

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5643**

A bill to make appropriations for the department of career development and the Michigan strategic fund and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of the appropriations; to provide for the disposition of fees and other income received by the state agencies; and to repeal acts and parts of acts.

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 career devel-
4 opment and the Michigan strategic fund for the fiscal year ending
5 September 30, 2003, from the funds indicated in this part, the
6 following:
7 **TOTAL APPROPRIATION**

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For Fiscal Year Ending
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1	Full-time equated unclassified positions.....	6.0	
2	Full-time equated classified positions.....	1,319.5	
3	GROSS APPROPRIATION.....	\$	692,533,000
4	Total interdepartmental grants and intradepartmental		
5	transfers.....	\$	100,900
6	ADJUSTED GROSS APPROPRIATION.....	\$	692,432,100
7	Federal revenues:		
8	Total federal revenues.....		535,522,600
9	Special revenue funds:		
10	Total local revenues.....		15,011,900
11	Total private revenues.....		3,249,400
12	Total other state restricted revenues.....		56,711,500
13	State general fund/general purpose.....	\$	81,936,700

14 **Sec. 102. DEPARTMENT OF CAREER DEVELOPMENT**

15 **(1) APPROPRIATION SUMMARY:**

16	Full-time equated unclassified positions.....	6.0	
17	Full-time equated classified positions.....	1,088.0	
18	GROSS APPROPRIATION.....	\$	536,495,700
19	Interdepartmental grant revenues:		
20	ADJUSTED GROSS APPROPRIATION.....	\$	536,495,700
21	Federal revenues:		
22	Total federal revenues.....		472,569,300
23	Special revenue funds:		
24	Total local revenues.....		15,011,900

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1	Total private revenues.....	2,396,300
2	Total other state restricted revenues.....	11,661,500
3	State general fund/general purpose..... \$	34,856,700
4	(2) DEPARTMENTAL ADMINISTRATION	
5	Full-time equated unclassified positions.....6.0	
6	Unclassified salaries..... \$	<u>506,800</u>
7	GROSS APPROPRIATION..... \$	506,800
8	Appropriated from:	
9	State general fund/general purpose..... \$	506,800
10	(3) DEPARTMENT OPERATIONS	
11	Full-time equated classified positions.....59.0	
12	Administration--59.0 FTE positions..... \$	7,054,200
13	Building occupancy charges - property development	
14	services.....	923,400
15	Special project advances.....	200,000
16	Worker's compensation.....	<u>217,800</u>
17	GROSS APPROPRIATION..... \$	8,395,400
18	Appropriated from:	
19	Federal revenues:	
20	CNS.....	205,800
21	DED-OSERS, rehabilitation services, vocational reha-	
22	bilitation of state grants.....	2,578,200
23	DOL-ETA, workforce investment act.....	355,300
24	DOL, federal funds.....	1,708,500
25	Federal revenues.....	135,500
26	HHS, temporary assistance for needy families.....	337,700

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1	Special revenue funds:	
2	Private - special project advances.....	200,000
3	Contingent fund, penalty and interest.....	436,100
4	State general fund/general purpose..... \$	2,438,300
5	(4) WORKFORCE DEVELOPMENT	
6	Full-time equated classified positions.....659.0	
7	Employment training services--566.0 FTE positions.... \$	70,836,500
8	Michigan career and technical institute--93.0 FTE	
9	positions.....	<u>10,993,600</u>
10	GROSS APPROPRIATION..... \$	81,830,100
11	Appropriated from:	
12	Federal revenues:	
13	CNS.....	1,663,800
14	DAG, employment and training.....	167,600
15	DED-OPSE, multiple grants.....	815,500
16	DED-OSERS, centers for independent living.....	58,200
17	DED-OSERS, rehabilitation long-term training.....	566,900
18	DED-OSERS, rehabilitation services, vocational reha-	
19	bilitation of state grants.....	46,245,900
20	DED-OSERS, state grants for technical related	
21	assistance.....	56,000
22	DOL-ETA, workforce investment act.....	3,994,000
23	DOL, federal funds.....	5,000,000
24	DED-Perkins act.....	173,600
25	HHS, temporary assistance for needy families.....	3,128,400
26	HHS-SSA, supplemental security income.....	4,394,800

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1	Special revenue funds:		
2	Private - gifts, bequests, and donations.....		1,396,300
3	Local vocational rehabilitation match.....		3,247,100
4	Rehabilitation services fees.....		1,245,900
5	Second injury fund.....		51,500
6	Student fees.....		308,000
7	Training material fees.....		256,300
8	State general fund/general purpose..... \$		9,060,300
9	(5) CAREER EDUCATION PROGRAMS		
10	Full-time equated classified positions.....72.0		
11	Career and technical education--32.0 FTE positions... \$		3,494,300
12	Postsecondary education--23.0 FTE positions.....		2,490,300
13	Adult education--15.0 FTE positions.....		2,180,000
14	Commission on Spanish speaking affairs--2.0 FTE		
15	positions.....		<u>220,500</u>
16	GROSS APPROPRIATION..... \$		8,385,100
17	Appropriated from:		
18	Federal revenues:		
19	Federal revenues.....		6,108,400
20	Special revenue funds:		
21	Private occupational school license fees.....		378,900
22	Defaulted loan collection fees.....		100,000
23	State general fund/general purpose..... \$		1,797,800
24	(6) DEPARTMENT GRANTS		
25	Adult basic education..... \$		13,500,000
26	Council of Michigan foundations.....		6,000,000

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1	Focus: HOPE.....	5,994,300
2	Gear-up program grants.....	3,000,000
3	Job training programs subgrantees.....	105,802,700
4	Michigan community service commission subgrantees....	6,757,300
5	Michigan virtual university.....	100
6	Personal assistance services.....	471,200
7	Precollege programs in engineering and the sciences..	1,044,700
8	Supported employment grants.....	1,441,300
9	Technology assistance grants.....	1,378,700
10	Carl D. Perkins grants.....	42,500,000
11	Vocational rehabilitation client services/facilities.	51,339,200
12	Vocational rehabilitation independent living.....	3,229,000
13	Welfare-to-work programs.....	138,998,600
14	Adult education learning grants.....	<u>225,000</u>
15	GROSS APPROPRIATION..... \$	381,682,100
16	Appropriated from:	
17	Federal revenues:	
18	CNS.....	5,500,000
19	DAG, employment and training.....	13,000,000
20	DED-OESE, gear-up.....	3,000,000
21	DED-OSERS, centers for independent living.....	525,000
22	DED-OSERS, client assistance for individuals with	
23	disabilities.....	440,000
24	DED-OSERS, rehabilitation services, vocational reha-	
25	bilitation of state grants.....	35,972,900
26	DED-OSERS, rehabilitation services facilities.....	2,272,500

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1	DED-OSERS, supported employment.....	1,441,300
2	DED-OSERS, state grants for technical related	
3	assistance.....	1,378,700
4	DED-OVAE, adult education.....	13,500,000
5	DED-OVAE, basic grants to states.....	42,500,000
6	DOL-ETA, workforce investment act.....	104,602,700
7	DOL-ETA, welfare-to-work.....	20,000,000
8	Federal revenues.....	100
9	HHS, temporary assistance for needy families.....	98,499,000
10	HHS-SSA, supplemental security income.....	2,480,600
11	Special revenue funds:	
12	Private - gifts, bequests, and donations.....	800,000
13	Contingent fund, penalty and interest account.....	1,000,000
14	Local vocational rehabilitation match.....	6,437,400
15	Local vocational rehabilitation facilities match.....	1,278,300
16	Tobacco settlement revenue.....	6,000,000
17	State general fund/general purpose..... \$	21,053,600
18	(7) EMPLOYMENT SERVICE AGENCY	
19	Full-time equated classified positions.....298.0	
20	Building occupancy charges - property development	
21	service..... \$	858,100
22	Worker's compensation.....	53,800
23	Employment services--246.0 FTE positions.....	43,798,800
24	Labor market information--52.0 FTE positions.....	<u>4,492,900</u>
25	GROSS APPROPRIATION..... \$	49,203,600
26	Appropriated from:	

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1	Federal revenues:		
2	DED-OSERS, rehabilitation services, vocational		
3	rehabilitation of state grants.....		1,317,400
4	DOL, federal funds.....		41,952,300
5	Special revenue funds:		
6	Contingent fund, penalty and interest account.....		1,884,800
7	Local revenue.....		4,049,100
8	State general fund/general purpose.....	\$	0
9	(8) INFORMATION TECHNOLOGY		
10	Information technology services and projects.....	\$	<u>6,492,700</u>
11	GROSS APPROPRIATION.....	\$	6,492,700
12	Appropriated from:		
13	Federal revenues:		
14	Federal revenue.....		6,492,700
15	State general fund/general purpose.....	\$	0
16	(9) EARLY RETIREMENT SAVINGS		
17	Early retirement savings.....	\$	<u> </u>
	(100)		
18	GROSS APPROPRIATION.....	\$	
	(100)		
19	Appropriated from:		
20	State general fund/general purpose.....	\$	
	(100)		
21	Sec. 103. MICHIGAN STRATEGIC FUND		
22	(1) APPROPRIATION SUMMARY:		
23	Full-time equated classified positions.....		231.5
24	GROSS APPROPRIATION.....	\$	156,037,300

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1 Interdepartmental grant revenues:

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2	Total interdepartmental grants and intradepartmental	
3	transfers.....	100,900
4	ADJUSTED GROSS APPROPRIATION.....	\$ 155,936,400
5	Federal revenues:	
6	Total federal revenues.....	62,953,300
7	Special revenue funds:	
8	Total private revenues.....	853,100
9	Total other state restricted revenues.....	45,050,000
10	State general fund/general purpose.....	\$ 47,080,000
11	(2) MICHIGAN STRATEGIC FUND	
12	Full-time equated classified positions.....	231.5
13	Administration--40.0 FTE positions.....	\$ 5,228,100
14	Job creation services--191.5 FTE positions.....	23,818,900
15	Michigan promotion program.....	7,442,500
16	Economic development job training grants.....	13,548,000
17	Community development block grants.....	60,000,000
18	Life sciences corridor initiative.....	45,000,000
19	Capital access program.....	<u>999,900</u>
20	GROSS APPROPRIATION.....	\$ 156,037,400
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	IDG-MDEQ, air quality fees.....	100,900
24	Federal revenues:	
25	DOL-ETA, employment service.....	783,700
26	HUD-CPD, community development block grant.....	62,169,600

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1	Special revenue funds:	
2	Private-Michigan certified development corporations	
3	fees.....	353,100
4	Private-special project advances.....	500,000
5	Industry support fees.....	50,000
6	Tobacco settlement revenue.....	45,000,000
7	State general fund/general purpose..... \$	47,080,100

8 (3) EARLY RETIREMENT SAVINGS

9	Early retirement savings..... \$	_____
	(100)	
10	GROSS APPROPRIATION..... \$	
	(100)	
11	Appropriated from:	
12	State general fund/general purpose..... \$	
	(100)	

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15 PART 2

16 PROVISIONS CONCERNING APPROPRIATIONS

17 GENERAL SECTIONS

18 Sec. 201. Pursuant to section 30 of article IX of the state consti-
19 tution of 1963, total state spending from state resources under part 1
20 for fiscal year 2002-2003 is \$138,648,200.00 and state spending from
21 state resources to be paid to local units of government for fiscal year
22 2002-2003 is \$9,009,400.00. The itemized statement below identifies
23 appropriations from which spending to units of local government will
24 occur:

25 MICHIGAN STRATEGIC FUND

26	Economic development job training grants..... \$	<u>9,009,400</u>
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1	Total Michigan strategic fund..... \$	9,009,400
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2 Sec. 202. The appropriations authorized under this act are subject
3 to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

4 Sec. 203. As used in this appropriation act:

5 (a) "CDBG" means community development block grant.

6 (b) "CEO" means chief executive officer of the Michigan strategic
7 fund.

8 (c) "CNS" means the corporation for national services.

9 (d) "DAG" means the United States department of agriculture.

10 (e) "DED" means the United States department of education.

11 (f) "DED-OESE" means the DED office of elementary and secondary
12 education.

13 (g) "DED-OPSE" means the DED office of postsecondary education.

14 (h) "DED-OSERS" means the DED office of special education
15 rehabilitation services.

16 (i) "DED-OVAE" means the DED office of vocational and adult
17 education.

18 (j) "Department" means the department of career development.

19 (k) "Director" means the director of the department of career
20 development.

21 (l) "DOL" means the United States department of labor.

22 (m) "DOL-ETA" means the DOL employment and training act.

23 (n) "DOL-NOICC" means the DOL national occupational information
24 coordinating committee.

25 (o) "Fiscal agencies" means the Michigan house fiscal agency and
26 the Michigan senate fiscal agency.

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1 (p) "FTE" means full-time equated.

2 (q) "Fund" means the Michigan strategic fund.

3 (r) "GED" means general education degree.

4 (s) "HHS" means the United States department of health and human
5 services.

6 (t) "HHS-SSA" means HHS social security administration.

7 (u) "HUD-CPD" means HUD community planning and development.

8 (v) "IDG" means interdepartmental grant.

9 (w) "MDEQ" means the Michigan department of environmental quality.

10 (x) "MDOC" means the Michigan department of corrections.

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

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

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

25 (2) The state budget director shall grant exceptions to this hiring
26 freeze when the state budget director believes that the hiring freeze
27 will result in rendering a state department or agency unable to deliver

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

8 Sec. 206. (1) In addition to the funds appropriated for the depart-
9 ment and the fund in part 1, there is appropriated an amount not to
10 exceed \$41,000,000.00 for the department and \$7,000,000.00 for the fund
11 for federal contingency funds. These funds are not available for expen-
12 diture until they have been transferred to another line item in this act
13 pursuant to section 393(2) of the management and budget act, 1984 PA 431,
14 MCL 18.1393.

15 (2) In addition to the funds appropriated in part 1, there is appro-
16 priated an amount not to exceed \$2,000,000.00 for the department and
17 \$1,000,000.00 for the fund for state restricted contingency funds. These
18 funds are not available for expenditure until they have been transferred
19 to another line item in this act pursuant to section 393(2) of the man-
20 agement and budget act, 1984 PA 431, MCL 18.1393.

21 (3) In addition to the funds appropriated in part 1, there is appro-
22 priated an amount not to exceed \$8,000,000.00 for the department for
23 local contingency funds. These funds are not available for expenditure
24 until they have been transferred to another line item in this act pursu-
25 ant to section 393(2) of the management and budget act, 1984 PA 431,
26 MCL 18.1393.

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1 (4) In addition to the funds appropriated in part 1, there is
2 appropriated an amount not to exceed \$1,000,000.00 for the department and
3 \$500,000.00 for the fund for private contingency funds. These funds are
4 not available for expenditure until they have been transferred to another
5 line item in this act pursuant to section 393(2) of the management and
6 budget act, 1984 PA 431, MCL 18.1393.

7 Sec. 207. At least 60 days before beginning any effort to privat-
8 ize, the department shall submit a complete project plan to the subcom-
9 mittees and the fiscal agencies. The plan shall include the criteria
10 under which the privatization initiative will be evaluated. The evalu-
11 ation shall be completed and submitted to the fiscal agencies and to the
12 subcommittees within 30 months.

13 Sec. 208. Unless otherwise specified, the department and fund shall
14 use the internet to fulfill the reporting requirements of this act. This
15 may include transmission of reports via electronic mail to the recipients
16 identified for each reporting requirement or it may include placement of
17 reports on an Internet or Intranet site. Quarterly, the department and
18 fund shall provide to the subcommittee, state budget office, and the
19 fiscal agencies an electronic and paper copy listing of the reports sub-
20 mitted during the most recent 3-month period along with the internet or
21 intranet site of each report, if any.

22 Sec. 209. Funds appropriated in part 1 shall not be used for the
23 purchase of foreign goods or services, or both, if competitively priced
24 and of comparable quality American goods or services, or both, are
25 available.

26 Sec. 210. The director or the CEO of each department and agency
27 receiving appropriations in part 1 shall take all reasonable steps to

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1 ensure businesses in deprived and depressed communities compete for and
2 perform contracts to provide services or supplies, or both. Each direc-
3 tor or CEO shall strongly encourage firms with which the department con-
4 tracts to subcontract with certified businesses in depressed and deprived
5 communities for services, supplies, or both.

6 Sec. 211. Of the funds appropriated in part 1 that are in units
7 other than the grants unit, the department and the fund shall not provide
8 grants to local government agencies, institutions of higher education, or
9 nonprofit organizations unless the department or the fund provides notice
10 of the grant to the subcommittees at least 10 days before the grant is
11 issued or at least 72 hours before any announcement to local governmental
12 units or the public.

13 Sec. 212. The department and the fund shall establish and maintain
14 affirmative action programs based on guidelines developed by the state
15 equal opportunity workforce planning council which was created by
16 Executive Order No. 1996-13 in order to receive general fund/general pur-
17 pose dollars.

18 Sec. 213. The departments and state agencies receiving appropria-
19 tions under this act shall receive and retain copies of all reports
20 funded from appropriations in part 1. These departments and state agen-
21 cies shall follow federal and state guidelines for short-term and
22 long-term retention of these reports and records.

23 Sec. 259. From the funds appropriated in part 1 for information
24 technology, the department shall pay user fees to the department of
25 information technology for technology related services and projects.
26 Such user fees shall be subject to provisions of an interagency agreement
27 between the department and the department of information technology.

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1 Sec. 260. Amounts appropriated in part 1 for information technology
2 may be designated as work projects and carried forward to support tech-
3 nology projects under the direction of the department of information
4 technology. Funds designated in this manner are not available for expen-
5 diture until approved as work projects under section 451a of the manage-
6 ment and budget act, 1984 PA 431, MCL 18.1451a.

7 Sec. 261. The negative appropriations in part 1 for early retire-
8 ment savings represent savings from the state's 2002 early retirement
9 program. Not later than November 15, 2002, the state budget director
10 shall request legislative transfers under section 393(2) of the manage-
11 ment and budget act, 1984 PA 431, MCL 18.1393, to apply the early retire-
12 ment savings to the appropriated line items affected by the early retire-
13 ment program.

14 **DEPARTMENT OF CAREER DEVELOPMENT**

15 Sec. 301. The Michigan career and technical institute may receive
16 equipment and in-kind contributions for the direct support of staff serv-
17 ices through the Pine Lake fund, the Delton-Kellogg school district or
18 other local or intermediate school district, or any combination of local
19 or intermediate school districts in addition to those authorized in
20 part 1.

21 Sec. 302. The Michigan rehabilitation service shall make every
22 effort to ensure that all sources of matching funds in this state are
23 used to obtain federal vocational rehabilitation funds. All sources
24 include, but are not limited to, privately raised funds to support public
25 nonprofit rehabilitation centers as permitted by the rehabilitation act

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1 of 1973, Public Law 93-112, 29 U.S.C. 701 to 718, 720 to 751, 760 to 765,
2 771 to 776, 780 to 785, 791 to 794e, 795 to 795n, and 796 to 796l.

3 Sec. 303. The local match requirements for vocational rehabilita-
4 tion facilities establishment grants shall not exceed 21.3% for the
5 fiscal year ending September 30, 2003.

6 Sec. 304. (1) Of the funds appropriated in part 1 for vocational
7 rehabilitation independent living, all general fund/general purpose reve-
8 nue not used to match federal funds shall be used for the support of cen-
9 ters for independent living which are in compliance with federal stan-
10 dards for such centers, for the development of new centers in areas pres-
11 ently unserved or underserved, for technical assistance to centers, and
12 for projects to build capacity of centers to deliver independent living
13 services. Applications for such funds shall be reviewed in accordance
14 with criteria and procedures established by the statewide independent
15 living council, the Michigan rehabilitation services unit within the
16 department, and the Michigan commission for the blind. Funds must be
17 used in a manner consistent with the priorities established in the state
18 plan for independent living. The department is directed to work with the
19 Michigan association of centers for independent living and the local
20 workforce development boards to identify other competitive sources of
21 funding.

22 (2) The statewide independent living council and the Michigan asso-
23 ciation of centers for independent living shall jointly produce a report
24 providing the following information:

25 (a) Results in terms of enhanced statewide access to independent
26 living services to individuals who do not have access to such services

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1 through other existing public agencies, including measures by which these
2 results can be monitored over time. These measures shall include:

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

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

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

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

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

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

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(3) The report required in subsection (2) shall be submitted to the appropriate appropriations subcommittees, the fiscal agencies, and the state budget director on or before January 30, 2003.

Sec. 305. (1) The appropriation in part 1 to the department for the work first program shall be expended for grants which provide employment and training services to family independence program applicants and recipients and may be expended for grants which provide employment and training services to former family independence program recipients, as well as to recipients of noncash public assistance, specifically child day care, Medicaid, or food stamp benefits. The work first program, however, shall not be construed to be an entitlement to services.

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

(3) When the work first job search requirements have been completed, if the participant has not found employment, the work first site shall identify the barriers which may have prevented the participant from obtaining employment and assist the client in removing those barriers. The work first site shall also identify appropriate education and job

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1 training programs which would be available to the participant. The
2 department shall encourage the Michigan works agencies to consider trans-
3 portation challenges for work first participants placed in employment.
4 When an individual is re-referred to work first because of an inability
5 to retain employment, the department shall confer with the Michigan reha-
6 bilitation services, the family independence agency, or other profession-
7 als if deemed appropriate by the Michigan works agency to screen for and
8 identify issues that are preventing the participant from succeeding in
9 the labor market. Each Michigan works agency shall determine locally the
10 number of times an individual may be re-referred back to the program
11 before consulting with other service agencies. If no prohibitive barri-
12 ers to work are found, the individual shall comply with the work first
13 program, or be subject to appropriate penalties.

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

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

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

26 (7) Work first program participants must receive or be provided an
27 explanation of the program including their benefits and responsibilities

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1 before the job interview phase of the program. This explanation shall
2 include clear guidelines with regard to an individual's eligibility for
3 postemployment training support and for applying hours in training toward
4 federal work requirements.

5 (8) The department shall make every effort to place a minimum of 50%
6 of clients who participate in the work first program in positions that
7 provide wages of \$6.00 per hour or more.

8 (9) The department shall submit to the fiscal agencies and the state
9 budget director by March 15, 2003, a report on the work first program,
10 including the number of participants served under this section, the
11 number of persons who located employment through work first, the average
12 wage of participants who found employment, the number of persons who
13 retained jobs for 90 days, the number of participants placed in employ-
14 ment training and education programs, the number of clients referred to
15 work first who failed to report, a compilation of barriers to employment
16 by incidence and type experienced by participants, and the number of par-
17 ticipants referred back to the family independence agency.

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

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

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

(11) The department [REDACTED] shall make available to work first participants guidelines on eligibility for post-employment training and how training/education hours are applied toward federal work participation requirements. These guidelines will be presented during joint orientation conducted by the family independence agency and the department contracted staff in accordance with department policy issuances and family independence agency program bulletins. These guidelines presented by the department and the family independence agency [REDACTED] shall balance the ability of participants to obtain training and subsequent long-term high-wage employment with the need to connect participants with the workplace. Any and all training/education, with the exception of high school completion and GED preparation, must be occupationally relevant and in demand in the labor market as determined by the workforce development board. Participants must make satisfactory progress to continue in a training/education component.

(12) The work participation requirement is up to 40 hours per week. However, work first participants may meet the work participation requirement by combining a minimum of 10 hours per week of work with training/education. Training/education may last up to 12 months and the calculated hours may include actual classroom seat time up to 10 hours per week plus up to 1 hour of study time for each hour of classroom seat time. The combined work and training/education hours must equal the minimum number of hours required to meet the federal work participation requirements, 30 hours per week for a single parent, 35 hours per week for 2-parent families, 55 hours if utilizing federally funded day care,

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1 and 20 hours per week for single parents with a child under the age of
2 6. Work first participants may enroll in additional hours of classroom
3 seat time beyond 10 hours. However, these hours and the related study
4 time will not count toward the work participation requirement. The
5 training may be no longer than a 1-year program or the final year of a 2-
6 or 4-year undergraduate program designed to lead to immediate labor force
7 attachment.

8 (13) Work first participants may meet the federal work participation
9 requirement through enrollment in a short-term vocational program requir-
10 ing 30 hours of classroom seat time per week for a period not to exceed 6
11 months, or by enrollment in full-time internships, practicums, or clini-
12 cals required by an academic or training institution for licensure, pro-
13 fessional certification, or degree completion, without an additional work
14 requirement. Two-parent families who receive federally funded day care
15 must work an additional 25 hours per week to meet the federal work par-
16 ticipation requirement. In cases where a short-term vocational program
17 lasts less than 6 months, the participant shall be eligible to enroll in
18 1 additional short-term vocational program for a combined period not to
19 exceed a total of 6 months.

20 (14) Work first participants who lack a high school diploma or GED
21 and who enroll in high school completion or classes to obtain a GED may
22 count up to 10 hours of classroom seat time, combined with a minimum
23 number of hours of work per week, to meet their federal work participa-
24 tion requirement. There shall be no time limit on high school
25 completion. GED preparation shall be limited to 6 months.

26 Sec. 306. (1) Using all relevant state data sources, the department
27 shall conduct a 3-year longitudinal study of all former work first

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1 participants, whose family independence program cases closed due to
2 earnings during fiscal year 1999 and in succeeding fiscal years. The
3 data will include the following:

4 (a) The number and percentage employed.

5 (b) The average hourly wage of those employed.

6 (c) The current hourly wage of those employed.

7 (d) The range of wages earned by those employed.

8 (e) The number of individuals that earned each wage amount.

9 (f) The number and percentage receiving health care benefits from
10 their employer.

11 (g) The number and percentage receiving tuition reimbursement from
12 their employer.

13 (h) The number and percentage receiving training benefits from their
14 employer.

15 (i) The type of jobs obtained by former participants in general
16 categories.

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

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

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

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

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1 (2) The department shall file a report containing the identified
2 data with the subcommittees, fiscal agencies, and state budget director
3 by March 15, 2003.

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

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

8 Sec. 307. State and federal funds allocated to local workforce
9 development boards for disbursement shall not be expended unless the
10 local workforce development boards maintain a partnership with governmen-
11 tal agencies, public school districts, and public colleges located within
12 the local service delivery area. Each board shall appoint an education
13 advisory group made up of high-level administrators within local educa-
14 tional institutions, workforce development board members, other employ-
15 ers, labor, academic educators, and parents of public school pupils.

16 Sec. 309. (1) Of the funds appropriated in part 1 for precollege
17 programs in engineering and the sciences, \$620,000.00 shall be provided
18 in the form of a grant to the Detroit precollege engineering program,
19 incorporated and \$424,700.00 shall be provided in the form of a grant to
20 the Grand Rapids area precollege engineering program.

21 (2) The department shall submit a report to the subcommittees and
22 the fiscal agencies by February 1, 2003 regarding dropout rates, grade
23 point averages, enrollment in science, engineering, and math-based cur-
24 ricula, and employment in science, engineering, and math-based fields for
25 students within the programs. The report shall continue to evaluate the
26 effectiveness of the precollege programs in engineering and sciences
27 funded through part 1 appropriations and shall make recommendations on

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1 whether state support to expand such programs to other areas of the state
2 is warranted in future fiscal years.

3 Sec. 310. Funds earned or authorized by the United States depart-
4 ment of labor in excess of the gross appropriation in part 1 for the
5 employment service agency from the United States department of labor are
6 appropriated and may be expended for staffing and related expenses
7 incurred in the operation of its programs. These funds may be spent
8 after the department notifies the subcommittees, fiscal agencies, and the
9 state budget office of the purpose and amount of each grant award.

10 Sec. 311. (1) The department shall have at least 1 disabled veter-
11 ans outreach program specialist or local veterans employment representa-
12 tive present, if able and willing to serve, at each Michigan
13 works! employment services office on a full- or part-time basis during
14 hours of operation.

15 (2) The department shall ensure that each Michigan works! employment
16 services office shall have the necessary equipment to allow the disabled
17 veterans outreach specialist or local veterans employment representative
18 to perform his or her duties in the same manner they were performed prior
19 to February 1, 1999.

20 (3) The department shall require each Michigan works! employment
21 services office to have an employee available to ask each individual who
22 enters the office for service whether that individual is a veteran and to
23 refer each veteran to the disabled veterans outreach program specialist
24 or local veterans employment representative on duty at the time.

25 (4) The department shall require that each Michigan
26 works! employment services office shall have posted in a conspicuous
27 place within the office a notice advising veterans that a disabled

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1 veterans outreach program specialist or a local veterans employment
2 representative is available to assist him or her.

3 (5) The department shall require each Michigan works! employment
4 services office to provide free mediated services to employers wishing to
5 hire a veteran.

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

8 Sec. 312. The department shall report to the subcommittees by
9 September 30, 2003, on the distribution of the Michigan community service
10 commission volunteer investment grants.

11 Sec. 313. The funds appropriated in part 1 for the council of
12 Michigan foundations from tobacco settlement revenue shall be distributed
13 to the council of Michigan foundations as a grant to support local commu-
14 nity efforts to address youth and senior health needs. The council may
15 distribute the funds according to a formula determined by the council or
16 may invest these funds. Any investment earnings from this appropriation
17 shall be used for the same purpose as the original appropriation.

18 Sec. 314. The department may carry into the succeeding fiscal year
19 unexpended federal pass-through funds to local institutions and govern-
20 ments that do not require additional state matching funds. Federal
21 pass-through funds to local institutions and governments that are
22 received in amounts in addition to those included in part 1 and that do
23 not require additional state matching funds are appropriated for the pur-
24 poses intended.

25 Sec. 315. Of the amounts appropriated in part 1 for postsecondary
26 education, private occupational school license fees shall fund related

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1 administrative costs of the proprietary schools oversight unit within the
2 department.

3 Sec. 316. Money in the school fee fund that is unexpended at the
4 end of the fiscal year may be carried over to the succeeding fiscal
5 year.

6 Sec. 317. The department is appropriated an amount not to exceed
7 \$100,000.00 from collection of defaulted loans under the future faculty
8 program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks pro-
9 grams to offset costs of administering the loan collections.

10 Sec. 318. From the funds appropriated in part 1 for postsecondary
11 education, the department shall compile data from each university that
12 receives funding for the future faculty program within the
13 King-Chavez-Parks initiative on employment outcomes for program
14 participants. The report shall be distributed to the house and senate
15 appropriations committees by February 1 of each year. The report shall
16 include data from each participating university covering the most
17 recently completed fiscal year. The data shall include all of the
18 following:

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

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

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

23 (d) The number of participants obtaining full-time employment in
24 college faculty positions within the university through which they
25 received future faculty program support for graduate studies.

26 Sec. 319. The appropriation in part 1 for adult education shall be
27 utilized to support the administration of up to \$100,000,000.00 in

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1 general fund/general purpose revenue for adult education programs. It is
2 the intent of the legislature that department staff funded through the
3 appropriation in part 1 ensure that at least \$75,000,000.00 in adult edu-
4 cation program funding be distributed through the existing grant process
5 as outlined in section 107 of the state school aid act of 1979, 1979
6 PA 94, MCL 388.1707. No more than \$20,000,000.00 may be administered
7 through any alternative process.

8 Sec. 320. The department shall work with the department of commu-
9 nity health to establish a Medicaid buy-in program for the working dis-
10 abled through the options available under the federal ticket to work and
11 work incentives improvement act of 1999.

12 Sec. 321. The King-Chavez-Parks initiative shall be marketed by the
13 department to Michigan parents and high school and college students, to
14 promote the benefits and the availability of the college day, select stu-
15 dent support services, college/university partnership, visiting profes-
16 sors, Morris Hood, Jr. educator development, and future faculty
17 programs. The department shall provide a report to the subcommittees on
18 December 30, 2002, identifying all efforts taken to market these pro-
19 grams, including, but not limited to, the amount of funding allocated for
20 this purpose, the fund source and any expenditures or encumbrances relat-
21 ing to this marketing effort. It is the intent of the legislature that
22 the department administer the King-Chavez-Parks initiative in the same
23 manner as when it was previously contained in the department of education
24 and consistent with all boilerplate language pertaining to the above
25 listed programs as included in the appropriations act for higher educa-
26 tion institutions.

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1 Sec. 322. Of the funding appropriated in part 1 for the adult
2 education grants, \$75,000.00 shall be awarded to the Arab-American and
3 Chaldean council, \$50,000.00 shall be awarded to the Arab community
4 center for economic and social services, and \$100,000.00 shall be awarded
5 to Jewish vocational services.

6 Sec. 325. The department shall work cooperatively with the depart-
7 ment of civil service to identify state employees who will lose their
8 jobs as a result of an agency or program being reorganized, modified, or
9 eliminated and shall develop training programs and provide training to
10 these individuals that will provide them an opportunity and skills neces-
11 sary to secure new employment within state government or the private
12 sector. It shall be a priority of the department to provide training and
13 employment opportunities to these individuals through their employment
14 service locations.

15 Sec. 326. From the funds appropriated in part 1 to job training
16 programs subgrantees, the department shall allocate sufficient funds to
17 the Michigan works! service centers to allow these centers to remain
18 fully operational.

19 Sec. 327. It is the intent of the legislature that the department
20 shall work with the disability rights coalition to identify all sources
21 of state funding that may be used to match federal or private funding to
22 create a loan program for assistive technology for persons with
23 disabilities.

24 Sec. 328. If resources are available, the department may work to do
25 the following:

26 (a) Promote the use of education technology to accelerate career and
27 workforce development by improving the learning environment, stimulating

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1 innovative teaching methods, and providing residents of this state with
2 greater technology-based career choices.

3 (b) Promote technology-based training to public and private sector
4 organizations that emphasize partnerships between public education and
5 the business sector.

6 (c) Support and encourage various collaborative efforts among educa-
7 tional institutions and government agencies to meet the training needs of
8 the state's workforce.

9 Sec. 329. (1) Focus hope shall submit a report on the use of the
10 grants funds appropriated in part 1 to the chairs of the house and senate
11 subcommittees and the fiscal agencies that includes, but is not limited
12 to, the following:

13 (a) Detailed expenditures for administration including salaries and
14 wages of employees.

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

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

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

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

23 (2) The report shall be submitted on or before January 31, 2003.

24 Sec. 330. The department shall not alter the method for allocation
25 of available work first funding to Michigan works agencies. The distri-
26 bution methodology used in fiscal year 2001-02 shall remain in effect.

1 **MICHIGAN STRATEGIC FUND**

2 Sec. 401. (1) The appropriation in part 1 to the fund for economic
3 development job training shall be expended for competitive grants that
4 ensure employers have the trained workers they need to compete in the
5 global economy. The fund shall expedite grant awards for employers
6 locating or expanding in Michigan and thereby creating significant num-
7 bers of new jobs in the state. The fund shall award all grants in the
8 first 2 quarters of the state fiscal year but this requirement shall not
9 be applicable to funds available for the rapid response grants as allowed
10 in subsection (10), funds contained in the Michigan growth capital fund
11 as allowed in subsection (22), and the university research grant match as
12 allowed in subsection (21).

13 (2) Not more than 5% of the total grant, administration, and operat-
14 ing funds appropriated in part 1 for the fund's economic development job
15 training grants program may be expended for administrative costs. Not
16 more than 12% of the total grant awarded to recipients may be expended
17 for administration costs.

18 (3) No funds appropriated in part 1 to the fund for economic devel-
19 opment job training grants may be expended for the training of permanent
20 striker replacement workers.

21 (4) Of the total funds appropriated in part 1 for economic develop-
22 ment job training grants, at least 70% of the funds shall be awarded to
23 community colleges or a consortium of community colleges and other eligi-
24 ble applicants pursuant to subsection (6).

25 (5) Training grants provided by private sector trainers may reach or
26 exceed 20% of total grants, but not less than 10%.

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

12 (7) On or before October 1, 2002, the fund shall publish proposed
13 application criteria, instructions, and forms for use by eligible
14 applicants. The fund shall provide at least a 2-week period for public
15 comment prior to finalization of the application criteria, instructions,
16 and forms.

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

22 (a) The name, address, and total number of employees of each busi-
23 ness organization whose employees are receiving job training.

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

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

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

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

5 (9) Priority in the fund's awarding of grants shall be based on the
6 following criteria:

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

8 (b) Creation and/or retention of high wage and high skilled level
9 jobs.

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

11 (10) Not more than \$5,000,000.00 of the amount appropriated in part
12 1 for economic development job training may be allocated to rapid
13 response grants for employee training programs which maintain or attract
14 permanent jobs for Michigan residents. A grant under this subsection
15 shall be awarded to eligible applicants under subsection (1).

16 (11) Participants in economic development job training programs
17 shall be 16 years or older and not enrolled and counted in membership in
18 a school district or intermediate school district.

19 (12) Funds allocated under this section shall be for the purpose of
20 ensuring that employers have trained workers they need to compete in the
21 global economy. The fund shall have on file a specific plan to accom-
22 plish its objectives.

23 (13) A recipient of a grant under this section shall not charge
24 tuition or fees to participants in the program funded by the grant.
25 However, a nonprofit organization may charge tuition or fees if the
26 tuition plan or fees are recognized by the state and the nonprofit

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1 organization receives additional funding from other governmental or
2 private funding sources for its programs.

3 (14) For incumbent worker training, the business organization shall
4 provide 25% of the program costs in matching funds as determined by the
5 program.

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

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

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

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

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

23 (c) The names, addresses, and total number of employees of all busi-
24 ness organizations for whom training is or will be provided.

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

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

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

9 (20) Of the funds appropriated in part 1, \$1,000,000.00 may be used
10 for a recruitment program. This will be a program that provides worker
11 recruitment assistance to companies in Michigan. Priority for using the
12 funds shall be to recruit workers from outside the state of Michigan.
13 However, in the event funds are available for in-state recruitment
14 efforts, the Michigan works! agencies shall be utilized unless they
15 indicate they are unable to provide the service.

16 (21) The Michigan growth capital fund shall be used to develop the
17 technology business sector in Michigan. The fund will be used to encour-
18 age private and public investment in the technology business sector, and
19 all of the following apply:

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

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

1 (c) The Michigan economic development corporation shall administer
2 the programs supported by the Michigan growth capital fund.

3 (d) All funds received from repayment of loans, unused grants, reve-
4 nues received from sales or cash flow participation agreements, guaran-
5 tees, or any combination thereof or interest thereon, originally distrib-
6 uted as part of the Michigan growth capital fund, shall be received,
7 held, and applied by the Michigan strategic fund for the purposes
8 described in this subsection.

9 (e) Michigan economic development corporation shall provide an
10 annual report on the status of Michigan growth capital fund to the sub-
11 committees, the fiscal agencies, and the state budget office by January
12 31, 2003.

13 (22) Of the funds appropriated in part 1, \$1,000,000.00 may be used
14 to provide match for federal research grants made to Michigan
public universities. These funds shall be distributed through a
competitive grant program. No grant shall be greater than \$500,000.00
and no university shall receive more than 1 grant in a fiscal year.

15 (23) It is the intent of the legislature that the fiscal year 2003
16 economic development job training grant program be continued in fiscal
17 year 2004 and be funded at a level not less than that in effect in fiscal
18 year 2002.

19 Sec. 402. Travel Michigan may establish and collect a fee to cover
20 the cost of materials and processing of photographic prints, slides, vid-
21 eotapes, and travel product database information that are requested by
22 the media and other segments of the public and private sectors. The fees
23 collected shall be appropriated for all expenses necessary to purchase
24 and distribute these photographic prints, slides, videotapes, and travel
25 product database information. The funds are available for expenditure
26 when they are received by the department of treasury.

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1 Sec. 403. The fund shall submit an annual status report to the
2 subcommittees, fiscal agencies, and the state budget director on all
3 activities, grants, and investment programs financed from the strategic
4 fund using investment or Indian gaming revenues. The report shall pro-
5 vide a list of individual grants and loans made from the fund.

6 Sec. 404. Travel Michigan may receive and expend private revenue
7 related to the use of the "Michigan Great Lakes. Great Times." copy-
8 righted slogan and image. This revenue may come from the direct licens-
9 ing of the name and image or from the royalty payments from various mer-
10 chandise sales. Revenue collected is appropriated for the marketing of
11 the state as a travel destination. The funds are available for expendi-
12 ture when they are received by the department of treasury.

13 Sec. 405. Of the funds appropriated in part 1 for the Michigan pro-
14 motion program, at least 25% of all program funds shall be used to pro-
15 mote cultural tourism opportunities in Michigan. In addition, \$25,000.00
16 shall be used to promote tourism activities in the northeast region of
17 this state.

18 Sec. 406. The fund shall submit on or before May 1, 2003, and
19 November 1, 2003, to the subcommittees, state budget office, and the
20 fiscal agencies a listing of all grants which have been awarded by the
21 fund or by the Michigan economic development corporation from the funds
22 appropriated in part 1. The list shall include all of the following:

- 23 (a) The name of the recipient.
24 (b) The amount awarded to the recipient.
25 (c) The purpose of the grant.

26 Sec. 407. (1) The fund shall provide reports to the relevant
27 subcommittees, the state budget director, and the fiscal agencies

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1 concerning the activities of the Michigan economic development
2 corporation. The report shall include, but not be limited to, the fol-
3 lowing programs funded in part 1:

- 4 (a) Travel Michigan.
- 5 (b) Michigan business development.
- 6 (c) Global business development.
- 7 (d) Small, minority, and disabled business services.
- 8 (e) Community development block grants.
- 9 (f) Strategic fund administration.
- 10 (g) Renaissance zones.
- 11 (h) Business roundtables.
- 12 (i) Business and clean air ombudsman.
- 13 (j) Economic development job training grants.
- 14 (k) Film office.
- 15 (l) Health and aging research and development initiative.
- 16 (m) Community assistance team.
- 17 (n) Any other programs of the fund.

18 (2) The reports in subsection (1) shall be submitted by January 1,
19 2003. The report for each program in subsection (1)(a) through (m) shall
20 include details on the actual spending and number of FTEs for that pro-
21 gram for the previous fiscal year.

22 Sec. 408. As a condition of receiving funds under part 1, any
23 interlocal agreement entered into by the fund shall include language
24 which states that if a local unit of government has a contract or memo-
25 randum of understanding with a private economic development agency, the
26 Michigan economic development corporation will work cooperatively with
27 that private organization in that local area.

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1 Sec. 409. (1) Of the funds appropriated to the fund or through
2 grants to the Michigan economic development corporation, no funds shall
3 be expended for the purchase of options on land or the purchase of land
4 unless at least 1 of the following conditions applies:

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

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

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

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

20 Sec. 410. (1) The funds appropriated in part 1 for the life
21 sciences corridor initiative are appropriated to support basic and
22 applied research in health-related areas, with emphasis on issues related
23 to aging. The program shall be administered by the Michigan economic
24 development corporation.

25 (2) A life sciences steering committee, appointed by the governor,
26 shall consist of 14 members including the CEO of the Michigan economic
27 development corporation, a member from Michigan State University, the

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1 University of Michigan, Wayne State University, the Van Andel Institute,
2 and 2 members from the private sector. The remaining members shall be
3 appointed at large and may include members from the private sector,
4 public sector, or other Michigan universities. Committee members are
5 authorized to designate alternate members. The purpose of the steering
6 committee is to provide advice and oversight of the initiative, including
7 the development of criteria for the award of contracts or grants to qual-
8 ifying universities, institutions, or individuals. The steering commit-
9 tee will make decisions regarding distribution of these grant funds and
10 has the authority to make adjustments to the category funding percentage
11 from basic research and collaborative research grants to the commercial-
12 ization fund based upon the demands within categories and the quality of
13 the applications received.

14 (3) Of the funds appropriated, up to \$2,500,000.00 may be used for
15 administering the initiative and not less than \$5,000,000.00 shall be
16 used to support a commercial development fund to support commercializ-
17 ation opportunities for life science research in Michigan. In allocating
18 funding to the commercial development fund, it is the intent of the leg-
19 islature that the life sciences steering committee give maximum priority
20 to supporting all potential commercialization opportunities that appear
21 to have merit. Of the remaining funds appropriated, 45% are allocated
22 for a basic research fund, to be distributed on a competitive basis to
23 Michigan universities or Michigan nonprofit research institutes, or both,
24 for basic research in health-related areas. Not less than \$4,000,000.00
25 is allocated to research related to aging diseases and health problems.
26 In addition, 55% of the remaining appropriated funds are earmarked for a
27 collaborative research fund to support peer-reviewed collaborative grants

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1 among Michigan universities and/or private research facilities, with
2 emphasis on testing or developing emerging discoveries.

3 (4) Repayment of any funds received as a result of awards made under
4 1999 PA 120, 2000 PA 292, 2001 PA 80, or this act including, but not
5 limited to, funds received as interest or return on investment shall be
6 deposited in the fund described in subsection (3) from which it was
7 awarded to be expended for the same purposes. These funds are authorized
8 for expenditure upon receipt and shall not lapse to the general fund.

9 (5) The records of the life sciences steering committee involving a
10 proposal submitted by an eligible entity that are of a scientific, tech-
11 nical, or proprietary nature, the release of which could cause competi-
12 tive harm to the eligible entity as determined by the health and aging
13 steering committee, are exempt from disclosure under the freedom of
14 information act, 1976 PA 442, MCL 15.231 to 15.246.

15 Sec. 411. The money appropriated in part 1 to the fund is subject
16 to the condition that none is spent for premiums or advertising material
17 involving personal effects or apparel including, but not limited to,
18 t-shirts, hats, coffee mugs, or other promotional items, except travel
19 Michigan.

20 Sec. 412. (1) From the general fund/general purpose appropriations
21 in part 1 to the fund and granted or transferred to the Michigan economic
22 development corporation, any unexpended or unencumbered balance shall be
23 disposed of in accordance with the requirements in the management and
24 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, unless carryforward
25 authorization has been otherwise provided for.

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

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1 Sec. 413. As a condition of receiving funds under part 1, the fund
2 shall ensure that a public body corporate, created under section 28 of
3 article VII of the state constitution of 1963, and the urban cooperation
4 act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contrac-
5 tual interlocal agreement between local participating economic develop-
6 ment corporations formed under the economic development corporations act,
7 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund,
8 complies with all of the following:

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

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

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

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

15 Sec. 414. As a condition for receiving the appropriations in part
16 1, any staff of the Michigan economic development corporation involved in
17 private fund-raising activities shall not be party to any decisions
18 regarding the awarding of grants or tax abatements from the Michigan
19 strategic fund, Michigan economic development corporation, or the
20 Michigan economic growth authority.

21 Sec. 415. (1) All funds received from repayment of loans, unused
22 grants, revenues received from sales or cash flow participation agree-
23 ments, guarantees, or any combination thereof or interest thereon, origi-
24 nally distributed as part of the core communities fund, shall be
25 received, held, and applied by the Michigan strategic fund for the pur-
26 poses described in this act.

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(2) The fund shall provide an annual report on the status of this fund. The report shall be provided to the subcommittees, the fiscal agencies, and the state budget office by January 31, 2003.

Sec. 416. Travel Michigan shall coordinate with Michigan-based ethnic destination marketing organizations to promote ethnic festivals and events in Michigan target markets.

Sec. 418. (1) The funding appropriated in part 1 of 2000 PA 291 for the Michigan core communities fund will be used to create an urban revitalization infrastructure program in the Michigan strategic fund for economic development awards to create new jobs or contribute to redevelopment and encourage private investment in core communities.

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

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

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

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

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

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

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

18 (8) Fifteen days prior to the award of the funds, notification shall
19 be provided to the speaker of the house of representatives, the senate
20 majority leader, the members of the house and senate appropriations com-
21 mittees, and the house and senate fiscal agencies.

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

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

24 (b) Land or other facilities owned or operated by a gaming
25 facility.

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

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1 (10) As used in this section, "Michigan economic development
2 corporation" means the public body corporate created under section 28 of
3 article VII of the state constitution of 1963 and the urban cooperation
4 act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contrac-
5 tual interlocal agreement effective April 5, 1999, between local partici-
6 pating economic development corporations formed under the economic devel-
7 opment corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the
8 Michigan strategic fund. If the Michigan economic development corpora-
9 tion is unable for any reason to perform its duties under this act, the
10 Michigan strategic fund may exercise those duties.

11 (11) Up to \$1,000,000.00 of any unexpended and unencumbered funds in
12 the Michigan core communities fund and any funds received from the repay-
13 ment of loans, unused grants, revenues received from sales or cash flow
14 participation agreements, guarantees, or the payment of interest on these
15 funds shall be used to support the capital access program.

16 Sec. 420. Of the funds appropriated in part 1 for job creation
17 services, \$20,000.00 shall be allocated in fiscal year 2003 to the
18 Michigan technical assistance center in Port Huron.