

SB 232, As Passed Senate, March 28, 2001

**SUBSTITUTE FOR
SENATE BILL NO. 232**

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, 2002; to provide for the expenditure of the appropriations; and to provide for the disposition of fees and other income received by the state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of career development and the Michigan strategic fund for the fiscal year ending September 30, 2002, from the funds indicated in this part, the following:

TOTAL APPROPRIATIONS

Full-time equated unclassified positions.....6.0

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232 as amended March 28, 2001
2

For Fiscal Year Ending
September 30, 2002

1	Full-time equated classified positions.....	1,378.0	
2	GROSS APPROPRIATION.....	\$	710,911,300
3	Total interdepartmental grants and intradepartmental		
4	transfers.....	\$	1,148,000
5	ADJUSTED GROSS APPROPRIATION.....	\$	709,763,300
6	Federal revenues:		
7	Total federal revenues.....		526,634,300
8	Special revenue funds:		
9	Total local revenues.....		14,978,200
10	Total private revenues.....		3,246,300
11	Total other state restricted revenues.....		61,494,500
12	State general fund/general purpose.....	\$	103,410,000
13	Sec. 102. DEPARTMENT OF CAREER DEVELOPMENT		
14	(1) APPROPRIATION SUMMARY:		
15	Full-time equated unclassified positions.....	6.0	
16	Full-time equated classified positions.....	1,143.0	
17	GROSS APPROPRIATION.....	\$	530,705,300
18	Interdepartmental grant revenues:		
19	Total interdepartmental grants and intradepartmental		
20	transfers.....		1,048,000
21	ADJUSTED GROSS APPROPRIATION.....	\$	529,657,300
22	Federal revenues:		
23	Total federal revenues.....		463,699,900
24	Special revenue funds:		
25	Total local revenues.....		14,978,200
26	Total private revenues.....		2,396,300

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232 as amended March 28, 2001
3

For Fiscal Year Ending
September 30, 2002

1	Total other state restricted revenues.....	11,444,500
2	State general fund/general purpose..... \$	<u>37,138,400</u>
3	(2) DEPARTMENTAL ADMINISTRATION	
4	Full-time equated unclassified positions.....6.0	
5	Unclassified salaries..... \$	<u>509,000</u>
6	GROSS APPROPRIATION..... \$	509,000
7	Appropriated from:	
8	State general fund/general purpose..... \$	509,000
9	(3) DEPARTMENT OPERATIONS	
10	Full-time equated classified positions.....103.0	
11	Administration--103.0 FTE positions..... \$	11,683,100
12	Building occupancy charges - property development	
13	services.....	651,300
14	Special project advances.....	200,000
15	Worker's compensation.....	<u>217,800</u>
16	GROSS APPROPRIATION..... \$	12,752,200
17	Appropriated from:	
18	Federal revenues:	
19	CNS.....	202,000
20	DED-OSERS, rehabilitation services, vocational reha-	
21	bilitation of state grants.....	4,329,100
22	DOL-ETA, workforce investment act.....	741,600
23	DOL, federal funds.....	3,279,000
24	Federal revenues.....	100,000
25	HHS, temporary assistance for needy families.....	1,064,200
26	Special revenue funds:	

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

4

For Fiscal Year Ending
September 30, 2002

1	Private - special project advances.....	200,000
2	Contingent fund, penalty and interest.....	412,000
3	State general fund/general purpose..... \$	2,424,300
4	(4) WORKFORCE DEVELOPMENT	
5	Full-time equated classified positions.....664.0	
6	Employment training services--569.0 FTE positions.... \$	65,043,900
7	Michigan career and technical institute--95.0 FTE	
8	positions.....	<u>10,677,800</u>
9	GROSS APPROPRIATION..... \$	75,721,700
10	Appropriated from:	
11	Interdepartmental grant revenues:	
12	IDG-MDOC.....	32,400
13	Federal revenues:	
14	CNS.....	1,669,000
15	DAG, employment and training.....	258,300
16	DED-OPSE, multiple grants.....	815,500
17	DED-OSERS, centers for independent living.....	58,200
18	DED-OSERS, rehabilitation long-term training.....	566,900
19	DED-OSERS, rehabilitation services, vocational reha-	
20	bilitation of state grants.....	44,238,000
21	DED-OSERS, state grants for technical related	
22	assistance.....	55,700
23	DOL-ETA, workforce investment act.....	4,259,500
24	DED-Perkins act.....	171,900
25	HHS, temporary assistance for needy families.....	3,497,600
26	HHS-SSA, supplemental security income.....	4,185,500

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

5

For Fiscal Year Ending
September 30, 2002

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.....	1,236,900
5	Second injury fund.....	51,500
6	Student fees.....	308,000
7	Training material fees.....	256,300
8	State general fund/general purpose..... \$	9,417,100
9	(5) CAREER EDUCATION PROGRAMS	
10	Full-time equated classified positions.....73.0	
11	Career and technical education--32.0 FTE positions... \$	3,029,600
12	Postsecondary education--23.0 FTE positions.....	2,406,700
13	Adult education--14.0 FTE positions.....	2,175,900
14	Commission on Spanish speaking affairs--2.0 FTE	
15	positions.....	217,600
16	Arab American commission--2.0 FTE positions.....	<u>150,000</u>
17	GROSS APPROPRIATION..... \$	7,979,800
18	Appropriated from:	
19	Federal revenues:	
20	Federal revenues.....	5,616,900
21	Special revenue funds:	
22	Private occupational school license fees.....	274,100
23	Defaulted loan collection fees.....	100,000
24	State general fund/general purpose..... \$	1,988,800
25	(6) DEPARTMENT GRANTS	
26	Adult basic education..... \$	13,500,000

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232 as amended March 28, 2001
6

For Fiscal Year Ending
September 30, 2002

1	Council of Michigan foundations.....	6,000,000
2	Focus: HOPE.....	5,994,300
3	Job training programs subgrantees.....	106,818,300
4	Michigan community service commission subgrantees....	6,900,000
5	Personal assistance services.....	462,000
6	Precollege programs in engineering and the sciences..	1,144,700
7	Supported employment grants.....	1,441,300
8	Technology assistance grants.....	1,378,700
9	Carl D. Perkins grants.....	41,500,000
10	Vocational rehabilitation client services/facilities.	50,183,400
11	Vocational rehabilitation independent living.....	3,115,700
12	Welfare-to-work programs.....	140,499,000
13	Adult education learning grants.....	<u>350,000</u>
14	GROSS APPROPRIATION..... \$	<u>379,287,400</u>
15	Appropriated from:	
16	Interdepartmental grant revenues:	
17	IDG-MDOC.....	1,015,600
18	Federal revenues:	
19	CNS.....	5,500,000
20	DAG, employment and training.....	13,000,000
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.....	34,935,200
26	DED-OSERS, rehabilitation services facilities.....	2,272,500

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232 as amended March 28, 2001
7

For Fiscal Year Ending
September 30, 2002

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.....	41,500,000
6	DOL-ETA, workforce investment act.....	104,602,700
7	DOL-ETA, welfare-to-work.....	20,000,000
8	HHS, temporary assistance for needy families.....	98,499,000
9	HHS-SSA, supplemental security income.....	2,362,500
10	Special revenue funds:	
11	Private - gifts, bequests, and donations.....	800,000
12	Contingent fund, penalty and interest account.....	1,000,000
13	Local vocational rehabilitation match.....	6,437,400
14	Local vocational rehabilitation facilities match.....	1,278,300
15	Tobacco settlement revenue.....	6,000,000
16	State general fund/general purpose..... \$	<u>22,799,200</u>
17	(7) EMPLOYMENT SERVICE AGENCY	
18	Full-time equated classified positions.....303.0	
19	Building occupancy charges - property development	
20	service..... \$	674,100
21	Worker's compensation.....	143,800
22	Employment services--251.0 FTE positions.....	49,184,200
23	Labor market information--52.0 FTE positions.....	<u>4,453,100</u>
24	GROSS APPROPRIATION..... \$	54,455,200
25	Appropriated from:	
26	Federal revenues:	

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

8

For Fiscal Year Ending
September 30, 2002

1	DED-OSERS, rehabilitation services, vocational		
2	rehabilitation of state grants.....		1,304,900
3	DOL, federal funds.....		47,329,200
4	Special revenue funds:		
5	Contingent fund, penalty and interest account.....		1,805,700
6	Local revenue.....		4,015,400
7	State general fund/general purpose.....	\$	0
8	Sec. 103. MICHIGAN STRATEGIC FUND		
9	(1) APPROPRIATION SUMMARY:		
10	Full-time equated classified positions.....	235.0	
11	GROSS APPROPRIATION.....	\$	180,206,000
12	Interdepartmental grant revenues:		
13	Total interdepartmental grants and intradepartmental		
14	transfers.....		100,000
15	ADJUSTED GROSS APPROPRIATION.....	\$	180,106,000
16	Federal revenues:		
17	Total federal revenues.....		62,934,400
18	Special revenue funds:		
19	Total private revenues.....		850,000
20	Total other state restricted revenues.....		50,050,000
21	State general fund/general purpose.....	\$	66,271,600
22	(2) MICHIGAN STRATEGIC FUND		
23	Full-time equated classified positions.....	235.0	
24	Administration--40.0 FTE positions.....	\$	5,544,600
25	Job creation services--195.0 FTE positions.....		25,419,000
26	Michigan promotion program.....		8,242,500

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

9

For Fiscal Year Ending
September 30, 2002

1	Economic development job training grants.....	30,999,900
2	Community development block grants.....	60,000,000
3	Health and aging research and development strategies.	<u>50,000,000</u>
4	GROSS APPROPRIATION.....	\$ 180,206,000
5	Appropriated from:	
6	Interdepartmental grant revenues:	
7	IDG-MDEQ, air quality fees.....	100,000
8	Federal revenues:	
9	DOL-ETA, employment service.....	771,200
10	HUD-CPD, community development block grant.....	62,163,200
11	Special revenue funds:	
12	Private-Michigan certified development corporations	
13	fees.....	350,000
14	Private-special project advances.....	500,000
15	Industry support fees.....	50,000
16	Tobacco settlement revenue.....	50,000,000
17	State general fund/general purpose.....	\$ 66,271,600

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PART 2

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PROVISIONS CONCERNING APPROPRIATIONS

21 **GENERAL SECTIONS**

22 Sec. 201. Pursuant to section 30 of article IX of the state consti-
23 tution of 1963, total state spending from state resources under part 1
24 for fiscal year 2001-2002 is \$164,304,500.00 and state spending from
25 state resources to be paid to local units of government for fiscal year
26 2001-2002 is \$21,700,000.00. The itemized statement below identifies
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SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232 10

1 appropriations from which spending to units of local government will
2 occur:

3 MICHIGAN STRATEGIC FUND

4	Economic development job training grants.....	\$	<u>21,700,000</u>
5	Total Michigan strategic fund.....	\$	21,700,000

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

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

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

10 (b) "CEO" means chief executive officer of the Michigan strategic
11 fund.

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

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

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

15 (f) "DED-OPSE" means the DED office of postsecondary education.

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

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

20 (i) "Department" means the department of career development.

21 (j) "Director" means the director of the department of career
22 development.

23 (k) "DOL" means the United States department of labor.

24 (l) "DOL-ETA" means the DOL employment and training act.

25 (m) "DOL-NOICC" means the DOL national occupational information
26 coordinating committee.

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

11

1 (n) "Fiscal agencies" means the Michigan house fiscal agency and
2 the Michigan senate fiscal agency.

3 (o) "FTE" means full-time equated.

4 (p) "Fund" means the Michigan strategic fund.

5 (q) "GED" means general education degree.

6 (r) "HHS" means the United States department of health and human
7 services.

8 (s) "HHS-SSA" means HHS social security administration.

9 (t) "HUD-CPD" means HUD community planning and development.

10 (u) "IDG" means interdepartmental grant.

11 (v) "MDEQ" means the Michigan department of environmental quality.

12 (w) "MDOC" means the Michigan department of corrections.

13 (x) "Subcommittees" means all members of the appropriations
14 subcommittees of the house and senate.

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

20 Sec. 205. (1) A hiring freeze is imposed on the state classified
21 civil service. State departments and agencies are prohibited from hiring
22 any new full-time state classified civil service employees and prohibited
23 from filling any vacant state classified civil service positions. This
24 hiring freeze does not apply to internal transfers of classified employ-
25 ees from 1 position to another within a department or the fund, or to any
26 new positions created by the legislature as provided for in this act.

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

12

1 (2) The state budget director shall grant exceptions to this hiring
2 freeze when the state budget director believes that the hiring freeze
3 will result in rendering a state department or agency unable to deliver
4 basic services, cause a loss of revenue to the state, result in the
5 inability of the state to receive federal funds, or would necessitate
6 additional expenditures that exceed any savings from maintaining a
7 vacancy. The state budget director shall report by the thirtieth of each
8 month to the chairpersons of the senate and house of representatives
9 standing committees on appropriations the number of exceptions to the
10 hiring freeze approved during the previous month and the justification
11 for the exception.

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

19 (2) In addition to the funds appropriated in part 1, there is appro-
20 priated an amount not to exceed \$2,000,000.00 for the department and
21 \$1,000,000.00 for the fund for state restricted contingency funds. These
22 funds are not available for expenditure until they have been transferred
23 to another line item in this act pursuant to section 393(2) of the man-
24 agement and budget act, 1984 PA 431, MCL 18.1393.

25 (3) In addition to the funds appropriated in part 1, there is appro-
26 priated an amount not to exceed \$8,000,000.00 for the department for
27 local contingency funds. These funds are not available for expenditure

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

13

1 until they have been transferred to another line item in this act
2 pursuant to section 393(2) of the management and budget act, 1984 PA 431,
3 MCL 18.1393.

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

10 Sec. 207. At least 60 days before beginning any effort to privati-
11 ze, the department shall submit a complete project plan to the subcommit-
12 tees and the fiscal agencies. The plan shall include the criteria under
13 which the privatization initiative will be evaluated. The evaluation
14 shall be completed and submitted to the fiscal agencies and to the sub-
15 committees within 30 months.

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

25 Sec. 209. Funds appropriated in part 1 shall not be used for the
26 purchase of foreign goods or services, or both, if competitively priced

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

14

1 and of comparable quality American goods or services, or both, are
2 available.

3 Sec. 210. The director and the CEO receiving appropriations in part
4 1 shall take all reasonable steps to ensure businesses in deprived and
5 depressed communities compete for and perform contracts to provide serv-
6 ices or supplies, or both. The director or CEO shall strongly encourage
7 firms with which the department contracts to subcontract with certified
8 businesses in depressed and deprived communities for services, supplies,
9 or both.

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

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

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

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

15

1 DEPARTMENT OF CAREER DEVELOPMENT

2 Sec. 301. The Michigan career and technical institute may receive
3 equipment and in-kind contributions for the direct support of staff serv-
4 ices through the Pine Lake fund, the Delton-Kellogg school district or
5 other local or intermediate school district, or any combination of local
6 or intermediate school districts in addition to those authorized in
7 part 1.

8 Sec. 302. The Michigan rehabilitation service shall make every
9 effort to ensure that all sources of matching funds in this state are
10 used to obtain federal vocational rehabilitation funds. All sources
11 include, but are not limited to, privately raised funds to support public
12 nonprofit rehabilitation centers as permitted by the rehabilitation act
13 of 1973, Public Law 93-112, 29 U.S.C. 701 to 718, 720 to 751, 760 to 765,
14 771 to 776, 780 to 785, 791 to 794e, 795 to 795n, and 796 to 796l.

15 Sec. 303. The local match requirements for vocational rehabilita-
16 tion facilities establishment grants shall not exceed 21.3% for the
17 fiscal year ending September 30, 2002.

18 Sec. 304. (1) Of the funds appropriated in part 1 for vocational
19 rehabilitation independent living, all general fund/general purpose reve-
20 nue not used to match federal funds shall be used for the support of cen-
21 ters for independent living which are in compliance with federal stan-
22 dards for such centers, for the development of new centers in areas pres-
23 ently unserved or underserved, for technical assistance to centers, and
24 for projects to build capacity of centers to deliver independent living
25 services. Applications for such funds shall be reviewed in accordance
26 with criteria and procedures established by the statewide independent
27 living council, the Michigan rehabilitation services unit within the

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

16

1 department, and the Michigan commission for the blind. Funds must be
2 used in a manner consistent with the priorities established in the state
3 plan for independent living. The department is directed to work with the
4 Michigan association of centers for independent living and the local
5 workforce development boards to identify other competitive sources of
6 funding.

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

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

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

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

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

22 (iv) The total number of disabled individuals served by personal
23 care attendants and the number of personal care attendants provided
24 through the use of any funds appropriated in part 1 administered by a
25 center for independent living and a comparison to the number served in
26 the previous year.

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

17

1 (b) Information from each center for independent living receiving
2 funding through appropriations in part 1 detailing their total budget for
3 their most recently completed fiscal year as well as the amount within
4 that budget funded through the vocational rehabilitation independent
5 living grant program referenced in part 1, the total amount funded
6 through other state agencies, the amount funded through federal sources,
7 and the amount funded through local and private sources.

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

12 (3) The report required in subsection (2) shall be submitted to the
13 appropriate appropriations subcommittees, the fiscal agencies, and the
14 state budget director on or before January 15, 2002.

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

23 (2) An applicant may be a school district, intermediate school dis-
24 trict, community college, public or private nonprofit college or univer-
25 sity, nonprofit organization that provides school-to-work transition pro-
26 grams or that provides employment and training services or vocational
27 rehabilitation programs or state licensed accredited vocational or

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232 as amended March 28, 2001

18

1 technical education programs, proprietary school licensed by the state
2 board of education, local workforce development board, or a consortium
3 consisting of any combination of school districts, intermediate school
4 districts, community colleges, nonprofit organizations described in this
5 subsection, licensed proprietary schools, or public or private nonprofit
6 colleges or universities described in this subsection.

7 (3) When the work first job search requirements have been completed,
8 if the participant has not found employment, the work first site shall
9 identify the barriers which may have prevented the participant from
10 obtaining employment and assist the client in removing those barriers.
11 The work first site shall also identify appropriate education and job
12 training programs which would be available to the participant. When an
individual is re-referred to Work First because of an inability to retain
employment, the department shall confer with the Michigan rehabilitation
services, the family independence agency, or other professionals if deemed
appropriate by the Michigan works agency to screen for and identify issues
that are preventing the participant from succeeding in the labor market.
Each Michigan works agency shall determine locally the number of times an
individual may be re-referred back to the program before consulting with
other service agencies. If no prohibitive barriers to work are found, the
individual shall comply with the work first program, or be subject to
appropriate penalties.

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

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

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

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

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

19

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

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

7 (9) The department shall submit to the fiscal agencies and the state
8 budget director by March 15, 2002, a report on the work first program,
9 including the number of participants served under this section, the
10 number of persons who located employment through work first, the average
11 wage of participants who found employment, the number of persons who
12 retained jobs for 90 days, the number of participants placed in employ-
13 ment training and education programs, the number of clients referred to
14 work first who failed to report, a compilation of barriers to employment
15 by incidence and type experienced by participants, and the number of par-
16 ticipants referred back to the family independence agency.

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

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

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

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

20

1 (11) The department and the family independence agency shall
2 continue to collaborate on refining and making available to work first
3 participants clear joint guidelines on the eligibility of work first par-
4 ticipants for postemployment training support and on how
5 training/education hours can be applied toward federal work participation
6 requirements. These guidelines shall balance the ability of participants
7 to obtain training and subsequent long-term, high-wage employment with
8 the need to connect participants with the workplace. Any and all
9 training/education, with the exception of high school completion and GED
10 preparation, must be occupationally relevant and in demand in the labor
11 market as determined by the workforce development board. Participants
12 must make satisfactory progress while in training/education. The depart-
13 ment shall submit a progress report on these continuing efforts to the
14 house and senate appropriations subcommittees with jurisdiction over the
15 department and the family independence agency and to the fiscal agencies
16 by October 1, 2001.

17 (12) Work first participants may meet the work participation
18 requirement by combining a minimum of 10 hours per week of work with
19 training/education. Training/education may last up to 12 months and the
20 calculated hours may include actual classroom seat time up to 10 hours
21 per week plus up to 1 hour of study time for each hour of classroom seat
22 time. The combined work and training/education hours must equal the min-
23 imum number of hours required to meet the federal work participation
24 requirements, 30 hours per week for a single parent, 35 hours per week
25 for 2-parent families, 55 hours if utilizing federally funded day care,
26 and 20 hours per week for single parents with a child under the age of
27 6. Work first participants may enroll in additional hours of classroom

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

21

1 seat time beyond 10 hours. However, these hours and the related study
2 time will not count toward the work participation requirement. The
3 training may be no longer than a 1-year program, or the final year of a
4 2- or 4-year undergraduate program which is designed to lead to immediate
5 labor force attachment.

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

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

24 Sec. 306. (1) Using all relevant state data sources, the department
25 shall acquire data on former work first participants, whose family inde-
26 pendence program cases closed due to earnings during fiscal year 2000,
27 for the third year in the continuing longitudinal study started in fiscal

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

22

1 year 2000. In addition, first- and second-year data will also be
2 compiled on former work first participants whose family independence pro-
3 gram cases were closed due to earnings during fiscal years 2000 and
4 2001. The data will include the following:

5 (a) The number and percentage employed.

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

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

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

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

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

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

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

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

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

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

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

25 (m) The extent to which the former participant feels that they and
26 their family are better off now than when they were on cash assistance

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232 as amended March 27 and 28, 2001

23

1 with regard to household income, housing, food and nutritional needs,
2 child health care, and access to health insurance coverage.

3 (2) The department shall file a report containing the identified
4 data with the appropriate house and senate appropriation subcommittees
5 and fiscal agencies by March 15, 2002.

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

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

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

18 Sec. 308. From the funds appropriated in part 1 to job training
19 programs subgrantees, the department shall allocate sufficient funds to
20 the Michigan works! service centers to allow these centers to remain
21 fully operational.

22 Sec. 309. (1) Of the funds appropriated in part 1 for precollege
23 programs in engineering and the sciences, \$620,000.00 shall be provided
24 in the form of a grant to the Detroit precollege engineering program,
25 incorporated and \$424,700.00 shall be provided in the form of a grant to
26 the Grand Rapids area precollege engineering program and \$100,000.00 shall
be provided in the form of a grant to the Jackson area precollege
engineering program.

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

24

1 (2) The department shall submit a report to the appropriate
2 subcommittees and the fiscal agencies by February 1, 2002 regarding
3 dropout rates, grade point averages, enrollment in science, engineering,
4 and math-based curricula, and employment in science, engineering, and
5 math-based fields for students within the programs. The report shall
6 continue to evaluate the effectiveness of the precollege programs in
7 engineering and sciences funded through part 1 appropriations and shall
8 make recommendations on whether state support to expand such programs to
9 other areas of the state is warranted in future fiscal years.

10 Sec. 310. Funds earned or authorized by the United States depart-
11 ment of labor in excess of the gross appropriation in part 1 for the
12 employment service agency from the United States department of labor are
13 appropriated and may be expended for staffing and related expenses
14 incurred in the operation of its programs. These funds may be spent
15 after the department notifies the subcommittees and the state budget
16 office of the purpose and amount of each grant award.

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

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

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

25

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

6 (4) The department shall require that each Michigan
7 works! employment services office shall have posted in a conspicuous
8 place within the office a notice advising veterans that a disabled veter-
9 ans outreach program specialist or a local veterans employment represen-
10 tative is available to assist him or her.

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

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

16 Sec. 312. The department shall report to the subcommittees by
17 September 30, 2002, on the distribution of the Michigan community service
18 commission volunteer investment grants.

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

26 Sec. 314. The department may carry into the succeeding fiscal year
27 unexpended federal pass-through funds to local institutions and

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

26

1 governments that do not require additional state matching funds. Federal
2 pass-through funds to local institutions and governments that are
3 received in amounts in addition to those included in part 1 and that do
4 not require additional state matching funds are appropriated for the pur-
5 poses intended.

6 Sec. 315. Of the amounts appropriated in part 1 for postsecondary
7 education, private occupational school license fees shall fund related
8 administrative costs of the proprietary schools oversight unit within the
9 department.

10 Sec. 316. Money in the school loan exception fee fund that is unex-
11 pended at the end of the fiscal year shall not revert to the general fund
12 but shall be carried over to the succeeding fiscal year.

13 Sec. 317. The department is appropriated an amount not to exceed
14 \$100,000.00 from collection of defaulted loans under the future faculty
15 program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks pro-
16 grams to offset costs of administering the loan collections.

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

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

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232 as amended March 27, 2001 27

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

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

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

7 Sec. 319. The appropriation in part 1 for adult education shall be
8 utilized to support the administration of up to \$100,000,000.00 in gen-
9 eral fund/general purpose revenue for adult education programs. It is
10 the intent of the legislature that department staff funded through the
11 appropriation in part 1 ensure that at least \$80,000,000.00 in adult edu-
12 cation program funding be distributed through the existing grant process
13 as outlined in section 107 of the state school aid act of 1979, 1979
14 PA 94, MCL 388.1707. No more than \$20,000,000.00 may be administered
15 through any alternative process.

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

20 Sec. 321. [REDACTED] The
21 King-Chavez-Parks initiative shall be marketed by the department to
22 Michigan
23 parents and high school and college students, to promote the benefits and
24 the availability of the college day, select student support services,
25 college/university partnership, visiting professors, Morris Hood, Jr.,
26 educator develop-
27 ment, and future faculty programs. The department shall provide a report
to the subcommittees on December 30, 2001 identifying all efforts taken to
market these programs, including, but not limited to, the amount of
funding allocated for this purpose, the fund source and any expenditures
or encumbrances relating to this marketing effort. It is [REDACTED] the
intent of the leg-
islature that the department administer the King-Chavez-Parks initiative
in the same manner as when it was previously contained in the department

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

28

1 of education and consistent with all boilerplate language pertaining to
2 the above listed programs as included in the appropriations act for
3 higher education institutions.

4 Sec. 322. Of the funding appropriated in part 1 for the adult edu-
5 cation grants, 30% shall be awarded to the Arab-American and Chaldean
6 council, 30% shall be awarded to American Arab Chaldean community out-
7 reach services, inc., and 40% shall be awarded to Jewish vocational
8 services.

9 Sec. 323. The department shall work with the family independence
10 agency to provide assistance to Created For Caring to enhance an employ-
11 ment skills training program for eligible families receiving assistance
12 in order to compete for the welfare-to-work funding made available in
13 part 1.

14 MICHIGAN STRATEGIC FUND

15 Sec. 401. (1) The appropriation in part 1 to the fund for economic
16 development job training shall be expended for competitive grants that
17 ensure employers have the trained workers they need to compete in the
18 global economy. The fund shall expedite grant awards for employers
19 locating or expanding in Michigan and thereby creating significant num-
20 bers of new jobs in the state.

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

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

29

1 (3) No funds appropriated in part 1 to the fund for economic
2 development job training grants may be expended for the training of per-
3 manent striker replacement workers.

4 (4) At least 70% of the economic development job training grant
5 funds shall be awarded to community colleges or a consortium of community
6 colleges and other eligible applicants pursuant to the requirements of
7 this section.

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

10 (6) An applicant may be a school district, intermediate school dis-
11 trict, community college, public or private nonprofit college or univer-
12 sity, nonprofit organization whose primary purpose is to provide educa-
13 tion programs or employment and training services or vocational rehabili-
14 tation programs or school-to-work transition programs, local workforce
15 development board, the headquarters of a federal and state sponsored man-
16 ufacturing technology center, or a consortium consisting of any combina-
17 tion of school districts, intermediate school districts, community col-
18 leges, nonprofit organizations described in this subsection, or public or
19 private nonprofit colleges or universities described in this subsection.

20 (7) On or before October 1, 2001, the fund shall publish proposed
21 application criteria, instructions, and forms for use by eligible
22 applicants. The fund shall provide at least a 2-week period for public
23 comment prior to finalization of the application criteria, instructions,
24 and forms.

25 (8) The award process will include a simple notice of intent to be
26 reviewed to see if the application merits further consideration. If so,
27 a full application may be submitted. Applications for all grants shall

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

30

1 be submitted to the fund, and each application shall contain at least all
2 of the following:

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

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

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

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

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

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

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

15 (b) Creation and/or retention of high wage and high skilled level
16 jobs.

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

18 (10) Not more than \$5,000,000.00 of the amount appropriated in part
19 1 for economic development job training may be allocated to rapid
20 response grants for employee training programs which maintain or attract
21 permanent jobs for Michigan residents. A grant under this subsection
22 shall be awarded to eligible applicants under subsection (1).

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

26 (12) Funds allocated under this section shall be for the purpose of
27 ensuring that employers have trained workers they need to compete in the

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

31

1 global economy. The fund shall have on file a specific plan to
2 accomplish its objectives. The program estimated completion cost is the
3 total amount appropriated to the fund and shall have an estimated comple-
4 tion date of September 30, 2006.

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

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

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

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

20 (17) The fund shall provide to the state budget director and the
21 fiscal agencies by April 15 and November 1 of each year a report on the
22 economic development job training grants. The report due by April 15
23 shall provide the information described in this subsection for each grant
24 or contract awarded during the preceding 2 quarters of the state fiscal
25 year. The report due by November 1 shall provide this information for
26 each grant or contract awarded during the preceding full fiscal year.
27 The report shall contain all of the following:

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

32

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

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

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

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

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

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

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

23 Sec. 402. Travel Michigan may establish and collect a fee to cover
24 the cost of materials and processing of photographic prints, slides, vid-
25 eotapes, and travel product database information that are requested by
26 the media and other segments of the public and private sectors. The fees
27 collected shall be appropriated for all expenses necessary to purchase

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

33

1 and distribute these photographic prints, slides, videotapes, and travel
2 product database information. The funds are available for expenditure
3 when they are received by the department of treasury.

4 Sec. 403. The fund shall submit an annual status report to the sub-
5 committees and the state budget director on all activities, grants, and
6 investment programs financed from the strategic fund using investment or
7 Indian gaming revenues. The report shall provide a list of individual
8 grants and loans made from the fund.

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

16 Sec. 405. Of the funds appropriated in part 1 for the Michigan pro-
17 motion program, at least 25% of all program funds shall be used to pro-
18 mote cultural tourism opportunities in Michigan. In addition,
19 \$200,000.00 shall be used to promote tourism activities in the northeast
20 region of the state.

21 Sec. 406. The fund shall submit on or before May 1, 2002 and
22 November 1, 2002 to the subcommittees, state budget office, and the
23 fiscal agencies a listing of all grants which have been awarded by the
24 fund or by the Michigan economic development corporation from the funds
25 appropriated in part 1. The list shall include all of the following:

26 (a) The name of the recipient.

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

34

1 (b) The amount awarded to the recipient.

2 (c) The purpose of the grant.

3 Sec. 407. (1) The fund shall provide reports to the relevant sub-
4 committees, the state budget office, and the fiscal agencies concerning
5 the activities of the Michigan economic development corporation. The
6 report shall include, but not be limited to, the following programs
7 funded in part 1:

8 (a) Travel Michigan.

9 (b) Michigan business development.

10 (c) Global business development.

11 (d) Small, minority, and disabled business services.

12 (e) CDBG.

13 (f) Strategic fund administration.

14 (g) Renaissance zones.

15 (h) Business roundtables.

16 (i) Business and clean air ombudsman.

17 (j) Economic development job training grants.

18 (k) Film office.

19 (l) Health and aging research and development initiative.

20 (m) Any other programs of the fund.

21 (2) The reports in subsection (1) shall be submitted by January 1,
22 2002. The report for each program in subsection (1)(a) through (m) shall
23 include details on the actual spending and number of FTEs for that pro-
24 gram for the previous fiscal year.

25 Sec. 408. As a condition of receiving funds under part 1, any
26 interlocal agreement entered into by the fund shall include language
27 which states that if a local unit of government has a contract or

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

35

1 memorandum of understanding with a private economic development agency,
2 the Michigan economic development corporation will work cooperatively
3 with that private organization in that local area.

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

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

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

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

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

23 Sec. 410. (1) From the funds appropriated in part 1 for the fund,
24 \$50,000,000.00 is appropriated for a health and aging research and devel-
25 opment initiative to support basic and applied research in health-related
26 areas, with emphasis on issues related to aging. The program shall be
27 administered by the Michigan economic development corporation.

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

36

1 (2) A health and aging steering committee, appointed by the
2 governor, shall consist of 14 members including the CEO of the Michigan
3 economic development corporation, a member from Michigan State
4 University, the University of Michigan, Wayne State University, the
5 VanAndel Institute, and 2 members from the private sector. The remaining
6 members shall be appointed at large and may include members from the pri-
7 vate sector, public sector, or other Michigan universities. Committee
8 members are authorized to designate alternate members. The purpose of
9 the steering committee is to provide advice and oversight of the initia-
10 tive, including the development of criteria for the award of contracts or
11 grants to qualifying universities, institutions, or individuals. The
12 steering committee will make decisions regarding distribution of these
13 grant funds and has the authority to make minor adjustments to the cate-
14 gory funding percentage based upon the demands within categories and the
15 quality of the applications received.

16 (3) Of the funds appropriated, 40% is allocated for a basic research
17 fund, to be distributed on a competitive basis to Michigan universities
18 or Michigan nonprofit research institutes, or both, for basic research in
19 health-related areas. Not less than \$5,000,000.00 is allocated to
20 research related to aging diseases and health problems. In addition, 50%
21 of the appropriated funds are earmarked for a collaborative research fund
22 to support peer-reviewed collaborative grants among Michigan universities
23 and/or private research facilities, with emphasis on testing or develop-
24 ing emerging discoveries. Up to 10% of the appropriated funds may be
25 used to support a commercial development fund to support commercializ-
26 ation opportunities for life science research in Michigan. Appropriated
27 funds must be matched with other university, private, or federal

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

37

1 funding. Up to 5% of the appropriated funds may be used for
2 administrative costs of administering the initiative.

3 (4) Repayment of any award made under 1999 PA 120, 2000 PA 292, or
4 this act shall be deposited in accordance with the following:

5 (a) Repayment of the award amount to be credited to the Michigan
6 health and aging research and development initiative.

7 (b) Repayment of any funds in excess of the award amount identified
8 in subdivision (a), including, but not limited to, interest or equity, to
9 be deposited in the commercial development fund described in
10 subsection (3).

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

16 Sec. 412. (1) From the general fund/general purpose appropriations
17 in part 1 to the fund and granted or transferred to the Michigan economic
18 development corporation, any unexpended or unencumbered balance shall be
19 returned to the general fund at the end of the fiscal year, unless carry-
20 forward authorization has been otherwise provided for in this act.

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

23 Sec. 413. As a condition of receiving funds under part 1, the fund
24 shall ensure that a public body corporate, created under section 28 of
25 article VII of the state constitution of 1963, and the urban cooperation
26 act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a
27 contractual interlocal agreement between local participating economic

SB 232, As Passed Senate, March 28, 2001

Senate Bill No. 232

38

1 development corporations formed under the economic development
2 corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan
3 strategic fund, complies with all of the following:

4 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to
5 15.246.

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

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

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

10 Sec. 414. As a condition for receiving the appropriations in part
11 1, any staff of the Michigan economic development corporation involved in
12 private fund-raising activities shall not be party to any decisions
13 regarding the awarding of grants or tax abatements from the Michigan
14 strategic fund, Michigan economic development corporation, or the
15 Michigan economic growth authority.

16 Sec. 415. (1) All funds received from repayment of loans, unused
17 grants, revenues received from sales or cash flow participation agree-
18 ments, guarantees, or any combination thereof or interest thereon, origi-
19 nally distributed as part of the core communities fund, shall be
20 received, held, and applied by the Michigan strategic fund for the pur-
21 poses described in section 430 of 2000 PA 291.

22 (2) The fund shall provide an annual report on the status of this
23 fund. The report shall be provided to the subcommittees, the fiscal
24 agencies, and the state budget office by January 31, 2002.

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