



HOUSE BILL No. 5274

February 3, 2000, Introduced by Reps. Kukuk, Godchaux, Pappageorge, Mortimer, Jellema, Byl, Mead, Geiger, Pumford, Cameron Brown, Caul, LaSata, Jelinek, Scranton, Stamas and Jansen 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, 2001; 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, 2001, from the funds indicated in this part, the

1 following:

2 **TOTAL APPROPRIATIONS**

3 APPROPRIATION SUMMARY:

4 Full-time equated unclassified positions. . . 6.0

5 Full-time equated classified positions . . 1,374.0

6 GROSS APPROPRIATION \$ 766,037,200

7 Interdepartmental grant revenues:

8 Total interdepartmental grants and

9 intradepartmental transfers 1,148,000

10 ADJUSTED GROSS APPROPRIATION \$ 764,889,200

11 Federal revenues:

12 Total federal revenues 521,492,000

13 Special revenue funds:

14 Total local revenues 14,962,800

15 Total private revenues 3,327,100

16 Total other state restricted revenues 135,545,800

17 State general fund/general purpose \$ 89,561,500

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

19 **(1) APPROPRIATION SUMMARY:**

20 Full-time equated unclassified positions . . . 6.0

21 Full-time equated classified positions . . 1,139.0

22 GROSS APPROPRIATION \$ 596,954,400

23 Appropriated from:

24 Interdepartmental grant revenues:

25 Total interdepartmental grants and intradepartmental

26 transfers 1,048,000

27 ADJUSTED GROSS APPROPRIATION \$ 595,906,400

28 Federal revenues:

29 Total federal revenues 468,818,800

1 Special revenue funds:

2	Total local revenues	14,962,800
3	Total private revenues	2,670,400
4	Total other state restricted revenues	85,495,800
5	State general fund/general purpose	\$ 23,958,600

6 **(2) DEPARTMENTAL ADMINISTRATION**

7 Full-time equated unclassified positions . . . 6.0

8 Unclassified salaries \$ 546,900

9 GROSS APPROPRIATION \$ 546,900

10 Appropriated from:

11 State general fund/general purpose \$ 546,900

12 **(3) DEPARTMENT OPERATIONS**

13 Full-time equated classified positions . . . 103.0

14 Administration--103.0 FTE positions \$ 12,255,700

15 Special project advances 200,000

16 GROSS APPROPRIATION \$ 12,455,700

17 Appropriated from:

18 Federal revenues:

19 CNS 102,000

20 DED-OSERS, rehabilitation services, vocational

21 rehabilitation of state grants 4,180,700

22 DOL-ETA, workforce investment act 645,900

23 DOL, federal funds 3,279,000

24 HHS, temporary assistance for needy families . . 1,514,200

25 Special revenue funds:

26 Private-special project advances 200,000

27 Contingent fund, penalty and interest 397,900

28 State general fund/general purpose \$ 2,136,000

29 **(4) WORKFORCE DEVELOPMENT**

1	Full-time equated classified positions . . .	669.0	
2	Employment training services--574.0 FTE positions		\$ 61,243,100
3	Michigan career and technical institute		
4	--95.0 FTE positions		<u>10,163,200</u>
5	GROSS APPROPRIATION		\$ 71,406,300
6	Appropriated from:		
7	Interdepartmental grant revenues:		
8	IDG-MDOC		32,400
9	Federal revenues:		
10	CNS		532,400
11	DAG, employment and training		258,300
12	DED, cooperative demonstration, school-to-work .		700,000
13	DED-OPSE, multiple grants		615,500
14	DED-OSERS, centers for independent living . . .		58,200
15	DED-OSERS, rehabilitation long-term training . .		566,900
16	DED-OSERS, rehabilitation services, vocational		
17	rehabilitation of state grants		41,327,200
18	DED-OSERS, state grants for technical related		
19	assistance		55,700
20	DOL-ETA, workforce investment act		3,172,400
21	DOL-ETA, multiple grants		596,300
22			
23	DOL-NOICC		171,900
24	HHS, temporary assistance for needy families . .		3,725,100
25	HHS-SSA, supplemental security income		4,185,500
26	Special revenue funds:		
27	Local-vocational rehabilitation match		3,247,100
28	Private-gifts, bequests, and donations		1,396,300
29	Rehabilitation services fees		1,236,900

1	Second injury fund	51,500
2	Student fees	308,000
3	Training material fees	256,300
4	State general fund/general purpose	\$ 8,912,400
5	(5) CAREER EDUCATION PROGRAMS	
6	Full-time equated classified positions . . .	64.0
7	Career and technical education--30.0 FTE positions	2,969,700
8	Postsecondary education--22.0 FTE positions . .	2,359,900
9	Adult education--12.0 FTE positions	<u>1,753,100</u>
10	GROSS APPROPRIATION	\$ 7,082,700
11	Appropriated from:	
12	Federal revenues:	
13	Federal revenues	5,192,300
14	Special revenue funds:	
15	Private occupational school license fees	274,100
16	Defaulted loan collection fees	102,200
17	State general fund/general purpose	\$ 1,514,100
18	(6) DEPARTMENT GRANTS	
19	Adult basic education	\$ 11,004,700
20	Council of Michigan foundations	6,000,000
21	Focus: HOPE	5,494,300
22	Gear-up program grants	2,000,000
23	Job training programs subgrantees	110,048,300
24	Michigan community service commission	
25	subgrantees	5,900,000
26	Michigan technical education centers	75,000,000
27	Personal assistance services	412,000
28	Pre-college programs in engineering and the	
29	sciences	1,044,700

1	Supported employment grants	1,308,600
2	Technology assistance grants	1,150,000
3	Vocational education act of 1963	39,500,000
4	Vocational rehabilitation client	
5	services/facilities	50,143,400
6	Vocational rehabilitation independent living . .	2,365,700
7	Welfare to work programs	<u>140,499,000</u>
8	GROSS APPROPRIATION	\$ 451,870,700
9	Appropriated from:	
10	Interdepartmental grant revenues:	
11	IDG-MDOC	1,015,600
12	Federal revenues:	
13	CNS	4,500,000
14	DAG, employment and training	13,000,000
15	DED-OESE, Gear-up	2,000,000
16	DED-OSERS, centers for independent living . . .	525,000
17	DED-OSERS, client assistance for individuals	
18	with disabilities	400,000
19	DED-OSERS, rehabilitation services, vocational	
20	rehabilitation of state grants	34,935,200
21	DED-OSERS, rehabilitation services facilities .	2,272,500
22	DED-OSERS, supported employment	1,308,600
23	DED-OSERS, state grants for technical related	
24	assistance	1,150,000
25	DED-OVAE, adult education	11,004,700
26	DED-OVAE, basic grants to states	39,500,000
27	DOL-ETA, workforce investment act	104,602,700
28	DOL-ETA, multiple grants	4,430,000
29	HHS, temporary assistance for needy families . .	127,499,000

1	HHS-SSA, supplemental security income	2,362,500
2	Special revenue funds:	
3	Local-vocational rehabilitation match	6,437,400
4	Local-vocational rehabilitation facilities match	1,278,300
5	Private-gifts, bequests, and donations	800,000
6	Contingent fund, penalty and interest account .	1,000,000
7	Tobacco settlement revenue	81,000,000
8	State general fund/general purpose	\$ 10,849,200
9	(7) EMPLOYMENT SERVICE AGENCY	
10	Full-time equated classified positions . . . 303.0	
11	Employment services--251.0 FTE positions	\$ 49,080,000
12	Labor market information--52.0 FTE positions . .	<u>4,512,100</u>
13	GROSS APPROPRIATION	\$ 53,592,100
14	Appropriated from:	
15	Federal revenues:	
16		
17	DED-OSERS - Rehabilitation services, vocational	
18	rehabilitation of state grants	1,300,000
19	DOL, federal funds	47,149,100
20	Special revenue funds:	
21	Total local revenues	4,000,000
22	Contingent fund, penalty and interest account .	1,143,000
23	State general fund/general purpose	\$ 0
24	Sec. 103. MICHIGAN STRATEGIC FUND	
25	(1) APPROPRIATION SUMMARY:	
26	Full-time equated classified positions . . . 235.0	
27	GROSS APPROPRIATION	\$ 169,082,800
28	Appropriated from:	
29	Interdepartmental grant revenues:	

1	Total interdepartmental grants and intradepartmental	
2	transfers	100,000
3	ADJUSTED GROSS APPROPRIATION	\$ 168,982,800
4	Federal revenues:	
5	Total federal revenues	52,673,200
6	Special revenue funds:	
7	Total local revenues	0
8	Total private revenues	656,700
9	Total other state restricted revenues	50,050,000
10	State general fund/general purpose	\$ 65,602,900
11	(2) MICHIGAN STRATEGIC FUND	
12	Full-time equated classified positions . . .	235.0
13	Administration--40.0 FTE positions	\$ 5,483,300
14	Job creations services--195.0 FTE positions . .	24,557,000
15	Michigan promotion program	8,042,500
16	Economic development job training grants	31,000,000
17	Community development block grants	50,000,000
18	Health and aging research and development	
19	initiative	<u>50,000,000</u>
20	GROSS APPROPRIATION	\$ 169,082,800
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	IDG-MDEQ, air quality fees	100,000
24	Federal revenues:	
25	DOL-ETA, employment service	770,000
26	HUD-CPD, community development block grant . . .	51,903,200
27	Special revenue funds:	
28	Private-Michigan certified development	
29	corporation fees	156,700

1	Private-special project advances	500,000
2	Industry support fees	50,000
3	Tobacco settlement revenue	50,000,000
4	State general fund/general purpose	\$ 65,602,900

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

8 Sec. 201. (1) Pursuant to section 30 of article IX of the state
 9 constitution of 1963, total state spending under part 1 for fiscal
 10 year 2000-2001 is \$225,107,300.00 and state appropriations to be paid
 11 to local units of government is \$0.00.

12 (2) If it appears to the principal executive officer of a
 13 department or branch that state spending to local units of government
 14 will be less than the amount that was projected to be expended for any
 15 quarter under subsection (1), the principal executive officer shall
 16 immediately give notice of the approximate shortfall to the state
 17 budget director, the senate and house of representatives standing
 18 committees on appropriations, and the senate and house fiscal
 19 agencies.

20 Sec. 202. As used in this appropriation bill:

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

22 (b) "CNS" means the corporation for national services.

23 (c) "DAG" means the United States department of agriculture.

24 (d) "DED" means the United States department of education.

25 (e) "DED-OPSE" means the DED office of postsecondary education.

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

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

30 (h) "DED-OVAE" means the DED office of vocational and adult

1 education.

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

3 (j) "Director" means the director of the department of career
4 development.

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

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

7 (m) "DOL-NOICC" means the DOL national occupational information
8 coordinating committee.

9 (n) "Fiscal agencies" means the Michigan house fiscal agency and
10 the Michigan senate fiscal agency.

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

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

13 (q) "HHS" means the United States department of health and human
14 services.

15 (r) "HHS-SSA" means HHS social security administration.

16 (s) "HUD-CPD" means HUD community planning and development.

17 (t) "IDG" means interdepartmental grant.

18 (u) "MDEQ" means the Michigan department of environmental quality.

19 (v) "MDOC" means the Michigan department of corrections.

20 (w) "President" means the president of the Michigan strategic
21 fund.

22 (x) "U.S.C." means the United States code.

23 (y) "WIA" means workforce investment act.

24 Sec. 203. The expenditures and funding sources authorized under
25 this bill are subject to the management and budget act, 1984 PA 431,
26 MCL 18.1101 to 18.1594.

27 Sec. 204. The department of civil service shall bill departments
28 and agencies at the end of the first fiscal quarter for the 1% charge
29 authorized by section 5 of article XI of the state constitution of
30 1963. Payments shall be made for the total amount of the billing by

1 the end of the second fiscal quarter.

2 Sec. 205. (1) Beginning October 1, a hiring freeze is imposed on
3 the state classified civil service. State departments and agencies are
4 prohibited from hiring any new full-time state classified civil
5 service employees and prohibited from filling any vacant state
6 classified civil service positions. This hiring freeze does not apply
7 to internal transfers of classified employees from one position to
8 another within a department or to positions that are funded with 80%
9 or more federal or restricted funds.

10 (2) The state budget director shall grant exceptions to this
11 hiring freeze when the state budget director believes that the hiring
12 freeze will result in rendering a state department or agency unable to
13 deliver basic services. The state budget director shall report by the
14 30th of each month to the chairpersons of the senate and house of
15 representatives standing committees on appropriations the number of
16 exceptions to the hiring freeze approved during the previous month and
17 the reasons to justify the exception.

18 Sec. 206. Sixty days before beginning any effort to privatize, the
19 department shall submit a complete project plan to the appropriate
20 subcommittees of the senate and house of representatives standing
21 committees on appropriations and the senate and house fiscal agencies.
22 The plan shall include the criteria under which the privatization
23 initiative will be evaluated. The evaluation shall be completed and
24 submitted to the appropriate subcommittees of the senate and house of
25 representatives standing committees on appropriations and the senate
26 and house fiscal agencies within 30 months.

27 Sec. 207. The department shall continue to pilot the use of the
28 Internet to fulfill the reporting requirements in this bill. This may
29 include transmission of reports via electronic mail to the recipients
30 identified for each reporting requirement. Or it may include placement

1 of reports on the Internet or on the Intranet. The appropriations
2 subcommittee shall be notified in writing of the Internet/Intranet
3 site of any such report.

4 **DEPARTMENT OF CAREER DEVELOPMENT**

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

11 Sec. 302. The Michigan rehabilitation service shall make every
12 effort to ensure that all sources of matching funds in this state are
13 used to obtain federal vocational rehabilitation funds. All sources
14 include, but are not limited to, privately raised funds to support
15 public nonprofit rehabilitation centers as permitted by the
16 rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701 to 717,
17 720 to 724, 730 to 732, 740 to 741, 750, 752, 760 to 762, 770 to 777b,
18 777d to 777f, 780, 781 to 785, 790 to 794d, 795 to 795q, and 796 to
19 796i.

20 Sec. 303. (1) The appropriation in part 1 to the department for
21 the work first program shall be expended for grants which provide
22 employment and training services to family independence program
23 applicants and recipients and may be expended for grants which provide
24 employment and training services to former family independence program
25 recipients, as well as to recipients of noncash public assistance,
26 specifically child day care, Medicaid, or food stamp benefits. The
27 work first program, however, shall not be construed to be an
28 entitlement to services.

29 (2) An applicant may be a district, intermediate district,
30 community college, public or private nonprofit college or university,

1 nonprofit organization that provides school-to-work transition
2 programs or that provides employment and training services or
3 vocational rehabilitation programs or state licensed accredited
4 vocational or technical education programs, proprietary school
5 licensed by the state board of education, local workforce development
6 board, or a consortium consisting of any combination of districts,
7 intermediate districts, community colleges, nonprofit organizations
8 described in this subsection, licensed proprietary schools, or public
9 or private nonprofit colleges or universities described in this
10 subsection.

11 (3) When the work first job search requirements have been
12 completed, if the participant has not found employment, the work first
13 site shall identify the barriers which may have prevented the
14 participant from obtaining employment and assist the client in
15 removing those barriers. The work first site shall also identify
16 appropriate education and job training programs which would be
17 available to the participant.

18 (4) Work first program participants shall include applicants and
19 recipients of the family independence program established under
20 section 57a of the social welfare act, 1939 PA 280, MCL 400.57a, and
21 such individuals referred to a job club program by a county family
22 independence agency board or a county friend of the court as long as
23 the participation in the job club is part of an application made under
24 this section. Additionally, the department and the family independence
25 agency shall work together to develop a program to provide employment
26 services to former family independence program recipients and to
27 recipients of noncash public assistance benefits such as child day
28 care, Medicaid, or food stamp benefits. This program shall not be
29 construed to be an entitlement to services.

30 (5) Participants in the work first program shall not be enrolled

1 and counted in membership in a school district or intermediate school
2 district.

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

6 (7) Work first program participants must receive or be provided an
7 explanation of the program including their benefits and
8 responsibilities before the job interview phase of the program. This
9 explanation shall include clear guidelines with regard to an
10 individual's eligibility for post-employment training support and for
11 applying hours in training toward federal work requirements.

12 (8) The department shall make every effort to place a minimum of
13 25% of clients who participate in the work first program in positions
14 that provide wages of \$6.00 per hour or more.

15 (9) The department shall submit to the fiscal agencies and the
16 state budget director by March 15, 2001, a report on the work first
17 program, including the number of participants served under this
18 section, the number of persons who located employment through work
19 first, the average wage of participants who found employment, the
20 number of persons who retained jobs for 90 days, the number of
21 participants placed in employment training and education programs, the
22 number of clients referred to work first who failed to report, a
23 compilation of barriers to employment by incidence and type
24 experienced by participants, and the number of participants referred
25 back to the family independence agency.

26 (10) A grant awarded under this section may extend beyond the end
27 of the fiscal year in which the grant is awarded and the funds awarded
28 for the grant may be available in the subsequent fiscal year for
29 payment the next fiscal year.

30 (11) The department shall provide to the state budget director and

1 the fiscal agencies by May 15 and November 15 of each year a report on
2 the work first grants. The report due by May 15 shall provide the
3 information described in this subsection for each grant or contract
4 awarded during the preceding 2 quarters of the state fiscal year. The
5 report due by November 15 shall provide this information for each
6 grant or contract awarded during the preceding full fiscal year. The
7 report shall contain both of the following:

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

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

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

29 (13) Work first participants may meet the federal work
30 participation requirement through enrollment in a short-term

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

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

14 Sec. 304. Of the funds appropriated in part 1 for precollege
15 programs in engineering and the sciences, \$620,000.00 shall be
16 provided in the form of a grant to the Detroit precollege engineering
17 program, incorporated and \$424,700.00 shall be provided in the form of
18 a grant to the Grand Rapids area precollege engineering program.

19 Sec. 305. (1) In addition to the funds appropriated for the
20 department in part 1, there is appropriated an amount not to exceed
21 \$41,000,000.00 for federal contingency funds. These funds are not
22 available for expenditure until they have been transferred to another
23 line item in this bill pursuant to section 393(2) of the management
24 and budget act, 1984 PA 431, MCL 18.1393.

25 (2) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$2,000,000.00 for state
27 restricted contingency funds. These funds are not available for
28 expenditure until they have been transferred to another line item in
29 this bill pursuant to section 393(2) of the management and budget act,
30 1984 PA 431, MCL 18.1393.

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

7 (4) In addition to the funds appropriated in part 1, there is
8 appropriated an amount not to exceed \$1,000,000.00 for private
9 contingency funds. These funds are not available for expenditure until
10 they have been transferred to another line item in this bill pursuant
11 to section 393(2) of the management and budget act, 1984 PA 431, MCL
12 18.1393.

13 Sec. 306. Funds earned or authorized by the United States
14 department of labor in excess of the gross appropriation in part 1 for
15 the employment service agency from the United States department of
16 labor are appropriated and may be expended for staffing and related
17 expenses incurred in the operation of its programs. These funds may be
18 spent after the department notifies the appropriations subcommittees
19 of the house and senate of the purpose and amount of each grant award.

20 Sec. 307. Of the funds appropriated in part 1 for vocational
21 rehabilitation independent living, not less than \$1,288,000.00 shall
22 be used for the support of centers for independent living which are in
23 compliance with federal standards for such centers, for the
24 development of new centers in areas presently unserved or underserved,
25 for technical assistance to centers, and for projects to build
26 capacity of centers to deliver independent living services.
27 Applications for such funds shall be reviewed in accordance with
28 criteria and procedures established by the statewide independent
29 living council, the Michigan rehabilitation services unit within the
30 department, and the Michigan commission for the blind. Funds must be

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

6 Sec. 308. (1) Using all relevant state data sources, the
7 department shall acquire data on former work first participants, whose
8 family independence program case closed due to earnings during fiscal
9 year 1999, for the second year in the continuing longitudinal study
10 started in fiscal year 2000. In addition, first year data will also be
11 compiled on former work first participants whose family independence
12 program case was closed due to earnings during fiscal year 2000. The
13 data will include:

- 14 (a) number and percentage employed
- 15 (b) average hourly wage of those employed
- 16 (c) current hourly wage of those employed
- 17 (d) range of wages earned by those employed
- 18 (e) number of individuals that earned each wage amount
- 19 (f) number and percentage receiving health care benefits from
20 their employer
- 21 (g) number and percentage receiving tuition reimbursement from
22 their employer
- 23 (h) number and percentage receiving training benefits from their
24 employer
- 25 (i) type of jobs obtained in general categories
- 26 (j) how long they have retained those jobs, or if they had more
27 than one job, how long at each job
- 28 (k) number and percentage continuing to receive any type of public
29 assistance
- 30 (l) if the recipient's child(ren) is/or enrolled an attending

1 school

2 (m) if the former recipient feels that they and their family are
3 better off now than when they were on cash assistance with regard to
4 household income, housing, food and nutritional needs, child health
5 care, and access to health insurance coverage

6 2) The department shall file a report containing the identified
7 data with the appropriate house and senate appropriation subcommittees
8 and fiscal agencies by March 15, 2001.

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

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

13 Sec. 309. The department may carry into the succeeding fiscal year
14 unexpended federal pass-through funds to local institutions and
15 governments that do not require additional state matching funds.
16 Federal pass-through funds to local institutions and governments that
17 are received in amounts in addition to those include in part 1 and
18 that do not require additional state matching funds are appropriated
19 for the purposes intended.

20 Sec. 310. Of the amounts appropriated in part 1 for higher
21 education management operations, \$250,000.00 of private occupational
22 school license fees shall fund 3.0 FTE positions and related
23 administrative costs of the proprietary schools oversight unit within
24 the department.

25 Sec. 311. Money in the school loan exception fee fund that is
26 unexpended at the end of the fiscal year shall not revert to the
27 general fund but shall be carried over to the succeeding fiscal year.

28 Sec. 312. The department is appropriated an amount not to exceed
29 \$100,000.00 form collection of defaulted loans in the Martin Luther
30 King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of

1 administering the loan collections.

2 **MICHIGAN STRATEGIC FUND**

3 Sec. 401. (1) The appropriation in part 1 to the fund for the job
4 retention retraining program shall be expended to ensure employers
5 have the trained workers they need to compete in the global economy.
6 The fund shall make awards for employers locating or expanding in
7 Michigan and thereby creating significant numbers of new jobs in the
8 state that align with the strategic focus on advanced manufacturing,
9 information technology and biotechnology.

10 (2) No more than 5% of the total grant appropriated in this
11 section may be expended for administrative costs. Administrative costs
12 may include a biennial study of the state's needs and priorities and
13 program resources will be targeted toward those top identified areas.
14 Administrative costs may also include a periodic study on the long-
15 term return on investment as a result of the program.

16 (3) The program shall make competitive awards to employees, on an
17 ongoing basis, for redemption through eligible providers based on
18 selection criteria such as consistency with the strategic focus on
19 advanced manufacturing, information technology and biotechnology; high
20 wage and/or skill level; and the training and services are unlikely to
21 occur without the grant assistance. The award process will include a
22 simple notice of intent to be reviewed to see if the application
23 merits further consideration, a full application may be submitted.

24 (4) The Michigan strategic fund shall establish standards, after
25 public comment, which qualifies eligible providers. These shall
26 include a review of the quality, efficiency and effectiveness of a
27 providers's training programs and services. Eligible providers may
28 include community colleges, non-profits and for-profit organizations
29 and others as determined by the fund.

30 (5) Not more than \$5,000,000.00 of the amount appropriated under

1 this section may be allocated to rapid response that maintain or
2 attract permanent jobs for Michigan residents.

3 (6) The fund shall report to the state budget director and fiscal
4 agencies each year on the amount and recipient of each award and
5 number of employees expected to be trained or placed under the award.
6 The fund shall also report every other year on customer satisfaction
7 results of the program. The fund shall provide a report, every three
8 years, on the long-term return on investment results of the program.

9 (7) An eligible provider under this section shall allow the fund's
10 designee to audit all records related to the award for all entities
11 that receive money, either directly or indirectly through the award.
12 An eligible provider shall reimburse the state for all disallowances
13 found in the audit and may be determined ineligible.

14 (8) No funds appropriated may be expended for the training of
15 permanent striker replacement workers.

16 (9) If the unemployment rate is below 6% annually, up to 1/3 of
17 the amount appropriated in part 1 may be expended for a new
18 recruitment program that can respond to tight labor market conditions
19 restricting economic growth by providing worker recruitment assistance
20 to companies.

21 (10) Funds allocated under this section shall be for the purpose
22 of ensuring that employers have trained workers they need to compete
23 in the global economy. The fund shall have on file a specific plan to
24 accomplish its objectives. The program estimated completion cost is
25 the total amount appropriated to the fund and shall have an estimated
26 completion date of September 30, 2005.

27 Sec. 402. The travel administration may establish and collect a
28 fee to cover the cost of materials and processing of photographic
29 prints, slides, videotapes, and travel product database information
30 that are requested by the media and other segments of the public and

1 private sectors. The fees collected shall be appropriated for all
2 expenses necessary to purchase and distribute these photographic
3 prints, slides, videotapes, and travel product database information.
4 The funds are available for expenditure when they are received by the
5 department of treasury

6 Sec. 403. The travel administration may receive and expend private
7 revenue related to the use of the "Michigan Great Lakes. Great Times."
8 copyrighted slogan and image. This revenue may come from the direct
9 licensing of the name and image or from the royalty payments from
10 various merchandise sales. Revenue collected is appropriated for the
11 marketing of the state as a travel destination. The funds are
12 available for expenditure when they are received by the department of
13 treasury.

14 Sec. 404. (1) In addition to the funds appropriated for the fund
15 in part 1, there is appropriated an amount not to exceed \$7,000,000.00
16 for federal contingency funds. These funds are not available for
17 expenditure until they have been transferred to another line item in
18 this bill pursuant to section 393(2) of the management and budget act,
19 1984 PA 431, MCL 18.1393.

20 (2) In addition to the funds appropriated in part 1, there is
21 appropriated an amount not to exceed \$1,000,000.00 for state
22 restricted contingency funds. These funds are not available for
23 expenditure until they have been transferred to another line item in
24 this bill pursuant to section 393(2) of the management and budget act,
25 1984 PA 431, MCL 18.1393.

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

1 18.1393.

2 Sec. 405. The Michigan strategic fund shall submit on or before
3 May 1, 2000, and November 1, 2000, to the appropriations subcommittees
4 and the fiscal agencies a listing of all grants which have been
5 awarded by the fund or by the Michigan economic development
6 corporation from the funds appropriated in part 1. The list shall
7 include all of the following:

8 (a) The name of the recipient.

9 (b) The amount awarded to the recipient.

10 (c) The purpose of the grant.

11 Sec. 406. (1) The Michigan strategic fund shall provide reports to
12 the relevant senate and house appropriation subcommittees and the
13 fiscal agencies concerning the activities of the Michigan economic
14 development corporation. The report shall include, but not be limited
15 to, the following programs funded in part 1:

16 (a) Travel Michigan bureau.

17 (b) National business development.

18 (c) International business development.

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

20 (e) CDBG.

21 (f) Strategic/renaissance fund administration.

22 (g) Renaissance zones.

23 (h) Business round tables.

24 (i) Business and clean air ombudsman.

25 (j) Economic development job training grants.

26 (k) Film office.

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

28 (m) Any other programs of the fund.

29 (2) The reports in subsection (1) shall be submitted by January 1,
30 2001. The report for each program in subsection (1)(a) through (m)

1 shall include details on the actual spending and number of FTEs for
2 that program.

3 Sec. 407. As a condition of receiving funds under part 1, any
4 interlocal agreement entered into by the Michigan strategic fund shall
5 include language which states that if a local unit of government has a
6 contract or memorandum of understanding with a private economic
7 development agency, the Michigan economic development corporation will
8 work cooperatively with that private organization in that local area.

9 Sec. 408. (1) From the funds appropriated in part 1 for the fund,
10 \$50,000,000.00 is appropriated for a health and aging research and
11 development initiative to support basic and applied research in
12 health-related areas, with emphasis on issues related to aging.

13 (2) A health and aging steering committee, appointed by the
14 governor, shall consist of 14 members including the CEO of the
15 Michigan economic development corporation, a member from Michigan
16 State University, the University of Michigan, Wayne State University,
17 the VanAndel Institute, and 2 members from the private sector. The
18 remaining members shall be appointed at large and may include members
19 from the private sector, public sector, or other Michigan
20 universities. The purpose of the steering committee is to provide
21 advice and oversight of the initiative, including the development of
22 criteria for the award of contracts or grants to qualifying
23 universities, institutions, or individuals. The steering committee
24 will make decisions regarding distribution of these grant funds.

25 (3) Of the funds appropriated, 40% is allocated for a basic
26 research fund, to be distributed on a competitive basis to Michigan
27 universities, and the VanAndel Institute for basic research in
28 health-related areas. Not less than \$5,000,000.00 is allocated to
29 research related to aging diseases and health problems. Fifty percent
30 of the appropriated funds are earmarked for a collaborative research

1 fund to support peer-reviewed collaborative grants among Michigan
2 universities and/or private research facilities. Up to 10% of the
3 appropriated funds may be used to support a commercial development
4 fund to support commercialization opportunities for life science
5 research in Michigan. Appropriated funds must be matched with other
6 university, private, or federal funding. Not more than 1% of the
7 appropriated funds may be used for administrative costs of
8 administering the initiative.

final page