

# SENATE BILL No. 1109

February 13, 2002, Introduced by Senators Johnson and Stille and referred to the Committee on Appropriations.

## EXECUTIVE BUDGET BILL

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

### THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

#### 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, 2003, from the funds indicated in this part, the following:

**1 TOTAL APPROPRIATIONS****2 APPROPRIATION SUMMARY:**

3 Full-time equated unclassified positions. 6.0

4 Full-time equated classified positions 1,320.5

5 GROSS APPROPRIATION . . . . . \$ 689,356,200

**6 Interdepartmental grant revenues:**

7 Total interdepartmental grants and

8 intradepartmental transfers . . . . . 100,900

9 ADJUSTED GROSS APPROPRIATION . . . . . \$ 689,255,300

**10 Federal revenues:**

11 Total federal revenues . . . . . 535,522,500

**12 Special revenue funds:**

13 Total local revenues . . . . . 15,011,900

14 Total private revenues . . . . . 3,249,400

15 Total other state restricted revenues . . . . . 54,711,500

16 State general fund/general purpose . . . . . \$ 80,760,000

**17 Sec. 102. DEPARTMENT OF CAREER DEVELOPMENT****18 (1) APPROPRIATION SUMMARY:**

19 Full-time equated unclassified positions 6.0

20 Full-time equated classified positions 1,089.0

21 GROSS APPROPRIATION . . . . . \$ 534,318,700

**22 Appropriated from:****23 Interdepartmental grant revenues:**

24 Total interdepartmental grants and

25 intradepartmental transfers . . . . . 0

26 ADJUSTED GROSS APPROPRIATION . . . . . \$ 534,318,700

**27 Federal revenues:**

28 Federal revenues . . . . . 472,569,200

1	Special revenue funds:	
2	Total local revenues . . . . .	15,011,900
3	Total private revenues . . . . .	2,396,300
4	Total other state restricted revenues . . . . .	9,661,500
5	State general fund/general purpose . . . . .	\$ 34,679,800
6	<b>(2) DEPARTMENTAL ADMINISTRATION</b>	
7	Full-time equated unclassified positions 6.0	
8	Unclassified salaries . . . . .	<u>\$ 506,800</u>
9	GROSS APPROPRIATION . . . . .	\$ 506,800
10	Appropriated from:	
11	State general fund/general purpose . . . . .	\$ 506,800
12	<b>(3) DEPARTMENT OPERATIONS</b>	
13	Full-time equated classified positions . 60.0	
14	Administration--60.0 FTE positions . . . . .	\$ 8,028,500
15	Special project advances . . . . .	200,000
16	Worker's compensation . . . . .	<u>217,800</u>
17	GROSS APPROPRIATION . . . . .	\$ 8,446,300
18	Appropriated from:	
19	Federal revenues:	
20	CNS . . . . .	205,800
21	DED-OSERS, rehabilitation services, vocational	
22	rehabilitation of state grants . . . . .	2,578,200
23	DOL-ETA, workforce investment act . . . . .	360,900
24	DOL, federal funds . . . . .	1,735,000
25	Federal revenues . . . . .	136,000
26	HHS, temporary assistance for needy families .	356,000
27	Special revenue funds:	
28	Private-special project advances . . . . .	200,000

1	Contingent fund, penalty and interest . . . . .	436,100
2	State general fund/general purpose . . . . .	\$ 2,438,300
3	<b>(4) WORKFORCE DEVELOPMENT</b>	
4	Full-time equated classified positions 659.0	
5	Employment training services-566.0 FTE	
6	positions . . . . .	\$ 70,836,500
7	Michigan career and technical institute-93.0	
8	FTE positions . . . . .	<u>10,993,600</u>
9	GROSS APPROPRIATION . . . . .	\$ 81,830,100
10	Appropriated from:	
11	Federal revenues:	
12	CNS . . . . .	1,663,800
13	DAG, employment and training . . . . .	167,600
14	DED-OPSE, multiple grants . . . . .	815,500
15	DED-OSERS, centers for independent living . . .	58,200
16	DED-OSERS, rehabilitation long-term training .	566,900
17	DED-OSERS, rehabilitation services, vocational	
18	rehabilitation of state grants . . . . .	46,245,900
19	DED-OSERS, state grants for technical related	
20	assistance . . . . .	56,000
21	DOL-ETA, workforce investment act . . . . .	3,994,000
22	DOL, federal funds . . . . .	5,000,000
23	DED, Perkins Act . . . . .	173,600
24	HHS, temporary assistance for needy families .	3,128,400
25	HHS-SSA, supplemental security income . . . . .	4,394,800
26	Special revenue funds:	
27	Private-gifts, bequests, and donations . . . .	1,396,300
28	Local vocational rehabilitation match . . . . .	3,247,100

1	Rehabilitation services fees . . . . .	1,245,900
2	Second injury fund . . . . .	51,500
3	Student fees . . . . .	308,000
4	Training material fees . . . . .	256,300
5	State general fund/general purpose . . . . .	\$ 9,060,300
6	<b>(5) CAREER EDUCATION PROGRAMS</b>	
7	Full-time equated positions . . . . .	72.0
8	Career and technical education--32.0 FTE	
9	positions . . . . .	\$ 3,494,300
10	Postsecondary education-23.0 FTE positions . .	2,490,300
11	Adult education--15.0 FTE positions . . . . .	2,180,000
12	Commission on Spanish-speaking affairs--2.0 FTE	
13	positions . . . . .	<u>220,500</u>
14	GROSS APPROPRIATION . . . . .	\$ 8,385,100
15	Appropriated from:	
16	Federal revenues:	
17	Federal revenues . . . . .	6,108,400
18	Special revenue funds:	
19	Private occupational school license fees . . .	378,900
20	Defaulted loan collection fees . . . . .	100,000
21	State general fund/general purpose . . . . .	\$ 1,797,800
22	<b>(6) DEPARTMENT GRANTS</b>	
23	Adult basic education . . . . .	\$ 13,500,000
24	Council of Michigan foundations . . . . .	4,000,000
25	Focus: HOPE . . . . .	5,994,300
26	Gear-up program grants . . . . .	3,000,000
27	Job training programs subgrantees . . . . .	105,802,700
28	Michigan community service commission subgrantees	

1	. . . . .	6,757,300
2	Personal assistance services . . . . .	462,000
3	Pre-college programs in engineering and the	
4	sciences . . . . .	940,200
5	Supported employment grants . . . . .	1,441,300
6	Technology assistance grants . . . . .	1,378,700
7	Carl D. Perkins grants . . . . .	42,500,000
8	Vocational rehabilitation client services/	
9	facilities . . . . .	51,339,200
10	Vocational rehabilitation independent living .	3,165,700
11	Welfare-to-work programs . . . . .	138,998,600
12	Adult education learning grants . . . . .	<u>225,000</u>
13	GROSS APPROPRIATION . . . . .	\$ 379,505,000
14	Appropriated from:	
15	Federal revenues:	
16	CNS . . . . .	5,500,000
17	DAG, employment and training . . . . .	13,000,000
18	DED-OESE, gear-up . . . . .	3,000,000
19	DED-OSERS, centers for independent living . . .	525,000
20	DED-OSERS, client assistance for individuals	
21	with disabilities . . . . .	440,000
22	DED-OSERS, rehabilitation services, vocational	
23	rehabilitation of state grants . . . . .	35,972,900
24	DED-OSERS, rehabilitation services facilities .	2,272,500
25	DED-OSERS, supported employment . . . . .	1,441,300
26	DED-OSERS, state grants for technical related	
27	assistance . . . . .	1,378,700
28	DED-OVAE, adult education . . . . .	13,500,000

1	DED-OVAE, basic grants to states . . . . .	42,500,000
2	DOL-ETA, workforce investment act . . . . .	104,602,700
3	DOL-ETA, welfare-to-work . . . . .	20,000,000
4	HHS, temporary assistance for needy families .	98,499,000
5	HHS-SSA, supplemental security income . . . . .	2,480,600
6	Special revenue funds:	
7	Private-gifts, bequests, and donations . . . . .	800,000
8	Contingent fund, penalty and interest account .	1,000,000
9	Local vocational rehabilitation match . . . . .	6,437,400
10	Local vocational rehabilitation facilities match	1,278,300
11	Tobacco settlement trust fund . . . . .	4,000,000
12	State general fund/general purpose . . . . .	\$ 20,876,600
13	<b>(7) EMPLOYMENT SERVICE AGENCY</b>	
14	Full-time equated classified positions 298.0	
15	Worker's compensation . . . . .	\$ 53,800
16	Employment services--246.0 FTE positions . . .	44,656,900
17	Labor market information--52.0 FTE positions .	<u>4,492,900</u>
18	GROSS APPROPRIATION . . . . .	\$ 49,203,600
19	Appropriated from:	
20	Federal revenues:	
21	DED-OSERS, rehabilitation services, vocational	
22	rehabilitation of state grants . . . . .	1,317,400
23	DOL, federal funds . . . . .	41,952,300
24	Special revenue funds:	
25	Contingent fund, penalty and interest account .	1,884,800
26	Local revenues . . . . .	4,049,100
27	State general fund/general purpose . . . . .	\$ 0
28	<b>(8) INFORMATION TECHNOLOGY</b>	

1	Information technology services and projects . . . . .	\$	<u>6,441,800</u>
2	GROSS APPROPRIATION . . . . .	\$	6,441,800
3	Appropriated from:		
4	Federal revenues:		
5	Federal revenue . . . . .		6,441,800
6	State general fund/general purpose . . . . .	\$	0
7	<b>Sec. 103. MICHIGAN STRATEGIC FUND</b>		
8	<b>(1) APPROPRIATION SUMMARY:</b>		
9	Full-time equated classified positions . . . . .		231.5
10	GROSS APPROPRIATION . . . . .	\$	155,037,500
11	Appropriated from:		
12	Interdepartmental grant revenues:		
13	Total interdepartmental grants and		
14	intradepartmental transfers . . . . .		100,900
15	ADJUSTED GROSS APPROPRIATION . . . . .	\$	154,936,600
16	Federal revenues:		
17	Total federal revenue . . . . .		62,953,300
18	Special revenue funds:		
19	Total private revenues . . . . .		853,100
20	Total other state restricted revenues . . . . .		45,050,000
21	State general fund/general purpose . . . . .	\$	46,080,200
22	<b>(2) MICHIGAN STRATEGIC FUND</b>		
23	Full-time equated classified positions . . . . .		231.5
24	Administration--40.0 FTE positions . . . . .	\$	5,228,100
25	Job creation services--191.5 FTE positions . . . . .		23,818,900
26	Michigan promotion program . . . . .		7,442,500
27	Economic development job training grants . . . . .		13,548,000
28	Community development block grants . . . . .		60,000,000



1	Life sciences corridor initiative . . . . .	<u>45,000,000</u>
2	GROSS APPROPRIATION . . . . .	\$ 155,037,500
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG-MDEQ, air quality fees . . . . .	100,900
6	Federal revenues:	
7	DOL-ETA, employment service . . . . .	783,700
8	HUD-CPD, community development block grant . .	62,169,600
9	Special revenue funds:	
10	Private-Michigan certified development	
11	corporation fees . . . . .	353,100
12	Private-special project advances . . . . .	500,000
13	Industry support fees . . . . .	50,000
14	Tobacco settlement trust fund . . . . .	45,000,000
15	State general fund/general purpose . . . . .	\$ 46,080,200

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

**18 GENERAL SECTIONS**

19 Sec. 201. Pursuant to section 30 of article IX of the state  
 20 constitution of 1963, total state spending from state resources  
 21 under part 1 for fiscal year 2002-2003 is \$135,471,500.00 and  
 22 state spending from state resources to be paid to local units of  
 23 government for fiscal year 2002-2003 is \$9,009,400.00. The  
 24 itemized statement below identifies appropriations from which  
 25 spending to units of local government will occur:

## 26 MICHIGAN STRATEGIC FUND

27	Economic development job training grants.....	\$ 9,009,400.00
28	Total Michigan strategic fund.....	\$ 9,009,400.00

1       Sec. 202. The appropriations authorized under this bill are  
2 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
3 to 18.1594.

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

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

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

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

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

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

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

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

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

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

24       (n) "Fiscal agencies" means the Michigan house fiscal agency  
25 and the Michigan senate fiscal agency.

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

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

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

29       (r) "HHS" means the United States department of health and

1 human services.

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

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

4 (u) "IDG" means interdepartmental grant.

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

7 (w) "Subcommittees" means all members of the appropriate  
8 subcommittees of the house and senate appropriations committees.

9 Sec. 204. The department of civil service shall bill  
10 departments and agencies at the end of the first fiscal quarter  
11 for the 1% charge authorized by section 5 of article XI of the  
12 state constitution of 1963. Payments shall be made for the total  
13 amount of the billing by the end of the second fiscal quarter.

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

21 (2) The state budget director shall grant exceptions to this  
22 hiring freeze when the state budget director believes that the  
23 hiring freeze will result in rendering a state department or  
24 agency unable to deliver basic services, cause a loss of revenue  
25 to the state, result in the inability of the state to receive  
26 federal funds, or would necessitate additional expenditures that  
27 exceed any savings from maintaining a vacancy. The state budget  
28 director shall report quarterly to the chairpersons of the senate  
29 and house standing committees on appropriations the number of

1 exceptions to the hiring freeze approved during the previous  
2 quarter and the reasons to justify the exception.

3       Sec. 206. (1) In addition to the funds appropriated in part 1,  
4 there is appropriated an amount not to exceed \$41,000,000.00 for  
5 the department and \$7,000,000.00 for the fund for federal  
6 contingency funds. These funds are not available for expenditure  
7 until they have been transferred to another line item in this bill  
8 under section 393(2) of the management and budget act, 1984 PA  
9 431, MCL 18.1393.

10       (2) In addition to the funds appropriated in part 1, there is  
11 appropriated an amount not to exceed \$2,000,000.00 for the  
12 department and \$1,000,000.00 for the fund for state restricted  
13 contingency funds. These funds are not available for expenditure  
14 until they have been transferred to another line item in this bill  
15 under section 393(2) of the management and budget act, 1984 PA  
16 431, MCL 18.1393.

17       (3) In addition to the funds appropriated in part 1, there is  
18 appropriated an amount not to exceed \$8,000,000.00 for the  
19 department for local contingency funds. These funds are not  
20 available for expenditure until they have been transferred to  
21 another line item in this bill under section 393(2) of the  
22 management and budget act, 1984 PA 431, MCL 18.1393.

23       (4) In addition to the funds appropriated in part 1, there is  
24 appropriated an amount not to exceed \$1,000,000.00 for the  
25 department and \$500,000.00 for the fund for private contingency  
26 funds. These funds are not available for expenditure until they  
27 have been transferred to another line item in this bill under  
28 section 393(2) of the management and budget act, 1984 PA 431, MCL  
29 18.1393.

1       Sec. 208. Unless otherwise specified, the department and fund  
2 shall use the Internet to fulfill the reporting requirements of  
3 this bill. This may include transmission of reports via  
4 electronic mail to the recipients identified for each reporting  
5 requirement or it may include placement of reports on an Internet  
6 or Intranet site.

7       Sec. 259. From the funds appropriated in part 1 for  
8 information technology, the department shall pay user fees to the  
9 department of information technology for technology related  
10 services and projects. Such user fees shall be subject to  
11 provisions of an interagency agreement between the department and  
12 the department of information technology.

13       Sec. 260. Amounts appropriated in part 1 for information  
14 technology may be designated as work projects and carried forward  
15 to support technology projects under the direction of the  
16 department of information technology. Funds designated in this  
17 manner are not available for expenditure until approved as work  
18 projects under section 451a of the management and budget act, 1984  
19 PA 431, MCL 18.1451a.

20 **DEPARTMENT OF CAREER DEVELOPMENT**

21       Sec. 301. The Michigan career and technical institute may  
22 receive equipment and in-kind contributions for the direct support  
23 of staff services through the Pine Lake fund, the Delton-Kellogg  
24 school district or other local or intermediate school district, or  
25 any combination of local or intermediate school districts in  
26 addition to those authorized in part 1.

27       Sec. 302. The Michigan rehabilitation service shall make every  
28 effort to ensure that all sources of matching funds in this state  
29 are used to obtain federal vocational rehabilitation funds. All

1 sources include, but are not limited to, privately raised funds to  
2 support public nonprofit rehabilitation centers as permitted by  
3 the rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701  
4 to 718, 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to  
5 794e, 795 to 795n, and 796 to 796l.

6       Sec. 303. The local match requirements for vocational  
7 rehabilitation facilities establishment grants shall not exceed  
8 21.3% for the fiscal year ending September 30, 2002.

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

27       (2) The statewide independent living council and the Michigan  
28 association of centers for independent living shall jointly  
29 produce a report providing the following information:

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

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

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

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

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

19 (b) Information from each center for independent living  
20 receiving funding through appropriations in part 1 detailing their  
21 total budget for their most recently completed fiscal year as well  
22 as the amount within that budget funded through the vocational  
23 rehabilitation independent living grant program referenced in part  
24 1, the total amount funded through other state agencies, the  
25 amount funded through federal sources, and the amount funded  
26 through local and private sources.

27 (c) Net savings to state taxpayers in other specific areas  
28 that can be shown to be the direct result of activities funded  
29 from the vocational rehabilitation independent living grant

1 program during the most recently completed state fiscal year.

2 (3) The report required in subsection (2) shall be submitted  
3 to the appropriate appropriations subcommittees, the fiscal  
4 agencies, the department and the state budget director on or  
5 before January 15, 2003.

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

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

27 (3) When the work first job search requirements have been  
28 completed, if the participant has not found employment, the work  
29 first site shall identify the barriers which may have prevented



1 the participant from obtaining employment and assist the client in  
2 removing those barriers. The work first site shall also identify  
3 appropriate education and job training programs which would be  
4 available to the participant. When an individual is re-referred  
5 to work first because of an inability to retain employment, the  
6 department shall confer with the Michigan rehabilitation services,  
7 the family independence agency, or other professionals if deemed  
8 appropriate by the Michigan works agency to screen for and  
9 identify issues that are preventing the participant from  
10 succeeding in the labor market. Each Michigan works agency shall  
11 determine locally the number of times an individual may be re-  
12 referred back to the program before consulting with other service  
13 agencies. If no prohibitive barriers to work are found, the  
14 individual shall comply with the work first program, or be subject  
15 to appropriate sanctions.

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

23 (5) Participants in the work first program shall not be  
24 enrolled and counted in membership in a school district or  
25 intermediate school district.

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

29 (7) Work first program participants must receive or be

1 provided an explanation of the program including their benefits  
2 and responsibilities before the job interview phase of the  
3 program. This explanation shall include clear guidelines with  
4 regard to an individual's eligibility for post employment training  
5 support and for applying hours in training toward federal work  
6 requirements.

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

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

21 (10) The department and the family independence agency shall  
22 make available to work first participants guidelines on  
23 eligibility for post employment training and how  
24 training/education hours are applied toward federal work  
25 participation requirements. These guidelines will be presented  
26 during joint orientation conducted by the family independence  
27 agency and the department contracted staff in accordance with  
28 department policy issuances and family independence agency program  
29 bulletins. These guidelines presented by the department and the

1 family independence agency will not conflict and shall balance the  
2 ability of participants to obtain training and subsequent long-  
3 term high-wage employment with the need to connect participants  
4 with the workplace. Any and all training/education, with the  
5 exception of high school completion and GED preparation, must be  
6 occupationally relevant and in demand in the labor market as  
7 determined by the workforce development board. Participants must  
8 make satisfactory progress to continue in a training/education  
9 component.

10 (11) The work participation requirement is 40 hours per week.  
11 However, work first participants may meet the work participation  
12 requirement by combining a minimum of 10 hours per week of work  
13 with training/education. Training/education may last up to 12  
14 months and the calculated hours may include actual classroom seat  
15 time up to 10 hours per week plus up to 1 hour of study time for  
16 each hour of classroom seat time. The combined work and  
17 training/education hours must equal the minimum number of hours  
18 required to meet the federal work participation requirements, 30  
19 hours per week for a single parent, 35 hours per week for 2-parent  
20 families, 55 hours if utilizing federally funded day care, and 20  
21 hours per week for single parents with a child under the age of 6.  
22 Work first participants may enroll in additional hours of  
23 classroom seat time beyond 10 hours. However, these hours and the  
24 related study time will not count toward the work participation  
25 requirement. The training may be no longer than a 1-year program,  
26 or the final year of a 2- or 4-year undergraduate program which is  
27 designed to lead to immediate labor force attachment.

28 (12) Work first participants may meet the federal work  
29 participation requirement through enrollment in short-term

1 vocational training requiring 30 hours of classroom seat time per  
2 week for a period not to exceed 6 months, or by enrollment in  
3 full-time internships, practicums, or clinicals required by an  
4 academic or training institution for licensure, professional  
5 certification, or degree completion, without an additional work  
6 requirement. Two-parent families who receive federally funded day  
7 care must work an additional 25 hours per week to meet the federal  
8 work participation requirement.

9 (13) Work first participants who lack a high school diploma  
10 or GED and who enroll in high school completion or classes to  
11 obtain a GED may count up to 10 hours of classroom seat time,  
12 combined with a minimum number of hours of work per week, to meet  
13 their federal work participation requirement. There shall be no  
14 time limit on high school completion. GED preparation shall be  
15 limited to 6 months.

16 Sec. 306. (1) Using all relevant state data sources, the  
17 department shall conduct a three year longitudinal study of all  
18 former work first participants whose family independence program  
19 cases were closed due to earnings during fiscal year 1999, and in  
20 succeeding fiscal years. The data will include the following:

- 21 (a) The number and percentage employed.
- 22 (b) The average hourly wage of those employed.
- 23 (c) The current hourly wage of those employed.
- 24 (d) The range of wages earned by those employed.
- 25 (e) The number of individuals that earned each wage amount.
- 26 (f) The number and percentage receiving health care benefits  
27 from their employer.
- 28 (g) The type of jobs obtained by former participants in  
29 general categories.

1 (h) The length of time former participants have retained their  
2 jobs, or if participants have had more than 1 job, the length of  
3 time employed at each job.

4 (i) The number and percentage continuing to receive any type  
5 of public assistance.

6 (j) If the former recipient has children, whether the children  
7 are enrolled in child care, pre-school, head start, elementary  
8 school, middle school or high school.

9 (k) The extent to which the former participant feels that they  
10 and their family are better off now than when they were on cash  
11 assistance with regard to household income, housing, food and  
12 nutritional needs, child health care, and access to health  
13 insurance coverage.

14 (2) The department shall file a report containing the  
15 identified data with the appropriate house and senate  
16 appropriation subcommittees, fiscal agencies, and state budget  
17 director by March 15, 2003.

18 (3) The department shall cooperate with the family  
19 independence agency in formulating and acquiring the identified  
20 data.

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

23 Sec. 307. State and federal funds allocated to local workforce  
24 development boards for disbursement shall not be expended unless  
25 the local workforce development boards maintain a partnership with  
26 governmental agencies, public school districts, and public  
27 colleges located within the local service delivery area. Each  
28 board shall appoint an education advisory group made up of high-  
29 level administrators within local educational institutions,

1 workforce development board members, other employers, labor,  
2 academic educators, and parents of public school pupils.

3       Sec. 309. (1) Of the funds appropriated in part 1 for  
4 precollege programs in engineering and the sciences, \$558,000.00  
5 shall be provided in the form of a grant to the Detroit precollege  
6 engineering program, incorporated and \$382,200.00 shall be  
7 provided in the form of a grant to the Grand Rapids area  
8 precollege engineering program.

9       (2) The department shall continue to evaluate the  
10 effectiveness of the precollege programs in engineering and  
11 sciences funded through part 1 appropriations and shall make  
12 recommendations on whether state support to continue such programs  
13 is warranted in future fiscal years.

14       Sec. 310. Funds earned or authorized by the United States  
15 department of labor in excess of the gross appropriation in part 1  
16 for the employment service agency from the United States  
17 department of labor are appropriated and may be expended for  
18 staffing and related expenses incurred in the operation of its  
19 programs. These funds may be spent after the department notifies  
20 the appropriations subcommittees of the house and senate, state  
21 budget director and fiscal agencies of the purpose and amount of  
22 each grant award.

23       Sec. 311. (1) The department shall have at least 1 disabled  
24 veterans outreach program specialist or local veterans employment  
25 representative present, if able and willing to serve, at each  
26 Michigan works! Employment services office on a full- or part-time  
27 basis during hours of operation.

28       (2) The department shall continue to make the appropriate  
29 placement of veterans and disabled veterans a priority.

1       Sec. 313. The funds appropriated in part 1 for the council of  
2 Michigan foundations from the tobacco settlement trust fund shall  
3 be distributed to the council of Michigan foundations as a grant  
4 to support local community efforts to address youth and senior  
5 health needs. The council may distribute the funds according to a  
6 formula determined by the council or may invest these funds. Any  
7 investment earnings from this appropriation shall be used for the  
8 same purpose as the original appropriation.

9       Sec. 314. The department may carry into the succeeding fiscal  
10 year unexpended federal pass-through funds to local institutions  
11 and governments that do not require additional state matching  
12 funds. Federal pass-through funds to local institutions and  
13 governments that are received in amounts in addition to those  
14 included in part 1 and that do not require additional state  
15 matching funds are appropriated for the purposes intended.

16       Sec. 315. Of the amounts appropriated in part 1 for  
17 postsecondary education, private occupational school license fees  
18 shall fund related administrative costs of the proprietary schools  
19 oversight unit within the department.

20       Sec. 316. Money in the school fee fund that is unexpended at  
21 the end of the fiscal year may be carried over to the next fiscal  
22 year.

23       Sec. 317. The department is appropriated an amount not to  
24 exceed \$100,000.00 from collection of defaulted loans under the  
25 future faculty program in the Martin Luther King, Jr. - Cesar  
26 Chavez - Rosa Parks programs to offset costs of administering the  
27 loan collections.

28       Sec. 318. From the funds appropriated in part 1 for  
29 postsecondary education, the department shall compile data from

1 each university that receives funding for the future faculty  
2 program within the King-Chavez-Parks initiative on employment  
3 outcomes for program participants. The report shall be  
4 distributed to the house and senate appropriations committees and  
5 the state budget director by February 1 of each year. The report  
6 shall include data from each participating university covering the  
7 most recently completed fiscal year. The data shall include all  
8 of the following:

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

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

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

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

17 Sec. 319. The appropriation in part 1 for adult education  
18 shall be utilized to support the administration of adult education  
19 and partnership for adult learning programs in the state school  
20 aid act.

21 Sec. 321. The King-Chavez-Parks initiative shall be marketed  
22 by the department to Michigan parents and high school and college  
23 students, to promote the benefits and the availability of the  
24 college day, select student support services, college/university  
25 partnership, visiting professors, Morris Hood, Jr. educator  
26 development, and future faculty programs. It is the intent of the  
27 legislature that the department administer the King-Chavez-Parks  
28 initiative in the same manner as when it was previously contained  
29 in the department of education and consistent with all boilerplate



1 language pertaining to the above listed programs as included in  
2 the appropriations act for higher education institutions.

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

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

18 **MICHIGAN STRATEGIC FUND**

19       Sec. 401. (1) The appropriation in part 1 to the fund for  
20 economic development job training shall be expended for  
21 competitive grants that ensure employers have the trained workers  
22 they need to compete in the global economy. The fund shall  
23 expedite grant awards for employers locating or expanding in  
24 Michigan and thereby creating significant numbers of new jobs in  
25 the state. The fund shall award all grants in the first two  
26 quarters of the state fiscal year but this requirement shall not  
27 be applicable to funds available for the rapid response grants as  
28 allowed in subsection (10), funds contained in the Michigan growth  
29 capital fund as allowed in subsection (22), and the university

1 research grant match as allowed in subsection (21).

2 (2) Not more than 5% of the total grant, administration, and  
3 operating funds appropriated in part 1 for the fund's economic  
4 development job training grants program may be expended for  
5 administrative costs. Not more than 12% of the total grant  
6 awarded to recipients may be expended for administration costs.

7 (3) No funds appropriated in part 1 to the fund for economic  
8 development job training grants may be expended for the training  
9 of permanent striker replacement workers.

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

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

16 (6) An applicant may be a school district, intermediate school  
17 district, community college, public or private nonprofit college  
18 or university, nonprofit organization whose primary purpose is to  
19 provide education programs or employment and training services or  
20 vocational rehabilitation programs or school-to-work transition  
21 programs, local workforce development board, the headquarters of a  
22 federal and state sponsored manufacturing technology center, or a  
23 consortium consisting of any combination of school districts,  
24 intermediate school districts, community colleges, nonprofit  
25 organizations described in this subsection, or public or private  
26 nonprofit colleges or universities described in this subsection.

27 (7) On or before October 1, 2002 the fund shall publish  
28 proposed application criteria, instructions, and forms for use by  
29 eligible applicants. The fund shall provide at least a 2-week

1 period for public comment prior to finalization of the application  
2 criteria, instructions, and forms.

3 (8) The award process will include a simple notice of intent  
4 to be reviewed to see if the application merits further  
5 consideration. If so, a full application may be submitted.

6 Applications for all grants shall be submitted to the fund, and  
7 each application shall contain at least all of the following:

8 (a) The name, address, and total number of employees of each  
9 business organization whose employees are receiving job training.

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

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

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

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

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

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

21 (b) Creation and/or retention of high wage and high skilled  
22 level jobs.

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

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

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

5       (12) Funds allocated under this section shall be for the  
6 purpose of ensuring that employers have trained workers they need  
7 to compete in the global economy. The fund shall have on file a  
8 specific plan to accomplish its objectives.

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

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

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

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

26       (17) The fund shall provide to the state budget director and  
27 the fiscal agencies by April 15 and November 1 of each year a  
28 report on the economic development job training grants. The  
29 report due by April 15 shall provide the information described in

1 this subsection for each grant or contract awarded during the  
2 preceding 2 quarters of the state fiscal year. The report due by  
3 November 1 shall provide this information for each grant or  
4 contract awarded during the preceding full fiscal year. The  
5 report shall contain all of the following:

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

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

9 (c) The names, addresses, and total number of employees of all  
10 business organizations for whom training is or will be provided.

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

13 (18) Of the funds appropriated in part 1 for economic  
14 development job training grants, the fund shall not use these  
15 funds to finance the startup or in any way subsidize any private  
16 distributor of liquor products in Michigan.

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

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

29 (21) Of the funds appropriated in part 1, \$1,000,000.00 may be

1 used to provide match for university federal research grants.

2       (22) The Michigan growth capital fund shall be used to  
3 develop the technology business sector in Michigan. The fund will  
4 be used to encourage private and public investment in the  
5 technology business sector, and all of the following apply:

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

7       (b) Eligible uses of the fund include investments in  
8 organizations and programs that promote the development of new  
9 industry sectors in Michigan; inducements to attract additional  
10 venture capital funds to finance technology development; support  
11 organizations, initiatives, or events that promote  
12 entrepreneurship; provide match for university federal research  
13 grants; and support technology transfer and commercialization  
14 programs with universities and the private sector.

15       (c) The Michigan economic development corporation shall  
16 administer the programs supported by the Michigan growth capital  
17 fund.

18       (d) All funds receive from repayment of loans, unused grants,  
19 revenues received from sales or cash flow participation  
20 agreements, guarantees, or any combination thereof or interest  
21 thereon, originally distributed as part of the Michigan growth  
22 capital fund, shall be received, held, and applied by the Michigan  
23 strategic fund for the purposes described in this subsection.

24       (e) Michigan economic development corporation shall provide an  
25 annual report on the status of Michigan growth capital fund to the  
26 subcommittees, the fiscal agencies, and the state budget director  
27 by January 31, 2003.

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

1 concerning the activities of the Michigan economic development  
2 corporation. The report shall include, but not be limited to, the  
3 following 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) Health and aging research and development initiative.
  - 15 (l) Community assistance team.
  - 16 (m) Any other programs of the fund.
- 17 (2) The reports in subsection (1) shall be submitted by  
18 January 1, 2003. The report for each program in subsection (1)(a)  
19 through (m) shall include details on the actual spending and  
20 number of FTEs for that program for the previous fiscal year.

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

28 Sec. 409 (1) Of the funds appropriated to the fund or through  
29 grants to the Michigan economic development corporation, no funds

1 shall be expended for the purchase of options on land or the  
2 purchase of land unless at least 1 of the following conditions  
3 applies:

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

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

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

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

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

25 (2) A life sciences steering committee, formerly known as the  
26 health and aging steering committee, appointed by the governor,  
27 shall consist of 14 members including the CEO of the Michigan  
28 economic development corporation, a member from Michigan State  
29 University, the University of Michigan, Wayne State University,



1 the VanAndel Institute, and 2 members from the private sector.  
2 The remaining members shall be appointed at large and may include  
3 members from the private sector, public sector, or other Michigan  
4 universities. The purpose of the steering committee is to provide  
5 advice and oversight of the initiative, including the development  
6 of criteria for the award of contracts or grants to qualifying  
7 universities, institutions, or individuals. The steering  
8 committee will make decisions regarding distribution of these  
9 grant funds and has the authority to make minor adjustments to the  
10 category funding percentage based upon the demands within  
11 categories and the quality of the applications received.

12 (3) Of the funds appropriated, up to \$2,500,000.00 may be used  
13 for administering the initiative and not less than \$5,000,000.00  
14 shall be used to support a commercial development fund to support  
15 commercialization opportunities for life science research in  
16 Michigan. Of the remaining funds appropriated, 45% are allocated  
17 for a basic research fund, to be distributed on a competitive  
18 basis to Michigan universities or Michigan nonprofit research  
19 institutes, or both, for basic research in health related areas.  
20 Not less than \$4,000,000.00 is allocated to research related to  
21 aging diseases and health problems. In addition, 55% of the  
22 remaining appropriated funds are earmarked for a collaborative  
23 research fund to support peer-reviewed collaborative grants among  
24 Michigan universities and/or private research facilities, with  
25 emphasis on testing or developing emerging discoveries.

26 (4) Repayment of any funds received as a result of awards made  
27 under 1999 PA 120, 2000 PA 292, 2001 PA 80 or this act including,  
28 but not limited to, funds received as interest or return on  
29 investment shall be deposited in the fund described in subsection

1 (3) from which it was awarded to be expended for the same  
2 purposes. These funds are authorized for expenditure upon receipt  
3 and shall not lapse to the general fund.

4 (5) The records of the life sciences steering committee  
5 involving a proposal submitted by an eligible entity that are of a  
6 scientific, technical, or proprietary nature, the release of which  
7 could cause competitive harm to the eligible entity as determined  
8 by the life sciences steering committee, are exempt from  
9 disclosure under the freedom of information act, 1976 PA 442, MCL  
10 15.231 to 15.246.

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

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

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

25 Sec. 413. As a condition of receiving funds under part 1, the  
26 fund shall ensure that a public body corporate, created under  
27 section 28 of article VII of the state constitution of 1963, and  
28 the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL  
29 124.501 to 124.512, by a contractual interlocal agreement between

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

5 (a) The freedom of information act, 1976 PA 442, MCL 15.231 to  
6 15.246.

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

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

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

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

18 Sec. 415. (1) All funds received from repayment of loans,  
19 unused grants, revenues received from sales or cash flow  
20 participation agreements, guarantees, or any combination thereof  
21 or interest thereon, originally distributed as part of the core  
22 communities fund, shall be received, held, and applied by the  
23 Michigan strategic fund for the purposes described in this act.

24 (2) The fund shall provide an annual report on the status of  
25 this fund. The report shall be provided to the subcommittees, the  
26 fiscal agencies, and the state budget director by January 31,  
27 2003.

28 Sec. 418. (1) The funding appropriated in part 1 of 200 PA 291  
29 for the Michigan core communities fund will be used to create an

1 urban revitalization infrastructure program in the Michigan  
2 strategic fund for economic development awards to create new jobs  
3 or contribute to redevelopment and encourage private investment in  
4 core communities.

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

9 (3) Awards can be used only for land and property acquisition  
10 and assembly, demolition, site development, utility modifications  
11 and improvements, street and road improvements, telecommunication  
12 infrastructure, site location and relocation, infrastructure  
13 improvements, and costs related to any of these, at the discretion  
14 of the Michigan economic development corporation.

15 (4) Funding may be provided in the form of loans, grants,  
16 sales or cash flow participation agreements, guarantees, or any  
17 combination of these. A cash match of at least 10%, or local  
18 repayment guarantee with a dedicated funding source, is required.  
19 Priority shall be given to projects, which are integrated with  
20 existing economic development programs, and to projects in  
21 proportion to the amount that local matching rates exceed 10%.

22 (5) The Michigan economic development corporation shall have  
23 all administrative responsibility for the Michigan core  
24 communities fund and shall establish application and application  
25 scoring criteria and approve awards. The Michigan economic  
26 development corporation may utilize up to ½ of 1% of the fund for  
27 administrative purposes.

28 (6) Funds will be awarded through an open competitive process  
29 based on criteria including the following: project impact, project

1 marketability, lack of adequate infrastructure or land assembly  
2 financing sources, local administrative capacity, and the level of  
3 local matching funds. Awardees shall agree to expedite the local  
4 development process, such as fast-track permitting procedures,  
5 streamlined regulatory requirements, standardized construction and  
6 building codes, and the use of competitive construction permitting  
7 fees.

8 (7) No single applicant shall be awarded more than  
9 \$10,000,000.00 per project.

10 (8) Fifteen days prior to the award of the funds, notification  
11 shall be provided to the speaker of the house of representatives,  
12 the senate majority leader, the members of the house and senate  
13 appropriations committees, and the house and senate fiscal  
14 agencies.

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

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

18 (b) Land or other facilities owned or operated by a gaming  
19 facility.

20 (c) Publicly owned land or facilities, which may directly or  
21 indirectly support a gaming facility.

22 (10) As used in this section, "Michigan economic development  
23 corporation" means the public body corporate created under section  
24 28 of article VII of the state constitution of 1963 and the urban  
25 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to  
26 124.512, by a contractual interlocal agreement effective April 5,  
27 1999, between local participating economic development  
28 corporations formed under the economic development corporations  
29 act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan

1 strategic fund. If the Michigan economic development corporation  
2 is unable for any reason to perform its duties under this bill,  
3 the Michigan strategic fund may exercise those duties.

4       Sec. 413. Travel Michigan may establish and collect a fee to  
5 cover the cost of materials and processing of photographic prints,  
6 slides, videotapes, and travel product database information that  
7 are requested by the media and other segments of the public and  
8 private sectors. The fees collected shall be appropriated for all  
9 expenses necessary to purchase and distribute these photographic  
10 prints, slides, videotapes, and travel product database  
11 information. The funds are available for expenditure when they  
12 are received by the department of treasury.

13       Sec. 414. Travel Michigan may receive and expend private  
14 revenue related to the use of the "Michigan Great Lakes. Great  
15 Times." copyrighted slogan and image. This revenue may come from  
16 the direct licensing of the name and image or from the royalty  
17 payments from various merchandise sales. Revenue collected is  
18 appropriated for the marketing of the state as a travel  
19 destination. The funds are available for expenditure when they  
20 are received by the department of treasury.

21       Sec. 415. Travel Michigan shall coordinate with Michigan-based  
22 ethnic destination marketing organizations to promote ethnic  
23 festivals and events in Michigan target markets.