

**SUBSTITUTE FOR
SENATE BILL NO. 1092**

A bill to make appropriations for the department of labor and economic growth and certain other state purposes for the fiscal year ending September 30, 2007; 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:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. The amounts listed in this part are appropriated for the department of labor and economic growth and the Michigan

1 strategic fund, subject to the conditions set forth in this act,
 2 for the fiscal year ending September 30, 2007, from the funds
 3 identified in this part. The following is a summary of the
 4 appropriations in this part:

5 **DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

6 APPROPRIATION SUMMARY:

7	Full-time equated unclassified positions.....	58.5	
8	Full-time equated classified positions.....	4,206.5	
9	GROSS APPROPRIATION.....		\$ 1,217,558,400
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers		12,271,100
13	ADJUSTED GROSS APPROPRIATION.....		\$ 1,205,287,300
14	Federal revenues:		
15	Total federal revenues.....		795,345,800
16	Special revenue funds:		
17	Total local revenues.....		15,824,300
18	Total private revenues.....		2,314,300
19	Total other state restricted revenues.....		343,000,700
20	State general fund/general purpose.....		\$ 48,802,200
21	Sec. 102. DEPARTMENTAL ADMINISTRATION		
22	Full-time equated unclassified positions.....	58.5	
23	Full-time equated classified positions.....	180.0	
24	Unclassified salaries.....		\$ 5,349,400
25	Executive director programs--53.0 FTE positions		6,190,600
26	Regulatory efficiency improvements/backlog reduction		
27	initiative		665,600

1	Property management.....	11,071,100
2	Rent.....	17,215,600
3	Worker's compensation.....	2,396,000
4	Special project advances.....	940,000
5	HR optimization charges.....	252,800
6	Administrative services--127.0 FTE positions.....	<u>12,952,200</u>
7	GROSS APPROPRIATION.....	\$ 57,033,300
8	Appropriated from:	
9	Interdepartmental grant revenues:	
10	IDG from department of community health.....	300,000
11	Federal revenues:	
12	DED-OEERE, multiple grants.....	9,100
13	DED-OSERS, rehabilitation services, vocational	
14	rehabilitation of state grants.....	4,904,500
15	DOL-ETA, unemployment insurance.....	14,434,400
16	DOL-ETA, workforce investment act.....	861,500
17	DOL, federal funds.....	2,330,100
18	DOL, multiple grants for safety and health.....	733,900
19	Federal revenues.....	850,300
20	HHS, temporary assistance for needy families.....	347,000
21	HHS, titles XVIII and XIX.....	34,700
22	Special revenue funds:	
23	Private - special project advances.....	940,000
24	Local revenues.....	134,100
25	Bank fees.....	527,500
26	Boiler fees.....	244,000
27	Construction code fund.....	1,113,800

1	Consumer finance fees.....	180,900
2	Contingent fund, penalty and interest account.....	885,300
3	Contingent fund, regular penalty and interest.....	3,900
4	Corporation fees.....	5,224,100
5	Credit union fees.....	358,000
6	Elevator fees.....	268,600
7	Fees and collections/asbestos.....	78,400
8	Fire service fees.....	230,300
9	Insurance licensing and regulation fees.....	2,031,100
10	Insurance regulatory fees.....	1,071,800
11	Licensing and regulation fees.....	790,400
12	Liquor license revenue.....	100,000
13	Liquor purchase revolving fund.....	6,219,400
14	Manufactured housing commission fees.....	279,700
15	Michigan state housing development authority fees	
16	and charges.....	3,644,700
17	Motor carrier fees.....	185,200
18	Public utility assessments.....	2,223,200
19	Private occupational school license fees.....	14,000
20	Rehabilitation services fees.....	90,300
21	Safety education and training fund.....	560,300
22	Second injury fund.....	253,500
23	Securities fees.....	2,414,400
24	Self-insurers security fund.....	83,300
25	Silicosis and dust disease fund.....	101,300
26	Tax tribunal fees.....	199,200
27	State general fund/general purpose.....	\$ 1,777,100

1 **Sec. 103. OFFICE OF FINANCIAL AND INSURANCE**

2 **SERVICES**

3 Full-time equated classified positions..... 284.0
 4 Administration--9.0 FTE positions..... \$ 2,730,100
 5 Policy conduct and consumer assistance--123.0 FTE
 6 positions 15,579,200
 7 Financial evaluation--152.0 FTE positions 21,991,600
 8 GROSS APPROPRIATION..... \$ 40,300,900

9 Appropriated from:

10 Federal revenues:

11 Federal regulatory project revenue 50,400

12 Special revenue funds:

13 Bank fees..... 7,704,500

14 Consumer finance fees..... 4,215,600

15 Credit union fees..... 5,066,400

16 Deferred presentment service transaction fees 725,700

17 Insurance continuing education fees 829,600

18 Insurance licensing and regulation fees 3,289,600

19 Insurance regulatory fees 16,136,600

20 Multiple employer welfare arrangement 67,500

21 Securities fees..... 2,215,000

22 State general fund/general purpose..... \$ 0

23 **Sec. 104. MICHIGAN BROADBAND DEVELOPMENT AUTHORITY**

24 Full-time equated classified positions..... 2.0

25 Administration--2.0 FTE positions..... \$ 501,800

26 GROSS APPROPRIATION..... \$ 501,800

27 Appropriated from:

1	Special revenue funds:		
2	Michigan broadband authority fees and charges		501,800
3	State general fund/general purpose	\$	0
4	Sec. 105. PUBLIC SERVICE COMMISSION		
5	Full-time equated classified positions.....	166.0	
6	Administration, planning and regulation--155.0 FTE		
7	positions	\$	20,128,800
8	Energy office--9.0 FTE positions		5,307,300
9	Children's protection registry administration--2.0		
10	FTE positions		<u>264,700</u>
11	GROSS APPROPRIATION.....	\$	25,700,800
12	Appropriated from:		
13	Federal revenues:		
14	DOE-OEERE, multiple grants		4,828,100
15	DOT-RSPA, gas pipeline safety		984,900
16	Special revenue funds:		
17	Private - oil overcharge		30,000
18	Children's protection registry fund		264,700
19	Motor carrier fees		2,144,600
20	Public utility assessments		17,448,500
21	State general fund/general purpose	\$	0
22	Sec. 106. LIQUOR CONTROL COMMISSION		
23	Full-time equated classified positions.....	152.0	
24	Management support services--28.0 FTE positions	\$	3,211,100
25	Liquor licensing and enforcement--124.0 FTE positions		<u>11,756,900</u>
26	GROSS APPROPRIATION.....	\$	14,968,000
27	Appropriated from:		

1	Special revenue funds:		
2	Liquor license revenue.....		6,143,500
3	Liquor purchase revolving fund.....		8,824,500
4	State general fund/general purpose.....	\$	0
5	Sec. 107. MICHIGAN STATE HOUSING DEVELOPMENT		
6	AUTHORITY		
7	Full-time equated classified positions.....	266.0	
8	Payments on behalf of tenants.....	\$	135,000,000
9	Housing and rental assistance program--266.0 FTE		
10	positions		<u>33,984,400</u>
11	GROSS APPROPRIATION.....	\$	168,984,400
12	Appropriated from:		
13	Federal revenues:		
14	HUD, lower income housing assistance program.....		135,000,000
15	Special revenue funds:		
16	Michigan state housing development authority fees		
17	and charges		33,984,400
18	State general fund/general purpose.....	\$	0
19	Sec. 108. TAX TRIBUNAL		
20	Full-time equated classified positions.....	15.0	
21	Operations--15.0 FTE positions.....	\$	<u>1,804,000</u>
22	GROSS APPROPRIATION.....	\$	1,804,000
23	Appropriated from:		
24	Special revenue funds:		
25	Corporation fees.....		195,100
26	Securities fees.....		265,100
27	Tax tribunal fees.....		1,343,800

1	State general fund/general purpose	\$	0
2	Sec. 109. OCCUPATIONAL REGULATION		
3	Full-time equated classified positions.....	420.0	
4	Boiler inspection program--25.0 FTE positions	\$	2,679,700
5	Bureau of fire services--57.0 FTE positions		6,792,700
6	Code enforcement--120.0 FTE positions		12,650,300
7	Commercial services--155.0 FTE positions		20,019,200
8	Elevator inspection program--30.0 FTE positions		2,842,300
9	Local manufactured housing communities inspections ...		250,000
10	Manufactured housing and land resources		
11	program--22.0 FTE positions		2,935,700
12	Property development group--11.0 FTE positions		<u>1,528,600</u>
13	GROSS APPROPRIATION.....	\$	49,698,500
14	Appropriated from:		
15	Interdepartmental grant revenues:		
16	IDG from department of community health, inspection		
17	contract		68,500
18	IDG from department of state police, homeland security		754,300
19	Federal revenues:		
20	FEMA.....		28,000
21	DOT.....		47,000
22	HHS, titles XVIII and XIX.....		700,000
23	Special revenue funds:		
24	Boiler fee revenue.....		3,069,600
25	Construction code fund.....		12,567,400
26	Corporation fees.....		10,285,700
27	Elevator fees.....		3,205,300

1	Fire alarm fees.....		95,000
2	Fire service fees.....		1,640,300
3	Homeowner construction lien recovery fund.....		1,532,800
4	Licensing and regulation fees.....		9,486,100
5	Manufactured housing commission fees.....		2,515,700
6	Michigan boxing fund.....		206,200
7	Property development fees.....		275,500
8	Real estate appraiser continuing education fund.....		45,000
9	Real estate education fund.....		217,500
10	Remonumentation fees.....		691,100
11	Securities fees.....		1,499,900
12	Security business fund.....		308,000
13	State general fund/general purpose.....	\$	459,600
14	Sec. 110. EMPLOYMENT RELATIONS		
15	Full-time equated classified positions.....	21.0	
16	Employment and labor relations--21.0 FTE positions ...	\$	<u>3,121,200</u>
17	GROSS APPROPRIATION.....	\$	3,121,200
18	Appropriated from:		
19	Federal revenues:		
20	EEOC, federal funds.....		10,000
21	Special revenue funds:		
22	Securities fees.....		3,056,700
23	State general fund/general purpose.....	\$	54,500
24	Sec. 111. MICHIGAN OCCUPATIONAL SAFETY AND HEALTH		
25	ADMINISTRATION		
26	Full-time equated classified positions.....	229.0	
27	Occupational safety and health--229.0 FTE positions ..	\$	<u>25,846,300</u>

1	GROSS APPROPRIATION.....	\$	25,846,300
2	Appropriated from:		
3	Federal revenues:		
4	DOL, multiple grants for safety and health.....		12,281,800
5	Special revenue funds:		
6	Corporation fees.....		2,202,000
7	Fees and collections/asbestos.....		833,900
8	Licensing and regulation fees.....		1,174,800
9	Safety education and training fund.....		7,581,500
10	Securities fees.....		1,772,300
11	State general fund/general purpose.....	\$	0
12	Sec. 112. BUREAU OF WORKER'S AND UNEMPLOYMENT		
13	COMPENSATION		
14	Full-time equated classified positions.....		1,247.0
15	Administration--96.6 FTE positions.....	\$	9,584,200
16	Board of magistrates and appellate commission--19.4		
17	FTE positions		2,887,900
18	Wage and hour division--31.0 FTE positions.....		2,670,500
19	Insurance funds administration--28.0 FTE positions ...		4,485,400
20	Supplemental benefit fund.....		1,300,000
21	Unemployment programs--1,002.7 FTE positions.....		87,519,600
22	Advocacy assistance program.....		1,500,000
23	Special audit and collections program--34.0 FTE		
24	positions		2,772,100
25	Training program for agency staff--2.1 FTE positions .		1,799,500
26	Expanded fraud control program--33.2 FTE positions ...		<u>3,081,900</u>
27	GROSS APPROPRIATION.....	\$	117,601,100

1	Appropriated from:		
2	Federal revenues:		
3	DOL-ETA, employment and training administration.....		646,200
4	DOL-ETA, unemployment insurance.....		90,164,200
5	Federal Reed act funds.....		4,362,700
6	Special revenue funds:		
7	Corporation fees.....		2,472,100
8	Contingent fund, penalty and interest account.....		9,946,400
9	Licensing and regulation fees.....		789,700
10	Second injury fund.....		2,414,800
11	Securities fees.....		2,472,600
12	Self-insurers security fund.....		1,141,600
13	Silicosis and dust disease fund.....		929,000
14	Worker's compensation administrative revolving fund..		2,261,800
15	State general fund/general purpose.....	\$	0
16	Sec. 113. STATE OFFICE OF ADMINISTRATIVE HEARINGS		
17	AND RULES		
18	Full-time equated classified positions.....	163.0	
19	Administrative hearings and rules--163.0 FTE positions	\$	<u>21,019,600</u>
20	GROSS APPROPRIATION.....	\$	21,019,600
21	Appropriated from:		
22	Interdepartmental grant revenues:		
23	IDG from department of community health.....		1,641,200
24	IDG from department of corrections.....		3,660,400
25	IDG from department of education.....		1,025,000
26	IDG from department of environmental quality.....		502,800
27	IDG from department of human services.....		3,214,300

1	IDG from department of management and budget		40,500
2	Federal revenues:		
3	DOL-ETA, unemployment insurance		6,101,600
4	DOL, multiple grants for safety and health		195,000
5	Special revenue funds:		
6	Construction code fund		282,100
7	Corporation fees		351,900
8	Insurance regulatory fees		333,900
9	Licensing and regulation fees		1,074,000
10	Liquor purchase revolving fund		115,200
11	Manufactured housing commission fees		137,900
12	Public utility assessments		1,225,900
13	Safety education and training fund		188,700
14	Securities fees		855,600
15	Tax tribunal fees		73,600
16	State general fund/general purpose	\$	0
17	Sec. 114. INFORMATION TECHNOLOGY		
18	Information technology services and projects	\$	<u>43,188,500</u>
19	GROSS APPROPRIATION	\$	43,188,500
20	Appropriated from:		
21	Federal revenues:		
22	DOL-ETA, unemployment insurance		20,754,300
23	DOL, multiple grants for safety and health		268,400
24	Federal revenues		5,852,700
25	HHS, temporary assistance for needy families		176,300
26	Special revenue funds:		
27	Bank fees		477,300

1	Boiler fee revenue.....		321,000
2	Construction code fund.....		925,900
3	Consumer finance fees.....		194,200
4	Corporation fees.....		1,760,900
5	Credit union fees.....		269,300
6	Elevator fees.....		254,400
7	Fees and collections/asbestos.....		11,000
8	Insurance regulatory fees.....		697,200
9	Licensing and regulation fees.....		1,143,900
10	Liquor purchase revolving fund.....		4,414,700
11	Manufactured housing commission fees.....		72,400
12	Michigan state housing development authority fees		
13	and charges		1,997,000
14	Motor carrier fees.....		115,900
15	Public utility assessments.....		873,100
16	Safety education and training fund.....		345,600
17	Second injury fund.....		146,500
18	Securities fees.....		1,478,900
19	Self-insurers security fund.....		68,300
20	Silicosis and dust disease fund.....		59,300
21	State general fund/general purpose.....	\$	510,000
22	Sec. 115. WORKFORCE DEVELOPMENT		
23	Full-time equated classified positions.....	875.5	
24	Employment services--246.0 FTE positions.....		\$ 47,821,400
25	Jobs education training pilot--3.0 FTE positions		1,064,100
26	Labor market information--52.0 FTE positions		6,184,800
27	Michigan rehabilitation services--513.5 FTE positions		68,875,900

1	Office of workforce development--61.0 FTE positions ..	<u>30,796,200</u>
2	GROSS APPROPRIATION.....	\$ 154,742,400
3	Appropriated from:	
4	Interdepartmental grant revenues:	
5	IDG from department of human services.....	1,064,100
6	Federal revenues:	
7	DAG, employment and training.....	178,700
8	DED-OPSE, multiple grants.....	1,185,700
9	DED-OSERS, centers for independent living.....	58,200
10	DED-OSERS, rehabilitation long-term training.....	316,900
11	DED-OSERS, rehabilitation services, vocational	
12	rehabilitation of state grants.....	51,774,100
13	DED-OSERS, state grants for technical related	
14	assistance	56,000
15	DED, Perkins act.....	281,300
16	DOL-ETA, workforce investment act.....	7,334,100
17	DOL, federal funds.....	65,513,300
18	DOL, ODEP.....	225,000
19	HHS-SSA, supplemental security income.....	3,633,000
20	HHS, temporary assistance for needy families.....	3,320,200
21	Special revenue funds:	
22	Private - gifts, bequests, and donations.....	816,000
23	Local revenue.....	4,206,400
24	Local vocational rehabilitation match.....	3,054,000
25	Contingent fund, penalty and interest account.....	1,781,800
26	Rehabilitation services fees.....	1,309,700
27	Second injury fund.....	51,500

1	Student fees.....		308,000
2	Training materials fees.....		256,400
3	State general fund/general purpose.....	\$	8,018,000
4	Sec. 116. CAREER EDUCATION PROGRAMS		
5	Full-time equated classified positions.....	55.0	
6	Career and technical education--25.0 FTE positions ...	\$	3,502,700
7	Postsecondary education--14.0 FTE positions		2,626,900
8	Adult education--16.0 FTE positions		<u>2,439,100</u>
9	GROSS APPROPRIATION.....	\$	8,568,700
10	Appropriated from:		
11	Federal revenues:		
12	Federal revenues.....		6,544,300
13	Special revenue funds:		
14	Private occupational school license fees.....		422,100
15	Defaulted loan collection fees.....		100,000
16	State general fund/general purpose.....	\$	1,502,300
17	Sec. 117. DEPARTMENT GRANTS		
18	Adult basic education.....	\$	20,000,000
19	Carl D. Perkins grants.....		47,500,000
20	Focus: HOPE.....		5,860,200
21	Gear-up program grants.....		3,000,000
22	Job training programs subgrantees.....		118,952,700
23	Personal assistance services.....		459,500
24	Vocational rehabilitation client services/facilities .		55,549,500
25	Vocational rehabilitation independent living.....		3,079,600
26	Welfare-to-work programs.....		113,798,600
27	Fire protection grants.....		10,910,500

1	Low-income energy efficiency assistance.....	60,000,000
2	Liquor law enforcement grants.....	6,000,000
3	Remonumentation grants.....	<u>14,000,000</u>
4	GROSS APPROPRIATION.....	\$ 459,110,600
5	Appropriated from:	
6	Federal revenues:	
7	DAG, employment and training.....	13,000,000
8	DED-OESE, gear-up.....	3,000,000
9	DED-OSERS, centers for independent living.....	450,200
10	DED-OSERS, rehabilitation services, vocational	
11	rehabilitation of state grants.....	35,797,900
12	DED-OSERS, rehabilitation services facilities.....	2,272,500
13	DED-OSERS, supported employment.....	1,541,300
14	DED-OSERS, state grants for technical related	
15	assistance.....	2,240,800
16	DED-OVAE, adult education.....	20,000,000
17	DED-OVAE, basic grants to states.....	47,500,000
18	DOL-ETA, workforce investment act.....	119,602,700
19	HHS, temporary assistance for needy families.....	82,299,000
20	HHS-SSA, supplemental security income.....	3,480,600
21	Special revenue funds:	
22	Private - gifts, bequests, and donations.....	400,000
23	Local vocational rehabilitation match.....	6,630,500
24	Local vocational rehabilitation facilities match.....	1,278,300
25	Contingent fund, penalty and interest account.....	1,000,000
26	Low-income energy efficiency fund.....	60,000,000
27	Fire protection fund.....	3,500,000

1	Liquor purchase revolving fund.....		3,710,500
2	Liquor license revenue.....		6,000,000
3	Remonumentation fees.....		14,000,000
4	State general fund/general purpose.....	\$	31,406,300
5	Sec. 118. BOARDS, AUTHORITIES, AND COMMISSIONS		
6	Full-time equated classified positions.....	131.0	
7	MES board of review program--18.0 FTE positions.....		\$ 2,134,200
8	Rights-of-way oversight authority--5.0 FTE positions.		539,400
9	Land bank fast-track authority--5.0 FTE positions....		812,100
10	Commission on Spanish-speaking affairs--2.0 FTE		
11	positions		242,900
12	Commission on disability concerns--7.0 FTE positions.		1,041,900
13	Commission for the blind--94.0 FTE positions.....		19,406,000
14	Utility consumer representation.....		950,000
15	Youth low vision program.....		<u>241,800</u>
16	GROSS APPROPRIATION.....	\$	25,368,300
17	Appropriated from:		
18	Federal revenues:		
19	Federal revenues.....		14,648,700
20	DOL-ETA, unemployment insurance.....		2,134,200
21	Special revenue funds:		
22	Private revenues.....		128,300
23	Local revenues.....		521,000
24	Land bank fast-track funds.....		812,100
25	METRO authority fund.....		539,400
26	State restricted revenues.....		560,200
27	Utility consumer representation fund.....		950,000

1 State general fund/general purpose..... \$ 5,074,400

2 PART 2

3 PROVISIONS CONCERNING APPROPRIATIONS

4 GENERAL SECTIONS

5 Sec. 201. Pursuant to section 30 of article IX of the state
6 constitution of 1963, total state spending from state resources
7 under part 1 for fiscal year 2006-2007 is \$391,802,900.00 and state
8 spending from state resources to be paid to local units of
9 government for fiscal year 2006-2007 is \$51,370,500.00. The
10 itemized statement below identifies appropriations from which
11 spending to units of local government will occur:

12 DEPARTMENT OF LABOR AND ECONOMIC GROWTH

13	Fire protection grants.....	\$	10,910,500
14	Liquor law enforcement.....		6,000,000
15	Local manufactured housing inspections.....		250,000
16	Remonumentation grants.....		14,000,000
17	Fire fighters training council.....		1,710,400
18	Welfare to work.....		<u>18,499,600</u>

19 Total department of labor and economic
20 growth..... \$ 51,370,500

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

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

25 (a) "CEO" means chief executive officer of the Michigan

1 economic development corporation.

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

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

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

5 (e) "DED-OESE" means the DED office of elementary and
6 secondary education.

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

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

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

13 (i) "Department" means the department of labor and economic
14 growth, including the Michigan strategic fund.

15 (j) "Director" means the director of the department of labor
16 and economic growth.

17 (k) "DOE" means the United States department of energy.

18 (l) "DOE-OEERE" means the DOE office of energy efficiency and
19 renewable energy.

20 (m) "DOL" means the United States department of labor.

21 (n) "DOL-ETA" means the DOL employment and training
22 administration.

23 (o) "DOL-ODEP" means the DOL office of disability employment
24 policy.

25 (p) "DOT" means the United States department of
26 transportation.

27 (q) "DOT-RSPA" means the DOT research and special programs

1 administration.

2 (r) "EEOC" means equal employment opportunity commission.

3 (s) "Fiscal agencies" means Michigan house fiscal agency and
4 Michigan senate fiscal agency.

5 (t) "FTE" means full-time equated.

6 (u) "GED" means general education degree.

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

9 (w) "HHS-SSA" means HHS social security administration.

10 (x) "HUD" means the United States department of housing and
11 urban development.

12 (y) "HUD-CPD" means HUD community planning and development.

13 (z) "IDG" means interdepartmental grant.

14 (aa) "MDCH" means the Michigan department of community health.

15 (bb) "MDEQ" means the Michigan department of environmental
16 quality.

17 (cc) "MES" means Michigan employment security.

18 (dd) "Subcommittees" means all members of the subcommittees of
19 the house and senate appropriations committees with jurisdiction
20 over the budget for the department.

21 Sec. 204. The department of civil service shall bill
22 departments and agencies at the end of the first fiscal quarter for
23 the 1% charge authorized by section 5 of article XI of the state
24 constitution of 1963. Payments shall be made for the total amount
25 of the billing by the end of the second fiscal quarter.

26 Sec. 205. (1) A hiring freeze is imposed on the state
27 classified civil service. State departments and agencies are

1 prohibited from hiring any new full-time state classified civil
2 service employees and prohibited from filling any vacant state
3 classified civil service positions. This hiring freeze does not
4 apply to internal transfers of classified employees from 1 position
5 to another within a department or state classified civil service
6 positions funded fully by federal funds.

7 (2) The state budget director may grant exceptions to this
8 hiring freeze when the state budget director believes that the
9 hiring freeze will result in rendering a state department or agency
10 unable to deliver basic services, cause a loss of revenue to the
11 state, result in the inability of the state to receive federal
12 funds, or would necessitate additional expenditures that exceed any
13 savings from maintaining a vacancy. The state budget director shall
14 report quarterly to the chairpersons of the senate and house of
15 representatives standing committees on appropriations the number of
16 exceptions to the hiring freeze approved during the previous month
17 and the reasons to justify the exception.

18 Sec. 207. At least 60 days before beginning any effort to
19 privatize, the department shall submit a complete project plan to
20 the subcommittees and the fiscal agencies. The plan shall include
21 the criteria under which the privatization initiative will be
22 evaluated. The evaluation shall be completed and submitted to the
23 fiscal agencies and to the subcommittees within 30 months.

24 Sec. 208. Unless otherwise specified, the department shall use
25 the Internet to fulfill the reporting requirements of this act.
26 This requirement may include transmission of reports via electronic
27 mail to the recipients identified for each reporting requirement or

1 it may include placement of reports on the Internet or Intranet
2 site.

3 Sec. 209. Funds appropriated in part 1 shall not be used for
4 the purchase of foreign goods or services, or both, if
5 competitively priced and of comparable quality American goods or
6 services, or both, are available. Preference should be given to
7 goods or services, or both, manufactured or provided by Michigan
8 businesses if they are competitively priced and of comparable
9 quality.

10 Sec. 210. The director shall take all reasonable steps to
11 ensure businesses in deprived and depressed communities compete for
12 and perform contracts to provide services or supplies, or both. The
13 director shall strongly encourage firms with which the department
14 contracts to subcontract with certified businesses in depressed and
15 deprived communities for services, supplies, or both.

16 Sec. 211. The department shall establish and maintain
17 affirmative action programs based on the guidelines developed by
18 the state equal opportunity workforce planning council which was
19 created by Executive Order No. 1996-13 in order to receive general
20 fund/general purpose dollars.

21 Sec. 212. The department shall receive and retain copies of
22 all reports funded from appropriations in part 1. The department
23 shall follow federal and state guidelines for short-term and long-
24 term retention of these reports and records.

25 Sec. 213. From the funds appropriated in part 1 for
26 information technology, the departments and agencies shall pay user
27 fees to the department of information technology for technology-

1 related services and projects. Such user fees shall be subject to
2 provisions of an interagency agreement between the department and
3 the department of information technology.

4 Sec. 214. Amounts appropriated in part 1 for information
5 technology may be designated as work projects and carried forward
6 to support technology projects under the direction of the
7 department of information technology. Funds designated in this
8 manner are not available for expenditure until approved as work
9 projects under section 451a of the management and budget act, 1984
10 PA 431, MCL 18.1451a.

11 Sec. 216. It is the intent of the legislature that all revenue
12 sources for funds appropriated in part 1 shall not be aggregated
13 into general categories and shall be specifically identified and
14 detailed as much as possible.

15 Sec. 217. (1) Due to the current budgetary problems in this
16 state, out-of-state travel for the fiscal year ending September 30,
17 2007 shall be limited to situations in which 1 or more of the
18 following conditions apply:

19 (a) The travel is required by legal mandate or court order or
20 for law enforcement purposes.

21 (b) The travel is necessary to protect the health or safety of
22 Michigan citizens or visitors or to assist other states in similar
23 circumstances.

24 (c) The travel is necessary to produce budgetary savings or to
25 increase state revenues, including protecting existing federal
26 funds or securing additional federal funds.

27 (d) The travel is necessary to comply with federal

1 requirements.

2 (e) The travel is necessary to secure specialized training for
3 staff that is not available within this state.

4 (f) The travel is financed entirely by federal or nonstate
5 funds.

6 (2) If out-of-state travel is necessary but does not meet 1 or
7 more of the conditions in subsection (1), the state budget director
8 may grant an exception to allow the travel. Any exceptions granted
9 by the state budget director shall be reported on a monthly basis
10 to the house and senate appropriations committees.

11 (3) Not later than January 1 of each year, each department
12 shall prepare a travel report listing all travel by classified and
13 unclassified employees outside this state in the immediately
14 preceding fiscal year that was funded in whole or in part with
15 funds appropriated in the department's budget. The report shall be
16 submitted to the chairs and members of the house and senate
17 appropriations committees, the fiscal agencies, and the state
18 budget director. The report shall include the following
19 information:

20 (a) The name of each person receiving reimbursement for travel
21 outside this state or whose travel costs were paid by this state.

22 (b) The destination of each travel occurrence.

23 (c) The dates of each travel occurrence.

24 (d) A brief statement of the reason for each travel
25 occurrence.

26 (e) The transportation and related costs of each travel
27 occurrence, including the proportion funded with state general

1 fund/general purpose revenues, the proportion funded with state
2 restricted revenues, the proportion funded with federal revenues,
3 and the proportion funded with other revenues.

4 (f) A total of all out-of-state travel funded for the
5 immediately preceding fiscal year.

6 Sec. 219. The department shall not take disciplinary action
7 against an employee for communicating with a member of the
8 legislature or his or her staff.

9 Sec 220. By October 15, 2006, the department shall provide to
10 the senate and house appropriations subcommittees on commerce,
11 labor, and economic development and the senate and house fiscal
12 agencies a list of general fund/general purpose budget cuts
13 sufficient to reduce department general fund/general purpose
14 spending by 7.93% in fiscal year 2006-2007 if the K-16 ballot
15 initiative is adopted by the voters of this state.

16 **REGULATORY**

17 Sec. 301. The appropriation in part 1 for fire protection
18 grants from the liquor purchase revolving fund and the fire
19 protection fund shall be appropriated to cities, villages, and
20 townships with state-owned facilities for fire services, instead of
21 taxes, in accordance with 1977 PA 289, MCL 141.951 to 141.956.

22 Sec. 302. The funds collected by the office of financial and
23 insurance services in connection with a conservatorship pursuant to
24 section 32 of the mortgage brokers, lenders, and servicers
25 licensing act, 1987 PA 173, MCL 445.1682, shall be appropriated for
26 all expenses necessary to provide for the required services. Funds

1 are available for expenditure when they are received by the
2 department of treasury and shall not lapse to the general fund at
3 the end of the fiscal year.

4 Sec. 303. The funds collected by the department from
5 corporations being liquidated pursuant to the insurance code of
6 1956, 1956 PA 218, MCL 500.100 to 500.8302, shall be appropriated
7 for all expenses necessary to provide for the required services.
8 Funds are available for expenditure when they are received by the
9 department of treasury and shall not lapse to the general fund at
10 the end of the fiscal year.

11 Sec. 304. The department may make available to interested
12 entities otherwise unavailable customized listings of
13 nonconfidential information in its possession, such as names and
14 addresses of licensees, and charge for this information as follows:
15 base fee for 1 to 1,000 records at the cost to the department;
16 1,001 to 10,000 records at 2.5 cents per record; and 10,001 or more
17 records at .5 cents per record. The revenue received from this
18 service may be used to offset expenses of programs as appropriated
19 in part 1. The balance of this revenue collected and unexpended at
20 the end of the fiscal year shall revert to the appropriate
21 restricted revenue account or fund or, in absence of such an
22 account or fund, to the general fund. The department shall submit
23 an annual report on or before December 1 of each year to the state
24 budget office and the subcommittees that states the amount of
25 revenue received from the sale of information.

26 Sec. 306. The Michigan state housing development authority
27 shall annually present a report to the state budget office and the

1 subcommittees on the status of the authority's housing production
2 goals under all financing programs established or administered by
3 the authority. The report shall give special attention to efforts
4 to raise affordable multifamily housing production goals.

5 Sec. 308. The funds collected by the department for licenses,
6 permits, and other elevator regulation fees set forth in R 408.8151
7 of the Michigan administrative code and as determined under section
8 8 of 1976 PA 333, MCL 338.2158, and section 16 of 1967 PA 227, MCL
9 408.816, that are unexpended at the end of the fiscal year shall
10 carry forward to the subsequent fiscal year. The department shall
11 submit a report on an annual basis to the state budget office and
12 the subcommittees on the amount of funds available under this
13 section.

14 Sec. 309. If the revenue collected by the department for
15 occupational safety and health from fees and collections exceeds
16 the amount appropriated in part 1, the revenue may be carried
17 forward into the subsequent fiscal year. The revenue carried
18 forward under this section shall be used as the first source of
19 funds in the subsequent fiscal year.

20 Sec. 310. Money appropriated under this act for the bureau of
21 fire services shall not be expended unless, in accordance with
22 section 2c of the fire prevention code, 1941 PA 207, MCL 29.2c,
23 inspection and plan review fees will be charged according to the
24 following schedule:

<u>Operation and maintenance inspection fee</u>		
<u>Facility type</u>	<u>Facility size</u>	<u>Fee</u>
Hospitals	Any	\$8.00 per bed

Plan review and construction inspection fees for
hospitals and schools

<u>Project cost range</u>	<u>Fee</u>
\$101,000.00 or less	minimum fee of \$155.00
\$101,001.00 to \$1,500,000.00	\$1.60 per \$1,000.00
\$1,500,001.00 to \$10,000,000.00	\$1.30 per \$1,000.00
\$10,000,001.00 or more	\$1.10 per \$1,000.00
	or a maximum fee of \$60,000.00.

Sec. 313. If the revenue collected by the department from licensing and regulation fees collected by the office of commercial services exceeds the amount appropriated in part 1, 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. 314. Funds earned or authorized by the United States department of labor in excess of the gross appropriation in part 1 for the unemployment insurance agency and the employment service agency 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 notifies the state budget office and the subcommittees of the purpose and amount of each grant award.

Sec. 315. The department shall sell documents at a price not to exceed the cost of production and distribution. Money received from the sale of these documents shall revert to the department. The funds are available for expenditure when they are received by the department of treasury and may only be used for costs directly

1 related to the continued updating and distribution of the documents
2 pursuant to this section. This section applies only for the
3 following documents:

4 (a) Corporation and securities division documents, reports,
5 and papers required or permitted by law pursuant to section 1060(5)
6 of the business corporation act, 1972 PA 284, MCL 450.2060.

7 (b) The subdivision control manual, the state boundary
8 commission operations manual, and other local government assistance
9 manuals.

10 (c) The Michigan liquor control code of 1998, 1998 PA 58, MCL
11 436.1101 to 436.2303.

12 (d) The mobile home commission act, 1987 PA 96, MCL 125.2301
13 to 125.2349; the business corporation act, 1972 PA 284, MCL
14 450.1101 to 450.2098; the nonprofit corporation act, 1982 PA 162,
15 MCL 450.2101 to 450.3192; and the uniform securities act, 1964 PA
16 265, MCL 451.501 to 451.818.

17 (e) Labor law books.

18 (f) Worker's compensation health care services rules.

19 (g) Construction code manuals.

20 (h) Copies of transcripts from administrative law hearings.

21 Sec. 317. The department, MIOSHA, shall provide an annual
22 report by February 1 of each year to the state budget office, the
23 fiscal agencies, and the subcommittees on the number of individuals
24 killed and the number of individuals injured on the job within
25 industries regulated by the bureau during the most recent year for
26 which data are available.

27 Sec. 326. (1) The appropriation in part 1 for the Michigan

1 commission for the blind includes funds for case services. These
2 funds may be used for tuition payments for blind clients for the
3 school year beginning September 2004.

4 (2) Revenue collected by the Michigan commission for the blind
5 and from private and local sources that is unexpended at the end of
6 the fiscal year may carry forward to the subsequent fiscal year.

7 Sec. 332. It is the intent of the legislature that the
8 department make every effort to hold administrative law hearings on
9 actions initiated by the department against regulated businesses or
10 against individuals in regulated occupations in locations that are
11 within 150 miles of the regulated business or of the office of the
12 individual in a regulated occupation. In addition, it is the intent
13 of the legislature that the department make every effort to hold
14 administrative law hearings on actions initiated by an individual
15 outside the department in locations within 150 miles of the home of
16 the individual bringing the action if that individual wishes to
17 testify at the hearing.

18 Sec. 335. The public service commission shall report by June 1
19 of each year to the subcommittees, the state budget office, and the
20 fiscal agencies on the distribution of funds appropriated in part 1
21 for the low-income/energy efficiency assistance program.

22 Sec. 336. The department shall provide the subcommittees,
23 fiscal agencies, and state budget director with a report on or
24 before December 1 outlining actual expenditures for the last
25 completed fiscal year for each division within the office of
26 financial and insurance services.

27 Sec. 337. The department shall not expend funds from the

1 appropriations in part 1 for the office of financial and insurance
2 services for the purpose of implementing prohibitions on the use of
3 credit scoring in establishing insurance premiums by insurance
4 companies until the legislature has, by statute, authorized such a
5 prohibition.

6 Sec. 340. The office of financial and insurance services shall
7 provide copies of the quarterly and annual financial filings of
8 health maintenance organizations to the fiscal agencies on a timely
9 basis.

10 Sec. 349. The department and the Michigan state housing
11 development authority shall work collaboratively with other state
12 departments and agencies to maximize the use of available Michigan
13 state housing development authority fund equity to provide senior
14 assisted living that offers a continuum of care from independent
15 apartments to assisted living to nursing care and Alzheimer
16 programs.

17 Sec. 350. (1) The department shall allocate funds to promote
18 awareness of the right of a policyholder, subscriber, member,
19 enrollee, or other individual participating in a health benefit
20 plan, after the covered person has exhausted the health carrier's
21 internal grievance process provided for by law, to request an
22 external review for an adverse determination.

23 (2) As used in this section, "covered person" means that term
24 as defined in section 3 of the patient's right to independent
25 review act, 2000 PA 251, MCL 550.1903.

26 Sec. 351. (1) The department shall issue a report to the
27 subcommittees by the end of each calendar year, but not later than

1 December 31 of each year, showing the date each real estate
2 continuing education course was submitted for approval and the date
3 of final disposition, approval, or denial.

4 (2) The department shall post on its website the approved real
5 estate continuing education courses, as well as the dates, times,
6 instructors, locations, course title, and credit hours of the
7 courses.

8 (3) The department shall have available to the public on-line
9 the prelicensure and continuing education course approvals.

10 (4) It is the intent of the legislature that sponsors of
11 continuing education be able to report an applicant's or licensee's
12 completion of courses to the department via electronic methods.

13 Sec. 352. From the funds appropriated in part 1 for
14 unclassified salaries, the department shall provide funding for 5
15 worker's compensation appellate commissioners and 26 worker's
16 compensation board of magistrates. Expenditures shall be made so
17 that the 2 bodies shall decide worker's compensation cases in a
18 timely manner.

19 Sec. 355. Of the funds appropriated in part 1, no funds shall
20 be used to support the development of, or activities that promote
21 the development of, guidelines, rules, standards, protocols, or
22 other similar mandates that are more stringent than federal
23 voluntary ergonomics guidelines. This section does not prohibit any
24 person from adopting, or working with the state to develop,
25 voluntary ergonomics standards.

26 Sec. 356. It is the intent of the legislature that the
27 Michigan commission for the blind work collaboratively with service

1 organizations to identify qualified match dollars to maximize use
2 of available federal funds.

3 Sec. 358. The real estate education fund created in section 37
4 of the state license fee act, 1979 PA 152, MCL 338.2237, and
5 administered by the department shall allow prelicensure and
6 postlicensure education to be delivered through on-line courses by
7 a community college, university, or private school, after licensure
8 and approval by the department. Expenditures from this fund may
9 also be made to support department grants for educational providers
10 to establish on-line courses that would be made available to
11 students throughout the year.

12 Sec. 361. In addition to the amounts appropriated in part 1
13 for the administration of the land bank fast track authority, the
14 authority may expend revenues received under the land bank fast
15 track act, 2003 PA 258, MCL 124.751 to 124.774, for the purposes
16 authorized by the act including, but not limited to, the
17 acquisition, lease, management, demolition, maintenance, or
18 rehabilitation of real or personal property, payment of debt
19 service for notes or bonds issued by the authority, and other
20 expenses to clear or quiet title property held by the authority.

21 Sec. 362. Of the funds appropriated in part 1 for the
22 department, \$200,000.00 may be used for administration and
23 enforcement of boxing regulation in Michigan.

24 Sec. 364. The department shall provide a report to the chairs
25 of the appropriation subcommittees on labor and economic growth by
26 January 1 on the total administrative costs allocated for the
27 broadband development authority. These costs should include all

1 staffing and other related costs associated with contracts. The
2 report shall also include any payments to date for reimbursement to
3 the Michigan state housing development authority. If no payments
4 have been made, then the report shall include a detailed plan
5 outlining the reimbursement schedule.

6 Sec. 365. From the funds appropriated in part 1 for
7 occupational safety, not less than \$40,000.00 shall be allocated to
8 nonprofit organizations representing the aggregate industry in
9 Michigan in a grant for an industrial-related comprehensive
10 training and technical assistance program. Such funds shall be
11 subject to the conditions established by the Michigan occupational
12 safety and health administration.

13 Sec. 366. It is the intent of the legislature to fund the
14 workers' compensation administration with general fund money.

15 Sec. 367. The department shall develop a searchable website
16 where consumers can research the performance of licensed
17 residential builders, including the number of valid complaints
18 filed against the builder that required disciplinary action taken
19 by the department. The website shall allow searches by licensee
20 name, company name, and license number.

21 Sec. 368. Funds collected by the department under sections 55,
22 57, 58, and 59 of the administrative procedures act of 1969, 1969
23 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of
24 the legislative council act, 1986 PA 268, MCL 4.1203, are
25 appropriated for all expenses necessary to provide for the cost of
26 publication and distribution. The funds appropriated under this
27 section are allotted for expenditure when they are received by the

1 department of treasury and shall not lapse to the general fund at
2 the end of the fiscal year.

3 Sec. 369. It is the intent of the legislature to fund the fire
4 marshal and fire fighters training council programs contained in
5 section 109, bureau of fire services line item, with state general
6 fund/general purpose money.

7 Sec. 370. Of the funds appropriated in the bureau of fire
8 services line item, no less than \$1,602,600.00 shall be allocated
9 to support the fire fighters training council for fiscal year 2005-
10 2006.

11 Sec. 372. (1) The department shall provide a report to the
12 subcommittee, fiscal agencies, and the state budget office by
13 January 1 of each year summarizing the decisions of the state
14 office of administrative hearings and rules administrative law
15 judges for the prior fiscal year.

16 (2) To the extent practicable, the report shall include the
17 number of cases opened, the number of cases closed, and the number
18 of hearings held by the state office of administrative hearings and
19 rules. The report shall be organized by executive department and
20 detailed by major case types. The report shall include a
21 description for each major case type that identifies whether
22 decisions issued were final, proposals for decision, or a
23 combination of the 2.

24 WORKFORCE AND CAREER DEVELOPMENT

25 Sec. 401. The Michigan career and technical institute may
26 receive equipment and in-kind contributions for the direct support

1 of staff services through the Pine Lake fund, the Delton-Kellogg
2 school district or other local or intermediate school district, or
3 any combination of local or intermediate school districts in
4 addition to those authorized in part 1.

5 Sec. 402. The Michigan rehabilitation service shall make every
6 effort to ensure that all sources of matching funds in this state
7 are used to obtain federal vocational rehabilitation funds. All
8 sources include, but are not limited to, privately raised funds to
9 support public nonprofit rehabilitation centers as permitted by the
10 rehabilitation act of 1973, Public Law 93-112, 29 USC 701 to 718,
11 720 to 751, 760 to 765, 771 to 776, 780 to 785, 791 to 794e, 795 to
12 795n, and 796 to 796l.

13 Sec. 403. The local match requirements for vocational
14 rehabilitation facilities establishment grants shall not exceed
15 21.3% for the fiscal year ending September 30.

16 Sec. 404. (1) Of the funds appropriated in part 1 for
17 vocational rehabilitation independent living, all general
18 fund/general purpose revenue not used to match federal funds shall
19 be used for the support of centers for independent living which are
20 in compliance with federal standards for such centers, for the
21 development of new centers in areas presently unserved or
22 underserved, for technical assistance to centers, and for projects
23 to build capacity of centers to deliver independent living
24 services. Applications for such funds shall be reviewed in
25 accordance with criteria and procedures established by the
26 statewide independent living council, the Michigan rehabilitation
27 services unit within the department, and the Michigan commission

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

6 (2) As a condition of receipt of funds appropriated in part 1,
7 the statewide independent living council and the Michigan
8 association of centers for independent living shall jointly produce
9 a report providing the following information:

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

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

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

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

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

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

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

13 (3) The report required in subsection (2) shall be submitted
14 to the subcommittees, the fiscal agencies, and the state budget
15 director on or before January 30.

16 Sec. 405. (1) The appropriation in part 1 to the department
17 for the work first program shall be expended for grants which
18 provide employment and training services to department of human
19 services applicants and recipients and may be expended for grants
20 that provide employment and training services to former family
21 independence program recipients, as well as to recipients of
22 noncash public assistance, specifically child day care, Medicaid,
23 or food stamp benefits. The work first program, however, shall not
24 be construed to be an entitlement to services.

25 (2) An applicant shall be limited to a Michigan works! agency,
26 a school district, intermediate school district, community college,
27 public or private nonprofit college or university, nonprofit

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

11 (3) When the work first job search requirements have been
12 completed, if the participant has not found employment, the work
13 first site shall identify the barriers which may have prevented the
14 participant from obtaining employment and assist the client in
15 removing those barriers. The work first site shall also identify
16 appropriate education and job training programs which would be
17 available to the participant. The department shall encourage the
18 Michigan works! agencies to consider transportation challenges for
19 work first participants placed in employment. When an individual is
20 re-referred to work first because of an inability to retain
21 employment, the Michigan works! agencies shall confer with the
22 Michigan rehabilitation services, the department of human services,
23 or other professionals if considered appropriate by the Michigan
24 works! agency to screen for and identify issues that are preventing
25 the participant from succeeding in the labor market. Each Michigan
26 works! agency shall determine locally the number of times an
27 individual may be re-referred back to the program before consulting

1 with other service agencies. If no prohibitive barriers to work are
2 found, the individual shall comply with the work first program, or
3 be subject to appropriate penalties.

4 (4) Work first program participants shall include applicants
5 and recipients of the department of human services program
6 established under section 57a of the social welfare act, 1939 PA
7 280, MCL 400.57a, and such individuals referred to a job club
8 program by a county department of human services board or a county
9 friend of the court as long as the participation in the job club is
10 part of an application submitted under this section.

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

14 (6) The department will work with the department of human
15 services to coordinate support services to work first participants
16 relating to special/emergency needs.

17 (7) Work first program participants must receive or be
18 provided an explanation of the program including their benefits and
19 responsibilities before the job interview phase of the program.
20 This explanation shall include clear guidelines with regard to an
21 individual's eligibility for postemployment training support and
22 for applying hours in training toward work requirements.

23 (8) The department shall make every effort to place a minimum
24 of 50% of clients who participate in the work first program in
25 positions that provide wages of \$8.00 per hour or more.

26 (9) The department shall submit to the fiscal agencies and the
27 state budget director by March 15 a report on the work first

1 program, including the number of participants served under this
2 section, the number of persons who located employment through work
3 first, the average wage of participants who found employment, the
4 number of persons who retained jobs for 90 days, the number of
5 participants placed in employment training and education programs,
6 the number of clients referred to work first who failed to report,
7 a compilation of barriers to employment by incidence and type
8 experienced by participants, and the number of participants
9 referred back to the department of human services.

10 (10) The department shall provide to the state budget director
11 and the fiscal agencies by May 15 and November 15 of each year a
12 report on the work first grants. The report due by May 15 shall
13 provide the information described in this subsection for each grant
14 or contract awarded during the preceding 2 quarters of the state
15 fiscal year. The report due by November 15 shall provide this
16 information for each grant or contract awarded during the preceding
17 full fiscal year. The report shall contain both of the following:

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

19 (b) The number of participants in each service delivery area
20 and the number of clients placed in employment in each service
21 delivery area.

22 (11) The department shall make available to work first
23 participants guidelines on eligibility for postemployment training
24 and how training/education hours are applied toward work
25 participation requirements. These guidelines will be presented
26 during joint orientation conducted by the department of human
27 services and the department contracted staff in accordance with

1 department policy issuances and department of human services
2 program bulletins. These guidelines presented by the department and
3 the department of human services shall balance the ability of
4 participants to obtain training and subsequent long-term high-wage
5 employment with the need to connect participants with the
6 workplace. Any and all training/education, with the exception of
7 high school completion and GED preparation, must be occupationally
8 relevant and in demand in the labor market as determined by the
9 workforce development board. Participants must make satisfactory
10 progress to continue in a training/education component.

11 (12) The work participation requirement is up to 40 hours per
12 week. However, work first participants may meet the work
13 participation requirement by combining a minimum of 10 hours per
14 week of work with training/education. Training/education may last
15 up to 12 months and the calculated hours may include actual
16 classroom seat time up to 10 hours per week plus up to 1 hour of
17 study time for each hour of classroom seat time. Work first
18 participants may enroll in additional hours of classroom seat time
19 beyond 10 hours. However, these hours and the related study time
20 will not count toward the work participation requirement. The
21 training may be no longer than a 1-year program or the final year
22 of a 2- or 4-year undergraduate program designed to lead to
23 immediate labor force attachment.

24 (13) Work first participants may meet the work participation
25 requirement through enrollment in a short-term vocational program
26 requiring 30 hours of classroom seat time per week for a period not
27 to exceed 6 months, or by enrollment in full-time internships,

1 practicum, or clinicals required by an academic or training
2 institution for licensure, professional certification, or degree
3 completion, without an additional work requirement. In cases where
4 a short-term vocational program lasts less than 6 months, the
5 participant shall be eligible to enroll in 1 additional short-term
6 vocational program for a combined period not to exceed a total of 6
7 months.

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

14 (15) The department shall convene a work group to review and
15 recommend available options for providing increased flexibility
16 regarding the education requirements as outlined in this act.

17 Sec. 406. (1) Using all relevant state data sources, the
18 department shall conduct a 3-year longitudinal study of all former
19 work first participants, whose department of human services program
20 cases closed due to earnings during fiscal year 1999 and in
21 succeeding fiscal years. The data will include the following:

- 22 (a) The number and percentage employed.
23 (b) The average hourly wage of those employed.
24 (c) The current hourly wage of those employed.
25 (d) The range of wages earned by those employed.
26 (e) The number of individuals that earned each wage amount.
27 (f) The number and percentage receiving health care benefits

1 from their employer.

2 (g) The number and percentage receiving tuition reimbursement
3 from their employer.

4 (h) The number and percentage receiving training benefits from
5 their employer.

6 (i) The type of jobs obtained by former participants in
7 general categories.

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

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

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

15 (m) The extent to which the former participant feels that they
16 and their family are better off now than when they were on cash
17 assistance with regard to household income, housing, food and
18 nutritional needs, child health care, and access to health
19 insurance coverage.

20 (2) The department shall notify the subcommittees, fiscal
21 agencies, and state budget director electronically by March 15 of
22 the location of the Internet site where the report containing the
23 identified data is located.

24 (3) The department shall cooperate with the department of
25 human services in formulating and acquiring the identified data.

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

1 Sec. 407. State and federal funds allocated to local workforce
2 development boards for disbursement shall not be expended unless
3 the local workforce development boards maintain a partnership with
4 governmental agencies, public school districts, and public colleges
5 located within the local service delivery area. Each board shall
6 appoint an education advisory group made up of high-level
7 administrators within local educational institutions, workforce
8 development board members, other employers, labor, academic
9 educators, and parents of public school pupils.

10 Sec. 410. (1) The department shall have at least 1 disabled
11 veterans outreach program specialist or local veterans employment
12 representative assigned to each Michigan works! service center on a
13 full- or part-time basis during hours of operation.

14 (2) The department shall ensure that each Michigan works!
15 service center shall have the necessary equipment to allow the
16 disabled veterans outreach specialist or local veterans employment
17 representative to perform his or her duties.

18 (3) The department shall require each Michigan works! service
19 center to have an employee available to ask each individual who
20 requires intensive services whether that individual is a veteran
21 and to refer each veteran to the disabled veterans outreach program
22 specialist or local veterans employment representative on duty at
23 the time.

24 (4) The department shall require that each Michigan works!
25 service center shall have posted in a conspicuous place within the
26 office a notice advising veterans that a disabled veterans outreach
27 program specialist or a local veterans employment representative is

1 available to assist him or her.

2 (5) The department shall require each Michigan works! service
3 center to provide free mediated services to employers wishing to
4 hire a veteran.

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

7 Sec. 414. The department may carry into the succeeding fiscal
8 year unexpended federal pass-through funds to local institutions
9 and governments that do not require additional state matching
10 funds. Federal pass-through funds to local institutions and
11 governments that are received in amounts in addition to those
12 included in part 1 and that do not require additional state
13 matching funds are appropriated for the purposes intended.

14 Sec. 415. Of the amounts appropriated in part 1 for
15 postsecondary education, private occupational school license fees
16 shall fund related administrative costs of the proprietary schools
17 oversight unit within the department.

18 Sec. 417. The department is appropriated an amount not to
19 exceed \$100,000.00 from collection of defaulted loans under the
20 future faculty program in the Martin Luther King, Jr. - Cesar
21 Chavez - Rosa Parks programs to offset costs of administering the
22 loan collections.

23 Sec. 418. From the funds appropriated in part 1 for
24 postsecondary education, the department shall compile data from
25 each university that receives funding for the future faculty
26 program within the King-Chavez-Parks initiative on employment
27 outcomes for program participants. The report shall be distributed

1 to the house and senate appropriations committees, the fiscal
2 agencies, and the state budget office by February 1 of each year.
3 The report shall include data from each participating university
4 covering the most recently completed fiscal year. The data shall
5 include all of the following:

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

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

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

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

14 Sec. 421. The King-Chavez-Parks initiative shall be marketed
15 by the department to Michigan parents and high school and college
16 students, to promote the benefits and the availability of the
17 college day, select student support services, college/university
18 partnership, visiting professors, Morris Hood, Jr. educator
19 development, and future faculty programs. The department shall
20 provide electronic notification of the location of the report on
21 the Internet to the subcommittees by December 30 of each year,
22 identifying all efforts taken to market these programs, including,
23 but not limited to, the amount of funding allocated for this
24 purpose, the fund source, and any expenditures or encumbrances
25 relating to this marketing effort.

26 Sec. 425. The department shall work cooperatively with the
27 department of civil service to identify state employees who will

1 lose their jobs as a result of an agency or program being
2 reorganized, modified, or eliminated and shall develop training
3 programs and provide training to these individuals that will
4 provide them an opportunity and skills necessary to secure new
5 employment within state government or the private sector. It shall
6 be a priority of the department to provide training and employment
7 opportunities to these individuals through their employment service
8 locations.

9 Sec. 426. From the funds appropriated in part 1 to job
10 training programs subgrantees, the department shall allocate
11 sufficient funds to the Michigan works! service centers to allow
12 these centers to remain fully operational.

13 Sec. 427. The youth low-vision program is considered the payer
14 of last resort. Other available public or private insurance
15 coverage, including Medicaid or MICHild, and special education
16 funds, shall be exhausted prior to using any funds appropriated in
17 part 1 to purchase low-vision devices or equipment for an
18 individual.

19 Sec. 429. (1) As a condition for receipt of the funds
20 appropriated in part 1, Focus: HOPE shall submit a report on the
21 use of the grant's funds appropriated in part 1 to the chairs of
22 the subcommittees, the fiscal agencies, and the state budget office
23 that includes, but is not limited to, the following:

24 (a) Detailed expenditures for administration including
25 salaries and wages of employees.

26 (b) Amount allocated for education and training programs
27 including number of students served by each program.

1 (c) Amount allocated for job search assistance and career
2 planning including the number of students served by each program.

3 (d) Detailed expenditures for any contracts entered into with
4 the use of these funds.

5 (e) Detailed expenditures for any program enhancements
6 including number of new hires and capital expenditures.

7 (2) The report shall be submitted on or before January 31.

8 Sec. 430. The department shall work cooperatively with the
9 Michigan strategic fund, the Michigan economic development
10 corporation, and the Michigan works! agencies regarding the
11 distribution of \$3,000,000.00 workforce investment act funds. The
12 funds shall be distributed to assist incumbent worker training in
13 conjunction with the economic development job training grants
14 program.