

SENATE SUBSTITUTE FOR

HOUSE BILL NO. 5344

(As amended, March 27, 2008)

A bill to make, supplement, and adjust appropriations for various state departments and agencies for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. There is appropriated for the various state
4 departments and agencies to supplement appropriations for the
5 fiscal year ending September 30, 2008, from the following funds:

6 APPROPRIATION SUMMARY

7 Full-time equated classified positions..... 11.0

8 GROSS APPROPRIATION..... \$ <<134,656,400>>

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1	Total interdepartmental grants and intradepartmental	
2	transfers	0
3	ADJUSTED GROSS APPROPRIATION.....	\$ <<134,656,400>>
4	Total federal revenues.....	<<72,432,700>>
5	Total local revenues.....	2,310,300
6	Total private revenues.....	0
7	Total other state restricted revenues.....	<<20,806,400>>
8	State general fund/general purpose.....	\$ <<39,107,000>>
9	Sec. 102. DEPARTMENT OF COMMUNITY HEALTH	
10	(1) APPROPRIATION SUMMARY	
11	GROSS APPROPRIATION.....	\$ <<137,144,400>>
12	Total interdepartmental grants and intradepartmental	
13	transfers	0
14	ADJUSTED GROSS APPROPRIATION.....	\$ <<137,144,400>>
15	Total federal revenues.....	<<58,800,000>>
16	Total local revenues.....	1,198,400
17	Total private revenues.....	0
18	Total other state restricted revenues.....	41,206,400
19	State general fund/general purpose.....	\$ 35,939,600
20	(2) MEDICAL SERVICES	
21	Hospital services and therapy.....	\$ 60,821,000
22	Health plan services.....	<<40,383,800>>
23	Subtotal basic medical services program.....	<<101,204,800>>
24	School-based services.....	35,939,600
25	Subtotal special medical services payments.....	<u>35,939,600</u>
26	GROSS APPROPRIATION.....	\$ <<137,144,400>>

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1 Appropriated from:

2 Federal revenues:

3 Total federal revenues..... <<58,800,000>>

4 Special revenue funds:

5 Total local revenues..... 1,198,400

6 Total other state restricted revenues..... 41,206,400

7 State general fund/general purpose..... \$ 35,939,600

8 **Sec. 103. DEPARTMENT OF EDUCATION**

9 **(1) APPROPRIATION SUMMARY**

10 Full-time equated classified positions..... 6.0

11 GROSS APPROPRIATION..... \$ 3,322,400

12 Total interdepartmental grants and intradepartmental
13 transfers 0

14 ADJUSTED GROSS APPROPRIATION..... \$ 3,322,400

15 Total federal revenues..... 3,322,400

16 Total local revenues..... 0

17 Total private revenues..... 0

18 Total other state restricted revenues..... 0

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

20 **(2) EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY**

21 Full-time equated classified positions..... 6.0

22 Educational assessment operations--6.0 FTE positions . \$ 3,322,400

23 GROSS APPROPRIATION..... \$ 3,322,400

24 Appropriated from:

25 Federal revenues:

26 Federal revenues..... 3,322,400

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1	State general fund/general purpose	\$	0
2	Sec. 104. DEPARTMENT OF ENVIRONMENTAL QUALITY		
3	(1) APPROPRIATION SUMMARY		
4	GROSS APPROPRIATION	\$	<<250,000>>
5	Total interdepartmental grants and intradepartmental		
6	transfers		0
7	ADJUSTED GROSS APPROPRIATION	\$	<<250,000>>
8	Total federal revenues		0
9	Total local revenues		0
10	Total private revenues		0
11	Total other state restricted revenues		<<(10,750,000)>>
12	State general fund/general purpose	\$	11,000,000
13	(2) AIR QUALITY		
14	Air quality programs	\$	<u>0</u>
15	GROSS APPROPRIATION	\$	0
16	Appropriated from:		
17	Special revenue funds:		
18	Air emissions fees		(3,527,400)
19	State general fund/general purpose	\$	3,527,400
20	(3) ENVIRONMENTAL SCIENCE AND SERVICES DIVISION		
21	Pollution prevention and technical assistance	\$	<u>0</u>
22	GROSS APPROPRIATION	\$	0
23	Appropriated from:		
24	Special revenue funds:		
25	Air emissions fees		(377,600)
26	Waste reduction fee revenue		(175,200)

1	State general fund/general purpose	\$	552,800
2	(4) OFFICE OF GEOLOGICAL SURVEY		
3	Mineral wells management	\$	<u>0</u>
4	GROSS APPROPRIATION	\$	0
5	Appropriated from:		
6	Special revenue funds:		
7	Mineral well regulatory fee revenue		(75,000)
8	State general fund/general purpose	\$	75,000
9	(5) LAND AND WATER MANAGEMENT		
10	Field permitting and project assistance	\$	0
11	Great Lakes shorelands		<u>0</u>
12	GROSS APPROPRIATION	\$	0
13	Appropriated from:		
14	Special revenue funds:		
15	Land and water permit fees		(2,965,000)
16	State general fund/general purpose	\$	2,965,000
17	(6) WASTE AND HAZARDOUS MATERIALS		
18	Hazardous waste management program	\$	0
19	Solid waste management program		<u>0</u>
20	GROSS APPROPRIATION	\$	0
21	Appropriated from:		
22	Special revenue funds:		
23	Environmental pollution prevention fund		(1,066,900)
24	Solid waste program fees		(510,500)
25	State general fund/general purpose	\$	1,577,400
26	(7) WATER		
27	Drinking water and environmental health	\$	0

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1	Groundwater discharge.....		0
2	GROSS APPROPRIATION.....	\$	0
3	Appropriated from:		
4	Special revenue funds:		
5	Groundwater discharge permit fees.....		(1,709,900)
6	On-site wastewater treatment program fund.....		(592,500)
7	State general fund/general purpose.....	\$	2,302,400
	<<(8) GRANTS		
	Real-time water quality monitoring.....		250,000
	GROSS APPROPRIATION.....		250,000
	Appropriated from:		
	Special revenue funds:		
	Settlement funds.....		250,000
	State general fund/general purpose.....		0>>
8	Sec. 105. HIGHER EDUCATION		
9	(1) APPROPRIATION SUMMARY		
10	GROSS APPROPRIATION.....	\$	(9,700,000)
11	Total interdepartmental grants and intradepartmental		
12	transfers		0
13	ADJUSTED GROSS APPROPRIATION.....	\$	(9,700,000)
14	Total federal revenues.....		0
15	Total local revenues.....		0
16	Total private revenues.....		0
17	Total other state restricted revenues.....		(9,700,000)
18	State general fund/general purpose.....	\$	0
19	(2) GRANTS AND FINANCIAL AID		
20	Michigan merit award program.....	\$	(7,700,000)
21	Michigan promise grant program.....		(2,000,000)
22	GROSS APPROPRIATION.....	\$	(9,700,000)
23	Appropriated from:		
24	Special revenue funds:		
25	Michigan merit award trust fund.....		(9,700,000)
26	State general fund/general purpose.....	\$	0

1	Sec. 106. DEPARTMENT OF HUMAN SERVICES		
2	(1) APPROPRIATION SUMMARY		
3	GROSS APPROPRIATION.....	\$	13,182,800
4	Total interdepartmental grants and intradepartmental		
5	transfers		0
6	ADJUSTED GROSS APPROPRIATION.....	\$	13,182,800
7	Total federal revenues.....		10,310,300
8	Total local revenues.....		622,400
9	Total private revenues.....		0
10	Total other state restricted revenues.....		0
11	State general fund/general purpose.....	\$	2,250,100
12	(2) ADULT AND FAMILY SERVICES		
13	Nutrition education.....	\$	<u>9,688,400</u>
14	GROSS APPROPRIATION.....	\$	9,688,400
15	Appropriated from:		
16	Federal revenues:		
17	Total federal revenues.....		9,688,400
18	State general fund/general purpose.....	\$	0
19	(3) CHILDREN'S SERVICES		
20	Foster care payments.....	\$	2,281,200
21	Adoption support services.....		<u>213,100</u>
22	GROSS APPROPRIATION.....	\$	2,494,300
23	Appropriated from:		
24	Federal revenues:		
25	Total federal revenues.....		621,900
26	Special revenue funds:		

1	Local funds - county chargeback.....		622,400
2	State general fund/general purpose.....	\$	1,250,000
3	(4) JUVENILE JUSTICE SERVICES		
4	Child care fund.....	\$	<u>838,600</u>
5	GROSS APPROPRIATION.....	\$	838,600
6	Appropriated from:		
7	State general fund/general purpose.....	\$	838,600
8	(5) LOCAL OFFICE STAFF AND OPERATIONS		
9	Field staff, salaries and wages.....	\$	<u>161,500</u>
10	GROSS APPROPRIATION.....	\$	161,500
11	Appropriated from:		
12	State general fund/general purpose.....	\$	161,500
13	Sec. 107. JUDICIARY		
14	(1) APPROPRIATION SUMMARY		
15	GROSS APPROPRIATION.....	\$	489,500
16	Total interdepartmental grants and intradepartmental		
17	transfers		0
18	ADJUSTED GROSS APPROPRIATION.....	\$	489,500
19	Total federal revenues.....		0
20	Total local revenues.....		489,500
21	Total private revenues.....		0
22	Total other state restricted revenues.....		0
23	State general fund/general purpose.....	\$	0
24	(2) SUPREME COURT		
25	Direct trial court automation support.....	\$	<u>489,500</u>
26	GROSS APPROPRIATION.....	\$	489,500

1 Appropriated from:

2 Special revenue funds:

3	Local - user fees.....		489,500
4	State general fund/general purpose.....	\$	0

5 **Sec. 108. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

6 **(1) APPROPRIATION SUMMARY**

7	GROSS APPROPRIATION.....	\$	117,300
8	Total interdepartmental grants and intradepartmental		
9	transfers		0
10	ADJUSTED GROSS APPROPRIATION.....	\$	117,300
11	Total federal revenues.....		0
12	Total local revenues.....		0
13	Total private revenues.....		0
14	Total other state restricted revenues.....		0
15	State general fund/general purpose.....	\$	117,300

16 **(2) VETERANS SERVICE ORGANIZATIONS**

17	American legion.....	\$	26,600
18	Disabled American veterans.....		22,000
19	Marine corps league.....		10,100
20	American veterans of World War II and Korea.....		13,900
21	Veterans of foreign wars.....		26,600
22	Michigan paralyzed veterans of America.....		5,000
23	Purple heart.....		4,700
24	Polish legion of American veterans.....		1,200
25	Jewish veterans of America.....		1,200
26	State of Michigan council - Vietnam veterans of		

1	America	4,800
2	Catholic war veterans.....	<u>1,200</u>
3	GROSS APPROPRIATION.....	\$ 117,300
4	Appropriated from:	
5	State general fund/general purpose.....	\$ 117,300
6	Sec. 109. DEPARTMENT OF NATURAL RESOURCES	
7	(1) APPROPRIATION SUMMARY	
8	Full-time equated classified positions..... 5.0	
9	GROSS APPROPRIATION.....	\$ 1,050,000
10	Total interdepartmental grants and intradepartmental	
11	transfers	0
12	ADJUSTED GROSS APPROPRIATION.....	\$ 1,050,000
13	Total federal revenues.....	0
14	Total local revenues.....	0
15	Total private revenues.....	0
16	Total other state restricted revenues.....	50,000
17	State general fund/general purpose.....	\$ 1,000,000
18	(2) FOREST, MINERAL, AND FIRE MANAGEMENT	
19	Full-time equated classified positions..... 5.0	
20	Wildfire protection--5.0 FTE positions.....	\$ 500,000
21	Forest recreation and trails.....	<u>500,000</u>
22	GROSS APPROPRIATION.....	\$ 1,000,000
23	Appropriated from:	
24	State general fund/general purpose.....	\$ 1,000,000
25	(3) GRANTS	
26	St. Jean public boat launch.....	\$ <u>50,000</u>

1	GROSS APPROPRIATION.....	\$	50,000
2	Appropriated from:		
3	Special revenue funds:		
4	Michigan state waterways fund.....		50,000
5	State general fund/general purpose.....	\$	0
6	Sec. 110. DEPARTMENT OF STATE POLICE		
7	(1) APPROPRIATION SUMMARY		
8	GROSS APPROPRIATION.....	\$	4,300,000
9	Total interdepartmental grants and intradepartmental		
10	transfers		0
11	ADJUSTED GROSS APPROPRIATION.....	\$	4,300,000
12	Total federal revenues.....		0
13	Total local revenues.....		0
14	Total private revenues.....		0
15	Total other state restricted revenues.....		0
16	State general fund/general purpose.....	\$	4,300,000
17	(2) FORENSIC SCIENCES		
18	Laboratory operations.....	\$	<u>2,000,000</u>
19	GROSS APPROPRIATION.....	\$	2,000,000
20	Appropriated from:		
21	State general fund/general purpose.....	\$	2,000,000
22	(3) POST UNIFORM SERVICES		
23	At-post troopers.....	\$	<u>1,000,000</u>
24	GROSS APPROPRIATION.....	\$	1,000,000
25	Appropriated from:		
26	State general fund/general purpose.....	\$	1,000,000

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1 **(4) INFORMATION TECHNOLOGY**

2	Information technology services and projects	\$	<u>1,300,000</u>
3	GROSS APPROPRIATION.....	\$	1,300,000
4	Appropriated from:		
5	State general fund/general purpose	\$	1,300,000

6 **Sec. 111. DEPARTMENT OF TREASURY**7 **(1) APPROPRIATION SUMMARY**

8	GROSS APPROPRIATION.....	\$	<< (15,500,000) >>
9	Total interdepartmental grants and intradepartmental		
10	transfers		0
11	ADJUSTED GROSS APPROPRIATION.....	\$	<< (15,500,000) >>
12	Total federal revenues.....		0
13	Total local revenues.....		0
14	Total private revenues.....		0
15	Total other state restricted revenues.....		0
16	State general fund/general purpose	\$	<< (15,500,000) >>

17 **(2) DEBT SERVICES**

18	Quality of life bond.....	\$	(8,000,000)
19	Clean Michigan initiative.....		(18,000,000)
20	Great Lakes water quality bond.....		<u>(4,000,000)</u>
21	GROSS APPROPRIATION.....	\$	(30,000,000)
22	Appropriated from:		
23	State general fund/general purpose	\$	(30,000,000)

24 **(3) GRANTS**

25	Presidential primary.....	\$	<u>10,000,000</u>
26	GROSS APPROPRIATION.....	\$	10,000,000

Appropriated from:

State general fund/general purpose	\$	10,000,000
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(4) MICHIGAN STRATEGIC FUND

Michigan State University bio-energy grant	3,500,000
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<<Business incubator - Washtenaw County.....	500,000>>
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<<Business incubator - Macomb County.....	\$	500,000>>
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GROSS APPROPRIATION..... \$ <<4,500,000>>

Appropriated from:

State general fund/general purpose..... \$ <<4,500,000>>

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2008 is <<\$59,913,400.00>> and state

appropriations paid to local units of government are \$13,500,000.00.

Sec. 202. The appropriations made and expenditures authorized under this act and the departments, commissions, boards, offices, and programs for which appropriations are made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

<<DEPARTMENT OF COMMUNITY HEALTH

Sec. 301. (1) From the funds appropriated in part 1 for long-term care services, the department of community health shall contract with a stand-alone psychiatric facility that provides at least 20% of its total care to Medicaid recipients to provide access to Medicaid recipients who require specialized Alzheimer's disease or dementia care.

(2) The department of community health shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the effectiveness of the contract required under subsection (1) to improve the quality of services to Medicaid recipients.>>

DEPARTMENT OF EDUCATION

Sec. 411. From the unexpended balances of appropriations for educational assessment and accountability operations for the fiscal

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1 year ending September 30, 2008, up to \$3,000,000.00 may be carried
2 forward as a work project and expended for a testing item bank
3 system. The work shall be carried out by state employees, or by
4 contract as necessary, at an estimated cost of \$3,000,000.00. The
5 estimated completion date of the work is September 30, 2009.

<<DEPARTMENT OF ENVIRONMENTAL QUALITY

Sec. 451. The appropriation in part 1 for real-time water quality monitoring is a grant to Macomb County and Huron-Erie corridor to support a real-time water quality monitoring program in the St. Clair watershed. Not later than September 30, 2008, grant recipients shall report to the department of environmental quality on the program's implementation and status. The department of environmental quality shall forward the report to the state budget director, the senate and house appropriations subcommittees on environmental quality, the senate and house standing committees on natural resources and environmental issues, and the senate and house fiscal agencies. Funding is contingent upon development of a department of environmental quality approved plan for long-term funding of operation and maintenance of the real-time monitoring system for the Huron-Erie corridor.>>

DEPARTMENT OF HUMAN SERVICES

6 Sec. 456. A private nonprofit provider of juvenile services
7 may receive funding for services of different security levels if
8 the provider has appropriate services for each security level and
9 adequate measures to physically separate residents of each security
10 level. However, to be eligible for funding, the private nonprofit
11 service provider shall not use a for-profit management group or
12 contract with a for-profit organization for its management, except
13 pursuant to an arrangement or written management contract existing
14 prior to August 1, 2007.

16 Sec. 458. From the money appropriated in part 1 of 2007 PA 131
17 for adoption support services, \$1,049,400.00 is allocated to
18 support new adoption contracts focusing on long-term permanent
19 wards who have been wards for more than 1 year after termination of
20 parental rights. Private agencies shall receive \$16,000.00 for each
21 finalized placement under the new program.

22 Sec. 460. (1) Beginning October 1, 2007, from the funds
23 appropriated in part 1 of 2007 PA 131, the department shall
24 reimburse a private child placing agency for an adoption placement
25 or finalization at the following unit rate, as applicable,
26 depending on the category into which the placement falls under

1 subsection (2):

2 (a) For basic and standard, \$2,594.00 for a placement,
3 \$1,733.00 for a finalization.

4 (b) For enhanced, \$4,068.00 for a placement, \$2,712.00 for a
5 finalization.

6 (c) For premium, \$5,404.00 for a placement, \$3,603.00 for a
7 finalization.

8 (d) For residential, \$6,240.00 for a placement, \$4,160.00 for
9 a finalization.

10 (e) For I-MARE, \$4,368.00 for a placement, \$2,912.00 for a
11 finalization.

12 (f) For MARE, \$5,819.00 for a placement, \$3,879.00 for a
13 finalization.

14 (g) For preplacement, \$1,352.00 for basic or standard,
15 \$2,704.00 for enhanced.

16 (2) The following categories shall be used to determine which
17 unit rate is applicable under subsection (1):

18 (a) The residential category shall be used for a placement
19 that involves a child who was being cared for in a residential
20 child caring institution.

21 (b) The MARE category shall be used for a placement other than
22 an interagency placement in which the private agency used the
23 Michigan adoption resource exchange photo-listing system.

24 (c) The I-MARE category shall be used for an interagency
25 placement in which the private agency used the Michigan adoption
26 resource exchange photo-listing system.

27 (d) A placement to which subdivisions (a) to (c) do not apply

1 shall be reimbursed based on the length of time between the
2 termination of parental rights or case referral and the placement
3 as follows:

4 (i) The premium category shall be used if the placement is
5 achieved less than 6 months after the termination of parental
6 rights, or after the case referral to the agency if the case was
7 referred 3 months or more after termination.

8 (ii) The enhanced category shall be used if the placement is
9 achieved 6 months or more but less than 9 months after the
10 termination of parental rights, or after the case referral to the
11 agency if the case was referred 3 months or more after termination.

12 (iii) The basic and standard category shall be used if the
13 placement is achieved 9 months or more after the termination of
14 parental rights, or after the case referral to the agency if the
15 case was referred 3 months or more after termination.

16 (3) The department shall not establish a payment category or
17 unit rate other than those in this section and shall not expend
18 funds appropriated in part 1 for a payment that does not fall
19 within a payment category or unit rate structure established in
20 this section.

21 Sec. 461. The department will implement a \$25.00 annual fee
22 pursuant to title IV-D, section 454(6)(B)(ii) of the social security
23 act, 42 USC 651. The fee shall be deducted from support collected
24 on behalf of the individual. Fee revenues shall be used to
25 administer and operate the child support program under part D of
26 title IV of the social security act.

27 Sec. 463. As a condition of receipt of federal TANF funds,

1 homeless shelters and human service agencies shall collaborate with
2 the department to obtain necessary TANF eligibility information on
3 families as soon as possible after admitting a family to the
4 homeless shelter. From the funds appropriated in part 1 for
5 homeless programs, the department is authorized to make allocations
6 of TANF funds only to the agencies that report necessary data to
7 the department for the purpose of meeting TANF eligibility
8 reporting requirements. Homeless shelters that do not report
9 necessary data to the department for the purpose of meeting TANF
10 eligibility reporting requirements will not receive reimbursements
11 which exceed the per diem amount they received in fiscal year 2000.
12 The use of TANF funds under this section should not be considered
13 an ongoing commitment of funding.

14 Sec. 464. The state supplementation level under the
15 supplemental security income program for the personal care/adult
16 foster care and home for the aged categories shall not be reduced
17 below the level in effect on October 1, 2006. The legislature shall
18 be notified not less than 30 days before any proposed reduction in
19 the state supplementation level.

20 **DEPARTMENT OF LABOR AND ECONOMIC GROWTH**

21 Sec. 502. (1) The amount of \$2,163,400.00 in the housing and
22 community development fund is hereby appropriated and may be
23 expended by the state housing development authority as provided in
24 sections 58c and 58d of the state housing development authority act
25 of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

26 (2) The state housing development authority shall report by

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May 1 to the senate and house standing committees on appropriations subcommittees on economic development, the senate and house fiscal agencies, and the state budget office on the status of the projects described in subsection (1), including the statewide allocation plan, the number of applicants, amounts requested, description of projects, amounts rewarded, number of housing units that have been or are projected to be created, and income levels of the households that have been or are projected to be served.

DEPARTMENT OF NATURAL RESOURCES

Sec. 560. The appropriation in part 1 for the St. Jean public boat launch shall be provided to the city of Detroit to make necessary improvements to the Vaughn-Reid marine launching park, including the installation of a floating dock, dredging to remove material impeding boater access, and on-site fencing.

DEPARTMENT OF TRANSPORTATION

Sec. 572. For the fiscal year ending September 30, 2008, there is appropriated from the state general fund \$6,500,000.00 to the transportation economic development fund created in section 2 of 1987 PA 231, MCL 247.902.

DEPARTMENT OF TREASURY

<<Sec. 601. It is the intent of the legislature that the department of treasury implement a cigarette stamping program utilizing new digital stamping technology.>>

MICHIGAN STRATEGIC FUND

Sec. 610. (1) The appropriation in part 1 of 2007 PA 127 to the fund for the economic development job training program is focused on skills businesses need to compete in the twenty-first

1 century. The purpose of this program is to develop a specific
2 skill, identified for a particular business that assists that
3 company to compete in the global economy and to create or retain
4 high-paying jobs for Michigan residents.

5 (2) Not more than \$800,000.00 of the total appropriation in
6 part 1 may be expended for administrative costs by the fund. Not
7 more than 10% of the total grant award may be expended by a
8 recipient for administration costs.

9 (3) No funds appropriated in part 1 of 2007 PA 127 to the fund
10 for the economic development job training program grants may be
11 expended for the training of permanent striker replacement workers,
12 unless a strike exceeds 3 years and good faith negotiations are
13 ongoing.

14 (4) Of the total funds appropriated in part 1 of 2007 PA 127
15 for the economic development job training program grants,
16 \$4,500,000.00 of the funds shall be awarded to community colleges
17 or a consortium of community colleges and other eligible applicants
18 pursuant to subsection (5). Remaining funds may be awarded to any
19 of the entities listed in subsection (5) or businesses which create
20 at least 100 new jobs at a single location in a period not to
21 exceed 2 years from the date of the grant award.

22 (5) An applicant may be a school district, intermediate school
23 district, community college, public or private nonprofit college or
24 university, nonprofit organization whose primary purpose is to
25 provide education programs or employment and training services or
26 vocational rehabilitation programs or school-to-work transition
27 programs, local workforce development board, the headquarters of a

1 federal and state-sponsored manufacturing technology center, or a
2 consortium consisting of any combination of school districts,
3 intermediate school districts, community colleges, nonprofit
4 organizations described in this subsection, or public or private
5 nonprofit colleges or universities described in this subsection or
6 businesses which meet the criteria set in subsection (4).

7 (6) On or before October 1, the fund shall publish proposed
8 application criteria, instructions, and forms for use by eligible
9 applicants. The fund shall provide at least a 2-week period for
10 public comment prior to finalization of the application criteria,
11 instructions, and forms.

12 (7) The award process will include a simple notice of intent
13 to be reviewed to see if the application merits further
14 consideration. If so, a full application may be submitted.

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

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

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

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

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

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

27 (8) Priority in the fund's awarding of grants shall be based

1 on the following criteria:

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

3 (b) Creation and/or retention of high wage and high skilled
4 level jobs within a predetermined time period. For grants to
5 businesses permitted under subsection (4), if the business does not
6 create or retain the number of jobs specified within the
7 predetermined time period, the business shall reimburse the state
8 for the amount of the grant equal to the percentage difference
9 between the number of jobs the business committed to create or
10 retain and the number actually created or retained. The number of
11 jobs created and retained will be verified by the business via
12 audit after the training is completed.

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

14 (9) Participants in the economic development job training
15 program shall be 16 years or older and not enrolled and counted in
16 membership in a school district, intermediate school district, or
17 community college, or any other program funded with state funding.
18 Any training provider that receives state appropriated funds shall
19 not include in the enrollment data reported for determining state
20 aid any student credit hours or student contact hours for a student
21 who is a participant in the economic development job training
22 program. Exclusions of these students is intended to avoid payment
23 of state aid for the same individuals for whom training costs are
24 paid for through the economic development job training program.

25 (10) A recipient of a grant under this section shall not
26 charge tuition or fees to participants in the program funded by the
27 economic development job training program grant. However, a

1 nonprofit organization may charge tuition or fees if the tuition
2 plan or fees are recognized by the state and the nonprofit
3 organization receives additional funding from other governmental or
4 private funding sources for its programs.

5 (11) For training delivered to incumbent workers, the business
6 receiving the benefit of the training shall provide a minimum of
7 30% of the program costs in matching funds as necessitated by the
8 program.

9 (12) Grant funds shall be expended on a cost reimbursement
10 basis.

11 (13) A recipient of a grant under this section shall allow the
12 fund or the agency's designee to audit all records related to the
13 grant for all entities that receive money, either directly or
14 indirectly through a contract, from the grant funds. A grant
15 recipient or contractor shall reimburse the state for all
16 disallowances found in the audit. Costs disallowed under subsection
17 (8)(b) based on the employer job creation and retention
18 requirements are not the same as the training costs that are
19 disallowed in this subsection.

20 (14) The fund shall provide to the state budget director and
21 the fiscal agencies by November 1 of each year a report on the
22 economic development job training program grants. The report shall
23 provide this information for each grant or contract awarded during
24 the preceding full fiscal year. The report shall contain all of the
25 following:

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

27 (b) The number of participants under each grant or contract

1 and the number of new hires who are in training under the grant.

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

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

6 (15) As a condition of receiving funds under part 1 of 2007 PA
7 127, the fund shall not expend any of the economic development job
8 training program funds to train any employee who is an officer of a
9 corporation in a corporation employing more than 250 employees.

10 (16) The Michigan strategic fund shall allocate \$500,000.00
11 for aeronautics certification grants as described in this
12 subsection. The grants shall be funded from the appropriation in
13 part 1 for economic development job training grants or work project
14 funds available for the defense contract coordination center, or
15 both. The Michigan strategic fund shall report to the senate and
16 house subcommittees on general government, the fiscal agencies, and
17 the state budget office by January 15, 2008 on the sources of
18 funding for this program. \$500,000.00 shall be allocated for the
19 following purposes:

20 (a) \$250,000.00 shall be allocated for aeronautics
21 certification grants to assist manufacturers in becoming certified
22 for aerospace manufacturing. Priority shall be given to ISO or TS
23 certified companies that are members of a state of Michigan
24 nonprofit, tax-exempt aerospace manufacturers association and have
25 received a request for quotes or request for proposal from an
26 aerospace company. Grant awards of up to \$10,000.00 shall be given
27 to a qualifying company seeking such certification. As used in this

1 section, "ISO" means international organization for standardization
2 and "TS" means technical specification.

3 (b) \$250,000.00 shall be provided to the Michigan aerospace
4 manufacturers association, a nonprofit, tax-exempt, aerospace-based
5 manufacturing association. Funding shall be used for organizational
6 assistance and to advance and promote the aerospace manufacturing
7 community in the state of Michigan within the global economy.

8 Sec. 613. From the funds appropriated in part 1 of 2007 PA 127
9 to the 21st century jobs fund program, \$1,400,000.00 shall be
10 granted by the Michigan strategic fund board to the Michigan small
11 business and technology development centers to be used for the
12 small business technology transfer or small business innovation
13 research grant or loan matching programs. These funds shall only be
14 used to provide the required match. Grants or loans under this
15 section shall not exceed 25% of the federal funds and must leverage
16 third-party commercialization funding at both the phase I and phase
17 II levels.

18 **REPEALER**

19 Sec. 701. The following sections are repealed:

20 (a) Sections 1002 and 1024 of 2007 PA 127.

21 (b) Sections 566, 573, 609, 615, 643, and 723 of 2007 PA 131.