

SENATE BILL No. 276

March 2, 2005, Introduced by Senators PRUSI and EMERSON and referred to the
Committee on Appropriations.

EXECUTIVE BUDGET BILL

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:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for

the department of labor and economic growth and the Michigan strategic fund, subject to the conditions set forth in this bill, 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..... 4,266.5

GROSS APPROPRIATION..... \$ 1,476,138,400

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 489,700

ADJUSTED GROSS APPROPRIATION..... \$ 1,475,648,700

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 539,543,800

State general fund/general purpose \$ 73,848,500

Sec. 102. DEPARTMENTWIDE ADMINISTRATION

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

Full-time equated classified positions..... 280.0

Unclassified salaries \$ 5,349,400

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

Regulatory efficiency improvements/backlog reduction

1	initiative	665,600
2	Bureau of hearings--68.0 FTE positions	8,757,200
3	Property management	10,945,100
4	Rent	17,338,600
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	\$ 67,514,800
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG from department of community health	300,000
13	Federal revenues:	
14	Corporation for national service	295,700
15	DED-OSERS, rehabilitation services, vocational	
16	rehabilitation	4,897,500
17	DOL-ETA, unemployment insurance	22,501,300
18	DOL-ETA, workforce investment act	809,400
19	DOL, federal funds	2,503,700
20	DOL, multiple grants for safety and health	837,300
21	Federal revenues	785,700
22	HHS, temporary assistance for needy families	347,000
23	HHS, title 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	1,715,100
3	Consumer finance fees	168,800
4	Contingent fund penalty and interest account	890,000
5	Corporation fees	5,401,700
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	1,306,400
12	Licensing and regulation fees	1,916,200
13	Liquor license fees	4,743,200
14	Liquor purchase revolving fund	1,128,100
15	Manufactured housing commission fees	414,400
16	Michigan state housing development authority fees	
17	and charges	3,575,400
18	Motor carrier fees	185,200
19	Public utility assessments	2,396,900
20	Private occupational school license fees	14,000
21	Rehabilitation services fees	90,300
22	Safety education and training fund	679,300
23	Second injury fund	253,500
24	Securities fees	2,655,900
25	Self-insurers security fund	83,300
26	Silicosis and dust disease fund	101,300
27	Tax tribunal fees	1,100

1	State general fund/general purpose	\$	1,582,400
2	Sec. 103. OFFICE OF FINANCIAL AND INSURANCE SERVICES		
3	Full-time equated classified positions		273.0
4	Administration--9.0 FTE positions	\$	2,686,700
5	Financial evaluation--145.0 FTE positions		20,796,200
6	Policy conduct and consumer assistance--119.0 FTE		
7	positions		<u>14,508,600</u>
8	GROSS APPROPRIATION	\$	37,991,500
9	Appropriated from:		
10	Federal revenues:		
11	Federal regulatory project revenue		50,400
12	Special revenue funds:		
13	Bank fees		7,355,400
14	Consumer finance fees		4,034,700
15	Credit union fees		4,666,500
16	Insurance continuing education fees		829,600
17	Insurance licensing and regulation fees		4,488,000
18	Insurance regulatory fees		14,627,400
19	Multiple employer welfare arrangement		67,500
20	Securities fees		1,872,000
21	State general fund/general purpose	\$	0
22	Sec. 104. PUBLIC SERVICE COMMISSION		
23	Full-time equated classified positions		163.0
24	Administration, planning and regulation--154.0 FTE		
25	positions	\$	19,710,800
26	Energy office--9.0 FTE positions		<u>5,267,100</u>
27	GROSS APPROPRIATION	\$	24,977,900

1	Appropriated from:		
2	Federal revenues:		
3	DOE-OEERE, multiple grants		4,828,100
4	DOT-RSPA, gas pipeline safety		984,900
5	Special revenue funds:		
6	Private - oil overcharge		30,000
7	Motor carrier fees		2,060,700
8	Public utility assessments		17,074,200
9	State general fund/general purpose	\$	0
10	Sec. 105. LIQUOR CONTROL COMMISSION		
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		
14	positions		<u>11,278,000</u>
15	GROSS APPROPRIATION	\$	14,370,300
16	Appropriated from:		
17	Special revenue funds:		
18	Liquor license revenue		14,299,700
19	Liquor purchase revolving fund		70,600
20	State general fund/general purpose	\$	0
21	Sec. 106. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY		
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	Sec. 107. TAX TRIBUNAL		
8	Full-time equated classified positions.....	12.0	
9	Operations--12.0 FTE positions	\$	<u>1,444,700</u>
10	GROSS APPROPRIATION.....	\$	1,444,700
11	Appropriated from:		
12	Special revenue funds:		
13	Corporation fees.....		323,400
14	Securities fees.....		396,200
15	Tax tribunal fees.....		725,100
16	State general fund/general purpose	\$	0
17	Sec. 108. OCCUPATIONAL REGULATION		
18	Full-time equated classified positions.....	419.0	
19	Code enforcement and fire safety--177.0 FTE		
20	positions	\$	17,587,000
21	Boiler inspection program--25.0 FTE positions		2,592,200
22	Elevator inspection program--30.0 FTE positions		2,751,700
23	Commercial services--154.0 FTE positions		16,282,000
24	Local manufactured housing communities inspections ...		250,000
25	Manufactured housing and land resources		
26	program--22.0 FTE positions.....		2,853,200
27	Property development group--11.0 FTE positions		<u>1,474,200</u>

1	GROSS APPROPRIATION	\$	43,790,300
2	Appropriated from:		
3	Interdepartmental grant revenues:		
4	IDG from department of community health		111,100
5	Federal revenues:		
6	Federal emergency management agency		150,000
7	Department of transportation		85,000
8	HHS, title 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	Sec. 109. EMPLOYMENT RELATIONS		
26	Full-time equated classified positions	25.0	
27	Employment and labor relations--25.0 FTE positions ...	\$	<u>3,509,800</u>

1	GROSS APPROPRIATION	\$	3,509,800
2	Appropriated from:		
3	Federal revenues:		
4	EEOC, federal funds		10,000
5	Special revenue funds:		
6	Securities fees		3,438,300
7	State general fund/general purpose	\$	61,500
8	Sec. 110. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH		
9	ADMINISTRATION		
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	Corporate 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	Sec. 111. BUREAU OF WORKER'S AND UNEMPLOYMENT COMPENSATION		
24	Full-time equated classified positions		1,216.0
25	Administration--96.6 FTE positions	\$	9,220,600
26	Board of magistrates and appellate commission--19.4		
27	FTE positions		2,786,200

1	Wage and hour division--31.0 FTE positions	2,548,500
2	Insurance funds administration--28.0 FTE positions ...	4,363,700
3	Supplemental benefit fund.....	1,300,000
4	Unemployment programs--971.7 FTE positions	81,423,300
5	Advocacy assistance program.....	1,519,800
6	Expanded fraud control program--33.2 FTE positions ...	2,954,900
7	Special audit and collections program--34.0 FTE	
8	positions	2,639,500
9	Training program for agency staff--2.1 FTE positions	<u>1,788,600</u>
10	GROSS APPROPRIATION.....	\$ 110,545,100
11	Appropriated from:	
12	Federal revenues:	
13	DOL-ETA, employment and training administration	613,400
14	DOL-ETA, unemployment insurance	83,850,000
15	Federal Reed act funds	4,362,700
16	Special revenue funds:	
17	Corporation fees	3,842,300
18	Contingent fund, penalty and interest account	6,739,100
19	Licensing and regulation fees	753,100
20	Second injury fund	2,349,100
21	Securities fees	3,842,500
22	Self-insurers security fund	1,111,300
23	Silicosis and dust disease fund	903,400
24	Worker's compensation administrative revolving fund ..	2,178,200
25	State general fund/general purpose	\$ 0
26	Sec. 112. INFORMATION TECHNOLOGY	
27	Information technology services and projects	\$ <u>42,486,200</u>

1	GROSS APPROPRIATION	\$	42,486,200
2	Appropriated from:		
3	Federal revenues:		
4	DOL-ETA, unemployment insurance		20,754,300
5	DOL, multiple grants for safety and health		518,400
6	Federal revenues		5,772,700
7	HHS, temporary assistance for needy families		176,300
8	Special revenue funds:		
9	Bank fees		477,300
10	Boiler fee revenue		264,300
11	Construction code fund		1,435,900
12	Consumer finance fees		94,200
13	Corporation fees		1,715,500
14	Credit union fees		269,300
15	Elevator fees		254,400
16	Fees and collections-asbestos		11,000
17	Insurance regulatory fees		497,200
18	Licensing and regulation fees		1,109,900
19	Liquor license fees		3,522,600
20	Liquor purchase revolving fund		818,000
21	Manufactured housing commission fees		72,400
22	Michigan state housing development authority fees		
23	and charges		1,940,300
24	Motor carrier fees		95,900
25	Public utility assessments		773,100
26	Safety education and training fund		285,600
27	Second injury fund		106,500

1	Securities fees	1,433,500
2	Self-insurers security fund	38,300
3	Silicosis and dust disease fund	49,300
4	State general fund/general purpose	\$ 0
5	Sec. 113. WORKFORCE DEVELOPMENT	
6	Full-time equated classified positions	872.5
7	Employment services--246.0 FTE positions	\$ 44,999,700
8	Labor market information--52.0 FTE positions	6,020,800
9	Michigan rehabilitation services--513.5 FTE positions	68,151,000
10	Office of workforce development--61.0 FTE positions ..	<u>29,898,200</u>
11	GROSS APPROPRIATION	\$ 149,069,700
12	Appropriated from:	
13	Federal revenues:	
14	DAG, employment and training	178,700
15	DED-OPSE, multiple grants	1,145,400
16	DED-OSERS, centers for independent living	2,899,100
17	DED-OSERS, rehabilitation long-term training	566,900
18	DED-OSERS, rehabilitation services, vocational	
19	rehabilitation of state grants	47,335,400
20	DED-OSERS, state grants for technical related	
21	assistance	56,000
22	DOL-ETA, workforce investment act	6,448,400
23	DED, Perkins act	281,300
24	DOL, federal funds	62,671,800
25	DOL-office of disability employment policy	225,000
26	HHS, temporary assistance for needy families	3,320,200
27	HHS-SSA, supplemental security income	4,491,800

1	Special revenue funds:		
2	Local revenue		4,132,400
3	Local vocational rehabilitation match		3,054,000
4	Private - gifts, bequests, and donations		816,000
5	Contingent fund, penalty and interest account		1,736,300
6	Rehabilitation services fees		1,269,400
7	Second injury fund		51,500
8	Student fees		308,000
9	Training material fees		256,400
10	State general fund/general purpose	\$	7,825,700
11	Sec. 114. CAREER EDUCATION PROGRAMS		
12	Full-time equated classified positions	55.0	
13	Career and technical education--25.0 FTE positions ...	\$	3,400,500
14	Postsecondary education--14.0 FTE positions		2,558,200
15	Adult education--16.0 FTE positions		<u>2,378,100</u>
16	GROSS APPROPRIATION	\$	8,336,800
17	Appropriated from:		
18	Federal revenues:		
19	Federal revenues		6,358,400
20	Special revenue funds:		
21	Private occupational school license fees		409,700
22	Defaulted loan collection fees		100,000
23	State general fund/general purpose	\$	1,468,700
24	Sec. 115. DEPARTMENT GRANTS		
25	Adult basic education	\$	20,000,000
26	Carl D. Perkins grants		47,500,000
27	Focus: HOPE		5,860,200

1	Gear-up program grants	3,000,000
2	Job training programs subgrantees	119,602,700
3	Michigan community service commission subgrantees	5,900,000
4	Personal assistance services	459,500
5	Precollege programs in engineering and the sciences ..	680,100
6	Vocational rehabilitation client services/facilities .	54,989,500
7	Vocational rehabilitation independent living	3,079,700
8	Welfare-to-work programs	113,798,600
9	Fire protection grants	10,921,000
10	Low-income energy efficiency assistance	60,000,000
11	Liquor law enforcement grants	12,201,100
12	Remonumentation grants	<u>14,000,000</u>
13	GROSS APPROPRIATION	\$ 471,992,400
14	Appropriated from:	
15	Federal revenues:	
16	Corporation for national service	5,500,000
17	DAG, employment and training	13,000,000
18	DED-OESE, gear-up	3,000,000
19	DED-OSERS, centers for independent living	450,200
20	DED-OSERS, client assistance for individuals with	
21	disabilities	440,000
22	DED-OSERS, rehabilitation services, vocational	
23	rehabilitation of state grants	35,797,900
24	DED-OSERS, rehabilitation services facilities	2,272,500
25	DED-OSERS, supported employment	1,541,300
26	DED-OSERS, state grants for technical-related	
27	assistance	2,240,800

1	DED-OVAE, adult education	20,000,000
2	DED-OVAE, basic grants to states	47,500,000
3	DOL-ETA, workforce investment act	119,602,700
4	Federal section 903(d), social security act funds	6,300,000
5	HHS-SSA, supplemental security income	2,480,600
6	HHS, temporary assistance for needy families	82,299,000
7	Special revenue funds:	
8	Local vocational rehabilitation facilities match	1,278,300
9	Local vocational rehabilitation match	6,630,500
10	Private - gifts, bequests, and donations	800,000
11	Contingent fund, penalty and interest account	1,000,000
12	Low income energy efficiency fund	60,000,000
13	Fire protection fund	3,500,000
14	Liquor purchase revolving fund	7,421,000
15	Liquor license revenue	12,201,100
16	Remonumentation grants	14,000,000
17	State general fund/general purpose	\$ 22,736,500
18	Sec. 116. BOARDS, AUTHORITIES, AND COMMISSIONS	
19	Full-time equated classified positions	148.0
20	MES board of review program--18.0 FTE positions	\$ 2,047,200
21	Right of way oversight authority--5.0 FTE positions ..	515,900
22	Land bank fast track authority--3.0 FTE positions	661,700
23	Broadband development authority--13.0 FTE positions ..	1,588,200
24	Michigan community service commission--6.0 FTE position	3,202,600
25	Commission on Spanish-speaking affairs--2.0 FTE positions	234,000
26	Commission on disability concerns--7.0 FTE positions .	1,013,100
27	Commission for the blind--94.0 FTE positions	18,739,700

1	Utility consumer representation	550,000
2	Youth low-vision program	<u>241,800</u>
3	GROSS APPROPRIATION	\$ 28,794,200
4	Appropriated from:	
5	Federal revenues:	
6	Federal revenues	14,296,800
7	Corporation for national service	1,631,400
8	DOL-ETA, unemployment insurance	2,047,200
9	Special revenue funds:	
10	Private-gifts, bequests, and donations	580,300
11	Private revenues	124,300
12	Local revenues	508,900
13	Land bank fast track funds	661,700
14	Michigan broadband authority fees and charges	1,588,200
15	METRO authority fund	515,900
16	State restricted revenues	548,100
17	Utility consumer representation fund	550,000
18	State general fund/general purpose	\$ 5,741,400
19	Sec. 117. MICHIGAN STRATEGIC FUND	
20	Full-time equated classified positions	190.0
21	Administration--31.0 FTE positions	\$ 2,870,500
22	Job creation services--159.0 FTE positions	19,851,700
23	Michigan promotion program	5,717,500
24	Economic development job training grants	9,798,000
25	Community development block grants	45,000,000
26	Michigan 21st century jobs initiative	<u>200,000,000</u>
27	GROSS APPROPRIATION	\$ 283,237,700

1	Appropriated from:	
2	Interdepartmental grant revenues:	
3	IDG-MDEQ, air quality fees	78,600
4	Federal revenues:	
5	DOL-ETA, employment service	724,000
6	HUD-CPD, community development block grant	47,297,800
7	Special revenue funds:	
8	Private - special project advances	700,000
9	Industry support fees	5,000
10	Bond proceeds	200,000,000
11	State general fund/general purpose	\$ 34,432,300

12 PART 2

13 PROVISIONS CONCERNING APPROPRIATIONS

14 **GENERAL SECTIONS**

15 Sec. 201. Pursuant to section 30 of article IX of the state

16 constitution of 1963, total state spending from state resources

17 under part 1 for fiscal year 2005-2006 is \$6.13,392,300 and state

18 spending from state resources to be paid to local units of

19 government for fiscal year 2005-2006 is \$65,519,700. The itemized

20 statement below identifies appropriations from which spending to

21 units of local government will occur:

22 DEPARTMENT OF LABOR AND ECONOMIC GROWTH

23	Fire protection grants	\$ 10,921,000
24	Liquor law enforcement	12,201,100
25	Local manufactured housing inspections	250,000

1	Remonumentation grants	14,000,000
2	Fire fighters training council	1,700,000
3	Economic development job training grants	9,248,000
4	Welfare to work	<u>17,199,600</u>
5	Total department of labor and economic growth \$	65,519,700

6 Sec. 202. The appropriations authorized under this bill subject
7 to the management and budget act, 1984 PA 431, MCL 18.1101 to
8 18.1594.

9 Sec. 203. As used in this appropriation bill:

10 (a) "CEO" means chief executive officer of the Michigan
11 economic development corporation.

12 (b) "DAG" means the United States department of agriculture.

13 (c) "DED" means the United States department of education.

14 (d) "DED-OESE" means the DED office of elementary and secondary
15 education.

16 (e) "DED-OPSE" means the DED office of postsecondary education.

17 (f) "DED-OSERS" means the DED office of special education
18 rehabilitation services.

19 (g) "DED-OVAE" means the DED office of vocational and adult
20 education.

21 (h) "Department" means the department of labor and economic
22 growth, including the Michigan strategic fund.

23 (i) "Director" means the director of the department of labor
24 and economic growth.

25 (j) "DOE" means the United States department of energy.

26 (k) "DOE-OEERE" means the DOE office of energy efficiency and
27 renewable energy.

- 1 (l) "DOL" means the United States department of labor.
- 2 (m) "DOL-ETA" means the DOL employment and training
3 administration.
- 4 (n) "DOL-ODEP" means the DOL office of disability employment
5 policy.
- 6 (o) "DOT" means the United States department of transportation.
- 7 (p) "DOT-RSPA" means the DOT research and special programs
8 administration.
- 9 (q) "EEOC" means equal employment opportunity commission.
- 10 (r) "Fiscal agencies" means Michigan house fiscal agency and
11 Michigan senate fiscal agency.
- 12 (s) "FTE" means full-time equated.
- 13 (t) "Fund" means the Michigan strategic fund.
- 14 (u) "GED" means general education degree.
- 15 (v) "HHS" means the United States department of health and
16 human services.
- 17 (w) "HHS-SSA" means HHS social security administration.
- 18 (x) "HUD" means the United States department of housing and
19 urban development.
- 20 (y) "HUD-CPD" means HUD community planning and development.
- 21 (z) "IDG" means interdepartmental grant.
- 22 (aa) "MDCH" means the Michigan department of community health.
- 23 (bb) "MDEQ" means the Michigan department of environmental
24 quality.
- 25 (cc) "MEDC" means the Michigan economic development
26 corporation, which is the public body corporate created under
27 section 28 of article VII of the state constitution of 1963 and the

1 urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
2 124.512, by contractual interlocal agreement effective April 5,
3 1999, between local participating economic development corporations
4 formed under the economic development corporations act, 1974 PA
5 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

6 (dd) "MES" means Michigan employment security.

7 (ee) "METRO authority" means Metropolitan extension
8 telecommunications rights-of-way oversight authority

9 (ff) "MIOSHA" means Michigan occupational safety and health
10 administration.

11 (gg) "Subcommittees" means all members of the subcommittees of
12 the house and senate appropriations committees with jurisdiction
13 over the budget for the department.

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

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

26 (2) The state budget director may grant exceptions to this
27 hiring freeze when the state budget director believes that the

1 hiring freeze will result in rendering a state department or agency
2 unable to deliver basic services, cause loss of revenue to the
3 state, result in the inability of the state to receive federal
4 funds, or necessitate additional expenditures that exceed any
5 savings from maintaining a vacancy. The state budget director
6 shall report quarterly to the chairpersons of the senate and house
7 of representatives standing committees on appropriations the number
8 of exceptions to the hiring freeze approved during the previous
9 quarter and the reasons to justify the exception.

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

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

23 Sec. 210. The director shall take all reasonable steps to
24 ensure businesses in deprived and depressed communities compete for
25 and perform contracts to provide services or supplies, or both.
26 The director shall strongly encourage firms with which the
27 department contracts to subcontract with certified businesses in

1 depressed and deprived communities for services, supplies, or both.

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

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

15 Sec. 217. (1) Due to the current budgetary problems in this
16 state, out-of-state travel for the fiscal year ending September 30,
17 2006 shall be limited to situations in which 1 or more of the
18 following conditions apply:

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

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

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

27 (d) The travel is necessary to comply with federal

1 requirements.

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

4 (f) The travel is financed entirely by federal or nonstate
5 funds.

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

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

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

23 (b) The destination of each travel occurrence.

24 (c) The dates of each travel occurrence.

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

26 (e) The transportation and related costs of each travel
27 occurrence, including the proportion funded with state general

1 fund/general purpose revenues, the proportion funded with state
2 restricted revenues, the proportion funded with federal revenues,
3 and the proportion funded with other revenues.

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

6 Sec. 218. (1) In addition to the funds appropriated in part 1,
7 there is appropriated an amount not to exceed \$30,500,000.00 for
8 federal contingency funds. These funds are not available for
9 expenditure until they have been transferred to another line item
10 in this bill under section 393(2) of the department of management
11 and budget act, 1984 PA 431, MCL 18.1393.

12 (2) In addition to the funds appropriated in part 1, there is
13 appropriated an amount not to exceed \$13,200,000.00 for state
14 restricted contingency funds. These funds are not available for
15 expenditure until they have been transferred to another line item
16 in this bill under section 393(2) of the department of management
17 and budget act, 1984 PA 431, MCL 18.1393.

18 (3) In addition to the funds appropriated in part 1, there is
19 appropriated an amount not to exceed \$8,180,000.00 for local
20 contingency funds. These funds are not available for expenditure
21 until they have been transferred to another line item in this bill
22 under section 393(2) of the department of management and budget
23 act, 1984 PA 431, MCL 18.1393.

24 (4) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$550,000.00 for private
26 contingency funds. These funds are not available for expenditure
27 until they have been transferred to another line item in this bill

1 under section 393(2) of the department of management and budget
2 act, 1984 PA 431, MCL 18.1393.

3 **REGULATORY**

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

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

17 Sec. 303. The funds collected by the department from
18 corporations being liquidated pursuant to the insurance code of
19 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated
20 for all expenses necessary to provide for the required services.
21 Funds are available for expenditure when they are received by the
22 department of treasury and shall not lapse to the general fund at
23 the end of the fiscal year.

24 Sec. 304. The department may make available to interested
25 entities otherwise unavailable customized listings of
26 nonconfidential information in its possession, such as names and
27 addresses of licensees, and charge for this information as follows:

1 base fee for 1 to 1,000 records at the cost to the department;
2 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more
3 records at .5 cents per record. The revenue received from this
4 service may be used to offset expenses of programs as appropriated
5 in part 1. The balance of this revenue collected and unexpended at
6 the end of the fiscal year shall revert to the appropriate
7 restricted revenue account or fund or, in absence of such an
8 account or fund, to the general fund. The department shall submit
9 an annual report on or before December 1 of each year to the state
10 budget office and the subcommittees that states the amount of
11 revenue received from the sale of information.

12 Sec. 308. The funds collected by the department for licenses,
13 permits, and other elevator regulation fees set forth in R 408.8151
14 of the Michigan administrative code and as determined under section
15 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL
16 408.816, that are unexpended at the end of the fiscal year shall
17 carry forward to the subsequent fiscal year.

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

24 Sec. 310. Money appropriated under this bill for fire safety
25 programs shall not be expended unless, in accordance with section
26 2c of the fire prevention code, 1941 PA 207, MCL 29.2c, inspection
27 and plan review fees will be charged according to the following

1 schedule:

2 Operation and maintenance inspection fee

3 <u>Facility type</u>	4 <u>Facility size</u>	5 <u>Fee</u>
6 Hospitals	Any	\$10.00 per bed
7 <u>Plan review and construction inspection fees for hospitals, adult</u>		
8 <u>foster care, homes for aged, nursing homes, penal institutions, and</u>		
9 <u>schools</u>		

10 Project cost range (based on BCCFS Square

11 Foot Construction Cost Table)

12 <u>Foot Construction Cost Table)</u>	13 <u>Fee</u>
14 \$10,000.00 or less	minimum fee of \$155.00
15 \$10,001.00 to \$100,000.00	\$155.00 plus \$4.00 per
16	\$1,000.00 over \$10,000.00
17 \$100,001.00 or more	\$515.00 plus \$2.00 per
18	\$1,000.00 over \$100,000.00
19	or a maximum fee of \$60,000.00
20 Inspections where plan review	\$50.00 per hour
21 is not required	

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

27 Sec. 314. Funds earned or authorized by the United States
 department of labor in excess of the gross appropriation in part 1
 for the unemployment insurance agency and the employment service
 agency from the United States department of labor are appropriated
 and may be expended for staffing and related expenses incurred in

1 the operation of its programs. These funds may be spent after the
2 department notifies the state budget office and the subcommittees
3 of the purpose and amount of each grant award.

4 Sec. 315. The department shall sell documents at a price not to
5 exceed the cost of production and distribution. Money received
6 from the sale of these documents shall revert to the department.

7 The funds are available for expenditure when they are received by
8 the department of treasury and may only be used for costs directly
9 related to the continued updating and distribution of the documents
10 pursuant to this section. This section applies only for the

11 following documents:

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

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

18 (c) The Michigan liquor control code of 1998, 1998 PA 58, MCL
19 436.1101 to 436.2303.

20 (d) The mobile home commission act, 1987 PA 96, MCL 125.2301 to
21 125.2349; the business corporation act, 1972 PA 284, MCL 450.1101
22 to 450.2098; the nonprofit corporation act, 1982 PA 162, MCL
23 450.2101 to 450.3192; and the uniform securities act, 1964 PA 265,
24 MCL 451.501 to 451.818.

25 (e) Labor law books.

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

27 (g) Construction code manuals.

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

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

8 Sec. 326. The appropriation in part 1 for the Michigan
9 commission for the blind includes funds for case services. These
10 funds may be used for tuition payments for blind clients for the
11 school year beginning September 2005.

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

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

21 Sec. 356. Michigan commission for the blind shall work
22 collaboratively with service organizations to identify qualified
23 match dollars to maximize use of available federal funds.

24 Sec. 361. In addition to the amounts appropriated in part 1 for
25 the administration of the land bank fast track authority, the
26 authority may expend revenues received under the land bank fast
27 track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes

1 authorized by the bill including, but not limited to, the
2 acquisition, lease, management, demolition, maintenance, or
3 rehabilitation of real or personal property, payment of debt
4 service for notes or bonds issued by the authority, and other
5 expenses to clear or quiet title property held by the authority.

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

9 **WORKFORCE AND CAREER DEVELOPMENT**

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

16 Sec. 402. The Michigan rehabilitation service shall make every
17 effort to ensure that all sources of matching funds in this state
18 are used to obtain federal vocational rehabilitation funds. All
19 sources include, but are not limited to, privately raised funds to
20 support public nonprofit rehabilitation centers as permitted by the
21 rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718,
22 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to
23 795n, and 796 to 796l.

24 Sec. 403. The local match requirements for vocational
25 rehabilitation facilities establishment grants shall not exceed
26 21.3% for the fiscal year ending September 30, 2006.

27 Sec. 404. (1) Of the funds appropriated in part 1 for

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

17 (2) As a condition for receipt of the funds appropriated in part
18 1, the statewide independent living council and the Michigan
19 association of centers for independent living shall jointly produce
20 a report providing the following information:

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

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

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

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

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

12 (b) Information from each center for independent living
13 receiving funding through appropriations in part 1 detailing their
14 total budget for their most recently completed fiscal year as well
15 as the amount within that budget funded through the vocational
16 rehabilitation independent living grant program referenced in part
17 1, the total amount funded through other state agencies, the amount
18 funded through federal sources, and the amount funded through local
19 and private sources.

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

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

27 Sec. 405. (1) The appropriation in part 1 to the department for

1 the work first program shall be expended for grants which provide
2 employment and training services to family independence program
3 applicants and recipients and may be expended for grants that
4 provide employment and training services to former family
5 independence program recipients, as well as to recipients of
6 noncash public assistance, specifically child day care, Medicaid,
7 or food stamp benefits. The work first program, however, shall not
8 be construed to be an entitlement to services.

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

21 (3) The work first site shall identify the barriers which may
22 prevent the participant from obtaining employment and assist the
23 client in removing those barriers. The work first site shall also
24 identify appropriate education and job training programs which
25 would be available to the participant. The department shall
26 encourage the Michigan works! agencies to consider transportation
27 challenges for work first participants placed in employment. When

1 an individual is re-referred to work first because of an inability
2 to retain employment, the Michigan works! agencies shall confer
3 with the Michigan rehabilitation services, the family independence
4 agency, or other professionals if considered appropriate by the
5 Michigan works! agency to screen for and identify issues that are
6 preventing the participant from succeeding in the labor market.

7 Each Michigan works! agency shall determine locally the number of
8 times an individual may be re-referred back to the program before
9 consulting with other service agencies. If no prohibitive barriers
10 to work are found, the individual shall comply with the work first
11 program, or be subject to appropriate penalties.

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

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

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

25 (7) Work first program participants must receive or be provided
26 an explanation of the program including their benefits and
27 responsibilities before the job interview phase of the program.

1 This explanation shall include clear guidelines with regard to an
2 individual's eligibility for postemployment training support and
3 for applying hours in training toward work requirements.

4 (8) The department shall make every effort to place a minimum of
5 50% of clients who participate in the work first program in
6 positions that provide wages of \$8.00 per hour or more.

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

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

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

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

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

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

18 (12) Work first participants may meet the participation
19 requirement through a combination of work activities. The combined
20 work activities must equal the minimum number of hours required to
21 meet the federal participation requirements, 30 hours per week for
22 a single parent, 35 hours per week for a two-parent family (55
23 hours if utilizing federally funded daycare), and 20 hours per week
24 for single parents with a child under the age of six. The
25 following nine activities count towards the first 20 hours of
26 participation: unsubsidized employment; subsidized private sector
27 employment; subsidized public sector employment; work experience;

1 on-the-job training; job search and job readiness activities;
2 community service programs; vocational educational training; and
3 providing child care services to an individual who is participating
4 in a community service program. Above 20 hours per week, the
5 following three activities may also count as participation: job
6 skills training directly related to employment; education directly
7 related to employment; and satisfactory attendance at secondary
8 school or in a course of study leading to a certificate of general
9 equivalence. Vocational educational training may be no longer than
10 a total of twelve months.

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

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

1 categories.

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

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

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

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

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

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

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

22 Sec. 407. State and federal funds allocated to local workforce
23 development boards for disbursement shall not be expended unless
24 the local workforce development boards maintain a partnership with
25 governmental agencies, public school districts, and public colleges
26 located within the local service delivery area. Each board shall
27 appoint an education advisory group made up of high-level

1 administrators within local educational institutions, workforce
2 development board members, other employers, labor, academic
3 educators, and parents of public school pupils.

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

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

20 Sec. 410. (1) The department shall provide a disabled veterans
21 outreach program specialist or local veterans employment
22 representative, at each Michigan works! service center to the
23 extent possible based on available funding.

24 (2) The department shall ensure that each Michigan works!
25 service center shall have the necessary equipment to allow the
26 disabled veterans outreach specialist or local veterans employment
27 representative to perform his or her duties.

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

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

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

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

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

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

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

6 Sec. 418. (1) From the funds appropriated in part 1 for
7 postsecondary education, the department shall administer the Martin
8 Luther King, Jr.-Cesar Chavez-Rosa Parks education opportunity
9 competitive grant program appropriated in the higher education
10 appropriation act. The department's duties shall include:

11 (a) Establishing criteria and a process for awarding
12 competitive grants to increase the participation of
13 underrepresented minority students and to ensure their success in
14 postsecondary education institutions.

15 (b) Providing information about the program and application
16 process to public universities and community colleges.

17 (2) The department shall make grant awards for the program no
18 later than December 1 of each year.

19 (3) The department shall provide a report to the house and
20 senate appropriations committees, the house and senate fiscal
21 agencies, and the state budget director by February 1 of each year.
22 The report shall include at least the following information for
23 each program receiving funding in the prior school year, as
24 applicable:

25 (a) A description of the program.

26 (b) The total number of program participants.

27 (c) The number and percentage of program participants enrolled

1 in a postsecondary institution as a result of the program.

2 (d) The number and percentage of program participants
3 successfully completing their first year of college and enrolled
4 for a second year.

5 (e) The number and percentage of program participants who have
6 graduated.

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

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

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

27 Sec. 429. (1) As a condition for receipt of the funds

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

5 (a) Detailed expenditures for administration including salaries
6 and wages of employees.

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

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

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

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

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

16 **MICHIGAN STRATEGIC FUND**

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

1 fiscal year dependent on business demand and economic conditions.

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

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

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

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

25 (6) On or before October 1, the fund shall publish proposed
26 application criteria, instructions, and forms for use by eligible
27 applicants. The fund shall provide at least a 2-week period for

1 public comment prior to finalization of the application criteria,
2 instructions, and forms.

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

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

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

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

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

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

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

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

21 (b) Creation and/or retention of high wage and high skilled
22 level jobs.

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

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

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

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

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

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

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

27 (14) The fund shall provide to the state budget director and

1 the fiscal agencies by November 1 of each year a report on the
2 economic development job training grants. The report due by
3 November 1 shall provide this information for each grant or
4 contract awarded during the preceding full fiscal year. The report
5 shall contain all of the following:

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

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

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

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

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

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

21 Sec. 502. The Michigan growth capital fund shall be used to
22 develop the technology business sector in Michigan. The Michigan
23 growth capital fund will be used to encourage private and public
24 investment in the technology business sector, and all of the
25 following apply:

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

27 (b) Eligible uses of the Michigan growth capital fund include

1 investments in organizations and programs that promote the
2 development of new industry sectors in Michigan; inducements to
3 attract additional venture capital funds to finance technology
4 development; support organizations, initiatives, or events that
5 promote entrepreneurship; provide match for university federal
6 research grants; and support technology transfer and
7 commercialization programs with universities and the private
8 sector.

9 (c) The Michigan economic development corporation shall
10 administer the Michigan growth capital fund.

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

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

21 Sec. 503. Travel Michigan may establish and collect a fee to
22 cover the cost of materials and processing of photographic prints,
23 slides, videotapes, and travel product database information that
24 are requested by the media and other segments of the public and
25 private sectors. The fees collected shall be appropriated for all
26 expenses necessary to purchase and distribute these photographic
27 prints, slides, videotapes, and travel product database

1 information. The funds are available for expenditure when they are
2 received by the department of treasury.

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

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

- 19 (a) Travel Michigan.
- 20 (b) Michigan business development.
- 21 (c) Global business development.
- 22 (d) Small, minority, and disabled business services.
- 23 (e) Community development block grants.
- 24 (f) Strategic fund administration.
- 25 (g) Renaissance zones.
- 26 (h) Emerging business sectors and roundtables.
- 27 (i) Business and clean air ombudsman.

1 (j) Economic development job training grants.

2 (k) Community assistance team.

3 (l) Technology tri-corridor.

4 (m) Any other programs of the fund.

5 (2) The reports in subsection (1) shall be submitted by January

6 1. The report for each program in subsection (1)(a) through (m)
7 shall include details on the actual spending and number of FTEs for
8 that program for the previous fiscal year.

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

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

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

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

25 (2) Consideration may be given to purchases where the proposed
26 use of the land is consistent with a regional land use plan, will
27 result in the redevelopment of an economically distressed area, can

1 be supported by existing infrastructure, and will not cause shifts
2 in population away from the area's population centers.

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

9 Sec. 510. The appropriation in part 1 for the Michigan 21st
10 century jobs initiative is for the purposes of increasing the
11 amount of research and development taking place in Michigan
12 universities, companies, and non-profit research institutions and
13 accelerating the pace of commercialization in the fields of
14 advanced automotive technologies, advanced materials and
15 manufacturing, alternative energy technologies, life sciences and
16 homeland security. These funds shall be distributed and
17 administered in a manner authorized in implementing legislation.

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

23 Sec. 512. (1) From the general fund/general purpose
24 appropriations in part 1 to the fund and granted or transferred to
25 the Michigan economic development corporation, any unexpended or
26 unencumbered balance shall be disposed of in accordance with the
27 requirements in the management and budget act, 1984 PA 431, MCL

1 18.1101 to 18.1594, unless carryforward authorization has been
2 otherwise provided.

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

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

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

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

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

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

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

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

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

1 for the purposes described in this bill.

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

6 Sec. 518. (1) The funding appropriated in part 1 of 2000 PA 291
7 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, sales
24 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.

1 (b) Land or other facilities owned or operated by a gaming
2 facility.

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