

Act No. 351
Public Acts of 1996
Approved by the Governor
June 27, 1996
Filed with the Secretary of State
June 28, 1996

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996**

Introduced by Reps. Gustafson, McBryde, Jellema, Johnson, Gilmer, Bobier and Banks

ENROLLED HOUSE BILL No. 5583

AN ACT to make appropriations for the departments of consumer and industry services and Michigan jobs commission and certain other state purposes for the fiscal years ending September 30, 1996 and September 30, 1997; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for the departments of consumer and industry services and Michigan jobs commission for the fiscal year ending September 30, 1997, from the following funds:

TOTAL REGULATORY

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	74.5	
Full-time equated classified positions	6,665.6	
GROSS APPROPRIATION		\$ 1,009,793,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers	2,135,600	
ADJUSTED GROSS APPROPRIATION		\$ 1,007,657,500
Federal revenues:		
Total federal revenues	584,971,200	
Special revenue funds:		
Total local revenues	12,563,600	
Total private revenues	4,752,500	
Total other state restricted revenues	222,580,700	
State general fund/general purpose		\$ 182,789,500

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

APPROPRIATION SUMMARY:

Full-time equated unclassified positions	65.5	
Full-time equated classified positions	5,516.9	
GROSS APPROPRIATION		\$ 535,269,800

For Fiscal Year
Ending Sept. 30,
1997

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	1,936,600
ADJUSTED GROSS APPROPRIATION.....	\$ 533,333,200
Federal revenues:	
Total federal revenues	243,330,100
Total local revenues	2,000,000
Total private revenues.....	1,902,500
Total other state restricted revenues	220,223,900
State general fund/general purpose	\$ 65,876,700

EXECUTIVE DIRECTION

Full-time equated unclassified positions	65.5	
Full-time equated classified positions	45.0	
Unclassified salaries		\$ 4,613,700
Executive director programs—29.0 FTE positions.....		2,584,100
Policy development—16.0 FTE positions.....		1,297,500
Michigan community education initiative.....		100,000
Utility consumer representation.....		800,000
Regulatory efficiency improvements/backlog reduction initiative		750,000
GROSS APPROPRIATION.....		\$ 10,145,300
Appropriated from:		
DOL-ETA, unemployment insurance		441,000
DOL-ETA, employment service		38,600
DOL-bureau of labor statistics.....		800
DOL-ETA		700
DOL-OVET.....		1,800
DOL-multiple grants for safety and health		158,300
Special revenue funds:		
Motor carrier fees.....		22,000
Public utility assessments		332,800
Corporation fees.....		107,200
Bank fees.....		203,100
Consumer finance fees		45,300
Health professions regulatory fund.....		808,200
Credit union fees.....		85,100
Insurance regulatory fees		299,900
Liquor purchase revolving fund.....		1,132,700
Michigan state housing development authority fees and charges		305,400
Mobile home commission fees.....		39,700
State fair revenue.....		64,000
Utility consumer representation fund		800,000
Licensing and regulation fees.....		166,700
Construction code fund		206,400
Contingent fund, penalty and interest account.....		700
Elevator fees		1,400
Safety education and training fund		155,700
Workers' compensation administrative revolving fund		19,100
State general fund/general purpose		\$ 4,708,700

COUNCIL FOR ARTS AND CULTURAL AFFAIRS

Full-time equated classified positions	9.0	
Administration—9.0 FTE positions		\$ 821,400
Arts and cultural grants.....		22,014,600
GROSS APPROPRIATION.....		\$ 22,836,000
Appropriated from:		
Federal revenues:		
NFAH-NEA, promotion of the arts, state and regional programs.....		1,105,900
State general fund/general purpose		\$ 21,730,100

MICHIGAN STATE FAIR

Full-time equated classified positions.....	67.4		
State fair operations—67.4 FTE positions.....		\$	5,593,500
GROSS APPROPRIATION.....		\$	5,593,500
Appropriated from:			
Special revenue funds:			
State fair revenue.....			5,593,500
State general fund/general purpose		\$	0

MANAGEMENT SERVICES

Full-time equated classified positions.....	147.5		
Administrative services—76.5 FTE positions.....		\$	4,600,600
Technology support—71.0 FTE positions.....			9,580,600
Insurance automation			750,000
Health services information systems.....			750,000
Rent.....			6,714,700
Building occupancy charges-property development services.....			5,245,300
Worker's compensation.....			948,800
Special project advances			740,000
GROSS APPROPRIATION.....		\$	29,330,000
Appropriated from:			
Interdepartmental grant revenues:			
IDT from insurance bureau			508,800
Federal revenues:			
Federal funds			712,900
HHS, federal funds.....			706,600
DOL, multiple grants for safety and health			113,000
DOL-ETA, unemployment insurance			400
Special revenue funds:			
Private-special project advances			740,000
Motor carrier fees.....			187,300
Public utility assessments.....			2,264,900
Corporation fees.....			1,969,600
Mobile home commission fees.....			132,300
Liquor purchase revolving fund.....			9,048,800
Michigan state housing development authority fees and charges.....			1,008,400
Credit union fees.....			248,200
Bank fees.....			447,500
Securities fees			12,100
Consumer finance fees			129,300
Insurance regulatory fees			1,554,100
Health professions regulatory fund.....			1,687,700
Licensing and regulation fees.....			847,700
Fees and collections			93,500
Boiler fee revenue			35,400
Construction code fund.....			830,100
Elevator fees			106,900
Safety education and training fund			159,000
Second injury fund			12,100
Self insurers' security fund			2,100
Silicosis and dust disease fund			4,900
Workers' compensation administrative revolving fund.....			1,017,000
State general fund/general purpose		\$	4,749,400

FINANCIAL SERVICES AND CORPORATIONS

Full-time equated classified positions.....	449.0		
Mobile home commission, per diem \$50.00.....		\$	7,800
Mobile home and land resources program—17.0 FTE positions			1,542,100

For Fiscal Year
Ending Sept. 30,
1997

Corporate services—48.0 FTE positions.....	3,147,200
Corporate certification and copying—30.0 FTE positions	2,115,100
Investment oversight—36.0 FTE positions.....	2,505,700
Local mobile home park inspections	200,000
Property development group—13.0 FTE positions	1,368,200
Remonumentation.....	4,500,000
Financial institutions administration—18.0 FTE positions	1,236,300
Bank regulation—62.0 FTE positions.....	4,972,600
Credit union regulation—37.0 FTE positions	2,787,300
Financial institutions consumer protection—22.0 FTE positions.....	1,440,300
Financial institutions research and consumer services—5.0 FTE positions	355,700
Federal regulatory projects.....	50,600
Financial institutions corporate regulatory services—9.0 FTE positions	705,800
Insurance bureau administration—29.0 FTE positions.....	2,571,200
Insurance financial standards—64.0 FTE positions.....	7,539,500
Insurance licensing and enforcement—41.0 FTE positions.....	3,239,500
Insurance market standards—18.0 FTE positions.....	1,103,100
GROSS APPROPRIATION.....	\$ 41,388,000

Appropriated from:

Federal revenues:

Federal regulatory project revenues	50,600
Special revenue funds:	
Corporation fees.....	3,745,100
Mobile home commission fees.....	1,849,300
Securities fees	1,312,200
Land sales fees.....	50,600
Limited liability partnership revenue.....	445,600
Certification and copying fees.....	2,115,100
Property development fees.....	223,800
Remonumentation fees	5,061,100
Bank fees.....	6,437,400
Consumer finance fees.....	1,547,900
Credit union fees.....	3,512,700
Licensing and regulation fees.....	2,991,400
Insurance regulatory fees	10,781,600
Insurance continuing education fees	532,400
Multiple employer welfare arrangement.....	131,900
College work-study	10,100
Private-travel funds	5,900
State general fund/general purpose	\$ 583,300

PUBLIC SERVICE COMMISSION

Full-time equated classified positions.....	173.0
Administration, planning and regulation—173.0 FTE positions.....	\$ 18,249,600
Grant to department of public health nuclear emergency planning and response.....	555,800
GROSS APPROPRIATION.....	\$ 18,805,400

Appropriated from:

Federal revenues:

DOE-OEERE, multiple grants	2,477,900
DOT-RSPA, Gas pipeline safety	208,200
Special revenue funds:	
Motor carrier fees.....	1,718,400
Public utility assessments	14,354,900
Private-Great Lakes governors council.....	46,000
State general fund/general purpose	\$ 0

LIQUOR CONTROL COMMISSION

Full-time equated classified positions.....	671.0
---	-------

For Fiscal Year
Ending Sept. 30,
1997

Management support services—48.0 FTE positions.....	\$	2,843,300
Liquor licensing and enforcement—157.0 FTE positions		9,682,700
Liquor law enforcement grants.....		6,000,000
Liquor merchandising and warehousing—466.0 FTE positions		25,215,900
Grant to department of agriculture for wine industry council.....		408,100
GROSS APPROPRIATION.....	\$	44,150,000

Appropriated from:

Special revenue funds:

Liquor license revenue		10,576,500
Non-retail liquor license revenue		408,100
Liquor purchase revolving fund.....		29,898,900
Bailment fee revenue		3,266,500
State general fund/general purpose	\$	0

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Full-time equated classified positions.....	249.0	
Payments on behalf of tenants		\$ 63,000,000
Housing and rental assistance program—244.0 FTE positions		20,121,600
Automatic data processing—5.0 FTE positions.....		1,369,500
Homeless program.....		5,290,800
GROSS APPROPRIATION.....		\$ 89,781,900

Appropriated from:

Federal revenues:

HUD, Lower income housing assistance program		75,572,700
Special revenue funds:		
Michigan state housing development authority fees and charges.....		14,209,200
State general fund/general purpose	\$	0

OCCUPATIONAL AND PROFESSIONAL REGULATION

Full-time equated classified positions.....	260.0	
Administrative services—65.0 FTE positions.....		\$ 7,430,700
Health services—105.0 FTE positions.....		8,682,100
Commercial services—90.0 FTE positions.....		7,151,700
GROSS APPROPRIATION.....		\$ 23,264,500

Appropriated from:

Special revenue funds:

Private-local northeast regional dentistry board revenue.....		18,100
College work-study		100,500
Real estate education fund.....		351,800
Real estate appraiser continuing education fund		45,000
Licensing and regulation fees.....		7,246,300
Construction lien fund		1,528,900
Health professions regulatory fund.....		12,708,300
Controlled substance license fees		1,265,600
State general fund/general purpose	\$	0

TAX TRIBUNAL

Full-time equated classified positions.....	17.0	
Operations—17.0 FTE positions		\$ 1,670,300
GROSS APPROPRIATION.....		\$ 1,670,300

Appropriated from:

Special revenue funds:

Tax tribunal fees.....		592,800
State general fund/general purpose	\$	1,077,500

GRANTS

Fire protection grants		\$ 6,375,000
GROSS APPROPRIATION.....		\$ 6,375,000

For Fiscal Year
Ending Sept. 30,
1997

Appropriated from:	
Special revenue funds:	
Liquor purchase revolving fund.....	6,375,000
State general fund/general purpose	\$ 0

HEALTH REGULATORY SYSTEMS

Full-time equated classified positions.....	259.1	
Health systems administration—188.0 FTE positions		\$ 14,016,600
Clinical laboratory improvement—6.0 FTE positions		1,000,000
Emergency medical services program state staff—11.0 FTE positions		1,065,400
Fire safety inspection		175,000
Health facilities management information system		573,600
Radiological health administration and projects—24.1 FTE positions.....		1,799,600
Substance abuse program administration—6.0 FTE positions		417,000
Emergency medical services grants and contracts		962,100
Licensing, monitoring, and accreditation—24.0 FTE positions		1,554,900
GROSS APPROPRIATION.....		\$ 21,564,200

Appropriated from:	
Federal revenues:	
Federal funds	12,466,900
Special revenue funds:	
Fees and collections	1,804,300
Other state restricted revenue	1,229,800
State general fund/general purpose	\$ 6,063,200

REGULATORY SERVICES

Full-time equated classified positions.....	280.0	
AFC, children's welfare and day care licensure—280.0 FTE positions		\$ 19,464,400
GROSS APPROPRIATION.....		\$ 19,464,400

Appropriated from:	
Federal revenues:	
HHS, federal funds.....	12,532,400
Special revenue funds:	
Licensing fees.....	439,000
State general fund/general purpose	\$ 6,493,000

CONSTRUCTION CODES

Full-time equated classified positions.....	146.0	
Commissions and boards		\$ 41,900
Code enforcement—88.0 FTE positions		6,042,000
Code enforcement flexibility.....		606,600
Barrier free design program—6.0 FTE positions		369,400
Administration—7.0 FTE positions		652,700
Boiler inspection program—20.0 FTE positions.....		1,379,800
Elevator inspection program—25.0 FTE positions		1,619,500
GROSS APPROPRIATION.....		\$ 10,711,900

Appropriated from:	
Special revenue funds:	
Construction code fund	7,484,100
Boiler fee revenue	1,511,500
Elevator fees	1,716,300
State general fund/general purpose	\$ 0

EMPLOYMENT RELATIONS

Full-time equated classified positions.....	29.0	
Fact finding and arbitration		\$ 176,900
Employment and labor relations—29.0 FTE positions.....		2,924,400
GROSS APPROPRIATION.....		\$ 3,101,300

Appropriated from:		
Special revenue funds:		
Publication revenue		25,000
State general fund/general purpose	\$	3,076,300
SAFETY AND REGULATION		
Full-time equated classified positions		305.4
Commissions and boards	\$	29,200
Safety regulation—183.0 FTE positions		11,581,100
Employment standards enforcement—40.0 FTE positions		2,323,500
Subgrantees		1,026,900
Occupational health—82.4 FTE positions		9,052,800
GROSS APPROPRIATION	\$	24,013,500
Appropriated from:		
Federal revenues:		
Federal funds		5,878,900
DOL, multiple grants for safety and health		5,997,900
Special revenue funds:		
Safety education and training fund		4,727,200
Fees and collections		666,400
State general fund/general purpose	\$	6,743,100
WORKER'S DISABILITY COMPENSATION		
Full-time equated classified positions		169.0
Administration—146.0 FTE positions	\$	8,062,700
Board of magistrates administration—11.0 FTE positions		1,886,900
Appellate commission administration—12.0 FTE positions		816,400
Supplemental benefit fund		1,850,000
GROSS APPROPRIATION	\$	12,616,000
Appropriated from:		
Special revenue funds:		
Worker's compensation administrative revolving fund		1,963,900
State general fund/general purpose	\$	10,652,100
WORKER'S COMPENSATION-INSURANCE FUNDS ADMINISTRATION		
Full-time equated classified positions		40.0
Funds administration—40.0 FTE positions	\$	10,039,100
Automatic data processing		506,000
Grant to the Michigan jobs commission, hire the handicapped program		50,000
GROSS APPROPRIATION	\$	10,595,100
Appropriated from:		
Special revenue funds:		
Second injury fund		6,540,700
Self insurers' security fund		1,643,300
Silicosis and dust disease fund		2,411,100
State general fund/general purpose	\$	0
MICHIGAN EMPLOYMENT SECURITY COMMISSION		
Full-time equated classified positions		2,200.5
Commission, per diem	\$	20,000
Board of review program—10.9 FTE positions		801,900
Worker's compensation		578,200
Rent		4,100,000
Building occupancy charges-property development service		2,469,900
Executive direction—22.0 FTE positions		1,612,400
Advocacy assistance program		1,500,000
Customer services—1,441.8 FTE positions		71,497,100
Financial and management services—137.9 FTE positions		14,089,300
Human resources—26.0 FTE positions		1,559,600

For Fiscal Year
Ending Sept. 30,
1997

Communications and external affairs—66.3 FTE positions.....	3,117,300
Audits and investigations—72.3 FTE positions.....	3,228,500
Special audit and collections program—35.0 FTE positions.....	2,004,100
Special fraud control program—23.0 FTE positions.....	1,206,400
Information services—223.5 FTE positions.....	22,503,700
Training program for commission staff—19.0 FTE positions.....	1,032,700
Fraud control and investigations program—20.0 FTE positions.....	1,071,700
Referee appeals program—55.8 FTE positions.....	3,652,200
Reemployment services for claimants.....	1,000,000
Targeted employment services—47.0 FTE positions.....	2,818,500
GROSS APPROPRIATION.....	\$ 139,863,500
Appropriated from:	
Interdepartmental grant revenues:	
IDG from family independence agency.....	1,427,800
Federal revenues:	
DED-OSERS, rehabilitation services, vocational rehabilitation of state grants.....	1,300,000
DOL-unemployment insurance.....	74,483,300
DOL-employment service.....	28,362,200
DOL-bureau of labor statistics.....	2,320,300
DOL-employment and training administration.....	3,219,900
DOL-veterans' employment and training administration.....	6,570,800
DOL-miscellaneous funds.....	8,608,100
Special revenue funds:	
Local revenues.....	2,000,000
Private-MESC.....	981,900
MESC sales revenue.....	100,000
Contingent fund, penalty and interest account.....	10,489,200
State general fund/general purpose.....	\$ 0

MICHIGAN JOBS COMMISSION

APPROPRIATION SUMMARY:

Full-time equated unclassified positions.....	9.0
Full-time equated classified positions.....	1,148.7
GROSS APPROPRIATION.....	\$ 474,523,300
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	199,000
ADJUSTED GROSS APPROPRIATION.....	\$ 474,324,300
Federal revenues:	
Total federal revenues.....	341,641,100
Special revenue funds:	
Total local revenues.....	10,563,600
Total private revenues.....	2,850,000
Total other state restricted revenues.....	2,356,800
State general fund/general purpose.....	\$ 116,912,800

DEPARTMENTAL ADMINISTRATION

Full-time equated unclassified positions.....	9.0
Full-time equated classified positions.....	17.0
Unclassified salaries.....	\$ 666,600
Executive direction—17.0 FTE positions.....	1,211,600
K. I. Sawyer base conversion authority.....	295,700
GROSS APPROPRIATION.....	\$ 2,173,900
Appropriated from:	
Interdepartmental grant revenues:	
IDG-MDEQ, air quality fees.....	58,000
State general fund/general purpose.....	\$ 2,115,900

DEPARTMENT OPERATIONS

Full-time equated classified positions.....	76.0	
Administrative services—76.0 FTE positions.....		\$ 5,379,200
Rent.....		1,549,300
Building occupancy charges-property development services.....		765,400
Worker's compensation.....		221,000
Special project advances		700,000
GROSS APPROPRIATION.....		\$ 8,614,900
Appropriated from:		
Federal revenues:		
DOL-ETA, job training partnership grants		495,900
DED-OSERS, vocational rehabilitation, state grants		1,185,200
DED-OSERS, client assistance for individuals with disabilities		15,200
HHS-SSA, supplemental security income.....		9,400
HHS, temporary assistance for needy families.....		347,600
Special revenue funds:		
Local-vocational rehabilitation match		2,200
Private-special project advances		700,000
Rehabilitation service fees.....		500
State general fund/general purpose		\$ 5,858,900

ECONOMIC RETENTION AND EXPANSION

Full-time equated classified positions.....	187.0	
International and national business development—33.0 FTE positions		\$ 4,398,300
Travel bureau administration/travel commission—29.0 FTE positions		3,796,400
Michigan promotion program		7,242,500
Job creation services—125.0 FTE positions.....		14,098,500
GROSS APPROPRIATION.....		\$ 29,535,700
Appropriated from:		
Interdepartmental grant revenues:		
IDG-MDEQ, air quality fees.....		42,000
Federal revenues:		
DOL-NOICC.....		166,300
HUD-CPD, Community development block grant.....		1,659,500
DOL-ETA, job training partnership act		300,000
Special revenue funds:		
Michigan certified development corporation fees		90,800
Industry support fees		50,000
State general fund/general purpose		\$ 27,227,100

WORKFORCE DEVELOPMENT

Full-time equated classified positions.....	868.7	
Employment training services—745.2 FTE positions		\$ 58,831,600
Michigan career and technical institute—104.5 FTE positions.....		9,455,700
Drug addiction and alcoholism referral and monitoring agency—19.0 FTE positions		8,215,600
GROSS APPROPRIATION.....		\$ 76,502,900
Appropriated from:		
Interdepartmental grant revenues:		
IDG from civil service.....		99,000
Federal revenues:		
DED, cooperative demonstration, school-to-work.....		1,827,400
DED-OPSE, multiple grants		999,500
DED-OSERS, client assistance for individuals with disabilities		342,000
DED-OSERS, special education, state grants		39,500
DED-OSERS, centers for independent living.....		56,500
DED-OSERS, rehabilitation long-term training		227,400
DED-OSERS, rehabilitation services, vocational rehabilitation state grants		37,282,100
DED-OSERS, state grants for technical related assistance		749,700
DOL-ETA, job training partnership act		5,779,800
HHS-SSA, disability insurance		8,215,600

For Fiscal Year
Ending Sept. 30,
1997

HHS-SSA, supplemental security income.....	3,381,600
CNS.....	452,700
HHS-ACF, temporary assistance for needy families.....	1,938,500
Special revenue funds:	
Local vocational rehabilitation match.....	3,152,200
Private-foundation revenue.....	550,000
Private-gifts, bequests, and donations.....	800,000
Rehabilitation services fees.....	1,871,200
Second injury fund.....	50,000
Student fees.....	44,700
Training material fees.....	249,600
State general fund/general purpose.....	\$ 8,393,900

DEPARTMENT GRANTS

Job training partnership act subgrantees.....	\$ 113,980,600
Michigan community service commission subgrantees.....	3,761,900
Displaced homemakers.....	382,000
Supported employment grants.....	1,308,600
Technology assistance grants.....	278,300
Vocational rehabilitation client services/facilities.....	47,234,400
Vocational rehabilitation independent living.....	1,077,700
Personal care attendants.....	206,500
School-to-work subgrantees.....	10,200,000
Trade academy grants.....	500,000
Economic development job training grants.....	39,200,000
Work first grants.....	75,901,500
CDBG pass-through.....	61,257,000
State research fund.....	1,500,000
Michigan transition initiative grants.....	454,500
Pre-college programs in engineering and the sciences.....	452,900
GROSS APPROPRIATION.....	\$ 357,695,900

Appropriated from:

Interdepartmental grant revenues:

Federal revenues:

DED, cooperative demonstration, school to work.....	10,200,000
DED-OSERS, independent living.....	525,000
DED-OSERS, rehabilitation services, basic support.....	33,345,200
DED-OSERS, rehabilitation services facilities.....	2,272,500
DED-OSERS, special education, state grants.....	454,500
DED-OSERS, supported employment.....	1,308,600
DED-OSERS, technology assistance program.....	278,300
DOL-ETA, job training partnership act.....	113,980,600
HHS, temporary assistance for needy families.....	47,436,100
HHS-SSA, supplemental security income.....	1,750,000
HUD-CPD, Community development block grant.....	61,257,000
CNS.....	3,361,900
Special revenue funds:	
Local vocational rehabilitation match.....	6,130,900
Local vocational rehabilitation facilities match.....	1,278,300
Private-gifts, bequests, and donations.....	800,000
State general fund/general purpose.....	\$ 73,317,000

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1996-97 is estimated at \$405,370,200.00 in this bill and state spending from state sources paid to local units of government for fiscal year 1996-97 is estimated at \$101,149,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

Arts and cultural grants.....	\$	20,908,700
Fire protection grants		6,375,000
Liquor law enforcement		6,000,000
Local mobile home inspections.....		200,000
Total consumer and industry services.....	\$	33,483,700

DEPARTMENT OF MICHIGAN JOBS COMMISSION

Economic development job training grants.....	\$	39,200,000
Work first grants.....		28,465,400
Total Michigan jobs commission	\$	67,665,400

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget.

Sec. 203. As used in this appropriation act:

- (a) "CDBG" means community development block grant.
- (b) "CNS" means the corporation for national services.
- (c) "DED" means the United States department of education.
- (d) "DED-OPSE" means the DED office of postsecondary education.
- (e) "DED-OSERS" means the DED office of special education rehabilitation services.
- (f) "DOE" means the United States department of energy.
- (g) "DOE-OEERE" means the DOE office of energy efficiency and renewable energy.
- (h) "DOL" means the United States department of labor.
- (i) "DOL-BLS" means the DOL bureau of labor statistics.
- (j) "DOL-ETA" means the DOL employment and training act.
- (k) "DOL-NOICC" means the DOL national occupational information coordinating committee.
- (l) "DOL-OSHA" means the DOL occupational safety and health administration.
- (m) "DOL-OVET" means the DOL office of veterans employment and training.
- (n) "DOT" means the United States department of transportation.
- (o) "DOT-RSPA" means the DOT research and special programs administration.
- (p) "FTE" means full-time equated position.
- (q) "HHS" means the United States department of health and human services.
- (r) "HHS-SSA" means HHS social security administration.
- (s) "HUD" means the United States department of housing and urban development.
- (t) "HUD-CPD" means HUD community planning and development.
- (u) "IDG" means interdepartmental grant.
- (v) "IDT" means interdepartmental transfer.
- (w) "JTPA" means job training partnership act, Public Law 97-300, 96 Stat. 1322.
- (x) "MDCS" means the Michigan department of civil service.
- (y) "MDEQ" means the Michigan department of environmental quality.
- (z) "MESC" means the Michigan employment security commission.
- (aa) "MFIA" means the Michigan family independence agency.
- (bb) "NFAH" means the national foundation of the arts and the humanities.
- (cc) "NFAH-NEA" means the national endowment for the arts.
- (dd) "SSDI" means the social security disability income.
- (ee) "SSI" means supplemental security income.

Sec. 205. The expenditures and funding sources authorized under this bill are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 206. The departments of consumer and industry services and Michigan jobs commission shall establish and maintain affirmative action programs based on the guidelines developed by the Michigan equal employment and

business opportunity council which was created by Executive Order 1983-4 in order to receive general fund/general purpose dollars. The departments shall also comply with Executive Directive 1989-1.

Sec. 207. (1) The directors of the departments of consumer and industry services and Michigan jobs commission shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both, for the departments.

(2) The directors shall strongly encourage firms with which the departments contract to subcontract with certified businesses in depressed and deprived communities for services or supplies, or both.

Sec. 209. Funds appropriated in this act shall not be used for the purchase of foreign goods or services when competitively priced American goods and services of comparable quality are available. By May 1, 1997, each department shall submit a report to the department of management and budget, the speaker and minority leader of the house of representatives, the majority and minority leaders of the senate, and the chairpersons of the house and senate appropriations committees on efforts to comply with this section.

Sec. 211. The department of civil service shall bill departments or agencies, or both, at the end of the first fiscal quarter for the 1% charges authorized by section 5 of article XI of the state constitution of 1963. Payments shall be made for the total amount of the billing by the end of the second fiscal quarter.

Sec. 213. Of the funds appropriated in section 101 that are in units other than the grants unit, a department shall not provide grants to local government agencies, institutions of higher education, or nonprofit organizations unless the department provides notice of the grant to the regulatory subcommittees of the house and senate appropriations committees at least 10 days before the grant is issued or at least 72 hours before any announcement to local governmental units or the public.

Sec. 214. The departments of consumer and industry services and Michigan jobs commission shall not permit any other department, agency, or office of this state to use funds or FTE positions authorized for those departments or allow any funds or FTE positions from any other department, agency, or office to be used within those departments without a 30-day notice given to the regulatory subcommittees of the house and senate appropriations committees.

Sec. 215. (1) Beginning October 1, 1996, a hiring freeze is imposed on the state classified civil service. State departments and agencies are prohibited from hiring any new full-time state classified civil service employees and are prohibited from filling any vacant state classified civil service position. This hiring freeze does not apply to internal transfers of classified employees from 1 position to another within a department or to positions that are funded with 80% or more federal or restricted funds.

(2) The director of the department of management and budget shall grant exceptions to this hiring freeze when the director believes that the hiring freeze will result in the state department or agency being unable to deliver basic services. The director of the department of management and budget shall report by the fifteenth of each month to the chairpersons of the senate and house appropriations committees the number of exceptions to the hiring freeze approved during the previous month and the reasons to justify each exception.

Sec. 217. (1) Departments and state agencies that receive funds under this bill may receive and expend federal funds for purposes allowed by the federal government and these funds are appropriated, if the funds are provided as block grants or other similar replacements for or consolidations of prior federal funding sources.

(2) The departments and state agencies described in subsection (1) may use these funds to continue existing programs and shall not establish new programs utilizing these funds, unless the legislature has enacted modifications to the existing program or enacted a new program.

Sec. 221. The departments of Michigan jobs commission and consumer and industry services shall not implement an affirmative action plan unless it has been submitted to the Michigan civil rights commission for approval in accordance with section 210 of the Elliott-Larsen civil rights act, Act No. 453 of the Public Acts of 1976, being section 37.2210 of the Michigan Compiled Laws, and the Michigan civil rights commission has approved the plan.

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES — CONSUMER SERVICES

Sec. 301. The funds collected by the department of consumer and industry services, corporation and securities division, for furnishing copies of documents, reports, and papers required or permitted by law pursuant to section 1060(5) of the business corporation act, Act No. 284 of the Public Acts of 1972, being section 450.2060 of the Michigan Compiled Laws, shall revert to the corporation and securities division. Collected funds shall be submitted to the department of treasury and shall be used only for operation and other costs relating to providing information, including copies of documents, pertaining to corporations and trademarks.

Sec. 303. (1) The department shall sell copies of the subdivision control manual, the state boundary commission operations manual, and other local government assistance manuals at a price not to exceed the cost of printing. The money received from the sale of these manuals shall revert to the department. The funds are allotted for expenditure when they are credited and may be used only for costs directly related to the continued updating and distribution of the manuals.

(2) The liquor control commission shall sell copies of the Michigan liquor control act, Act No. 8 of the Public Acts of the Extra Session of 1933, being sections 436.1 to 436.58 of the Michigan Compiled Laws, with amendments at a price not to exceed the cost of printing. The money received from the sale of the Michigan liquor control act with amendments shall revert to the liquor control commission. The funds are allotted for expenditure when they are credited and may be used only for costs directly related to the continued updating and distribution of the Michigan liquor control act.

Sec. 305. The appropriation in section 101 for grants to cities includes \$6,375,000.00 from the liquor purchase revolving fund which shall be appropriated to cities, villages, and townships with state owned facilities for fire services, instead of taxes, in accordance with Act No. 289 of the Public Acts of 1977, being sections 141.951 to 141.956 of the Michigan Compiled Laws.

Sec. 307. Funds received from federal agencies for reimbursement of examination and supervision services provided by the financial institutions bureau for banks, credit unions, and savings and loan associations shall revert to the financial institutions bureau. Reimbursed funds shall be submitted to the department of treasury and shall be used only for costs relating to examination and supervision of state chartered financial institutions.

Sec. 309. The corporation and securities bureau shall sell copies of the mobile home commission act, Act No. 96 of the Public Acts of 1987, being sections 125.2301 to 125.2349 of the Michigan Compiled Laws; the business corporation act, Act No. 284 of the Public Acts of 1972, being sections 450.1101 to 450.2098 of the Michigan Compiled Laws; the nonprofit corporation act, Act No. 162 of the Public Acts of 1982, being sections 450.2101 to 450.3192 of the Michigan Compiled Laws; and the uniform securities act, Act No. 265 of the Public Acts of 1964, being sections 451.501 to 451.818 of the Michigan Compiled Laws, at a price not to exceed the cost of printing. Money received from the sale of these manuals shall revert to the department of consumer and industry services. The funds are allotted for expenditure when they are received by the department of treasury and may only be used for costs directly related to the continued updating and distribution of the acts pursuant to this subsection.

Sec. 311. Revenue from corporate fees and securities fees as provided in section 101 for the department of consumer and industry services shall be considered as a single combined revenue source and may be used to satisfy deductions for both corporate fees and securities fees.

Sec. 313. The funds collected by the financial institutions bureau in connection with a conservatorship pursuant to section 32 of the mortgage brokers, lenders, and servicers licensing act, Act No. 173 of the Public Acts of 1987, being section 445.1682 of the Michigan Compiled Laws, shall be appropriated for all expenses necessary to provide for the required services. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 315. The department of consumer and industry services shall accept revenue from the northeast regional board of dental examiners to pay per diem and travel expenses for individuals engaged in national dental board examinations.

Sec. 317. The funds collected by the department of consumer and industry services from corporations being liquidated pursuant to the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.100 to 500.8302 of the Michigan Compiled Laws, shall be appropriated for all expenses necessary to provide for the required services. Funds are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 319. The department of consumer and industry services may make available to interested entities otherwise unavailable customized listings of nonconfidential information in its possession, such as names and addresses of licensees, and charge for this information as follows: base fee for 1 to 1,000 records at the cost to the department; 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more records at .5 cents per record. The revenue received from this service may be used to offset expenses of licensure and professional regulation and insurance bureau programs as appropriated in section 101. The balance of this revenue collected and unexpended at the end of the fiscal year shall revert to the general fund. The department shall submit a biannual report on or before December 1, 1996 and June 1, 1997 to the regulatory subcommittees of the house and senate appropriations committees that states the amount of revenue received from the sale of information.

Sec. 321. The appropriation in section 101 may be used for per diem payments to the members of commissions or boards for a full day of committee work at which a quorum is present or for performing official business as authorized by each respective commission or board. The per diem payments shall be at a rate as follows:

(a) Michigan board of chiropractic medicine.....	\$50.00 p/day
(b) Michigan board of dentistry	\$50.00 p/day
(c) Michigan board of medicine	\$50.00 p/day
(d) Board of nursing.....	\$50.00 p/day
(e) Michigan board of optometry	\$50.00 p/day
(f) Michigan board of osteopathic medicine & surgery.....	\$50.00 p/day
(g) Michigan board of pharmacy	\$50.00 p/day
(h) Michigan board of podiatric medicine & surgery	\$50.00 p/day
(i) Michigan board of psychology.....	\$50.00 p/day
(j) Michigan board of physical therapy.....	\$50.00 p/day
(k) Physicians' assistants task force.....	\$50.00 p/day
(l) Michigan board of veterinary medicine.....	\$50.00 p/day
(m) Michigan board of occupational therapists	\$50.00 p/day
(n) Michigan board of professional counselors	\$50.00 p/day
(o) Health occupations council.....	\$50.00 p/day
(p) Board of accountancy.....	\$50.00 p/day
(q) Board of architects.....	\$50.00 p/day
(r) Athletic board of control	\$50.00 p/day
(s) Board of barber examiners	\$50.00 p/day
(t) Residential builders' and maintenance and alteration contractor's board	\$50.00 p/day
(u) Carnival-amusement safety board	\$50.00 p/day
(v) Collection practices board.....	\$50.00 p/day
(w) Board of cosmetology.....	\$50.00 p/day
(x) Employment agency board.....	\$50.00 p/day
(y) Board of professional engineers.....	\$50.00 p/day
(z) Board of land surveyors	\$50.00 p/day
(aa) Board of landscape architects.....	\$50.00 p/day
(bb) Board of marriage counselors	\$50.00 p/day
(cc) Board of examiners in mortuary science	\$50.00 p/day
(dd) Nursing home administrators' board.....	\$50.00 p/day
(ee) Board of real estate brokers and salespersons	\$50.00 p/day
(ff) Ski area safety board	\$50.00 p/day
(gg) Board of examiners of social workers	\$50.00 p/day
(hh) Commission on professional and occupational licensure	\$50.00 p/day
(ii) Board of real estate appraisers	\$50.00 p/day
(jj) Utility consumer participation board.....	\$100.00 p/day

Sec. 323. (1) The department of consumer and industry services shall develop performance measures and monitoring techniques for each program and office and all revolving loan funds operated by the department.

(2) The department of consumer and industry services shall report on its proposed performance measures, monitoring techniques, research, studies, and surveys to the regulatory subcommittees of the house and senate appropriations committees with copies to the house and senate fiscal agencies not later than December 1, 1996. The report shall rank the performance of each program for each measure, evaluate the effectiveness of the monitoring techniques, evaluate the research and studies conducted, and list all grant amounts and the recipients.

Sec. 325. Any funds appropriated to the department of consumer and industry services for fiscal year 1996-97 that are committed or encumbered in a contractual agreement may be carried forward until the project specified in the contractual agreement is completed. A listing of these contractual agreements shall be forwarded to the regulatory subcommittees of the house and senate appropriations committees not later than November 30, 1996.

Sec. 327. (1) The Michigan council for arts and cultural affairs in the department of consumer and industry services shall administer the arts and cultural grants appropriated in section 101. The council shall provide for fair and independent decisions on arts and cultural grant requests based upon published criteria to evaluate program quality. This criteria shall include a prohibition of art projects that include displays of human wastes on religious symbols, displays of sex acts, and depictions of flag desecration. Quality measures shall equally take into account technical excellence of the project and management effectiveness. The council shall seek to award grants on an equitable geographic basis to the extent possible given the quality of grant applications received. Priority shall be given to

projects that serve multiple counties and that leverage significant additional public and private investment. Counties, cities, villages, townships, community foundations, and organizations may apply for the following categories of grants:

(a) State arts anchor organizations that serve a statewide audience.

(b) Arts education programs, also known as the arts and learning programs.

(c) Local arts programs.

(d) Arts organization development programs. These programs are designed to encourage self-sufficiency in organizations. Grant awards under this program are limited to 4 grant periods.

(e) Historical organizations and projects.

(f) Zoos.

(g) Publicly owned facilities, excluding stadiums used primarily for professional sports events.

(h) Cultural and community organizations and projects.

(i) Art institutions.

(j) Symphony orchestras.

(k) Multi-county regional arts regranting and programming councils.

(l) Music education camps.

(m) Capital outlay projects.

(2) Applications for arts and cultural grants shall be received by the department of consumer and industry services, Michigan council for arts and cultural affairs, not later than June 1, 1997.

(3) The appropriation for arts and cultural grants in section 101 and disbursed under this section shall, at a minimum, be matched on an equal dollar-for-dollar basis from local and private contributions paid and received by each awardee receiving grants under this section. The dollar-for-dollar match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions subject also to the preapproval of such a match by the Michigan council for arts and cultural affairs. The Michigan council for arts and cultural affairs shall receive proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period. The Michigan council for arts and cultural affairs shall submit a report to the regulatory subcommittees of the senate and house appropriations committees regarding those counties, cities, village, townships, community foundations, and organizations failing to meet their matching requirements by the end of the award period.

(4) Before any amount appropriated for arts and cultural grants in section 101 may be expended for a grant to eligible applicants for the purposes in this section, the department of consumer and industry services shall execute a grant agreement with each grantee. The grant agreement shall specify the criteria included in this section with which the application complies. The grant agreement shall include a list of the projects funded and the amount of funds each subgrantee, if applicable, will receive for those projects. A contract shall not be executed and dollars shall not be disbursed until 2 weeks after the regulatory subcommittees of the senate and house appropriations committees have received a copy of the proposed contract.

(5) By November 1, 1996, the department of consumer and industry services shall report to the regulatory subcommittees of the senate and house appropriations committees on how the council intends to implement the provisions of this section, including the process for evaluating organization quality and efforts to achieve an equitable geographic distribution of grants.

(6) By not later than 1 week after the grant application deadline, the department of consumer and industry services shall provide a list of all grant applications, by county, to the regulatory subcommittees of the senate and house appropriations committees. The department shall, at least 30 days before the award of any grant, provide the regulatory subcommittees of the senate and house appropriations committees a list of all proposed grant awardees.

(7) Counties, cities, villages, townships, community foundations, and organizations receiving funds under this section shall provide the following reports to the Michigan council for arts and cultural affairs and to the regulatory subcommittees of the senate and house appropriations committees:

(a) A final report covering the grant period and due within 30 days after the end of the grant period indicating at least the following:

(i) Revenues and expenditures, indicating whether revenues are from private donations or fees.

(ii) Number of employees.

(iii) Number of new hires.

(b) For awardees receiving grants greater than \$100,000.00, a copy of the awardee's annual report and audit report for the fiscal year in which the majority of the grant took place due within 90 days after the end of the awardee's fiscal year. The audit report shall include an audit of grant funds. A representative sampling of grant agreements shall be audited by the state auditor general. The audit report shall be submitted to the regulatory subcommittees of the senate and house appropriations committees for review. These awardees shall also submit the information in subdivision (a) on a quarterly basis for the immediately preceding quarter due on January 7, 1997, April 7, 1997, July 7, 1997, and October 7, 1997.

(8) The recipients of grant funds under this section shall be announced by the department by September 15, 1997.

(9) A grant awarded under this section and the matching funds which conferred eligibility for the grant award shall be used by the recipient of the grant award and shall not be regranted by that recipient to any other entity unless specifically provided for in the grant agreement between the funded grant awardee and the council.

(10) The applicants for arts and cultural grant funds shall be charged a nonrefundable application fee of \$100.00 or 1% of the grant, whichever is less. The application fee may be used by the department of consumer and industry services to recover direct and indirect costs as appropriated in section 101.

Sec. 328. The department of consumer and industry services shall study the feasibility of moving the office of the Michigan council for arts and cultural affairs to Lansing, Michigan, and report the results of that study to the chairpersons of the house and senate regulatory subcommittees not later than October 31, 1996. The report required under this section shall include a schedule for the implementation of a plan to move the entire office to Lansing.

Sec. 329. The department of consumer and industry services may receive and expend contributions from public, private, and federal sources, except state agencies, for the purpose of acquiring or constructing art objects or promoting or preserving the arts in or on state properties. Expenditures of any funds received shall be consistent with the purposes of the Faxon-McNamee art in public places act, Act No. 105 of the Public Acts of 1980, being sections 18.71 to 18.81 of the Michigan Compiled Laws. Any funds received under this section are considered a work project account and may be carried forward into the succeeding fiscal year.

Sec. 331. The public service commission shall develop a plan describing regulatory program efficiencies. The plan shall be submitted to the regulatory subcommittees of the senate and house appropriations committees, the senate and house fiscal agencies, and the department of management and budget no later than July 1, 1996.

Sec. 333. The department of consumer and industry services shall avoid duplicating public service announcements of other state agencies when expending funds appropriated for the Michigan community education initiative. The department of consumer and industry services shall establish administrative mechanisms to ensure that it does not duplicate the announcements of other agencies.

Sec. 335. The department of consumer and industry services, public service commission, shall submit a status report on the energy program to the regulatory subcommittees of the house and senate appropriations committees with copies to the house and senate fiscal agencies on or before March 1, 1997 and September 1, 1997. The report shall include, but is not limited to, a list of grants projects, a brief description of each project, and the amount expended on each project.

Sec. 337. The Michigan state housing development authority shall annually present a report to the regulatory subcommittees of the house and senate appropriations committees on the status of the authority's housing production goals under all financing programs established or administered by the authority. The report shall give special attention to efforts to raise affordable multifamily housing production goals.

Sec. 339. The department of consumer and industry services shall assess and collect fees in the licensing and regulation of child care organizations as defined in Act No. 116 of the Public Acts of 1973, being sections 722.111 to 722.128 of the Michigan Compiled Laws, and adult foster care facilities as defined in the adult foster care facility licensing act, Act No. 218 of the Public Acts of 1979, being sections 400.701 to 400.737 of the Michigan Compiled Laws. Fees collected by the department shall not exceed the deducts in section 101 and shall be used exclusively for the purpose of licensing and regulating child care organizations and adult foster care facilities.

Sec. 341. On or before October 1, 1996, January 1, 1997, April 1, 1997 and July 1, 1997, the department of consumer and industry services shall report to the house and senate fiscal agencies and the department of management and budget on projected and actual amounts of federal, restricted, private and local sources of revenue that support the appropriation unit health regulatory systems in section 101. For all federal revenues, the department shall include the name and catalog of federal domestic assistance program number and award period.

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES — INDUSTRY SERVICES

Sec. 401. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in section 101 for the Michigan employment security commission from the United States department of labor are appropriated and may be expended for staffing and related expenses incurred in the operation of its programs. These funds may be spent after the department of consumer and industry services notifies the regulatory subcommittees of the house and senate appropriations committees of the purpose and amount of each grant award.

Sec. 405. The department of consumer and industry services may carry forward restricted fund appropriations for the safety education and training grant program into the immediately succeeding fiscal year for the purpose of honoring

contracts negotiated before September 15, 1997. The amount carried forward for an individual program shall not exceed 30% of the appropriated funds. The director of the department of consumer and industry services shall report the amount and purpose of any funds carried forward under this section to the regulatory subcommittees of the house and senate appropriations committees and the house and senate fiscal agencies on or before November 15, 1997.

Sec. 407. The appropriation in section 101 for the department of consumer and industry services, bureau of safety and regulation, safety education and training division, includes funding for on-site consultation and education and training programs. The appropriation in section 101 anticipates that 90% of the on-site consultation program costs and 50% of the education and training program costs will be supported by federal OSHA funds and the remaining 10% and 50% respectively will be supported by safety education and training funds. If federal OSHA funding does not become available to cover up to 90% of the program costs for on-site consultation and 50% for education and training, up to 50% of the program costs for on-site consultation and 90% of the program costs for education and training may be paid from the safety education and training fund as a match for available federal funds.

Sec. 411. The department of consumer and industry services shall sell copies of labor law books at a price not to exceed the cost of printing and distribution. The money received from the sale of these books shall revert to the department. The funds are allotted for expenditure when they are received and may be used only for costs directly related to the continued updating and distribution of the Michigan labor law books.

Sec. 413. The department of consumer and industry services shall sell copies of the worker's compensation health care services rules at a price not to exceed the cost of printing and distribution. The money received from the sale of the rules shall be credited to the state general fund for use by the department. The funds are allotted for expenditure when they are received and may be used only for costs directly related to the printing and distribution of the workers' compensation health care services rules.

Sec. 415. The funds collected by the department of consumer and industry services for licenses, permits, and other elevator regulation fees set forth in R 408.8151 of the Michigan administrative code and as determined under section 8 of Act No. 333 of the Public Acts of 1976, being section 338.2158 of the Michigan Compiled Laws, and section 16 of Act No. 227 of the Public Acts of 1967, being section 408.816 of the Michigan Compiled Laws, that are unexpended at the end of the fiscal year shall not lapse to the state general fund. The department of consumer and industry services shall submit a report on a quarterly basis to the regulatory subcommittees of the house and senate appropriations committees on the amount of funds available under this section.

Sec. 417. The appropriation in section 101 for commissions and boards may be used for per diem payments to the members of commissions or boards for a full day of committee work at which a quorum is present or for performing official business as authorized by each respective commission or board. The per diem payments shall be at a rate as follows:

(a) Construction code commission	\$50.00 p/day
(b) Plumbing board	\$50.00 p/day
(c) Electrical board	\$50.00 p/day
(d) Barrier free design board	\$50.00 p/day
(e) Mechanical board	\$50.00 p/day
(f) Boiler board	\$50.00 p/day
(g) Elevator board	\$50.00 p/day
(h) General industry safety standards commission	\$50.00 p/day
(i) General industry safety standards advisory committees	\$50.00 p/day
(j) Construction safety standards commission	\$50.00 p/day
(k) Construction safety standards advisory committees	\$50.00 p/day
(l) Board of health and safety compliance appeals	\$50.00 p/day
(m) Occupation health standards commission	\$50.00 p/day

Sec. 419. If the revenue collected by the department for occupational health, health systems administration, or radiological health administration and projects from fees and collections exceeds the amount appropriated in section 101, the revenue may be carried forward into the subsequent fiscal year. The revenue carried forward under this section shall be used as the first source of funds in the subsequent fiscal year.

Sec. 421. The Michigan employment security commission shall report annually to the chairpersons of the regulatory subcommittees of the senate and house appropriations committees the amount of additional taxes collected by the special audit and collections program. If additional tax collections exceed \$2,000,000.00, the Michigan employment

security commission shall use an amount equivalent to 15% of the amount of additional taxes collected for additional audit and collections staff up to an additional \$1,000,000.00.

Sec. 423. (1) In addition to the funds appropriated for the department of consumer and industry services in section 101, there is appropriated an amount not to exceed \$15,500,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill pursuant to section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

(2) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$10,700,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill pursuant to section 393(2) of Act No. 431 of the Public Acts of 1984.

(3) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$180,800.00 for local and private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill pursuant to section 393(2) of Act No. 431 of the Public Acts of 1984.

Sec. 425. (1) In addition to the funds appropriated for the Michigan employment security commission in section 101, there is appropriated an amount not to exceed \$8,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill pursuant to section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

(2) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$1,000,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill pursuant to section 393(2) of Act No. 431 of the Public Acts of 1984.

(3) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$20,000,000.00 for local and private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill pursuant to section 393(2) of Act No. 431 of the Public Acts of 1984.

DEPARTMENT OF MICHIGAN JOBS COMMISSION

Sec. 501. Funds returned from JTPA grant recipients to the department of Michigan jobs commission may be redirected for expenditure by other JTPA grant recipients.

Sec. 503. (1) The department of Michigan jobs commission shall develop performance measures and monitoring techniques for each program and office and all revolving loan funds operated by the department.

(2) The performance measures and monitoring techniques required by subsection (1) shall be defined according to program strategy and results and shall show the impact of each program or office on the entire economic and promotional effort carried out by the department of Michigan jobs commission. The performance measures shall evaluate the efficiency and effectiveness of each program's operations as well as the attainment of expected program results and shall include data regarding the number of jobs created and jobs retained in Michigan by each program.

(3) The department of Michigan jobs commission shall report the results of all market studies, research, and surveys of business, economic development, tourism, and promotion issues conducted by the department or for the department by other public or private agencies, organizations, or consulting firms.

(4) The department of Michigan jobs commission shall report on its proposed performance measures, monitoring techniques, research, studies, and surveys to the regulatory subcommittees of the house and senate appropriations committees with copies to the house and senate fiscal agencies not later than December 1, 1996.

Sec. 505. The Michigan career and technical institute may receive equipment and in-kind contributions for the direct support of staff services through the Pine Lake fund, the Delton-Kellogg school district or other local or intermediate school district, or any combination of local or intermediate school districts in addition to those authorized in section 101.

Sec. 507. The Michigan rehabilitation service shall make every effort to ensure that all sources of matching funds in this state are used to obtain federal vocational rehabilitation funds. All sources include, but are not limited to, privately-raised funds to support public nonprofit rehabilitation centers as permitted by the rehabilitation act of 1973, Public Law 93-112, 29 U.S.C. 701 to 717, 720 to 724, 730 to 732, 740 to 741, 750, 752, 760 to 762, 770 to 777b, 777d to 777f, 780, 781 to 785, 790 to 794d, 795 to 795q, and 796 to 796i.

Sec. 509. (1) In developing school-to-work programs, the department shall cooperate with the Michigan department of education in emphasizing the importance of apprenticeship opportunities for students who may choose to participate including, but not limited to, low-income students and students with disabilities.

(2) The school-to-work apprenticeship programs shall link employers, organized labor, educators, and community organizations for the purpose of providing necessary knowledge, skills, and labor market information to students.

(3) As participants in school-to-work apprenticeship programs, students will be expected to obtain any of the following:

(a) High school diploma, or its equivalent.

(b) Skill certificate.

(c) Possible further training, including a registered apprenticeship.

(d) Certificate or associate degree recognizing successful completion of 1 or 2 years of postsecondary education.

(e) Admission to a college or university, or a first job on a career pathway.

(4) The department shall submit a report to the regulatory subcommittees of the senate and house appropriations committees on April 30, 1997 a summary of school-to-work apprenticeship programs supported by the state of Michigan. This report shall include a list of programs supported by state or federal funds, or both, a geographic distribution of grants, the activities supported through each grant, and the expected outcomes for each grantee.

(5) In order for a public school to receive and spend school-to-work funds, it must receive approval of its implementation plan from its governing board or its intermediate school board and forward such approval to its local workforce development board. As used in this subsection, "public school" and "intermediate school board" mean that term as defined in the revised school code, Act No. 451 of the Public Acts of 1976, being sections 380.1 to 380.1852 of the Michigan Compiled Laws.

Sec. 511. (1) The appropriation in section 101 to the department of Michigan jobs commission for economic development job training shall be expended for competitive grants that provide economic development job training and may include social services/vocational job club training, job placement, or job retention services.

(2) Not more than 2% of the total grant, administration, and operating funds appropriated in section 101 for the Michigan jobs commission's economic development job training grants program may be expended for administrative costs.

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

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

(5) On or before October 1, 1996, the department of Michigan jobs commission shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The department of Michigan jobs commission shall provide at least a 2-week period for public comment prior to finalization of the application criteria, instructions, and forms.

(6) Applications for all grants shall be submitted to the department of Michigan jobs commission and each application shall contain at least all of the following:

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

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

(c) A clear statement of the project's scope of activities, number of participants to be involved, the number of participants who have been an employee of the business organization for at least 30 days before the date of application who are at risk of becoming unemployed unless trained in the program and the number of participants who are either a new employee within 30 days of the date of application or who will become a new employee of the business organization as a result of the individual's participation in the program.

(d) A management plan and description of staff responsibilities.

(e) A commitment to maintain participant records in a form and manner required by the department.

(f) A budget which relates to the proposed activities and various program components and which demonstrates whether the estimated costs are reasonable and justified. Costs shall include, but are not limited to, necessary child care, necessary transportation, job development, the cost of an annual audit performed by a certified public accountant, and the cost for any tests required to demonstrate successful completion of a program. Budgets shall include revenues from all sources of funding, total costs, and costs per participant.

(g) A demonstration of training commitment made by the business organization on employee training for the 5-year period immediately preceding application for state grant assistance and evidence that the training would not occur but for the state assistance.

(h) Evidence that the training will strengthen the state's economic base and provide participants with the skills necessary for long-term employment.

(i) Evidence that the grant will not supplant other available public or private job training funds.

(j) Evidence of collaboration with appropriate community and business organizations.

(7) Priority in the department's awarding of grants shall be based on the following criteria:

(a) Demonstrated need for the type of training offered and prospects for participant job placement or job retention and for strengthening the state's economic base.

(b) The average state unemployment rate for the 12-month period immediately preceding application for state grant assistance for the locality of the business organization.

(c) The number of persons who will become employed as a result of participation in the proposed program and the number of persons at risk of becoming unemployed to be trained in the program.

(d) Qualifications of the project director and key personnel who will be used in the program.

(e) Availability of appropriate classroom space, materials, and equipment.

(f) Cost per participant and participant contact hours of training.

(g) Strength of commitment to guaranteed job placement upon completion of training.

(h) Collaboration with appropriate community and business organizations.

(i) Inclusion of an evaluation plan that will provide an assessment of the impact of the training program on participant job placement and job retention and on strengthening the state's economic base.

(j) The extent to which the proposals maximize other federal, local, private, or in-kind financial contributions.

(k) The extent to which the proposal supports workforce development for small business organizations with 250 or fewer employees worldwide.

(l) Other criteria determined by the department of Michigan jobs commission to be important in achieving the objectives of the program.

(8) Not more than \$5,000,000.00 of the amount appropriated in section 101 for economic development job training may be allocated to rapid response grants for employee training programs which maintain or attract permanent jobs for Michigan residents. A grant under this subsection shall be awarded to eligible applicants under subsection (1)(a) by the chief executive officer of the department of Michigan jobs commission.

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

(10) Not later than 60 days after the completion of the grant period, grant recipients shall provide an evaluation report on the educational and employment outcomes of the participants in the program in a form and manner prescribed by the department of Michigan jobs commission.

(11) A grant awarded under this section may extend beyond the end of the fiscal year in which the grant is awarded and the funds awarded for the grant may be carried over into the next fiscal year for payment in the next fiscal year.

(12) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the grant.

(13) If a participant in a program funded under this section is an employee of a business organization whose employees are receiving job training under the program and the participant was an employee of that business organization prior to 30 days before the date of the grant application, the business organization shall provide at least 25% of the program's costs, excluding the costs of participants' wages for the time participants are involved in program training. For purposes of meeting the 25% match requirement, small business organizations with 250 or fewer employees worldwide at the time of application may include the costs of pre-training needs assessments and wages paid to participants while enrolled in training. This subsection does not apply to an individual who becomes a new employee of a business organization as a result of the individual's participation in the program.

(14) A grant awarded to an economic development job training grant recipient that guarantees a predetermined number of specified jobs for new employees that are directly related to the participant's area of training or for existing employees shall be paid to the grant recipient according to the following schedule:

(a) 40% of the grant amount shall be paid within 30 days after the grant is awarded.

(b) 40% of the grant amount shall be paid at the completion of the training period, after the grant recipient submits to the department an interim report specifying actual costs of the training program and training outcomes of the students.

(c) 20% of the grant amount shall be paid at the conclusion of the grant period, as determined by the department.

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

(16) The department of Michigan jobs commission shall provide to the department of management and budget and the house and senate fiscal agencies within 10 days after the end of each quarter of the state fiscal year a report specifying all of the following:

- (a) The amount and recipient of each grant or contract awarded during that quarter.
- (b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.
- (c) The names, addresses, and total number of employees of all business organizations for whom training is or will be provided.
- (d) The matching funds, if any, to be provided by a business organization.

Sec. 513. (1) The appropriation in section 101 to the department of Michigan jobs commission for the work first program shall be expended for grants which provide employment and training services to public assistance recipients.

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

(3) The department of Michigan jobs commission shall make every effort to place a minimum of 25% of clients who participate in the work first program in positions that provide wages of \$5.00 per hour or more.

(4) When the work first job search requirements have been completed, if the participant has not found employment, the work first site shall provide a written summary to the family independence agency which identifies the barriers which may have prevented the participant from obtaining employment and the steps taken by the work first site to assist the client in removing those barriers. The work first site shall also identify appropriate education and job training programs which would be available to the participant.

(5) The department of Michigan jobs commission shall submit to the senate and house fiscal agencies and the department of management and budget by March 15, 1997 a report on the work first program, including the number of participants served under this section, the number of persons who located employment through work first, the average wage of participants who found employment, the number of persons who retained jobs for 90 days, the number of participants placed in employment training and education programs, the number of clients referred to work first who failed to report, and the number of participants referred back to the family independence agency with sanctions recommended by the family independence agency.

(6) Work first program participants shall be limited to recipients of the family independence program established under section 57a of the social welfare act, Act No. 280 of the Public Acts of 1939, being section 400.57a of the Michigan Compiled Laws, and such individuals referred to a job club program by a county family independence agency board or a county friend of the court as long as the participation in the job club is part of an application made under this section.

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

(8) A grant awarded under this section may extend beyond the end of the fiscal year in which the grant is awarded and the funds awarded for the grant may be carried over into the next fiscal year for payment in the next fiscal year.

(9) The department of Michigan jobs commission shall provide to the department of management and budget and the house and senate fiscal agencies within 10 days after the end of each quarter of the state fiscal year a report specifying both of the following:

- (a) The amount and recipient of each grant or contract awarded during that quarter.
- (b) The number of participants in each service delivery area and the number of clients placed in employment in each service delivery area.

(10) The department of Michigan jobs commission will work with the family independence agency to coordinate support services to work first participants relating to special/emergency needs.

(11) Work first program participants must receive or be provided an explanation of the program including their benefits and responsibilities before the job interview phase of the program.

Sec. 515. The department of Michigan jobs commission shall continue to maintain all files, lists, resources, and computer information of the Michigan child care clearinghouse. All clearinghouse assets shall continue to be available to all Michigan citizens at a location designated by the executive branch of government.

Sec. 517. The travel bureau may establish and collect a fee to cover the cost of materials and processing of photographic prints, slides, videotapes, and travel product data base information that are requested by the media and other segments of the public and private sectors. The fees collected shall be appropriated for all expenses necessary to purchase and distribute these photographic prints, slides, videotapes, and travel product data base information. The funds are allotted for expenditure when they are received by the department of treasury.

Sec. 519. (1) The department of Michigan jobs commission shall submit a semiannual status report on the operations of each foreign office and the office of international and business development to the regulatory subcommittees of the house and senate appropriations committees. The report shall include, but not be limited to, brochures and promotional material, information on the number of successful plant locations, name of company, original and new locations, type of investment, type of product, number employed, length of commitment of relocations, the currency rates at the time the investment is made, and any other information considered necessary for a competent evaluation of the program.

(2) The department of Michigan jobs commission shall inform the members of the regulatory subcommittees of the senate and house appropriations committees of any decisions to close any foreign outreach office. Tax dollars shall not be expended to ship automobiles for use by state officials.

(3) The department of Michigan jobs commission shall establish a presence in mainland China by December 31, 1996.

Sec. 521. Funding provided to the development finance agency grant and loan program established in Act No. 236 of the Public Acts of 1984 shall be utilized to establish a revolving loan fund and shall carry forward until the purposes for which the sums were appropriated are completed. The department of Michigan jobs commission may loan, contract, or grant, or any combination thereof, the funds and earnings of this revolving loan fund for the express public purpose of helping to promote the formation of minority owned business development investment companies, with incentives to encourage the financing of minority owned businesses.

Sec. 523. The \$452,900.00 appropriated in section 101 for precollege programs in engineering and the sciences shall be provided in the form of a grant to the Detroit precollege engineering program, incorporated.

Sec. 525. Funds appropriated to the department of Michigan jobs commission, Michigan promotion program, shall not be expended for the purpose of nontourism-related promotional projects that would target the citizens of this state as its prime audience.

Sec. 527. (1) The appropriation in section 101 to the department of Michigan jobs commission includes funds for a university/business research development program. Before distribution of any grants under this program, the department of Michigan jobs commission shall submit to the chairpersons of the regulatory subcommittees of the house and senate appropriations committees a list of the grants recommended for distribution.

(2) The department of Michigan jobs commission shall submit not later than November 1, 1997 to the regulatory subcommittees of the house and senate appropriations committees and the fiscal agencies an annual report for the immediately preceding fiscal year regarding the university/business research development program. The report shall include, but is not limited to, an accounting of each grant awarded through the program, specifying the grantee and the amount awarded, and a review of the performance and accomplishments of the program during the review period.

Sec. 529. (1) The department of Michigan jobs commission, K. I. Sawyer base conversion authority, may receive and expend federal, state restricted, and private revenue funds in accordance with Act No. 159 of the Public Acts of 1993, being sections 3.571 to 3.580 of the Michigan Compiled Laws.

(2) The department of Michigan jobs commission shall submit a semiannual report to the department of management and budget and the fiscal agencies of the house and senate concerning the following:

(a) Expenditures.

(b) Funds received but not appropriated by the state.

(3) The appropriation in section 101 may be used for per diem payments to the members of commissions or boards for a full day of committee work at which a quorum is present or for performing official business as authorized by each respective commission or board. The per diem payment shall be at a rate as follows:

K. I. Sawyer base conversion authority \$ 50.00 p/day

Sec. 531. (1) In addition to the amount appropriated to the department of Michigan jobs commission in section 101, there is appropriated an amount sufficient to meet state cost sharing requirements for federal technology reinvestment project grant awards.

(2) State cost sharing funds shall be made available only to those proposals selected to receive federal grant awards and that require state cost sharing as a condition to receiving a federal grant award.

(3) Each grant award recipient shall provide to the department of Michigan jobs commission verification and documentation that federal funding has been received before the release of required state cost sharing funds to the grant award recipient.

(4) The department of Michigan jobs commission shall notify the regulatory subcommittees of the house and senate appropriations committees and the house and senate fiscal agencies of the additional amount appropriated pursuant to subsection (1). The notification shall include, but is not limited to, the amount of the federal grant, the required state match, and the source of revenue for the state match. If the department of Michigan jobs commission receives no objections within 30 days after submitting notice, the department shall proceed with the terms of the grant. Funds may be dispersed in less than 30 days if a majority of members in both subcommittees indicate in writing their approval.

Sec. 533. The department of Michigan jobs commission shall submit a semiannual status report to the regulatory subcommittees of the senate and house appropriations committees on all activities, grants, and investment programs financed from the strategic fund. Each report shall provide a list of individual grants and loans made from the fund.

Sec. 535. The department of Michigan jobs commission shall submit a semiannual report to the regulatory subcommittees of the senate and house appropriations committees on all activities of the Michigan film office.

Sec. 537. The department of Michigan jobs commission may receive and expend contributions from the Michigan strategic fund to procure or acquire services, studies, and analyses on behalf of the fund which the fund determines are necessary to carry out its functions and duties.

Sec. 539. Any funds appropriated to the department of Michigan jobs commission for fiscal year 1996-97 that are committed or encumbered in a contractual agreement may be carried forward until the project specified in the contractual agreement is completed. A listing of the contractual agreements shall be forwarded to the regulatory subcommittees not later than November 30, 1997.

Sec. 541. (1) The remaining balance of the \$4,000,000.00 appropriated in section 1 of Act No. 112 of the Public Acts of 1985 for grants to cities, Michigan equity program for the Michigan resource recovery revolving loan fund (MRRRLF) shall be used to continue the MRRRLF that was established in that act. In addition, any money received by the department of Michigan jobs commission as repayment of MRRRLF loans or as repayment of MRRRLF grants shall be added to the MRRRLF and available for distribution from the MRRRLF.

(2) The objectives of the MRRRLF program are to assist businesses that have significant waste disposal needs to have opportunities to utilize industrial or municipal solid waste to reduce the flow of waste into landfills, to conserve energy, and to develop economic activity. New and innovative ideas to meet the program objectives are a priority of the program.

(3) Loans shall be made from the fund at no interest to businesses for resource recovery projects that are or will be located in cities, villages, or townships with a population less than 200,000. At least 1/2 of the dollar amount of the loans shall be made to businesses for resource recovery projects that are or will be located in cities, villages, or townships with a population less than 50,000.

(4) Loans shall be for fixed assets only, and the projects shall comply with all state and federal statutes and applicable regulations.

(5) The departments of Michigan jobs commission and environmental quality shall develop program guidelines that shall be based on the guidelines contained in the draft document titled "program statement and guidelines-Michigan resource recovery revolving loan program" dated October 22, 1985. The guidelines shall be submitted to the regulatory and environmental quality subcommittees of the house and senate appropriations committees for review and approval on or before November 1, 1996.

(6) The department of Michigan jobs commission shall submit for review any loan that will be made from the MRRRLF to the regulatory and environmental quality subcommittees of the house and senate appropriations committees at least 14 days before closing on the loan.

(7) The department of Michigan jobs commission shall market the MRRRLF program in a manner consistent with the amount of money available.

(8) The departments of Michigan jobs commission and environmental quality shall report the fund balance and the status of all loans made by the MRRRLF to the regulatory and environmental quality subcommittees of the house and senate appropriations committees on or before November 1, 1996 and May 1, 1997.

(9) As used in this section:

(a) "Resource recovery project" means a project that recovers resources from solid waste.

(b) "Resources" means marketable products including, but not limited to, materials for product manufacturing such as glass; ferrous and nonferrous scrap and paper; plastic; organic matter from composting; and steam, hot water, and electric energy from industrial or municipal solid waste.

(c) "Solid waste" means garbage, rubbish, ashes, incinerator ash, incinerator residue, street cleanings, municipal and industrial sludges, solid commercial and solid industrial waste, animal waste, liquid nonhazardous waste such as waste oil, and liquid such as unused or abandoned fuel.

Sec. 543. The department of Michigan jobs commission shall work cooperatively with the family independence agency to develop a pilot project for advanced technology training for recipients of aid to families with dependent children. The family independence agency shall identify recipients of aid to families with dependent children who may be appropriate for participation and shall refer them to this pilot program.

Sec. 545. (1) In addition to the funds appropriated for the department of Michigan jobs commission in section 101, there is appropriated an amount not to exceed \$40,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill pursuant to section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws.

(2) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$768,000.00 for state restricted contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill pursuant to section 393(2) of Act No. 431 of the Public Acts of 1984.

(3) In addition to the funds appropriated in section 101, there is appropriated an amount not to exceed \$4,694,000.00 for local and private contingency funds. These funds are not available for expenditure until they have been transferred to another line item in this bill pursuant to section 393(2) of Act No. 431 of the Public Acts of 1984.

Sec. 549. The local match requirements for vocational rehabilitation facilities establishment grants shall not exceed 21.3%.

Sec. 551. In addition to the amount appropriated in section 101 of Act No. 157 of the Public Acts of 1995 for the department of Michigan jobs commission, not more than \$1,000,000.00 is appropriated from local contingency revenue sources and may be expended for the 1995-96 fiscal year.

Sec. 552. As a condition of receiving a state research fund grant, the recipient shall enter into a royalty agreement with the department of Michigan jobs commission granting the department repayment of the sum equal to the grant as adjusted for inflation pursuant to the Detroit consumer price index. Repayment shall occur upon the realization of any profits on goods and services directly generated by the grant to an account designated by the department.

Sec. 553. (1) If the director of the department of management and budget determines that the federal government has failed to enact comprehensive reforms in the federal cash welfare and medicaid programs by October 1, 1996, and notifies the senate and house appropriations committees of that determination, the line-item appropriations contained in section 101 of this appropriation act are adjusted by the amounts listed in subsection (5). A contingency fund account is created in an amount equal to these adjustments.

(2) Effective October 1, 1996, the director of the department of management and budget may adjust the annual allotments and payment schedules of the line-item appropriations in section 101 in accordance with the items listed in subsection (5).

(3) Contingency fund transfers are authorized in an amount necessary to reverse these adjustments. These transfers shall conform with the provisions of section 393(2) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1393 of the Michigan Compiled Laws. Transfers may restore all or part of the adjustments listed in subsection (5).

(4) If any of the appropriation adjustments listed in subsection (5) have not been reversed through contingency fund transfers by April 1, 1997, the directors of the department of management and budget, the house fiscal agency, and the senate fiscal agency shall jointly determine the extent of the remaining fiscal imbalance that results from failure to achieve federal medicaid and cash welfare reform. All remaining appropriation adjustments, not previously reversed by contingency fund transfers, shall be made on the same proportionate basis.

(5) The line-item appropriations contained in section 101 of this act are adjusted by the following amounts:

Economic development job training grants..... \$ (5,000,000)

Sec. 554. Of the funds appropriated in section 101 for economic development job training grants, the department shall not use these funds to finance the startup or in any way subsidize any private distributor of liquor products in Michigan.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.