

SUBSTITUTE FOR
SENATE BILL NO. 148

A bill to make appropriations for the department of talent and economic development for the fiscal year ending September 30, 2020; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. There is appropriated for the department of talent
4 and economic development for the fiscal year ending September 30,
5 2020, from the following funds:

6 DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT

7 (1) APPROPRIATION SUMMARY

8	Full-time equated unclassified positions.....	6.0
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9 Full-time equated classified positions..... 1,450.0

10	GROSS APPROPRIATION.....	\$ 1,107,257,100
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1	Interdepartmental grant revenues:	
2	Total interdepartmental grants and intradepartmental	
3	transfers	0
4	ADJUSTED GROSS APPROPRIATION.....	\$ 1,107,257,100
5	Federal revenues:	
6	Total federal revenues.....	762,145,800
7	Special revenue funds:	
8	Total local revenues.....	500,000
9	Total private revenues.....	5,628,300
10	Total other state restricted revenues.....	193,074,600
11	State general fund/general purpose.....	\$ 145,908,400
12	(2) DEPARTMENTAL ADMINISTRATION AND SUPPORT	
13	Full-time equated unclassified positions.....	6.0
14	Full-time equated classified positions.....	32.0
15	Unclassified positions--6.0 FTE positions.....	\$ 1,153,200
16	Executive direction and operations--32.0 FTE positions	<u>7,120,000</u>
17	GROSS APPROPRIATION.....	\$ 8,273,200
18	Appropriated from:	
19	Federal revenues:	
20	DOL-ETA, unemployment insurance.....	1,759,100
21	DOL, federal funds.....	3,201,600
22	Federal funds.....	2,500,000
23	Special revenue funds:	
24	Michigan state housing development authority fees and	
25	charges	608,500
26	State general fund/general purpose.....	\$ 204,000
27	(3) MICHIGAN STRATEGIC FUND	

1	Full-time equated classified positions.....	157.0	
2	Administrative services--37.0 FTE positions		\$ 3,082,600
3	Arts and cultural program.....		10,150,000
4	Business attraction and community revitalization		102,629,900
5	Community college skilled trades equipment program debt		
6	service		4,600,000
7	Community development block grants.....		47,000,000
8	Entrepreneurship ecosystem.....		13,650,000
9	Facility for rare isotope beams debt service		7,300,000
10	Job creation services--120.0 FTE positions		22,695,200
11	Pure Michigan.....		37,500,000
12	Michigan enhancement grants.....		<u>100</u>
13	GROSS APPROPRIATION.....		\$ 248,607,800
14	Appropriated from:		
15	Federal revenues:		
16	HUD-CPD, community development block grant		49,773,300
17	NFAH-NEA, promotion of the arts, partnership		
18	agreements		1,050,000
19	Special revenue funds:		
20	Private - special project advances		250,000
21	Private - Michigan council for the arts fund.....		100,000
22	21st century jobs trust fund.....		75,000,000
23	Contingent fund, penalty and interest.....		4,600,000
24	Michigan film promotion fund.....		402,200
25	Michigan state housing development authority fees		
26	and charges		4,616,600
27	State general fund/general purpose		\$ 112,815,700

1 **(4) TALENT INVESTMENT AGENCY**

2	Full-time equated classified positions.....	962.0	
3	At-risk youth grants.....	\$	4,000,000
4	Community ventures.....		4,000,000
5	Executive direction--14.0 FTE positions.....		3,498,500
6	Going pro talent fund.....		37,920,700
7	Information technology services and projects - TIA...		22,721,300
8	Michigan Works!.....		130,800,000
9	Unemployment insurance agency--743.0 FTE positions...		136,006,400
10	Unemployment insurance agency advocacy assistance....		1,500,000
11	Workforce development programs.....		248,924,900
12	Workforce program administration--205.0 FTE positions		<u>36,262,100</u>
13	GROSS APPROPRIATION.....	\$	625,633,900
14	Appropriated from:		
15	Federal revenues:		
16	DAG, employment and training.....		4,000,400
17	DED-OESE, GEAR-UP.....		4,730,700
18	DED-OVAE, adult education.....		20,000,000
19	DED-OVAE, basic grants to states.....		19,000,000
20	DOL, federal funds.....		107,401,100
21	DOL-ETA, unemployment insurance.....		140,242,000
22	DOL-ETA, workforce investment act.....		173,488,600
23	Federal funds.....		3,440,200
24	Social security act, temporary assistance to needy		
25	families		63,698,800
26	Special revenue funds:		
27	Local revenues.....		500,000

1	Private funds.....	5,278,300
2	Contingent fund, penalty and interest account	52,287,500
3	Defaulted loan collection fees.....	170,000
4	State general fund/general purpose.....	\$ 31,396,300
5	(5) LAND BANK FAST TRACK AUTHORITY	
6	Full-time equated classified positions..... 9.0	
7	Land bank fast track authority--9.0 FTE positions	\$ <u>4,290,800</u>
8	GROSS APPROPRIATION.....	\$ 4,290,800
9	Appropriated from:	
10	Federal revenues:	
11	Federal revenues.....	1,000,000
12	Special revenue funds:	
13	Land bank fast track fund.....	1,798,400
14	State general fund/general purpose.....	\$ 1,492,400
15	(6) MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY	
16	Full-time equated classified positions..... 290.0	
17	Housing and rental assistance--290.0 FTE positions ...	\$ 46,022,200
18	Lighthouse preservation program.....	307,500
19	Michigan state housing development authority	
20	technology services and projects.....	3,651,800
21	Payments on behalf of tenants.....	166,860,000
22	Property management.....	<u>3,609,900</u>
23	GROSS APPROPRIATION.....	\$ 220,451,400
24	Appropriated from:	
25	Federal revenues:	
26	HUD, lower income housing assistance.....	166,860,000
27	Special revenue funds:	

1	Michigan lighthouse preservation fund.....	307,500
2	Michigan state housing development authority fees	
3	and charges	53,283,900
4	State general fund/general purpose.....	\$ 0

5 PART 2

6 PROVISIONS CONCERNING APPROPRIATIONS

7 FOR FISCAL YEAR 2019-2020

8 **GENERAL SECTIONS**

9 Sec. 201. In accordance with section 30 of article IX of
 10 the state constitution of 1963, total state spending from state
 11 sources under part 1 for fiscal year 2019-2020 is \$338,983,000.00
 12 and state spending from state sources to be paid to local units of
 13 government for fiscal year 2019-2020 is \$37,598,800.00. The
 14 itemized statement below identifies appropriations from which
 15 spending to local units of government will occur:

16 DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT

17	Arts and cultural program.....	\$ 1,000,000
18	Going pro.....	25,918,800
19	Welfare-to-work programs.....	<u>10,680,000</u>
20	TOTAL	\$ 37,598,800

21 Sec. 202. The appropriations authorized under this part and
 22 part 1 are subject to the management and budget act, 1984 PA 431,
 23 MCL 18.1101 to 18.1594.

24 Sec. 203. As used in this part and part 1:

25 (a) "DED" means the United States Department of Education.

1 (b) "DED-OESE" means the DED Office of Elementary and
2 Secondary Education.

3 (c) "DED-OPSE" means the DED Office of Postsecondary
4 Education.

5 (d) "DED-OVAE" means the DED Office of Vocational and Adult
6 Education.

7 (e) "Department" means the department of talent and economic
8 development.

9 (f) "Director" means the director of the department.

10 (g) "DOE-OEERE" means the United States Department of Energy,
11 Office of Energy Efficiency and Renewable Energy.

12 (h) "DOL" means the United States Department of Labor.

13 (i) "DOL-ETA" means the United States Department of Labor,
14 Employment and Training Administration.

15 (j) "FTE" means full-time equated.

16 (k) "Fund" means the Michigan strategic fund.

17 (l) "GEAR-UP" means gaining early awareness and readiness for
18 undergraduate programs.

19 (m) "GED" means a general educational development certificate.

20 (n) "GF/GP" means general fund/general purpose.

21 (o) "HHS" means the United States Department of Health and
22 Human Services.

23 (p) "HHS-OS" means the HHS Office of the Secretary.

24 (q) "HHS-SSA" means the HHS Social Security Administration.

25 (r) "HUD" means the United States Department of Housing and
26 Urban Development.

27 (s) "HUD-CPD" means the United States Department of Housing

1 and Urban Development - Community Planning and Development.

2 (t) "IDG" means interdepartmental grant.

3 (u) "MCL" means the Michigan Compiled Laws.

4 (v) "MDE" means the Michigan department of education.

5 (w) "MDHHS" means the Michigan department of health and human
6 services.

7 (x) "MEDC" means the Michigan economic development
8 corporation, which is the public body corporate created under
9 section 28 of article VII of the state constitution of 1963 and the
10 urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
11 124.512, by contractual interlocal agreement effective April 5,
12 1999, between local participating economic development corporations
13 formed under the economic development corporations act, 1974 PA
14 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund.

15 (y) "MEGA" means the Michigan economic growth authority.

16 (z) "MSF" means the Michigan strategic fund.

17 (aa) "MSHDA" means the Michigan state housing development
18 authority.

19 (bb) "NFAH-NEA" means the National Foundation of the Arts and
20 the Humanities - National Endowment for the Arts.

21 (cc) "PA" means public act.

22 (dd) "PATH" means Partnership. Accountability. Training. Hope.

23 (ee) "RFP" means a request for a proposal.

24 (ff) "SIGMA" means statewide integrated governmental
25 management applications.

26 (gg) "WDA" means the workforce development agency.

27 Sec. 204. The departments and agencies receiving

1 appropriations in part 1 shall use the internet to fulfill the
2 reporting requirements of this part. This requirement may include
3 transmission of reports via electronic mail to the recipients
4 identified for each reporting requirement, or it may include
5 placement of reports on an internet or intranet site.

6 Sec. 205. Funds appropriated in part 1 shall not be used for
7 the purchase of foreign goods or services, or both, if
8 competitively priced and of comparable quality American goods or
9 services, or both, are available. Preference shall be given to
10 goods or services, or both, manufactured or provided by Michigan
11 businesses, if they are competitively priced and of comparable
12 quality. In addition, preference should be given to goods or
13 services, or both, that are manufactured or provided by Michigan
14 businesses owned and operated by veterans, if they are
15 competitively priced and of comparable quality.

16 Sec. 206. The director shall take all reasonable steps to
17 ensure businesses in deprived and depressed communities compete for
18 and perform contracts to provide services or supplies, or both. The
19 director shall strongly encourage firms with which the department
20 contracts to subcontract with certified businesses in depressed and
21 deprived communities for services, supplies, or both.

22 Sec. 207. The departments and agencies receiving
23 appropriations in part 1 shall prepare a report on out-of-state
24 travel expenses not later than January 1 of each year. The travel
25 report shall be a listing of all travel by classified and
26 unclassified employees outside this state in the immediately
27 preceding fiscal year that was funded in whole or in part with

1 funds appropriated in the department's budget. The report shall be
2 submitted to the house and senate standing committees on
3 appropriations, the chairpersons of the relevant appropriations
4 subcommittees, the house and senate fiscal agencies, and the state
5 budget director. The report shall include the following
6 information:

7 (a) The dates of each travel occurrence.

8 (b) The transportation and related costs of each travel
9 occurrence, including the proportion funded with state GF/GP
10 revenues, the proportion funded with state restricted revenues, the
11 proportion funded with federal revenues, and the proportion funded
12 with other revenues.

13 Sec. 208. Funds appropriated in part 1 shall not be used by a
14 principal executive department, state agency, or authority to hire
15 a person to provide legal services that are the responsibility of
16 the attorney general. This prohibition does not apply to legal
17 services for bonding activities and for those outside legal
18 services that the attorney general authorizes.

19 Sec. 209. Not later than November 30, the state budget office
20 shall prepare and transmit a report that provides for estimates of
21 the total GF/GP appropriation lapses at the close of the prior
22 fiscal year. This report shall summarize the projected year-end
23 GF/GP appropriation lapses by major departmental program or program
24 areas. The report shall be transmitted to the chairpersons of the
25 senate and house appropriations committees and the senate and house
26 fiscal agencies.

27 Sec. 211. The department shall cooperate with the department

1 of technology, management, and budget to maintain a searchable
2 website that is updated at least quarterly and that is accessible
3 by the public at no cost that includes, but is not limited to, all
4 of the following for each department or agency:

5 (a) Fiscal year-to-date expenditures by category.

6 (b) Fiscal year-to-date expenditures by appropriation unit.

7 (c) Fiscal year-to-date payments to a selected vendor,
8 including the vendor name, payment date, payment amount, and
9 payment description.

10 (d) The number of active department employees by job
11 classification.

12 (e) Job specifications and wage rates.

13 Sec. 212. Within 14 days after the release of the executive
14 budget recommendation, the department shall cooperate with the
15 state budget director to provide the senate and house of
16 representatives standing committees on appropriations, the relevant
17 senate and house of representatives subcommittees, and the senate
18 and house fiscal agencies with an annual report on estimated state
19 restricted fund balances, state restricted fund projected revenues,
20 and state restricted fund expenditures for the fiscal years ending
21 September 30, 2019 and September 30, 2020.

22 Sec. 213. The department shall maintain, on a publicly
23 accessible website, a department or agency scorecard that
24 identifies, tracks, and regularly updates key metrics that are used
25 to monitor and improve the department's or agency's performance.

26 Sec. 214. Total authorized appropriations from all sources
27 under part 1 for legacy costs for the fiscal year ending September

1 30, 2020 are \$28,950,500.00. From this amount, total agency
2 appropriations for pension-related legacy costs are estimated at
3 \$14,073,500.00. Total agency appropriations for retiree health care
4 legacy costs are estimated at \$14,877,000.00.

5 Sec. 215. Federal pass-through funds to local institutions and
6 governments that are received in amounts in addition to those
7 included in part 1 and that do not require additional state
8 matching funds are appropriated for the purposes intended. The
9 department may carry forward into the succeeding fiscal year
10 unexpended federal pass-through funds to local institutions and
11 governments that do not require additional state matching funds.
12 The department shall report the amount and source of the funds to
13 the relevant senate and house appropriation subcommittees, the
14 senate and house fiscal agencies, and the state budget office
15 within 10 business days after receiving any additional pass-through
16 funds.

17 Sec. 216. The department shall receive and retain copies of
18 all reports funded from appropriations in part 1. Federal and state
19 guidelines for short-term and long-term retention of records shall
20 be followed. The department may electronically retain copies of
21 reports unless otherwise required by federal and state guidelines.

22 Sec. 217. General fund appropriations in part 1 shall not be
23 expended for items in cases where federal funding or private grant
24 funding is available for the same expenditures.

25 Sec. 218. A department or state agency shall not take
26 disciplinary action against an employee for communicating with a
27 member of the legislature or his or her staff.

1 Sec. 221. The department shall report no later than April 1 on
2 each specific policy change made to implement a public act
3 affecting the department that took effect during the prior calendar
4 year to the senate and house of representatives standing committees
5 on appropriations subcommittees on general government, the joint
6 committee on administrative rules, and the senate and house fiscal
7 agencies.

8 Sec. 222. As a condition of receiving funds in part 1, the
9 department shall utilize SIGMA as an appropriation and expenditure
10 reporting system to track all financial transactions with
11 individual vendors, contractual partners, grantees, recipients of
12 business incentives, and recipients of other economic assistance.
13 The department shall report encumbrances and expenditures in a
14 timely manner.

15 Sec. 223. From the funds appropriated in part 1, the
16 department of talent and economic development, Michigan strategic
17 fund, and Michigan state housing development authority shall not
18 use funds for broadband construction, expansion, repairs, or
19 upgrades or to issue or refinance bonds for broadband construction,
20 expansion, repairs, or upgrades.

21 **MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

22 Sec. 390. MSHDA shall annually present a report to the state
23 budget office and the subcommittees on the status of the
24 authority's housing production goals under all financing programs
25 established or administered by the authority. The report shall give
26 special attention to efforts to raise affordable multifamily
27 housing production goals.

1 Sec. 394. In addition to the funds appropriated in part 1, the
2 funds collected by state historic preservation programs for
3 document reproduction and services and application fees are
4 appropriated for all expenses necessary to provide the required
5 services. These funds are available for expenditure when they are
6 received and may be carried forward into the succeeding fiscal
7 year.

8 **LAND BANK FAST TRACK AUTHORITY**

9 Sec. 395. In addition to the amounts appropriated in part 1,
10 the land bank fast track authority may expend revenues received
11 under the land bank fast track act, 2003 PA 258, MCL 124.751 to
12 124.774, for the purposes authorized by the act, including, but not
13 limited to, the acquisition, lease, management, demolition,
14 maintenance, or rehabilitation of real or personal property,
15 payment of debt service for notes or bonds issued by the authority,
16 and other expenses to clear or quiet title property held by the
17 authority.

18 **MICHIGAN STRATEGIC FUND**

19 Sec. 404. As a condition of receiving funds appropriated in
20 part 1, the MSF shall provide all information required to be
21 transmitted in the activities report required under section 9 of
22 the Michigan strategic fund act, 1984 PA 270, MCL 125.2009, to the
23 chairpersons of the senate and house of representatives standing
24 committees on appropriations, the relevant chairpersons of the
25 senate and house of representatives standing committees on
26 appropriations subcommittees, the senate and house fiscal agencies,

1 and the state budget office by March 15.

2 Sec. 405. In addition to the appropriations in part 1, Travel
3 Michigan may receive and expend private revenue related to the use
4 of "Pure Michigan" and all other copyrighted slogans and images.
5 This revenue may come from the direct licensing of the name and
6 image or from the royalty payments from various merchandise sales.
7 Revenue collected is appropriated for the marketing of the state as
8 a travel destination. The funds are available for expenditure when
9 they are received by the department of treasury. If the fund
10 receives revenues from the use of "Pure Michigan", the fund shall
11 provide a report that lists the revenues by source received from
12 the use of "Pure Michigan" and all other copyrighted slogans and
13 images. The fund shall include in the report a detailed list of
14 expenditures of revenues received under this section. The fund
15 shall provide the report to the chairpersons of the senate and
16 house of representatives standing committees on appropriations, the
17 relevant house and senate appropriations subcommittees, the house
18 and senate fiscal agencies, and the state budget office by March 1.

19 Sec. 406. (1) As a condition of receiving funds appropriated
20 in part 1, the fund shall provide a report of all approved
21 amendments to projects for the immediately preceding year under
22 sections 88r and 90b of the Michigan strategic fund act, 1984 PA
23 270, MCL 125.2088r and 125.2090b. The report shall provide a
24 description of each amendment, by award, that includes, but is not
25 limited to, the following:

26 (a) The amended award amount relative to the prior award
27 amount.

1 (b) The amended number of committed jobs relative to the prior
2 number of committed jobs.

3 (c) The amended amount of qualified investment committed
4 relative to the prior amount of qualified investment committed.

5 (d) A description of any change in scope of the project.

6 (e) A description of any change in project benchmarks,
7 deadlines, or completion dates.

8 (f) The reason or justification for the amendment approval.

9 (2) In addition to being posted online, the fund shall
10 distribute the report to the chairpersons of the senate and house
11 of representatives standing committees on appropriations, the
12 chairpersons of the relevant senate and house of representatives
13 appropriations subcommittees, the senate and house fiscal agencies,
14 and the state budget office by March 15.

15 Sec. 407. (1) As a condition of receiving funds appropriated
16 in part 1, the fund shall request the following information from
17 the MEDC:

18 (a) Approved budget from the MEDC executive committee for the
19 current fiscal year and actual budget expenditures for the
20 preceding fiscal years.

21 (b) Expenditures and revenues as part of the current and
22 preceding year budgets, including the available fund balance for
23 the current and preceding fiscal years.

24 (c) The total number of FTEs, by state and corporate status.

25 (d) A reporting of activities, programs, and grants consistent
26 with the preceding fiscal year budget.

27 (2) Information received by the fund under this section shall

1 be posted online and distributed to the chairpersons of the senate
2 and house of representatives standing committees on appropriations,
3 the chairpersons of the relevant senate and house of
4 representatives standing committees on appropriations
5 subcommittees, the senate and house fiscal agencies, and the state
6 budget office by March 15.

7 Sec. 408. As a condition of receiving funds under part 1, any
8 interlocal agreement entered into by the fund shall include
9 language that states that if a local unit of government has a
10 contract or memorandum of understanding with a private economic
11 development agency, the MEDC will work cooperatively with that
12 private organization in that local area.

13 Sec. 409. (1) Of the funds appropriated to the fund or through
14 grants to the MEDC, funds shall not be expended for the purchase of
15 options on land or the purchase of land unless at least 1 of the
16 following conditions applies:

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

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

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

26 (3) If land or options on land are purchased under subsection
27 (1), the fund shall provide a report to the senate and house of

1 representatives standing committees on appropriations, the relevant
2 senate and house of representatives appropriations subcommittees,
3 the senate and house fiscal agencies, and the state budget office
4 that provides a list of all properties purchased, all options on
5 land purchased, the location of the land purchased, and the
6 purchase price if the fund purchases options on land or land. The
7 report must be submitted before March 15.

8 (4) As used in this section, "economically distressed area"
9 means an area in a city, village, or township that has been
10 designated as blighted; a city, village, or township that shows
11 negative population change from 1970 and a poverty rate and
12 unemployment rate greater than the statewide average; or an area
13 certified as a neighborhood enterprise zone under the neighborhood
14 enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786.

15 Sec. 410. As a condition for receiving funds in part 1, not
16 later than March 15, the fund shall provide a report for the
17 immediately preceding fiscal year on the jobs for Michigan
18 investment fund, created in section 88h of the Michigan strategic
19 fund act, 1984 PA 270, MCL 125.2088h. The fund shall submit the
20 report to the chairpersons of the senate and house of
21 representatives standing committees on appropriations, the
22 chairpersons of the relevant senate and house of representatives
23 appropriations subcommittees, the senate and house fiscal agencies,
24 and the state budget office. The report shall include, but is not
25 limited to, all of the following:

26 (a) A detailed listing of revenues, by fund source, to the
27 jobs for Michigan investment fund, including the manner and reason

1 for which the funds were appropriated to the jobs for Michigan
2 investment fund.

3 (b) A detailed listing of expenditures, by project, from the
4 jobs for Michigan investment fund.

5 (c) A fiscal year-end balance of the jobs for Michigan
6 investment fund.

7 Sec. 411. (1) From the appropriations in part 1 to the fund
8 and granted or transferred to the MEDC, any unexpended or
9 unencumbered balance shall be disposed of in accordance with the
10 requirements in the management and budget act, 1984 PA 431, MCL
11 18.1101 to 18.1594, unless carryforward authorization has been
12 otherwise provided for.

13 (2) Any encumbered funds, including encumbered funds
14 subsequently unobligated, shall be used for the same purposes for
15 which funding was originally appropriated in this part and part 1.

16 (3) For funds appropriated in part 1 to the fund, any
17 carryforward authorization subsequently created through a work
18 project shall be preserved until a cash or accrued expenditure has
19 been executed or the allowable work project time period has
20 expired.

21 Sec. 412. (1) As a condition of receiving funds under part 1,
22 the fund shall ensure that the MEDC and the fund comply with all of
23 the following:

24 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to
25 15.246.

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

27 (c) Annual audits of all financial records by the auditor

1 general or his or her designee.

2 (d) All reports required by law to be submitted to the
3 legislature.

4 (2) If the MEDC is unable for any reason to perform duties
5 under this part, the fund may exercise those duties.

6 Sec. 413. As a condition for receiving the appropriations in
7 part 1, any staff of the MEDC involved in private fund-raising
8 activities shall not be party to any decisions regarding the
9 awarding of grants, incentives, or tax abatements from the fund,
10 the MEDC, or the Michigan economic growth authority.

11 Sec. 424. From the funds appropriated in part 1 for business
12 attraction and community revitalization, not less than
13 \$20,000,000.00 shall be granted by the fund board for brownfield
14 redevelopment and historic preservation projects under the
15 community revitalization program authorized by chapter 8C of the
16 Michigan strategic fund act, 1984 PA 270, MCL 125.2090 to
17 125.2090d.

18 Sec. 432. (1) The fund shall report to the chairpersons of the
19 senate and house of representatives standing committees on
20 appropriations, the relevant house and senate appropriations
21 subcommittees, the state budget office, and the senate and house
22 fiscal agencies on the status of the film incentives at the same
23 time as it submits the annual report required under section 455 of
24 the Michigan business tax act, 2007 PA 36, MCL 208.1455. The
25 department of treasury shall provide the fund with the data
26 necessary to prepare the report. The fund shall include all of the
27 following incentives in the report:

1 (a) The tax credit provided under section 455 of the Michigan
2 business tax act, 2007 PA 36, MCL 208.1455.

3 (b) The tax credit provided under section 457 of the Michigan
4 business tax act, 2007 PA 36, MCL 208.1457.

5 (c) The tax credit provided under section 459 of the Michigan
6 business tax act, 2007 PA 36, MCL 208.1459.

7 (d) The amount of any tax credit claimed under former section
8 367 of the income tax act of 1967, 1967 PA 281.

9 (e) Any tax credits provided for film and digital media
10 production under the Michigan economic growth authority act, 1995
11 PA 24, MCL 207.801 to 207.810.

12 (f) Loans to an eligible production company or film and
13 digital media private equity fund authorized under section 88d(3),
14 (4), and (5) of the Michigan strategic fund act, 2005 PA 225, MCL
15 125.2088d.

16 (2) The fund shall include all of the following information in
17 the report under subsection (1):

18 (a) For each tax credit, the number of contracts signed, the
19 projected expenditures qualifying for the credit, and the estimated
20 value of the credits. For loans, the number of loans made under
21 each section, the interest rate of those loans, the loan amount,
22 the percent of the projected budget of each production financed by
23 those loans, and the estimated interest earnings from the loan.

24 (b) For credits authorized under section 455 of the Michigan
25 business tax act, 2007 PA 36, MCL 208.1455, for productions
26 completed by December 31, the expenditures of each production
27 eligible for the credit that has filed a request for certificate of

1 completion with the film office, broken down into expenditures for
2 goods, services, or salaries and wages and showing separately
3 expenditures in each local unit of government, including
4 expenditures for personnel, whether or not they were made to a
5 Michigan entity, and whether or not they were taxable under the
6 laws of this state. For loans, the report shall include the number
7 of loans that have been fully repaid, with principal and interest
8 shown separately, and the number of loans that are delinquent or in
9 default, and the amount of principal that is delinquent or is in
10 default.

11 (c) For each of the tax credit incentives and loan incentives
12 listed in subsection (1), a breakdown for each project or
13 production showing each of the following:

14 (i) The number of temporary jobs created.

15 (ii) The number of permanent jobs created.

16 (iii) The number of persons employed in Michigan as a result
17 of the incentive, on a full-time equated basis.

18 (3) For any information not included in the report due to the
19 provisions of section 455(6), 457(6), or 459(6) of the Michigan
20 business tax act, 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459,
21 the report shall do all of the following:

22 (a) Indicate how the information would describe the commercial
23 and financial operations or intellectual property of the company.

24 (b) Attest that the information has not been publicly
25 disseminated at any time.

26 (c) Describe how disclosure of the information may put the
27 company at a competitive disadvantage.

1 (4) Any information not disclosed due to the provisions of
2 section 455(6), 457(6), or 459(6) of the Michigan business tax act,
3 2007 PA 36, MCL 208.1455, 208.1457, and 208.1459, shall be
4 presented at the lowest level of aggregation that would no longer
5 describe the commercial and financial operations or intellectual
6 property of the company.

7 Sec. 433. As a condition of receiving funds in part 1, not
8 later than March 15, the fund shall provide a report on the
9 activities of the Michigan film and digital media office for the
10 immediately preceding fiscal year. The fund shall submit the report
11 to the chairpersons of the senate and house of representatives
12 standing committees on appropriations, the chairpersons of the
13 senate and house of representatives subcommittees on general
14 government, the senate and house fiscal agencies, and the state
15 budget office. The report shall include, but not be limited to, a
16 listing of all projects the Michigan film and digital media office
17 provided assistance on, a listing of the services provided for each
18 project, and an estimate of investment leveraged.

19 Sec. 434. Each business incubator or accelerator that received
20 an award from the fund shall maintain and update a dashboard of
21 indicators to measure the effectiveness of the business incubator
22 and accelerator programs. Indicators shall include the direct jobs
23 created, new companies launched as a direct result of business
24 incubator or accelerator involvement, businesses expanded as a
25 direct result of business incubator or accelerator involvement,
26 direct investment in client companies, private equity financing
27 obtained by client companies, grant funding obtained by client

1 companies, and other measures developed by the recipient business
2 incubators and accelerators in conjunction with the MEDC. Dashboard
3 indicators shall be reported for the prior fiscal year and
4 cumulatively, if available. Each recipient shall submit a copy of
5 their dashboard indicators to the fund by March 1. The fund shall
6 transmit the local reports to the chairpersons of the senate and
7 house of representatives standing committees on appropriations, the
8 relevant senate and house of representatives appropriations
9 subcommittees, the senate and house fiscal agencies, and the state
10 budget office by March 15.

11 Sec. 435. (1) From the appropriations in part 1, the Michigan
12 council for arts and cultural affairs shall administer an arts and
13 cultural grant program that maintains an equitable geographic
14 distribution of funding and utilizes past arts and cultural grant
15 programs as a guideline for administering this program. The council
16 shall do all of the following:

17 (a) On or before October 1, the council shall publish proposed
18 application criteria, instructions, and forms for use by eligible
19 applicants. The council shall provide at least a 2-week period for
20 public comment before finalizing the application criteria,
21 instructions, and forms.

22 (b) A nonrefundable application fee may be assessed for each
23 application. Application fees shall be deposited in the council for
24 the arts fund and are appropriated for expenses necessary to
25 administer the programs. These funds are available for expenditure
26 when they are received and may be carried forward to the following
27 fiscal year.

1 (c) Grants are to be made to public and private arts and
2 cultural entities.

3 (d) Within 1 business day after the award announcements, the
4 council shall provide to each member of the legislature and the
5 fiscal agencies a list of all grant recipients and the total award
6 given to each recipient, sorted by county.

7 (e) In addition to the information in subdivision (d), the
8 council shall report on the number of applications received, number
9 of grants awarded, total amount requested from applications
10 received, and total amount of grants awarded.

11 (2) The appropriation in part 1 for arts and cultural program
12 shall not be used for the administration of the grant program.

13 Sec. 436. (1) The general fund/general purpose funds
14 appropriated in part 1 to the fund for business attraction and
15 community revitalization shall be transferred to the 21st century
16 jobs trust fund per section 90b(3) of the Michigan strategic fund
17 act, 1984 PA 270, MCL 125.2090b.

18 (2) Funds transferred to the 21st century jobs trust fund
19 under subsection (1) are appropriated and available for allocation
20 as authorized in the Michigan strategic fund act, 1984 PA 270, MCL
21 125.2001 to 125.2094.

22 Sec. 437. From the funds appropriated in part 1 for business
23 attraction and community revitalization, the fund shall request the
24 transfer by the state treasurer of not more than 60% of the funds
25 prior to April 1.

26 Sec. 442. For the funds appropriated in part 1 for business
27 attraction and community revitalization, the fund shall report

1 quarterly on the amount of funds considered appropriated, pre-
2 encumbered, encumbered, and expended. The report shall also include
3 a listing of all previous appropriations for business attraction
4 and community revitalization, or a predecessor, that were
5 considered appropriated, pre-encumbered, encumbered, or expended
6 that have lapsed back to the fund for any purpose. The fund shall
7 submit the report to the chairpersons of the senate and house of
8 representatives standing committees on appropriations, the
9 chairpersons of the relevant senate and house of representatives
10 appropriations subcommittees, the senate and house fiscal agencies,
11 and the state budget office.

12 Sec. 443. (1) The fund, in conjunction with the department of
13 treasury, shall report to the chairpersons of the senate and house
14 of representatives standing committees on appropriations, the
15 relevant senate and house of representatives appropriations
16 subcommittees, the senate and house fiscal agencies, and the state
17 budget office by November 1 on the annual cost of the Michigan
18 economic growth authority tax credits. The report shall include for
19 each year the board-approved credit amount, adjusted for credit
20 amendments where applicable, and the actual and projected value of
21 tax credits for each year from 1995 to the expiration of the credit
22 program. For years for which credit claims are complete, the report
23 shall include the total of actual certificated credit amounts. For
24 years for which claims are still pending or not yet submitted, the
25 report shall include a combination of actual credits where
26 available and projected credits. Credit projections shall be based
27 on updated estimates of employees, wages, and benefits for eligible

1 companies.

2 (2) In addition to the report under subsection (1), the fund,
3 in conjunction with the department of treasury, shall report to the
4 relevant senate and house of representatives appropriations
5 subcommittees, the senate and house fiscal agencies, and the state
6 budget office by November 1 on the annual cost of all other
7 certificated credits by program, for each year until the credits
8 expire or can no longer be collected. The report shall include
9 estimates on the brownfield redevelopment credit, film credits,
10 MEGA photovoltaic technology credit, MEGA polycrystalline silicon
11 manufacturing credit, MEGA vehicle battery credit, and other
12 certificated credits.

13 Sec. 444. As a condition of receiving appropriations in part
14 1, prior to authorizing the transfer of any previously authorized
15 tax credit that would increase the liability to this state, the
16 fund, on behalf of the Michigan strategic fund board, shall notify
17 the chairpersons of the senate and house of representatives
18 standing committees on appropriations, the chairpersons of the
19 relevant appropriations subcommittees, the senate and house fiscal
20 agencies, and the state budget office not fewer than 30 days prior
21 to the authorization of the tax credit transfer.

22 Sec. 447. From the funds appropriated in part 1 for Michigan
23 enhancement grants, \$100.00 shall be awarded to a public museum in
24 a county with a population between 400,000 and 450,000 and in a
25 city with a population over 100,000 according to the most recent
26 federal decennial census.

27 Sec. 450. (1) From the funds appropriated in part 1 for

1 business attraction and community revitalization, the fund shall
2 identify specific outcomes and performance measures, including, but
3 not limited to, the following:

4 (a) Total verified jobs created by the business attraction
5 program during the fiscal year ending September 30, 2020.

6 (b) Total private investment obtained through the business
7 attraction and community revitalization programs during the fiscal
8 year ending September 30, 2020.

9 (c) Amount of private and public square footage created and
10 reactivated through the community revitalization program during the
11 fiscal year ending September 30, 2020.

12 (2) The fund must submit a report to the chairpersons of the
13 senate and house of representatives standing committees on
14 appropriations, the relevant house and senate appropriations
15 subcommittees, the senate and house fiscal agencies, and the state
16 budget office by March 15. The report must describe the specific
17 outcomes and measures required in subsection (1) and provide the
18 results and data related to these outcomes and measures for the
19 prior fiscal year if related information is available for the prior
20 fiscal year.

21 Sec. 453. From the funds appropriated in part 1 for Pure
22 Michigan, up to \$500,000.00 shall be used for last dollars to fund
23 the gap between the total cost of hosting a national conference for
24 a national council that currently receives association dues from
25 this state and the total amount privately raised.

26 **TALENT INVESTMENT AGENCY**

27 Sec. 560. The talent investment agency shall administer the

1 PATH training program in accordance with the requirements of
2 section 407(d) of title IV of the social security act, 42 USC 607,
3 the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, and all
4 other applicable laws and regulations.

5 Sec. 561. From the funds appropriated in part 1 for workforce
6 programs subgrantees, the talent investment agency may allocate
7 funding for grants to nonprofit organizations that offer programs
8 under the workforce innovation and opportunity act, 29 USC 3101 to
9 3361, eligible youth focusing on apprenticeship readiness, pre-
10 apprenticeship and apprenticeship activities, entrepreneurship,
11 work-readiness skills, job shadowing, and financial literacy.
12 Organizations eligible for funding under this section must have the
13 capacity to provide similar programs in urban areas, as determined
14 by the United States Bureau of the Census according to the most
15 recent federal decennial census. Additionally, programs eligible
16 for funding under this section must include the participation of
17 local business partners. The talent investment agency shall develop
18 other appropriate eligibility requirements to ensure compliance
19 with applicable federal rules and regulations.

20 Sec. 562. The talent investment agency shall make available,
21 in person or by telephone, 1 disabled veterans outreach program
22 specialist or local veterans employment representative to Michigan
23 Works! service centers, as resources permit, during hours of
24 operation, and shall continue to make the appropriate placement of
25 veterans and disabled veterans a priority.

26 Sec. 563. (1) In addition to the funds appropriated in part 1,
27 any unencumbered and unrestricted federal workforce innovation and

1 opportunity act, 29 USC 3101 to 3361, or trade adjustment
2 assistance funds available from prior fiscal years are appropriated
3 for the purposes originally intended.

4 (2) The talent investment agency shall report by February 15
5 to the relevant senate and house appropriations subcommittees, the
6 fiscal agencies, and the state budget director on the amount by
7 fiscal year of federal workforce innovation and opportunity act, 29
8 USC 3101 to 3361, funds appropriated under this section.

9 Sec. 564. As a condition of receiving funds appropriated in
10 part 1 for going pro talent fund, the talent investment agency
11 shall provide a report on going pro expenditures, by program or
12 grant type, for the prior fiscal year. In addition, the report
13 shall include projected expenditures, by program or grant type, for
14 the current fiscal year. The report shall be posted online and
15 distributed to the chairpersons of the senate and house of
16 representatives standing committees on appropriations, the
17 chairpersons of the relevant senate and house of representatives
18 appropriations subcommittees, the senate and house fiscal agencies,
19 and the state budget office by March 15.

20 Sec. 565. The talent investment agency shall publish data and
21 reports on March 15 and September 30 on the agency website
22 concerning the status of career technology and going pro talent
23 fund funded in part 1. The report shall include the following:

24 (a) The number of awardees participating in the program and
25 the names of those awardees organized by major industry group.

26 (b) The amount of funding received by each awardee under the
27 program.

1 (c) Amount of funding leveraged from each awardee.

2 (d) Training models established by each awardee.

3 (e) The number of individuals enrolled in classroom training,
4 on-the-job training, or new USDOL registered apprentices.

5 (f) The number of individuals who completed the program and
6 were hired by awardee.

7 (g) The number of applications received and the number of
8 grants awarded for each region.

9 (h) The talent investment agency shall expand workforce
10 training and reemployment services to better connect workers to in-
11 demand jobs and identify specific outcomes with performance metrics
12 for this initiative, including, but not limited to, new
13 apprenticeships, individuals to be hired and trained, current
14 employees trained, training completed, and employment retention
15 rate at 6 months, and hourly wage at 6 months.

16 Sec. 566. As a condition of receiving funds in part 1 for
17 going pro and the going pro talent fund, the talent investment
18 agency shall administer the program as follows:

19 (a) The talent investment agency shall work cooperatively with
20 grantees to maximize the amount of funds from part 1 that are
21 available for direct training.

22 (b) The talent investment agency, workforce development
23 partners, including regional Michigan Works! agencies, and
24 employers shall collaborate and work cooperatively to prioritize
25 and streamline the expenditure of the funds appropriated in part 1.
26 The talent investment agency shall ensure that going pro provides a
27 collaborative statewide network of workforce and employee skill

1 development partners that addresses the employee talent needs
2 throughout this state.

3 (c) The talent investment agency shall ensure that grants are
4 utilized for individual skill enhancement and to address in-demand
5 talent needs in this state.

6 (d) The talent investment agency shall develop program goals
7 and detailed guidance for prospective participants to follow to
8 qualify under the program. The program goals and detailed guidance
9 shall be posted on the talent investment agency website and
10 distributed to workforce development partners, including local
11 Michigan Works! agencies, by October 1. Periodic assessments of
12 employer and employee needs shall be evaluated on a regional basis,
13 and the talent investment agency shall identify solutions and goals
14 to be implemented to satisfy those needs. The talent investment
15 agency shall notify the senate and house of representatives
16 appropriations, the relevant senate and house of representatives
17 standing committees on appropriations subcommittees, the senate and
18 house fiscal agencies, and the state budget office on any program
19 goal, solution, or guidance changes not fewer than 14 days prior to
20 the finalization and publication of the changes. Revenue received
21 by the talent investment agency for going pro may be expended for
22 the purpose of those programs.

23 (e) Up to \$5,000,000.00 of the funds may be expended to match
24 federal funds. The intent of these funds will involve improving and
25 increasing the skill level of employees in skilled trades in the
26 automotive industry and the manufacturing processes within the
27 changing manufacturing environment.

1 Sec. 567. The appropriation in part 1 for the going pro talent
2 fund shall be deposited into the restricted going pro talent fund
3 created under section 5 of the going pro talent fund act, 2018 PA
4 260, MCL 408.155. All funds in the going pro talent fund are
5 appropriated and available for expenditure to support the going pro
6 talent program pursuant to sections 7 and 9 of the going pro talent
7 fund act, 2018 PA 260, MCL 408.157 to 408.159.

8 Sec. 568. (1) Of the funds appropriated in part 1 for Michigan
9 Works!, the talent investment agency shall provide a report by
10 March 15 to the relevant senate and house of representatives
11 appropriations subcommittees, the state budget director, and the
12 fiscal agencies on the status of the workforce training programs.
13 The report shall include the following:

14 (a) The amount of funding allocated to each Michigan Works!
15 agency and the total funding allocated to the workforce training
16 programs statewide by fund source.

17 (b) The number of participants enrolled in education or
18 training programs by each Michigan Works! agency.

19 (c) The average duration of training for training program
20 participants by each Michigan Works! agency.

21 (d) The number of participants enrolled in remedial education
22 programs and the number of participants enrolled in literacy
23 programs.

24 (e) The number of participants enrolled in programs at 2-year
25 institutions.

26 (f) The number of participants enrolled in programs at 4-year
27 institutions.

1 (g) The number of participants enrolled in proprietary schools
2 or other technical training programs.

3 (h) The number of participants that have completed education
4 or training programs.

5 (i) The number of participants who secured employment in this
6 state within 1 year of completing a training program.

7 (j) The number of participants who completed a training
8 program and secured employment in a field related to their
9 training.

10 (k) The average wage earned by participants who completed a
11 training program and secured employment within 1 year.

12 (l) The actual revenues received by the fund source and fund
13 appropriated for each discrete workforce development program area.

14 (2) Data collection for the report shall be for the prior
15 state fiscal year.

16 Sec. 571. From the funds appropriated in part 1 for at-risk
17 youth grants, \$4,000,000.00 must be awarded to the Michigan
18 franchise holder of the national Jobs for America's Graduates
19 program.

20 Sec. 576. The department shall provide a quarterly report to
21 the members of the senate and house committees on appropriations,
22 the senate and house fiscal agencies, and the state budget director
23 that includes, but is not limited to, the following:

24 (a) The number of new fraudulent and noncompliant cases that
25 have been identified or issued by the unemployment insurance
26 agency, classified by employer or claimant, during the quarter.

27 (b) The total amount of penalties and interest issued on

1 fraudulent and noncompliant cases during the quarter.

2 (c) The total amount of penalties and interest dollars
3 received during the quarter by employer or claimant.

4 (d) The total amount of penalties and interest still owed to
5 the state by employer or claimant.

6 (e) The number of fraudulent and noncompliant cases that have
7 been appealed by an employer or claimant during the quarter.

8 Sec. 578. (1) From the funds appropriated in part 1 for the
9 unemployment insurance agency, the talent investment agency shall
10 maintain customer service standards for employers and claimants
11 making use of the various means by which they can access the
12 system.

13 (2) The talent investment agency shall identify specific
14 outcomes and performance metrics for this initiative, including,
15 but not limited to, the following:

16 (a) Unemployment benefit fund balance.

17 (b) Process improvement - fiscal integrity.

18 (c) Process improvement - determination timeliness.

19 (d) Process improvement - determination quality.

20 Sec. 579. (1) The talent investment agency shall extend the
21 interagency agreement with the department of health and human
22 services for the duration of the current fiscal year, which
23 concerns TANF funding to provide job readiness and welfare-to-work
24 programming. The interagency agreement shall include specific
25 outcome and performance reporting requirements as described in this
26 section. TANF funding provided to the talent investment agency in
27 the current fiscal year is contingent on compliance with the data

1 and reporting requirements described in this section. The
2 interagency agreement shall require the talent investment agency to
3 provide all of the following items for the previous year to the
4 senate and house appropriations committees by January 1 of the
5 current fiscal year:

6 (a) An itemized spending report on TANF funding, including all
7 of the following:

8 (i) Direct services to clients.

9 (ii) Administrative expenditures.

10 (b) The number of family independence program clients served
11 through the TANF funding, including all of the following:

12 (i) The number and percentage who obtained employment through
13 Michigan Works!.

14 (ii) The number and percentage who fulfilled their TANF work
15 requirement through other job readiness programming.

16 (iii) Average TANF spending per client.

17 (iv) The number and percentage of clients who were referred to
18 Michigan Works! but did not receive a job or job readiness
19 placement and the reasons why.

20 (2) Not later than March 15 of the current fiscal year, the
21 department shall provide to the senate and house appropriations
22 subcommittees on the department budget, the senate and house fiscal
23 agencies, and the senate and house policy offices an annual report
24 on the following matters itemized by Michigan Works! agency: the
25 number of referrals to Michigan Works! job readiness programs, the
26 number of referrals to Michigan Works! job readiness programs who
27 became a participant in the Michigan Works! job readiness programs,

1 the number of participants who obtained employment, and the cost
2 per participant case.

3 Sec. 580. (1) From the funds appropriated in part 1 for
4 community ventures, the talent investment agency may expend not
5 more than \$2,000,000.00 of the funds as matching funds upon the
6 commitment of matching dollars from private sources. For every
7 \$1.00 the talent investment agency elects to receive from a private
8 source for the purposes of a community ventures program match, the
9 talent investment agency shall expend \$1.00 from the appropriation
10 in part 1 up to \$2,000,000.00. Funds received from private sources
11 for a community ventures program match are appropriated upon
12 receipt and shall be expended for the purposes of the community
13 ventures program.

14 (2) The talent investment agency shall identify specific
15 outcomes and performance measures for this initiative, including,
16 but not limited to, the following:

17 (a) The number of commitments from private sources, including
18 the dollar amount committed and source.

19 (b) Additional participants served with challenge funds.

20 (c) Jobs created and the average wage.

21 Sec. 583. From the funds appropriated in part 1 for Michigan
22 Works!, \$866,000.00 shall be awarded for a retirement funding
23 shortfall at an association established to provide services and
24 support to Michigan's workforce development system located in a
25 county with a population of between 16,000 and 17,000 according to
26 the most recent federal decennial census.