

LABOR AND ECONOMIC GROWTH

Summary of FY 2008-09 Enacted Appropriations

2008 Public Act 251 (House Bill 5809)

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	FY 2007-08 YTD	FY 2008-09 Revised Exec	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Enacted	Difference: Enacted From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$34,472,800	\$30,724,200	\$30,724,200	\$30,724,300	\$30,774,200	(\$3,698,600)	(10.7)
Federal	820,712,500	875,637,300	831,637,300	875,637,200	874,942,400	54,229,900	6.6
Local	15,884,700	15,889,200	15,889,200	15,889,200	15,889,200	4,500	0.0
Private	5,314,300	5,314,300	5,314,300	5,314,300	5,314,300	0	0.0
Restricted	389,120,700	385,719,100	385,937,600	386,308,000	386,914,000	(2,206,700)	(0.6)
GF/GP	46,002,700	103,707,800	94,850,100	45,850,100	73,560,700	27,558,000	59.9
Gross	\$1,311,507,700	\$1,416,991,900	\$1,364,352,700	\$1,359,723,100	\$1,387,394,800	\$75,887,100	5.8
FTEs	4,351.0	4,358.5	4,351.0	4,353.5	4358.5	7.5	0.2

Note: FY 2007-08 figures reflect supplementals, Executive Orders, and legislative transfers through June 24, 2008.

Overview

The Department of Labor and Economic Growth (DLEG) has primary responsibility for the regulatory functions that relate specifically to commercial, business, and workers' issues. It also includes various employment training-related programs for displaced workers, adults, and youth, and employment services for the disabled as well as welfare recipients.

Major Budget Issues

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 Year to Date	Enacted Change From YTD
Items of Difference	Gross	\$184,587,800	\$65,440,800
1. Workforce Training Program Subgrantees	Federal	184,587,800	50,440,800
Increases federal Workforce Investment Act funding authorization by \$44.0 million and Trade Adjustment Assistance by \$6.4 million; adds \$15.0 million GF/GP for No Worker Left Behind.	GF/GP	\$0	\$15,000,000
2. Michigan Nursing Corps Program	Gross	\$1,500,000	\$3,500,000
Increases funding by \$3.5 million to train nursing faculty.	GF/GP	\$1,500,000	\$3,500,000
3. Office of Financial and Insurance Regulation	FTEs	298.0	50.0
Adds 50.0 FTEs and \$6.8 million to improve regulation or maintain statutorily-required regulatory activities related to mortgage lending, payday lending, securities, banking and credit unions, and insurance, and to carry out recently enacted legislation regarding mortgage loan officers and captive insurance companies. Adds \$1.4 million restricted for first year of a two-year IT project integrating OFIR's IT systems concerning insurance, banking, and credit union regulatory activities.	Gross	\$45,903,300	\$6,766,900
	Federal	50,400	0
	Restricted	45,852,900	6,766,900
4. Unemployment Fund Shift	Gross	\$133,380,400	\$1,357,700
Replaces \$9.4 million P&I funds in several BWUC administrative lines with GF/GP to free up P&I funds to pay borrowing costs on cash flow advances (loans) made by the Department of Labor. (2008 YTD includes a legislative transfer of \$8.0 million P&I for the same purpose.)	Federal	98,512,400	0
	Restricted	34,868,000	(8,000,000)
	GF/GP	\$0	\$9,357,700
5. Centers for Independent Living	Gross	\$3,079,700	\$500,000
Increases funding for centers for independent living, which provide supportive services to persons with disabilities, by \$500,000 (Corporations Fees)	Federal	870,200	0
	Private	100,000	0
	Restricted	0	500,000
	GF/GP	\$2,109,500	\$0

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 Year to Date	Enacted Change From YTD
6. State Office of Administrative Hearings and Rules Adds 7.0 FTEs and \$640,700 (IDG-DHS) to support the increased volume of administrative hearings concerning DHS benefits, 0.5 FTE and \$50,000 (IDG-DOE) for teacher tenure hearings, and \$382,500 (Federal) for IT costs for an integrated case management system.	FTE Gross IDG Federal Restricted	163.0 \$21,788,000 10,472,200 6,539,400 4,776,400	7.5 \$1,073,200 690,700 382,500 0
7. Jobs, Education, and Training (JET) Program Reduces by 36.0 positions and \$4.5 million (IDG-DHS) to more accurately reflect program personnel needs and to reflect lower than anticipated referrals to Michigan Rehabilitation Service.	FTE Gross IDG	93.0 \$22,877,800 22,877,800	(36.0) (\$4,467,600) (4,467,600)
8. MSHDA Payments on Behalf of Tenants Adds \$5.0 million Federal for payments on behalf of tenants in the low-income housing choice voucher program.	Gross Federal	\$140,000,000 140,000,000	\$5,000,000 5,000,000
9. Remonumentation Grants Decreases authorization for grants based on estimated revenue.	Gross Restricted	\$14,000,000 14,000,000	(\$3,000,000) (3,000,000)
10. Occupational Regulation (Commercial Services) Adds 11.0 FTEs and \$1.0 million to crack down on unlicensed activity within the accounting, real estate, and building construction industries.	FTEs Gross Restricted	156.0 \$17,651,200 17,651,200	11.0 \$1,050,000 1,050,000
11. LCC: Direct Shipper Enforcement Fund Adds \$120,000 from the Direct Shipper Enforcement Fund related to enforcement of regulations concerning the direct shipment of wine.	Gross Restricted	N/A N/A	\$120,000 120,000
12. Internal Audit Consolidation Reduces 5.0 FTEs related to consolidation of internal audit activities within DMB. Funding will remain within DLEG budget, and bill be recorded as an IDG in the DMB budget.	FTE Gross Federal Restricted	5.0 \$560,100 68,700 491,400	(5.0) \$0 0 0
13. Human Resources Consolidation Reduces 22.0 FTEs and \$2.4 million related to consolidation of human resources activities within DMB. Also eliminates \$259,700 in HR optimization charges	FTE Gross Federal Restricted	22.0 \$2,619,800 1,800,400 819,400	(22.0) (\$2,619,800) (1,800,400) (819,400)
14. Focus: HOPE Eliminates \$140,000 for a pilot study on improving job placement and retention of welfare recipients.	Gross Restricted	\$140,000 140,000	(\$140,000) (140,000)
15. Liquor Enforcement Grants Increases funding for liquor law enforcement grants from increased revenue generated from sale of development district and redevelopment project licenses.	Gross Restricted	\$6,507,000 6,507,000	\$93,000 93,000
16. Deaf and Hard of Hearing Interpreters Adds \$75,000 to expand availability of interpreters for the deaf and hard of hearing on account of increase revenue from interpreter testing fees.	Gross Restricted	N/A N/A	\$75,000 75,000
17. FY 2008-09 Economic Increases Includes contractual 1.0% wage increases and adjustments for insurance and retirement (includes \$119,000 Gross for DIT economics).	Gross IDG Federal Local Restricted GF/GP	N/A N/A N/A N/A N/A N/A	\$1,994,900 91,300 935,000 4,500 976,700 (\$12,600)

Major Boilerplate Changes From FY 2007-08

Sec. 222. Governmental Efficiency Commission – NEW

Adds a section requiring the department to review the determinations of the Legislative Commission on Governmental Efficiency to determine their applicability to the department and the costs and benefits of implementing recommendations.

Major Boilerplate Changes From FY 2007-08

Sec. 224. Out-of-State Travel for Training – NEW

Adds a section prohibiting out-of-state travel by more than one departmental employee for professional development or training, except where more than one person is required to attend and travel is funded by non-state resources.

Sec. 311. Construction Code Fund – NEW

Adds a section appropriating \$3.0 in surplus corporation fees (copy and certification fees) to the Construction Code Fund.

Sec. 370(2). Cities of Promise Allocation – DELETED

Deletes the intent language allocating at least \$750,000 from blight elimination program to Saginaw and Flint.

Sec. 378. SOAHR Decisions in Public Assistance Cases – NEW

Adds intent language for the State Office of Administrative Hearings and Rules to work the Center for Civil Justice to develop by March 31, 2009 a system to post SOAHR decisions concerning Medicaid and cash, emergency, and food assistance on-line.

Sec. 404. Vocational Rehabilitation Independent Living – REVISED

Specifies that funds appropriated for vocational rehabilitation independent living not used to match federal funding to be used by existing sites to serve underserved areas.

Sec. 407. Workforce Development Boards – REVISED

Permits local workforce development boards to add to the education advisory group representatives of organizations that provide school-based curriculum and youth programs on entrepreneurship, work-readiness skills, and financial literacy.

Sec. 432. No Worker Left Behind Report – REVISED

Changes the dates for the NLWB program reporting requirement from a report due 7/1/2008 for the period 8/1/2007 to 5/30/2008 to a report by 12/15/2009 for the period 10/1/2008 - 9/30/2009, adds a report by 12/15/2008 for the period 10/1/2007 - 9/30/2008, and requires that the reports include information about the amount expended (listed by fund source) for the program.

Sec. 432a. No Worker Left Behind – NEW

Adds a section allocating the \$15.0 million GF/GP appropriated for NWLB in part 1 to (1) \$2.5 million to \$5.0 million for adult basic education, remedial education, and other training for individuals not ready for post-secondary training; (2) \$2.5 million to \$5.0 million for capacity building at community colleges and other public, associate's degree-granting institutions; and the available balance for worker training in in-demand fields. Also, it (1) requires the department to convene a workgroup to explore ways to improve collaboration in adult education; (2) requires the department to develop a data collection system on available training in in-demand occupations; (3) requires the GF/GP funds be distributed in a manner that maximizes participation of food assistance recipients; and (4) requires a report on how GF/GP funds were distributed.

Sec. 437. Welfare to Work – REVISED

Adds new language allocating \$200,000 for one grant to expand a program of an employer that (1) focuses on retaining low-wage workers receiving public assistance; (2) has at least an 80% retention rate; (3) includes more than one employer; (4) has a DHS caseworker on the employer's worksite; splits the costs of the case worker with federal TANF funds and the employer's own funds; (6) provides life and work-related skills training; (7) impacts at least three counties; and (8) includes partnerships with local government, nonprofits, and community colleges.

Sec. 439. Land Bank Fast Track Authority – DELETED

Deletes the allocation of \$400,000 from LBFTA funds appropriated in part 1 to be used for additional maintenance or demolition of tax reverted property.

Sec. 439. Focus: HOPE Career Prep Pilot Program – NEW

Adds intent language that the department work with Career Alliance (Genesee-Shiawassee Michigan Works! Agency) and other interested MWAs in implementing the Career Prep pilot program developed the Focus: HOPE from funding provided in FY 2007-08 budget.

Sec. 440. Gang Diversion – NEW

Adds language setting aside a portion of the WIA Statewide Activities funds to support coordinated activities of the local Michigan Works! agency and law enforcement for gang diversion activities and support services to at-risk youth Wyoming, Detroit, and Benton Harbor.

Sec. 442. Temporary Assistance for Need Families Contingency Funds – NEW

Adds a section appropriating up to \$30.0 million in TANF funds, upon the receipt in TANF Contingency Funds in FY 2007-08, and subsequent carryforward of TANF block grant funds in FY 2008-09. The funds are to be allocated to the JET program for enhanced employment and training services. The Governor vetoed an allocation of \$2.0 million to the Michigan Housing and Community Development Fund.