

**SUBSTITUTE FOR
HOUSE BILL NO. 5957**

A bill to amend 1966 PA 331, entitled
"Community college act of 1966,"
by amending sections 161 and 162 (MCL 389.161 and 389.162), as
added by 2008 PA 359, and by adding section 162a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 161. As used in this chapter:

2 (a) "Agreement" means a written agreement between an employer
3 and a community college district concerning a project and any
4 amendments to that agreement.

5 (b) "Bond" or "bonds" means bonds, notes, or other debt issued
6 by a community college district under this chapter.

7 (c) "Employer" means a person that is engaged in business and
8 has employees in this state.

9 (d) "New job" means a full-time job in this state that meets

1 all of the following:

2 (i) Except as provided in subparagraph (ii) or (iii), is a new,
3 existing, or expanding business of an employer.

4 (ii) Is not a job of a recalled worker, a replacement job, or
5 any other job that existed in the employer's business within the 1-
6 year period preceding the date of an agreement.

7 (iii) Is not a job that is part of an employer's business
8 operation located in a municipality in this state, if that job
9 existed in a business operation or a substantially similar business
10 operation of the employer formerly located in another municipality
11 in this state, the employer moved that business operation or
12 substantially similar business operation to its current location,
13 and the employer closed or substantially reduced that former
14 business operation or substantially similar business operation.

15 (iv) Results in a net increase in employment in this state for
16 that employer.

17 (v) The ~~wage paid for the job is~~ **COMPENSATION FOR THE JOB**

18 **MEETS EITHER OF THE FOLLOWING:**

19 (A) **IT PAYS WAGES THAT ARE** equal to or ~~exceeds~~ **EXCEED** 175% of
20 the state minimum wage.

21 (B) **IT INCLUDES FAMILY HEALTH BENEFITS PROVIDED AND PAID FOR**
22 **BY THE EMPLOYER AND PAYS WAGES THAT ARE EQUAL TO OR EXCEED 150% OF**
23 **THE FEDERAL MINIMUM WAGE.**

24 (e) "New jobs credit from withholding" means the credit
25 established in section 163.

26 (f) "New jobs training program" or "program" means the project
27 or projects established by a community college district for the

1 creation of jobs by providing education and training or retraining
2 of workers for new jobs.

3 (g) "Program costs" mean all necessary and incidental costs of
4 providing program services.

5 (h) "Program services" include, but are not limited to, any of
6 the following:

7 (i) Training or retraining for new jobs.

8 (ii) Adult basic education and job-related instruction.

9 (iii) Developmental, readiness, and remedial education.

10 (iv) Vocational and skill-assessment services and testing.

11 (v) Training facilities, equipment, materials, and supplies.

12 (vi) Administrative expenses for the new jobs training program.

13 (vii) Subcontracted services with public universities and
14 colleges in this state, private colleges or universities, or any
15 federal, state, or local departments or agencies.

16 (viii) Contracted or professional services.

17 (i) "Project" means a training arrangement that is the subject
18 of an agreement entered into between the community college district
19 and an employer to provide program services.

20 (j) "State minimum wage" means the minimum hourly wage rate
21 under the minimum wage law of 1964, 1964 PA 154, MCL 408.381 to
22 408.398.

23 Sec. 162. (1) Subject to subsection (4), a community college
24 district may enter into an agreement to establish a project with an
25 employer engaged in business activities anywhere in the state. An
26 agreement shall meet section 163 and all of the following:

27 (a) Shall provide for program costs that may be paid from a

1 new jobs credit from withholding, to be received or derived from
2 new employment resulting from the project, or from tuition, student
3 fees, or special charges fixed by the board of trustees to defray
4 program costs in whole or in part.

5 (b) Shall contain an estimate of the number of new jobs to be
6 created by the employer.

7 (c) Shall include a provision that fixes, on a quarterly
8 basis, the minimum amount of new jobs credit from withholding to be
9 paid for program costs.

10 (d) Shall provide that if the amount received from the new
11 jobs credit from withholding is insufficient to pay program costs,
12 the employer agrees to provide money, at least quarterly, to make
13 up the shortfall, so that the community college district receives
14 for each quarter the minimum amount of new jobs credit from
15 withholding that is provided in the agreement.

16 (e) Shall include the employer's agreement to mortgage,
17 assign, pledge, or place a lien on any real or personal property as
18 required by the community college district as security for its
19 obligations under the agreement.

20 (f) Shall provide for payment of an administrative fee to the
21 community college district in an amount equal to 15% of the
22 aggregate amount to be paid under the agreement, **WHICH THE**
23 **COMMUNITY COLLEGE SHALL ALLOCATE AS FOLLOWS:**

24 (i) **FOURTEEN PERCENT RETAINED BY THE COMMUNITY COLLEGE FOR ITS**
25 **ADMINISTRATIVE COSTS.**

26 (ii) **ONE PERCENT PAID TO THE DEPARTMENT OF TREASURY FOR DEPOSIT**
27 **INTO THE NEW JOBS TRAINING PROGRAM ADMINISTRATION FUND CREATED IN**

1 **SECTION 162A.**

2 (g) May contain other provisions the community college
3 district considers appropriate or necessary.

4 (2) Any payments required to be made by an employer under an
5 agreement are a lien on the employer's business property, real and
6 personal, until paid, have equal precedence with property taxes,
7 and shall not be divested by a judicial sale. Property subject to
8 the lien established in this subsection may be sold for sums due
9 and delinquent at a tax sale, with the same forfeitures, penalties,
10 and consequences as for the nonpayment of property taxes. The
11 purchaser at tax sale obtains the property subject to the remaining
12 payments required under the agreement.

13 (3) A community college district shall file a copy of an
14 agreement with the department of treasury promptly after its
15 execution.

16 (4) A community college district shall not enter into any new
17 agreements after December 31, 2018.

18 **SEC. 162A. THE NEW JOBS TRAINING ADMINISTRATION FUND IS**
19 **CREATED IN THE STATE TREASURY. ALL OF THE FOLLOWING APPLY TO THE**
20 **NEW JOBS TRAINING ADMINISTRATION FUND:**

21 **(A) THE STATE TREASURER MAY RECEIVE MONEY RECEIVED FROM A**
22 **COMMUNITY COLLEGE UNDER SECTION 162(1)(F), MONEY APPROPRIATED TO**
23 **THE FUND, OR MONEY OR OTHER ASSETS FROM ANY OTHER SOURCE FOR**
24 **DEPOSIT INTO THE FUND.**

25 **(B) THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE**
26 **FUND. THE STATE TREASURER SHALL CREDIT TO THE FUND INTEREST AND**
27 **EARNINGS FROM FUND INVESTMENTS.**

1 (C) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL
2 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

3 (D) THE DEPARTMENT OF TREASURY IS THE ADMINISTRATOR OF THE
4 FUND FOR AUDITING PURPOSES.

5 (E) THE DEPARTMENT OF TREASURY SHALL EXPEND MONEY FROM THE
6 FUND ONLY TO ADMINISTER THIS CHAPTER.