

MICHIGAN EMPLOYMENT SECURITY ACT (EXCERPT)
Act 1 of 1936 (Ex. Sess.)

421.10 Administration fund; contingent fund.

Sec. 10.

(1) There is created in the department of treasury a special fund to be known and designated as the administration fund (Michigan employment security act). Any balances in the administration fund at the end of any fiscal year of this state must be carried over as a part of the administration fund and do not revert to the general fund of this state. Except as otherwise provided in subsection (3), all money deposited into the administration fund under this act must be appropriated by the legislature to the unemployment insurance agency to pay the expenses of the administration of this act.

(2) The administration fund must be credited with all money appropriated to the fund by the legislature, all money received from the United States or any agency of the United States for that purpose, and all money received by this state for the fund. All money in the administration fund that is received from the federal government or any agency of the federal government or that is appropriated by this state for the purposes of this act, except money requisitioned from the account of this state in the unemployment trust fund pursuant to a specific appropriation made by the legislature in accordance with section 903(c)(2) of title IX of the social security act, 42 USC 1103, and with section 17(3)(f), must be expended solely for the purposes and in the amounts found necessary by the appropriate agency of the United States and the legislature for the proper and efficient administration of this act.

(3) All money requisitioned from the account of this state in the unemployment trust fund pursuant to a specific appropriation made by the legislature in accordance with section 903(c)(2) of title IX of the social security act, 42 USC 1103, and with section 17(3)(f), must be deposited in the administration fund. Any money that remains unexpended at the close of the 2-year period beginning on the date of enactment of a specific appropriation must be immediately redeposited with the secretary of the treasury of the United States to the credit of this state's account in the unemployment trust fund; or any money that for any reason cannot be expended or is not to be expended for the purpose for which appropriated before the close of this 2-year period must be redeposited at the earliest practicable date.

(4) If any money received after June 30, 1941, from the appropriate agency of the United States under title III of the social security act, 42 USC 501 to 504, or any unencumbered balances in the administration fund (Michigan employment security act) as of that date, or any money granted after that date to this state under the Wagner-Peyser act, as that term is defined in section 12, or any money made available by this state or its political subdivisions and matched by money granted to this state under the Wagner-Peyser act, is found by the appropriate agency of the United States, because of any action or contingency, to have been lost or been expended for purposes other than, or in amounts in excess of, those found necessary by that agency of the United States for the proper administration of this act, the money must be replaced by money appropriated for that purpose from the general funds of this state to the administration fund (Michigan employment security act) for expenditure as provided in this act. Upon receipt of notice of such a finding by the appropriate agency of the United States, the unemployment insurance agency shall promptly report the amount required for replacement to the governor and the governor shall, at the earliest opportunity, submit to the legislature a request for the appropriation of that amount. This subsection does not relieve this state of its obligation with respect to funds received before July 1, 1941, under the provisions of 42 USC 501 to 504.

(5) If any funds expended or disbursed by the unemployment insurance agency are found by the appropriate agency of the United States to have been lost or expended for purposes other than, or in amounts in excess of, those found necessary by that agency of the United States for the proper administration of this act, and if these funds are replaced as provided in subsection (4) by money appropriated for that purpose from the general fund of this state, then the director who approved the expenditure or disbursement of those funds for those purposes or in those amounts, is liable to this state in an amount equal to the sum of money appropriated to replace those funds.

(6) There is created in the department of treasury a separate fund to be known as the contingent fund (Michigan employment security act). All solvency taxes collected under section 19a and all interest on contributions, penalties, and damages collected under this act must be deposited into the contingent fund (Michigan employment security act). All amounts in the contingent fund (Michigan employment security act) and all earnings on those amounts are continuously appropriated without regard to fiscal year for the administration of the unemployment insurance and workforce development programs, including, but not limited to, the development and execution of workforce training programs, and for the payment of interest on advances from the federal government to the unemployment compensation fund under 42 USC 1321, to be expended only if authorized by the unemployment insurance agency. Money deposited from the solvency taxes collected under section 19a must not be used for the administration of the unemployment insurance agency, except for the repayment of loans from the state treasury and interest on loans made under section 19a(3). However, an authorization or expenditure must not be made as a substitution for a

grant of federal funds or for any portion of a grant that, in the absence of an authorization, would be available to the unemployment insurance agency. Immediately upon receipt of administrative grants from the appropriate agency of the United States to cover administrative costs for which the unemployment insurance agency has authorized and made expenditures from the contingent fund, those grants must be transferred to the contingent fund to the extent necessary to reimburse the contingent fund for the amount of those expenditures. Amounts needed to refund interest, damages, and penalties erroneously collected must be withdrawn and expended for those purposes from the contingent fund upon order of the unemployment insurance agency. Any amount authorized to be expended for administration under this section may be transferred to the administration fund. An amount not needed for the purpose for which authorized must, upon order of the unemployment insurance agency, be returned to the contingent fund. Amounts needed to refund erroneously collected solvency taxes must be withdrawn and expended for that purpose upon order of the unemployment insurance agency.

History: 1936, Ex. Sess., Act 1, Imd. Eff. Dec. 24, 1936 ;-- Am. 1937, Act 347, Imd. Eff. Aug. 5, 1937 ;-- Am. 1939, Act 324, Imd. Eff. June 22, 1939 ;-- Am. 1941, Act 364, Imd. Eff. July 1, 1941 ;-- Am. 1942, 2nd Ex. Sess., Act 18, Imd. Eff. Feb. 27, 1942 ;-- Am. 1947, Act 360, Imd. Eff. July 8, 1947 ;-- CL 1948, 421.10 ;-- Am. 1951, Act 251, Imd. Eff. June 17, 1951 ;-- Am. 1955, Act 281, Eff. July 15, 1955 ;-- Am. 1957, Act 311, Imd. Eff. June 21, 1957 ;-- Am. 1982, Act 535, Eff. Jan. 2, 1983 ;-- Am. 1983, Act 247, Imd. Eff. Dec. 5, 1983 ;-- Am. 1989, Act 224, Eff. Dec. 21, 1989 ;-- Am. 2002, Act 192, Imd. Eff. Apr. 26, 2002 ;-- Am. 2003, Act 84, Imd. Eff. July 23, 2003 ;-- Am. 2011, Act 14, Imd. Eff. Mar. 29, 2011 ;-- Am. 2011, Act 269, Imd. Eff. Dec. 19, 2011 ;-- Am. 2015, Act 57, Eff. Oct. 1, 2015 ;-- Am. 2016, Act 517, Imd. Eff. Jan. 9, 2017 ;-- Am. 2024, Act 240, Eff. Apr. 2, 2025

Compiler's Notes: For the type III transfer of authority, powers, duties, functions, and responsibilities of the talent investment agency and the workforce development agency to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.