special revenue funds:		
12	Bank fees .....		477,300
13	Boiler fee revenue .....		264,300
14	Construction code fund .....		1,435,900
15	Consumer finance fees .....		94,200
16	Corporation fees .....		1,715,500
17	Credit union fees .....		269,300
18	Elevator fees .....		254,400
19	Fees and collections/asbestos .....		11,000
20	Insurance regulatory fees .....		497,200
21	Licensing and regulation fees .....		1,109,900
22	Liquor purchase revolving fund .....		4,340,600
23	Manufactured housing commission fees .....		72,400
24	Michigan state housing development authority fees		
25	and charges .....		1,940,300
26	Motor carrier fees .....		95,900
27	Public utility assessments .....		773,100

1	Safety education and training fund.....		285,600
2	Second injury fund.....		106,500
3	Securities fees.....		1,433,500
4	Self-insurers security fund.....		38,300
5	Silicosis and dust disease fund.....		49,300
6	State general fund/general purpose.....	\$	0
7	<b>Sec. 115. WORKFORCE DEVELOPMENT</b>		
8	Full-time equated classified positions.....	872.5	
9	Employment services--246.0 FTE positions.....	\$	44,999,700
10	Labor market information--52.0 FTE positions.....		6,020,800
11	Michigan rehabilitation services--513.5 FTE positions		68,151,000
12	Office of workforce development--61.0 FTE positions..		<u>29,898,200</u>
13	GROSS APPROPRIATION.....	\$	149,069,700
14	Appropriated from:		
15	Federal revenues:		
16	DAG, employment and training.....		178,700
17	DED-OPSE, multiple grants.....		1,145,400
18	DED-OSERS, centers for independent living.....		58,200
19	DED-OSERS, rehabilitation long-term training.....		566,900
20	DED-OSERS, rehabilitation services, vocational		
21	rehabilitation of state grants.....		50,176,300
22	DED-OSERS, state grants for technical related		
23	assistance .....		56,000
24	DED, Perkins act.....		281,300
25	DOL-ETA, workforce investment act.....		6,448,400
26	DOL, federal funds.....		62,671,800
27	DOL, ODEP.....		225,000

1	HHS-SSA, supplemental security income .....		4,491,800
2	HHS, temporary assistance for needy families .....		3,320,200
3	Special revenue funds:		
4	Private - gifts, bequests, and donations .....		816,000
5	Local revenue .....		4,132,400
6	Local vocational rehabilitation match .....		3,054,000
7	Contingent fund, penalty and interest account .....		1,736,300
8	Rehabilitation services fees .....		1,269,400
9	Second injury fund .....		51,500
10	Student fees .....		308,000
11	Training materials fees .....		256,400
12	State general fund/general purpose .....	\$	7,825,700
13	<b>Sec. 116. CAREER EDUCATION PROGRAMS</b>		
14	Full-time equated classified positions .....	55.0	
15	Career and technical education--25.0 FTE positions ...	\$	3,400,500
16	Postsecondary education--14.0 FTE positions .....		2,558,200
17	Adult education--16.0 FTE positions .....		<u>2,378,100</u>
18	GROSS APPROPRIATION .....	\$	8,336,800
19	Appropriated from:		
20	Federal revenues:		
21	Federal revenues .....		6,358,400
22	Special revenue funds:		
23	Private occupational school license fees .....		409,700
24	Defaulted loan collection fees .....		100,000
25	State general fund/general purpose .....	\$	1,468,700
26	<b>Sec. 117. DEPARTMENT GRANTS</b>		
27	Adult basic education .....	\$	20,000,000

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1	Carl D. Perkins grants.....	47,500,000
2	Focus: HOPE.....	5,860,200
3	Gear-up program grants.....	3,000,000
4	Job training programs subgrantees.....	119,602,700
5	Michigan community service commission subgrantees....	5,900,000
6	Personal assistance services.....	459,500
7	Precollege programs in engineering and the sciences..	<<680,100>>
8	Vocational rehabilitation client services/facilities .	54,989,500
9	Vocational rehabilitation independent living.....	3,079,700
10	Welfare-to-work programs.....	113,798,600
11	Fire protection grants.....	10,921,000
12	Low-income energy efficiency assistance.....	60,000,000
13	Liquor law enforcement grants.....	12,201,100
14	Remonumentation grants.....	<u>14,000,000</u>
15	GROSS APPROPRIATION.....	\$<<471,992,400>>
16	Appropriated from:	
17	Federal revenues:	
18	CNS.....	5,500,000
19	DAG, employment and training.....	13,000,000
20	DED-OESE, gear-up.....	3,000,000
21	DED-OSERS, centers for independent living.....	450,200
22	DED-OSERS, client assistance for individuals with	
23	disabilities .....	440,000
24	DED-OSERS, rehabilitation services, vocational	
25	rehabilitation of state grants.....	35,797,900
26	DED-OSERS, rehabilitation services facilities.....	2,272,500
27	DED-OSERS, supported employment.....	1,541,300



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1	DED-OSERS, state grants for technical related	
2	assistance .....	2,240,800
3	DED-OVAE, adult education.....	20,000,000
4	DED-OVAE, basic grants to states.....	47,500,000
5	DOL-ETA, workforce investment act.....	119,602,700
6	HHS, temporary assistance for needy families.....	82,299,000
7	HHS-SSA, supplemental security income.....	2,480,600
8	Federal section 903(d), SSA funds.....	6,300,000
9	Special revenue funds:	
10	Private - gifts, bequests, and donations.....	800,000
11	Local vocational rehabilitation match.....	6,630,500
12	Local vocational rehabilitation facilities match.....	1,278,300
13	Contingent fund, penalty and interest account.....	1,000,000
14	Low-income energy efficiency fund.....	60,000,000
15	Fire protection fund.....	3,500,000
16	Liquor purchase revolving fund.....	3,710,500
17	Liquor license revenue.....	6,000,000
18	Remonumentation fees.....	14,000,000
19	State general fund/general purpose.....	\$ <<32,648,100>>
20	<b>Sec. 118. BOARDS, AUTHORITIES AND COMMISSIONS</b>	
21	Full-time equated classified positions..... 135.0	
22	MES board of review program--18.0 FTE positions.....	\$ 2,047,200
23	Rights-of-way oversight authority--5.0 FTE positions .	515,900
24	Land bank fast track authority--3.0 FTE positions....	661,700
25	Michigan community service commission--6.0 FTE	
26	positions .....	3,202,600
27	Commission on Spanish speaking affairs--2.0 FTE	

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1	positions .....	234,000
2	Commission on disability concerns--7.0 FTE positions .	1,013,100
3	Commission for the blind--94.0 FTE positions .....	18,739,700
4	Utility consumer representation.....	550,000
5	Youth low vision program.....	<u>241,800</u>
6	GROSS APPROPRIATION.....	\$ 27,206,000
7	Appropriated from:	
8	Federal revenues:	
9	Federal revenues.....	14,296,800
10	CNS.....	1,631,400
11	DOL-ETA, unemployment insurance.....	2,047,200
12	Special revenue funds:	
13	Private - gifts, bequests, and donations.....	580,300
14	Private revenues.....	124,300
15	Local revenues.....	508,900
16	Land bank fast track funds.....	661,700
17	METRO authority fund.....	515,900
18	State restricted revenues.....	548,100
19	Utility consumer representation fund.....	550,000
20	State general fund/general purpose.....	\$ 5,741,400
21	<b>Sec. 119. MICHIGAN STRATEGIC FUND</b>	
22	Full-time equated classified positions.....	195.0
23	Administration--31.0 FTE positions.....	\$ <<2,827,100>>
24	Job creation services--164.0 FTE positions.....	<<21,351,700>>
25	Michigan promotion program.....	6,401,800
26	Economic development job training grants.....	11,798,000
27	Community development block grants.....	45,000,000

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1	Strategic economic investment board.....	100,000,000
2	<<	
3		>>
4	GROSS APPROPRIATION.....	\$ <<187,378,600>>
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG-MDEQ, air quality fees.....	78,600
8	Federal revenues:	
9	DOL-ETA, employment service.....	724,000
10	HUD-CPD, community development block grant.....	47,297,800
11	Special revenue funds:	
12	Private - special project advances.....	700,000
13	Industry support fees.....	5,000
14	Bond proceeds.....	100,000,000
15	State general fund/general purpose.....	\$ <<38,573,200>>

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

19       Sec. 201. Pursuant to section 30 of article IX of the state  
20 constitution of 1963, total state spending from state resources  
21 under part 1 for fiscal year 2005-2006 is \$518,888,000.00 and state  
22 spending from state resources to be paid to local units of  
23 government for fiscal year 2005-2006 is \$67,471,400.00. The  
24 itemized statement below identifies appropriations from which  
25 spending to units of local government will occur:

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Fire protection grants.....	\$	10,921,000
Liquor law enforcement.....		12,201,100
Local manufactured housing inspections.....		201,700
Remonumentation grants.....		14,000,000
Fire fighters training council.....		1,700,000
Economic development job training grants.....		11,248,000
Welfare to work.....		<u>17,199,600</u>
Total department of labor and economic growth.....	\$	67,471,400

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.

1 (i) "Department" means the department of labor and economic  
2 growth, including the Michigan strategic fund.

3 (j) "Director" means the director of the department of labor  
4 and economic growth.

5 (k) "DOE" means the United States department of energy.

6 (l) "DOE-OEERE" means the DOE office of energy efficiency and  
7 renewable energy.

8 (m) "DOL" means the United States department of labor.

9 (n) "DOL-ETA" means the DOL employment and training  
10 administration.

11 (o) "DOL-ODEP" means the DOL office of disability employment  
12 policy.

13 (p) "DOT" means the United States department of  
14 transportation.

15 (q) "DOT-RSPA" means the DOT research and special programs  
16 administration.

17 (r) "EEOC" means equal employment opportunity commission.

18 (s) "Fiscal agencies" means Michigan house fiscal agency and  
19 Michigan senate fiscal agency.

20 (t) "FTE" means full-time equated.

21 (u) "Fund" means the Michigan strategic fund.

22 (v) "GED" means general education degree.

23 (w) "HHS" means the United States department of health and  
24 human services.

25 (x) "HHS-SSA" means HHS social security administration.

26 (y) "HUD" means the United States department of housing and  
27 urban development.

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

2 (aa) "IDG" means interdepartmental grant.

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

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

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

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

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

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

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

1 apply to internal transfers of classified employees from 1 position  
2 to another within a department or state classified civil service  
3 positions funded fully by federal funds.

4 (2) The state budget director may grant exceptions to this  
5 hiring freeze when the state budget director believes that the  
6 hiring freeze will result in rendering a state department or agency  
7 unable to deliver basic services, cause a loss of revenue to the  
8 state, result in the inability of the state to receive federal  
9 funds, or would necessitate additional expenditures that exceed any  
10 savings from maintaining a vacancy. The state budget director shall  
11 report quarterly to the chairpersons of the senate and house of  
12 representatives standing committees on appropriations the number of  
13 exceptions to the hiring freeze approved during the previous month  
14 and the reasons to justify the exception.

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

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

27 Sec. 209. Funds appropriated in part 1 shall not be used for

1 the purchase of foreign goods or services, or both, if  
2 competitively priced and of comparable quality American goods or  
3 services, or both, are available. Preference should be given to  
4 goods or services, or both, manufactured or provided by Michigan  
5 businesses if they are competitively priced and of comparable  
6 value.

7       Sec. 210. The director shall take all reasonable steps to  
8 ensure businesses in deprived and depressed communities compete for  
9 and perform contracts to provide services or supplies, or both. The  
10 director shall strongly encourage firms with which the department  
11 contracts to subcontract with certified businesses in depressed and  
12 deprived communities for services, supplies, or both.

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

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

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



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

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

12       Sec. 217. (1) Due to the current budgetary problems in this  
13 state, out-of-state travel for the fiscal year ending September 30,  
14 2005 shall be limited to situations in which 1 or more of the  
15 following conditions apply:

16       (a) The travel is required by legal mandate or court order or  
17 for law enforcement purposes.

18       (b) The travel is necessary to protect the health or safety of  
19 Michigan citizens or visitors or to assist other states in similar  
20 circumstances.

21       (c) The travel is necessary to produce budgetary savings or to  
22 increase state revenues, including protecting existing federal  
23 funds or securing additional federal funds.

24       (d) The travel is necessary to comply with federal  
25 requirements.

26       (e) The travel is necessary to secure specialized training for  
27 staff that is not available within this state.

1 (f) The travel is financed entirely by federal or nonstate  
2 funds.

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

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

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

19 (b) The destination of each travel occurrence.

20 (c) The dates of each travel occurrence.

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

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

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

3 Sec. 219. The department of labor and economic growth shall  
4 not take disciplinary action against an employee for communicating  
5 with a member of the legislature or his or her staff.

6 **REGULATORY**

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

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

20 Sec. 303. The funds collected by the department from  
21 corporations being liquidated pursuant to the insurance code of  
22 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated  
23 for all expenses necessary to provide for the required services.  
24 Funds are available for expenditure when they are received by the  
25 department of treasury and shall not lapse to the general fund at  
26 the end of the fiscal year.

1       Sec. 304. The department may make available to interested  
2 entities otherwise unavailable customized listings of  
3 nonconfidential information in its possession, such as names and  
4 addresses of licensees, and charge for this information as follows:  
5 base fee for 1 to 1,000 records at the cost to the department;  
6 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more  
7 records at .5 cents per record. The revenue received from this  
8 service may be used to offset expenses of programs as appropriated  
9 in part 1. The balance of this revenue collected and unexpended at  
10 the end of the fiscal year shall revert to the appropriate  
11 restricted revenue account or fund or, in absence of such an  
12 account or fund, to the general fund. The department shall submit  
13 an annual report on or before December 1 of each year to the state  
14 budget office and the subcommittees that states the amount of  
15 revenue received from the sale of information.

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

22       Sec. 308. The funds collected by the department for licenses,  
23 permits, and other elevator regulation fees set forth in R 408.8151  
24 of the Michigan administrative code and as determined under section  
25 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL  
26 408.816, that are unexpended at the end of the fiscal year shall  
27 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:

Operation and maintenance inspection fee

<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed

Plan review and construction inspection fees for  
hospitals and schools

<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

1 part 1, the revenue may be carried forward into the subsequent  
2 fiscal year. During fiscal year 2005-2006, \$15,000,000.00 of  
3 insurance licensing fees shall be transferred to the general fund.  
4 The revenue carried forward under this section shall be used as the  
5 first source of funds in the subsequent fiscal year.

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

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

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

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

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

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

8 (e) Labor law books.

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

10 (g) Construction code manuals.

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

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

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

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

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

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

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

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

23 Sec. 337. The department shall not expend funds from the  
24 appropriations in part 1 for the office of financial and insurance  
25 services for the purpose of implementing prohibitions on the use of  
26 credit scoring in establishing insurance premiums by insurance  
27 companies until the legislature has, by statute, authorized such a



1 prohibition.

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

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

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

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

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

27       (2) The department shall post on its website the approved real

1 estate continuing education courses, as well as the dates, times,  
2 instructors, locations, course title, and credit hours of the  
3 courses.

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

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

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

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

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

26 Sec. 358. The real estate education fund created in section 37  
27 of the state license fee act, 1979 PA 152, MCL 338.2237, and

1 administered by the department shall allow prelicensure and  
2 postlicensure education to be delivered through on-line courses by  
3 a community college, university, or private school, after licensure  
4 and approval by the department. Expenditures from this fund may  
5 also be made to support department grants for educational providers  
6 to establish on-line courses that would be made available to  
7 students throughout the year.

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

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

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

24       Sec. 364. The department shall provide a report to the chairs  
25 of the appropriation subcommittees on labor and economic growth by  
26 January 1 on the total administrative costs allocated for the  
27 broadband development authority. These costs should include all

1 staffing and other related costs associated with contracts. The  
2 report shall also include any payments to date for reimbursement to  
3 the Michigan state housing development authority. If no payments  
4 have been made, then the report shall include a detailed plan  
5 outlining the reimbursement schedule.

6 Sec. 365. From the funds appropriated in part 1 to the  
7 Michigan occupational safety and health administration consultation  
8 education and training (CET) grants, not less than \$40,000.00 shall  
9 be allocated to nonprofit organizations representing the aggregate  
10 industry in Michigan.

11 Sec. 366. It is the intent of the legislature to fund the  
12 workers' compensation administration with general fund money.

13 Sec. 367. The department shall develop a searchable website  
14 where consumers can research the performance of licensed  
15 residential builders, including the number of valid complaints  
16 filed against the builder that require disciplinary actions taken  
17 by the department. The website shall allow searches by licensee  
18 name, company name, and license number.

19 Sec. 368. Funds collected by the department of labor and  
20 economic growth under sections 55, 57, 58, and 59 of the  
21 administrative procedures act of 1969, 1969 PA 306, MCL 24.255,  
22 24.257, 24.258, and 24.259, and section 203 of the legislative  
23 council act, 1986 PA 268, MCL 4.1203, are appropriated for all  
24 expenses necessary to provide for the cost of publication and  
25 distribution. The funds appropriated under this section are  
26 allotted for expenditure when they are received by the department  
27 of treasury and shall not lapse to the general fund at the end of

1 the fiscal year.

2 **WORKFORCE AND CAREER DEVELOPMENT**

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

9 Sec. 402. The Michigan rehabilitation service shall make every  
10 effort to ensure that all sources of matching funds in this state  
11 are used to obtain federal vocational rehabilitation funds. All  
12 sources include, but are not limited to, privately raised funds to  
13 support public nonprofit rehabilitation centers as permitted by the  
14 rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718,  
15 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to  
16 795n, and 796 to 796l.

17 Sec. 403. The local match requirements for vocational  
18 rehabilitation facilities establishment grants shall not exceed  
19 21.3% for the fiscal year ending September 30.

20 Sec. 404. (1) Of the funds appropriated in part 1 for  
21 vocational rehabilitation independent living, all general  
22 fund/general purpose revenue not used to match federal funds shall  
23 be used for the support of centers for independent living which are  
24 in compliance with federal standards for such centers, for the  
25 development of new centers in areas presently unserved or  
26 underserved, for technical assistance to centers, and for projects

1 to build capacity of centers to deliver independent living  
2 services. Applications for such funds shall be reviewed in  
3 accordance with criteria and procedures established by the  
4 statewide independent living council, the Michigan rehabilitation  
5 services unit within the department, and the Michigan commission  
6 for the blind. Funds must be used in a manner consistent with the  
7 priorities established in the state plan for independent living.  
8 The department is directed to work with the Michigan association of  
9 centers for independent living and the local workforce development  
10 boards to identify other competitive sources of funding.

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

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

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

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

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

27 (iv) The total number of disabled individuals served by

1 personal care attendants and the number of personal care attendants  
2 provided through the use of any funds appropriated in part 1  
3 administered by a center for independent living and a comparison to  
4 the number served in the previous year.

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

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

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

20 Sec. 405. (1) The appropriation in part 1 to the department  
21 for the work first program shall be expended for grants that  
22 provide employment and training services to department of human  
23 services program applicants and recipients and may be expended for  
24 grants that provide employment and training services to former  
25 department of human services program recipients, as well as to  
26 recipients of noncash public assistance, specifically child day  
27 care, Medicaid, or food stamp benefits. The work first program,

1 however, shall not be construed to be an entitlement to services.

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

14 (3) The work first site shall identify the barriers which may  
15 prevent the participant from obtaining employment and assist the  
16 client in removing those barriers. The work first site shall also  
17 identify appropriate education and job training programs which  
18 would be available to the participant. The department shall  
19 encourage the Michigan works! agencies to consider transportation  
20 challenges for work first participants placed in employment. When  
21 an individual is re-referred to work first because of an inability  
22 to retain employment, the Michigan works! agencies shall confer  
23 with the Michigan rehabilitation services, the department of human  
24 services, or other professionals if considered appropriate by the  
25 Michigan works! agency to screen for and identify issues that are  
26 preventing the participant from succeeding in the labor market.  
27 Each Michigan works! agency shall determine locally the number of



1 times an individual may be re-referred back to the program before  
2 consulting with other service agencies. If no prohibitive barriers  
3 to work are found, the individual shall comply with the work first  
4 program, or be subject to appropriate penalties.

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

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

15 (6) The department will work with the department of human  
16 services to coordinate support services to work first participants  
17 relating to special/emergency needs.

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

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

27 (9) The department shall submit to the fiscal agencies and the

1 state budget director by March 15 a report on the work first  
2 program, including the number of participants served under this  
3 section, the number of persons who located employment through work  
4 first, the average wage of participants who found employment, the  
5 number of persons who retained jobs for 90 days, the number of  
6 participants placed in employment training and education programs,  
7 the number of clients referred to work first who failed to report,  
8 a compilation of barriers to employment by incidence and type  
9 experienced by participants, and the number of participants  
10 referred back to the department of human services.

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

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

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

23 (11) The department shall make available to work first  
24 participants guidelines on eligibility for postemployment training  
25 and how training/education hours are applied toward work  
26 participation requirements. These guidelines will be presented  
27 during joint orientation conducted by the department of human

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

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

25 (13) Work first participants may meet the work participation  
26 requirement through enrollment in a short-term vocational program  
27 requiring 30 hours of classroom seat time per week for a period not

1 to exceed 6 months, or by enrollment in full-time internships,  
2 practicums, or clinicals required by an academic or training  
3 institution for licensure, professional certification, or degree  
4 completion, without an additional work requirement. In cases where  
5 a short-term vocational program lasts less than 6 months, the  
6 participant shall be eligible to enroll in 1 additional short-term  
7 vocational program for a combined period not to exceed a total of 6  
8 months.

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

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

- 20 (a) The number and percentage employed.
- 21 (b) The average hourly wage of those employed.
- 22 (c) The current hourly wage of those employed.
- 23 (d) The range of wages earned by those employed.
- 24 (e) The number of individuals that earned each wage amount.
- 25 (f) The number and percentage receiving health care benefits  
26 from their employer.
- 27 (g) The number and percentage receiving tuition reimbursement

1 from their employer.

2 (h) The number and percentage receiving training benefits from  
3 their employer.

4 (i) The type of jobs obtained by former participants in  
5 general categories.

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

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

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

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

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

22 (3) The department shall cooperate with the department of  
23 human services in formulating and acquiring the identified data.

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

26 Sec. 407. State and federal funds allocated to local workforce  
27 development boards for disbursement shall not be expended unless

1 the local workforce development boards maintain a partnership with  
2 governmental agencies, public school districts, and public colleges  
3 located within the local service delivery area. Each board shall  
4 appoint an education advisory group made up of high-level  
5 administrators within local educational institutions, workforce  
6 development board members, other employers, labor, academic  
7 educators, and parents of public school pupils.

8       Sec. 409. (1) Of the funds appropriated in part 1 for  
9 precollege programs in engineering and the sciences, \$340,050.00  
10 shall be provided in the form of a grant to the Detroit precollege  
11 engineering program, incorporated and \$\_\_\_\_\_.00 shall be provided  
12 in the form of a grant to the Grand Rapids area precollege  
13 engineering program.

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

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

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

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

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

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

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

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

1 matching funds are appropriated for the purposes intended.

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

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

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

21       (a) The number of participants receiving support under the  
22 program.

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

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

26       (d) The number of participants obtaining full-time employment  
27 in college faculty positions within the university through which



1 they received future faculty program support for graduate studies.

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

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

1 locations.

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

6       Sec. 427. The youth low-vision program is considered the payer  
7 of last resort. Other available public or private insurance  
8 coverage, including Medicaid or MICHild, and special education  
9 funds, shall be exhausted prior to using any funds appropriated in  
10 part 1 to purchase low-vision devices or equipment for an  
11 individual.

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

16       (a) Detailed expenditures for administration including  
17 salaries and wages of employees.

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

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

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

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

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

1 **MICHIGAN STRATEGIC FUND**

2       Sec. 501. (1) The appropriation in part 1 to the fund for  
3 economic development job training shall be expended in 2  
4 categories: the business response program for employee training  
5 grants which maintain or attract permanent jobs for Michigan  
6 residents and the manufacturing competitiveness program for grants  
7 to fund collaborative efforts which increase the competitiveness of  
8 multiple companies within a grant. The business response program is  
9 allocated up to \$7,865,000.00, and the manufacturing  
10 competitiveness program is allocated up to \$3,933,000.00 not to  
11 exceed the part 1 appropriation for this program in its entirety.  
12 The fund has the authority to reallocate these amounts during the  
13 fiscal year dependent on business demand and economic conditions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 delivered under the manufacturing competitiveness program, the  
2 business receiving the benefit of the training shall provide a  
3 minimum of 30% of the program costs in matching funds as  
4 necessitated by the program.

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

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

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

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

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

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

27 (d) The matching funds, if any, to be provided by a business

1 organization.

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

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

10 Sec. 502. The Michigan growth capital fund shall be used to  
11 develop the technology business sector in Michigan. The Michigan  
12 growth capital fund will be used to encourage private and public  
13 investment in the technology business sector, and all of the  
14 following apply:

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

16 (b) Eligible uses of the Michigan growth capital fund include  
17 investments in organizations and programs that promote the  
18 development of new industry sectors in Michigan; inducements to  
19 attract additional venture capital funds to finance technology  
20 development; support organizations, initiatives, or events that  
21 promote entrepreneurship; provide match for university federal  
22 research grants; and support technology transfer and  
23 commercialization programs with universities and the private  
24 sector.

25 (c) The Michigan economic development corporation shall  
26 administer the Michigan growth capital fund.

27 (d) All funds received from repayment of loans, unused grants,

1 revenues received from sales or cash flow participation agreements,  
2 guarantees, or any combination thereof or interest thereon,  
3 originally distributed as part of the Michigan growth capital fund,  
4 shall be received, held, and applied by the fund for the purposes  
5 described in this subsection.

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

10 Sec. 503. Travel Michigan may establish and collect a fee to  
11 cover the cost of materials and processing of photographic prints,  
12 slides, videotapes, and travel product database information that  
13 are requested by the media and other segments of the public and  
14 private sectors. The fees collected shall be appropriated for all  
15 expenses necessary to purchase and distribute these photographic  
16 prints, slides, videotapes, and travel product database  
17 information. The funds are available for expenditure when they are  
18 received by the department of treasury.

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

27 Sec. 506. The fund shall submit on or before May 1 and



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

6 (a) The name of the recipient.

7 (b) The amount awarded to the recipient.

8 (c) The purpose of the grant.

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

17 (a) Travel Michigan.

18 (b) Michigan business development.

19 (c) Global business development.

20 (d) Small, minority, and disabled business services.

21 (e) Community development block grants.

22 (f) Strategic fund administration.

23 (g) Renaissance zones.

24 (h) Emerging business sectors and roundtables.

25 (i) Business and clean air ombudsman.

26 (j) Economic development job training grants.

27 (k) Community assistance team.

1 (l) Technology tri-corridor.

2 (m) Any other programs of the fund.

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

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

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

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

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

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

Senate Bill No. 276 as amended June 16, 2005

(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. The appropriation in part 1 for the strategic economic investment board is for the purposes of increasing the amount of research and development taking place in Michigan universities, companies, and nonprofit research institutions and accelerating the pace of commercialization. The proceeds of the bonds shall be distributed by the strategic economic investment board as described in Senate Bill No. 533 of the 93rd Legislature. Funding shall be distributed in the following manner:

(a) Not less than 50% for life sciences technology. <<Of the funds allocated for life sciences technology, \$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 year 2007.>>

(b) The balance for advanced automotive technology, manufacturing and materials technology, alternative energy technology, and homeland security and defense technology.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (7) No single applicant shall be awarded more than  
19 \$10,000,000.00 per project.

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

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

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

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(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. 523. Of the funds appropriated in part 1 for the Michigan strategic fund unit, job creation services line, \$1,525,000.00 in general fund/general purpose revenue shall be used to provide funding to procurement technical assistance centers.

Sec. 524. Of the funds appropriated in part 1 for the job creation services line item, <<\$500,000.00>> in general fund/general purpose revenue shall be used to fund 5.0 full-time equivalent employees and administrative expenses of a defense contract coordination center.

<<Sec. 525. (1) Contingent upon the failure of Senate Joint Resolution C to be ratified by the electors in this state on November 8, 2005, there is appropriated for the technology tri-corridor: life sciences initiative \$30,000,000.00 general fund/general purpose revenue for the fiscal year ending September 30, 2006. All funding for the areas of homeland security, automotive initiative and alternative energy 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

Senate Bill No. 276 as amended June 16, 2005 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 year 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 less 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. Funds appropriated for the life science initiative may be allocated for basic research, applied research, and commercialization. All applications shall be peer reviewed and funds shall be allocated on a competitive basis.

(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 2004 PA 354 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.>>

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