

**Summary: Executive Budget Recommendation
for Fiscal Year 2023-24
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**



Analyst: Viola Bay Wild

	FY 2022-23 Year-to-Date as of 2/8/23	FY 2023-24 Executive	Difference: FY 2023-24 vs. FY 2022-23	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	1,459,595,000	1,168,548,800	(291,046,200)	(19.9)
Local	10,700,000	10,700,000	0	0.0
Private	12,430,700	12,539,200	108,500	0.9
Restricted	265,920,600	848,294,100	582,373,500	219.0
GF/GP	2,940,839,900	832,376,000	(2,108,463,900)	(71.7)
Gross	\$4,689,486,200	\$2,872,458,100	(\$1,817,028,100)	(38.7)
FTEs	2,593.9	2,622.9	29.0	1.1

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Labor and Economic Opportunity (LEO) engages in economic development; community growth and development; affordable housing; tourism; job creation, retention, and training; and workforce development and preparedness. LEO includes the Michigan Strategic Fund (MSF)/Michigan Economic Development Corporation (MEDC), Bureau of Employment Relations, Bureau of Services for Blind Persons, Michigan Occupational Safety & Health Administration (MIOSHA), Workforce Development, Michigan Rehabilitation Services, Office of Global Michigan, Unemployment Insurance Agency (UIA), Workers' Disability Compensation Agency, State Land Bank, and Michigan State Housing Development Authority (MSHDA).

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 YTD (as of 2/9/22)	Executive Change from YTD
WORKFORCE DEVELOPMENT			
1. Michigan Reconnect Grant Program	Gross	\$55,000,000	\$10,212,200
Includes \$10.2 million GF/GP to reflect current cost estimates of program.	GF/GP	\$55,000,000	\$10,212,200
2. At-Risk Youth Grants	Gross	\$4,750,000	\$1,250,000
Includes an increase of \$1.3 million GF/GP for Jobs for Michigan Graduates program.	GF/GP	\$4,750,000	\$1,250,000
3. MiSTEM Advisory Council	FTE	0.0	3.0
Includes an increase of \$448,000 GF/GP and authorization for 3.0 FTE positions for MiSTEM Advisory Council.	Gross	\$300,000	\$448,000
	GF/GP	\$300,000	\$448,000
4. Tri-Share Child Care Program	Gross	\$2,500,000	\$900,000
Includes an increase of \$900,000 GF/GP and boilerplate language in Sec. 1059 that would allow funding to be allocated for new hubs, as long as existing hubs receive needed support.	GF/GP	\$2,500,000	\$900,000
5. Workforce Development Programs Federal Grants	Gross	NA	\$3,540,600
Includes \$3.5 million federal funding for 2 grant programs: \$1.0 million for Michigan Career Opportunity Academies (MiCOACH) to recruit and train workers from eligible communities for behavioral health careers and \$2.5 million for a Michigan Citizen Reentry Initiative (MiCRI) pilot program to expand support and training services at a federal corrections facility and 4 residential reentry centers to support successful prisoner reentry.	Federal	NA	3,540,600
	GF/GP	NA	\$0

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 YTD (as of 2/9/22)	Executive Change from YTD
6. Workforce Development Programs	Gross	NA	\$1,500,000
Includes \$1.5 million federal funding to realign program funding with actual expenditures.	Federal	NA	1,500,000
	GF/GP	NA	\$0
MICHIGAN REHABILITATION SERVICES			
7. Michigan Rehabilitation Services	Gross	\$138,061,300	\$1,500,000
Adds \$1.5 million GF/GP for state matching funds required to receive available federal funding.	Federal	112,085,100	0
	Local	5,300,000	0
	Private	521,500	0
	Restricted	188,300	0
	GF/GP	\$19,966,400	\$1,500,000
EMPLOYMENT SERVICES			
8. Michigan Occupational Safety and Health Administration (MIOSHA)	FTE	197.0	4.0
	Gross	\$31,272,400	\$4,777,800
Includes \$4.8 million Gross (\$1.5 million GF/GP) and authorization for 4.0 FTE positions to recognize available federal funding, to provide state matching funds required to receive federal funding, and to support additional staff.	Federal	12,915,200	2,389,000
	Restricted	18,357,200	860,000
	GF/GP	\$0	\$1,528,800
9. Wage and Hour Program	FTE	29.0	2.0
	Gross	\$4,208,900	\$250,000
Includes \$250,000 restricted funding and authorization for 2.0 FTE positions to support additional staff to respond to employer and worker inquiries on wage issues.	Restricted	4,208,900	250,000
	GF/GP	\$0	\$0
COMMISSIONS			
10. Michigan Community Service Commission	FTE	14.0	0.0
	Gross	\$12,013,500	\$7,320,100
Includes \$7.3 million federal and private funding to support the AmeriCorps program.	Federal	10,826,000	7,274,200
	Private	204,100	45,900
	GF/GP	\$983,400	\$0
11. Michigan Women's Commission	FTE	2.0	0.0
	Gross	\$1,473,600	\$62,000
Includes \$62,000 GF/GP increase for operations of the Michigan Women's Commission.	Federal	100,000	0
	Private	1,000,000	0
	GF/GP	\$373,600	\$62,000
STRATEGIC OUTREACH AND ATTRACTION RESERVE			
12. Strategic Outreach and Attraction Reserve (SOAR) Fund	Gross	NA	\$500,000,200
Recognizes \$500.0 million Gross for SOAR to be used to attract business projects and expansions to the state. Allocation to SOAR was proposed in HB 4001, but has yet to take effect. Includes \$100 restricted funding for the Michigan Strategic Site Readiness Program and \$100 restricted funding for the Strategic Outreach and Attraction Reserve Fund.	Restricted	NA	500,000,200
	GF/GP	NA	\$0
MICHIGAN STRATEGIC FUND			
13. Pure Michigan	Gross	\$40,000,000	(\$15,000,000)
Eliminates \$15.0 million federal State Fiscal Recovery Fund for Pure Michigan program.	Federal	15,000,000	(15,000,000)
	Local	5,000,000	0
	Private	5,000,000	0
	GF/GP	\$15,000,000	\$0

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 YTD (as of 2/9/22)	Executive Change from YTD
14. Job Creation Services	FTE	174.0	0.0
Includes an increase of \$1.9 million restricted funding to recognize increased state brownfield redevelopment fund revenue collections.	Gross	\$28,917,200	\$1,825,000
	Federal	4,673,300	0
	Private	200,000	0
	Restricted	6,160,600	1,825,000
	GF/GP	\$17,883,300	\$0
15. Michigan Defense Center Program	Gross	NA	\$5,000,000
Includes \$5.0 million GF/GP to support the defense and homeland security industry in the state.	GF/GP	NA	\$5,000,000
16. Revitalization and Placemaking Program	Gross	NA	\$50,000,000
Allocates \$50.0 million restricted funding to establish a grant program for rehabilitation of vacant, underused, and blighted structures and to help develop traditional downtown infrastructure.	Restricted	NA	50,000,000
	GF/GP	NA	\$0
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY			
17. Michigan State Housing Development Authority (MSHDA) Staffing	FTE	273.0	20.0
Includes authorization for 20.0 additional FTE positions to administer housing and rental assistance programs; additional staff would be supported with current appropriations.	Gross	\$47,601,600	\$0
	Restricted	47,601,600	0
	GF/GP	\$0	\$0
18. Michigan Housing and Community Development Program	Gross	NA	\$50,000,000
Allocates \$50.0 million restricted funding to expand access to affordable housing and support the revitalization of downtown areas.	Restricted	NA	50,000,000
	GF/GP	NA	\$0
ONE-TIME APPROPRIATIONS			
19. Arsenal of Innovation – Defense Industry Funding	Gross	NA	\$2,000,000
Includes \$2.0 million GF/GP one-time funding for new arsenal of innovation program to support research and development of defense industry mobility programs and technologies.	GF/GP	NA	\$2,000,000
20. Child Savings Accounts	Gross	NA	\$10,000,000
Includes \$10.0 million GF/GP one-time funding for additional child savings account pilot programs.	GF/GP	NA	\$10,000,000
21. College Success Fund	Gross	NA	\$25,000,000
Includes \$25.0 million GF/GP one-time funding for competitive grants to higher education institutions to adopt national best practices to help improve student retention and completion rates.	GF/GP	NA	\$25,000,000
22. Community Downtown Economic Development Program	Gross	NA	\$100,000,000
Includes \$100.0 million GF/GP one-time funding for a competitive grant program to support community development and placemaking projects in downtown areas.	GF/GP	NA	\$100,000,000
23. Digital Workforce Development	Gross	NA	\$4,900,000
Includes \$4.9 million GF/GP one-time funding to develop a digital platform to provide career exploration and skill development and to connect potential employees with employers in the platform through intermediate school districts.	GF/GP	NA	\$4,900,000
24. Focus: Hope	Gross	NA	\$1,000,000
Includes \$1.0 million GF/GP one-time funding for Focus: Hope to support workforce and youth development programs.	GF/GP	NA	\$1,000,000
25. Insulin Affordability and Manufacturing Attraction	Gross	NA	\$150,000,000
Includes \$150.0 million GF/GP one-time funding to attract manufacturing facilities to produce low-cost interchangeable biosimilar insulin or other insulin products to help lower the costs of insulin in the state.	GF/GP	NA	\$150,000,000

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations	FY 2022-23 YTD (as of 2/9/22)		Executive Change from YTD
26. Michigan Regional Empowerment Program Includes \$200.0 million GF/GP one-time funding for competitive grant program for regional economic development projects that would support the growth and development of regional economies.	Gross GF/GP	NA NA	\$200,000,000 \$200,000,000
27. Outdoor Recreation Business Development Includes \$10.0 million GF/GP one-time funding to support outdoor recreation businesses, including outdoor retailers, supply companies, and service providers.	Gross GF/GP	NA NA	\$10,000,000 \$10,000,000
28. Student Wraparound Services and Basic Needs Supports Includes \$30.0 million GF/GP one-time funding for public colleges and universities and tribal colleges for wraparound services to provide support to students and help improve graduation and completion rates.	Gross GF/GP	NA NA	\$30,000,000 \$30,000,000
29. Talent Retention and Expansion Includes \$20.0 million GF/GP one-time funding for employer-led collaboratives to help meet the talent needs of businesses and develop targeted solutions to talent shortages.	Gross GF/GP	NA NA	\$20,000,000 \$20,000,000
30. Workers' Disability Compensation Agency Includes \$1.2 million GF/GP one-time funding for operations of the Workers' Disability Compensation Agency to replace declining restricted revenues.	Gross GF/GP	NA NA	\$1,200,000 \$1,200,000
31. Other Technical Adjustments Includes an increase of \$979,400 Gross (\$0 GF/GP) for technical adjustments.	Gross Federal Private Restricted GF/GP	NA NA NA NA NA	\$979,400 924,500 50,000 4,900 \$0
32. Removal of FY 2022-23 One-Time Appropriations Removes funding for the following one-time appropriations:	Gross		
<ul style="list-style-type: none"> • \$251.5 million GF/GP – Economic Development and Workforce Grants • \$212.8 million GF/GP – Michigan Infrastructure Grants • \$205.3 million GF/GP – Michigan Enhancement Grants • \$130.0 million GF/GP – Electric Vehicle Teaching, Training, and Development Center • \$100.0 million GF/GP – Academic Research Building • \$100.0 million GF/GP – Cancer Institute Project • \$75.0 million GF/GP – Blight Elimination Program • \$75.0 million GF/GP – Michigan Community Development Financial Institution Fund Grants • \$50.0 million federal – ARP – Nonprofit Relief Grants • \$2.0 million GF/GP – Arts and Cultural Program • \$1.0 million GF/GP – Focus: Hope • \$1.0 million GF/GP – Seawall Project • \$750,000 federal – State Historic Preservation Office Grant Program • \$700,000 GF/GP – Office of Global Michigan Language Access Plans. 	Federal GF/GP	50,750,000 \$1,154,274,500	(\$1,205,024,500) (50,750,000) (\$1,154,274,500)
33. Removal of FY 2022-23 Supplemental Funding Removes FY 2022-23 funding from the following supplemental acts:	Gross		
<ul style="list-style-type: none"> • 2022 PA 194 - \$916.1 million Gross (\$896.1 million GF/GP) • 2023 PA 1 - \$873.0 million Gross (\$633.0 million GF/GP). 	Federal Restricted GF/GP	240,000,000 20,000,200 \$1,529,140,000	(\$1,789,140,200) (240,000,000) (20,000,200) (\$1,529,140,000)

<u>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</u>	<u>FY 2022-23 YTD (as of 2/9/22)</u>	<u>Executive Change from YTD</u>	
34. Economic Adjustments	Gross	NA	(\$1,528,700)
Reflects reduced costs of \$1.5 million Gross (\$50,400 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	(924,500)
	Private	NA	12,600
	Restricted	NA	(566,400)
	GF/GP	NA	(\$50,400)

Major Boilerplate Changes from FY 2022-23

GENERAL SECTIONS

Sec. 206. Disciplinary Action Against State Employees – DELETED

Prohibits departments from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law.

Sec. 210. Legislative Contingency Transfer Authorization – REVISED

Allows for the legislative transfer process to increase federal authorization by up to \$15.0 million, state restricted authorization by up to \$5.0 million, local authorization by up to \$1.0 million, and private authorization by up to \$1.0 million. Revises to increase maximum amounts of contingency authorizations for federal to \$30.0 million, state restricted to \$510.0 million, local to \$2.0 million, and private to \$5.0 million.

Sec. 211. Transparency Website – DELETED

Requires departments and agencies to provide data necessary for DTMB to maintain a searchable website that is accessible by public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates.

Sec. 211. Access to State and Local Services – NEW

Prohibits appropriations from being used to restrict or interfere with actions related to diversity, equity, and inclusion, to restrict or impede community access to government programs, or restrict an individual's ability to exercise the right to reproductive freedom; requires local governments to report on actions that attempt to restrict duties of local health officers.

Sec. 212. State Restricted Funds Report – DELETED

Requires departments, agencies, and state budget office to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures.

Sec. 213. Performance Metrics Website – DELETED

Requires departments and agencies to maintain a publicly accessible website that identifies and tracks its performance against key metrics used to monitor and improve its performance.

Sec. ~~215~~ 206. Businesses in Deprived and Depressed Communities – REVISED

Requires directors of each department and agency to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts. Revises to replace "deprived and depressed communities" with "geographically disadvantaged business enterprises".

Sec. 216. FTE Vacancies and Remote Work Report – REVISED

Requires departments and agencies to provide quarterly report on FTE counts by classification and actual FTE position counts compared to authorized FTE position counts; requires report on number of employees engaged in remote work, number of employees authorized to work remotely, and actual number working remotely, estimated net cost savings from remote work, and reduced use of office space associated with remote work. Revises to delete all reporting requirements except for a comparison of FTE positions authorized and positions filled.

Sec. 217. Work Project Expenditures – DELETED

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures.

Sec. 218. State Administrative Board Transfers – DELETED

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds.

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations

Sec. 219. Receipt and Retention of Required Reports – DELETED

Requires departments and agencies to receive and retain copies of all reports funded from appropriations in part 1; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes department to electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. Reporting Requirement on Policy Changes – DELETED

Requires departments and agencies to report on policy changes made in order to implement enacted legislation.

Sec. 221. Fund Sourcing Priorities – DELETED

Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure.

Sec. 222. Severance Pay Report – DELETED

Requires departments and agencies to report name and any amount of severance pay given to high-ranking department officials; requires department and agencies to maintain an internet site and post severance pay in excess of 6 weeks of wages for former employees; requires department and agencies to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines “severance pay”.

Sec. 223. In-Person Work for State Workforce – DELETED

States intent of legislature to maximize efficiency of state workforce and, where possible, prioritize in-person work; requires each department and agency to post its in-person, remote, or hybrid work policy on its website.

Sec. 224. Purchase of Ownership Interest in a Casino – DELETED

Prohibits use of appropriations to purchase an ownership interest in a casino enterprise or gambling operation.

Sec. 225. Prohibitions on State Employer COVID-19 Vaccine Status Verifications – DELETED

Prohibits various state government entities from requiring proof of COVID-19 vaccination as condition of accessing state services or facilities, producing COVID-19 vaccine passports, developing, or making existing databases public, accessing individuals COVID-19 vaccine status, and requiring proof of receiving COVID-19 vaccine as condition of employment; prohibits state entities from subjecting an individual to negative consequences because of COVID-19 vaccine status; allows an individual to provide proof of COVID-19 vaccine status with consent; exempts certain individuals from federally mandated vaccine policies.

Sec. 235. Federal Funding Contingency Plan – DELETED

Requires the state budget director, in consultation with the appropriate department, to recommend a contingency plan for a federal funding reduction of 10% or more to a federal funding source of \$10.0 million or more.

Sec. 240. New Program Metrics – DELETED

Requires state budget office to provide a list of new programs and program enhancements that exceed \$500,000; requires identified programs to use program-specific measuring metrics in addition to the metrics required under Section 447 of the Management and Budget Act; requires report on metrics and performance progress of identified programs by September 30 of the following fiscal year; expresses legislative intent that future program funding increases be based on prior performance.

Sec. 983. Broadband Bonding Prohibition – DELETED

Prohibits LEO, the Michigan Strategic Fund (MSF), and the Michigan State House Development Authority (MSHDA) from issuing or refinancing bonds or using any funds for broadband construction, expansion, repairs, or upgrades.

Sec. 984. SIGMA System Reporting – DELETED

Requires LEO to use SIGMA to report encumbrances and expenditures.

Sec. 989. Update of Workers’ Compensation Administrative Code – DELETED

States intent of the legislature that the workers’ compensation agency annually update R 418.10101 to R 418.101504 of the Michigan Administrative Code as required under the Worker’s Disability Compensation Act, 1969 PA 317.

Sec. 989c. Broadband-Focused Employees – DELETED

States legislative intent that all of the broadband-focused state employees be consolidated into LEO.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Sec. 990. Michigan State Housing Development Authority Annual Report – DELETED

Requires Michigan State Housing Development Authority (MSHDA) to annually present a report on the status of the authority’s housing production goals under all financing programs.

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations

STRATEGIC OUTREACH AND ATTRACTION RESERVE

Sec. 1000. Strategic Outreach and Attraction Reserve – NEW

States that the legislature finds and declares that Critical Industry Program and Michigan Strategic Site Readiness Program appropriations are for a public purpose and serve the health, safety, and general welfare of residents of the state.

MICHIGAN STRATEGIC FUND

Sec. 1004. Statutory Reporting Requirements Update – DELETED

Requires MSF to provide information included in the Michigan Strategic Fund Act annual activities report to legislature.

Sec. 1005a. Pure Michigan Appropriations – DELETED

Requires Coronavirus State Fiscal Recovery Fund and GF/GP appropriated for Pure Michigan and ARP – Pure Michigan to be appropriated for certain specified purposes; authorizes fund to contract any of the authorized activities; authorizes fund to work with local units of government, non-profit entities, and private entities on Pure Michigan promotion campaigns.

Sec. 1006. Business Incentive and Community Revitalization Grant Amendment Reporting – DELETED

Requires MSF to provide a report of prior year amendments to Michigan Business Development Program and Michigan Community Revitalization Program incentives.

Sec. 1007. Corporate Funding Reporting – DELETED

Requires MEDC/MSF to provide an activities report on programs and activities administered by the MEDC board and supported with corporate or investment revenues.

Sec. 1009. Land Purchase Provisions – DELETED

Prohibits MEDC from purchasing land or land options unless the land is in an economically distressed area or purchase is at invitation of local unit of government and economic development agency; authorizes consideration of purchases where proposed use is consistent with a regional land use plan, will result in redeveloping an economically distressed area, can be supported with existing infrastructure, and will not cause population to shift from population centers; requires a report that lists all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price if the fund purchases options on land.

Sec. 1013. Fundraising Activity – DELETED

Prohibits MEDC staff involved in fundraising from being party to grant award, incentives, or tax abatement decisions.

Sec. 1024. Business Attraction and Community Revitalization – DELETED

Requires that not less than 20% of the funds appropriated for program be used for brownfield redevelopment incentives and historic preservation incentives.

Sec. 1032. Film Tax Incentive Program Report – DELETED

Requires MSF to report on status of film incentive program and previous film tax credit program, including number of contracts signed, number of films completed, amount of tax credits, and number of jobs created.

Sec. 1041. Business Attraction and Community Revitalization Transfer of Funds – DELETED

Requires MSF to request not more than 60% of the funds appropriated for Business Attraction and Community Revitalization prior to April 1.

Sec. 1042. Business Attraction and Community Revitalization Funds Reporting – DELETED

Requires quarterly report on the amount of funds considered appropriated, pre-encumbered, encumbered, and expended; requires report to include funds previously appropriated that have lapsed back to the fund after being considered appropriated, pre-encumbered, encumbered, or expended for any reason.

Sec. 1044. Previously Authorized Tax Credit Transfer Notification – DELETED

Requires notification 30 days prior to authorizing the transfer of any previously authorized tax credit that would increase the liability to the state.

Sec. 1055. Jobs for Michigan Investment Fund – NEW

Appropriates and allows expenditure of the Jobs for Michigan Investment Fund for the purposes authorized in the Michigan Strategic Fund Act; authorizes funding to be spent after notification to the state budget director and relevant legislative subcommittees.

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations

Sec. 1056. Michigan Defense Center Program – NEW

Requires that funding be used to support the defense and homeland security industry in the state; allows funding to be used to help businesses identify federal defense contract opportunities, provide technical assistance for bidding contracts, and strengthen business' cybersecurity compliance.

Sec. 1057. Revitalization and Placemaking Program – NEW

Requires that funding be expended for projects as described in section 696 of the Income Tax Act of 1967.

EMPLOYMENT SERVICES

Sec. 1057. MIOSHA Records – DELETED

Requires MIOSHA to maintain physical or virtual records of notes and documents in accordance with the state's record retention policies for cases in which an employer was issued a citation or fine for a violation of the Michigan Occupational Safety and Health Act.

WORKFORCE DEVELOPMENT AND UNEMPLOYMENT

Sec. 1059. Tri-Share Child Care Program – REVISED

Requires \$2.5 million of funding to be used to continue the Tri-Share Child Care program; requires funds to be used to fund existing child care facilitator hubs; requires facilitators to be a nonprofit, limited liability company, C-corporation, S-Corporation, or a sole proprietor; caps administration costs at \$100,000. Revises to allow funding of new child care facilitator hubs provided that existing hubs receive sufficient support; requires new hubs to increase the number of participating counties or serve statewide employers; caps administration costs at \$200,000.

Sec. 1069. Healthy Michigan Work Requirement Assistance – DELETED

Authorizes funds appropriated for Workforce Development Program to be used for employment and training-related services and to assist Healthy Michigan plan recipients to secure and maintain training and employment; authorizes funds to be used to hire additional department field staff to educate impacted Healthy Michigan Plan recipients on requirements and available services, make referrals, assess and address barriers to employment, and manage other caseload-related impacts; requires quarterly report.

Sec. 1079. Interagency Agreement for TANF Funds – DELETED

Requires LEO to provide reporting on the interagency agreement with DHHS for use of TANF funds; requires report on use of TANF funds by LEO.

Sec. 1080. Unemployment Insurance Agency Federal Funding – NEW

Appropriates funding earned or authorized by the USDOL in addition to part 1 authorization and allows department to expend funding for staffing and related expenses after notification to the state budget director and relevant legislative subcommittees of purpose and amount of each grant award.

COMMISSIONS

Sec. 1090. Ethnic Affairs Commissions Reporting – DELETED

Requires Office of Global Michigan to coordinate with three ethnic affairs commissions to produce report detailing commissions' activities.

Sec. 1091. Ethnic Affairs Commissions' Spending – DELETED

Requires expenditure of appropriated funds by the commissions to directly relate to mission statements.

ONE-TIME APPROPRIATIONS

Sec. 1093. Regional Empowerment Program – NEW

Requires funding to be used to support regional economies by creating a competitive grant program to leverage investments that correlate to local or regional economic plans; requires department and MSF to develop program guidelines and determine eligibility for program; requires applicants to be one or more local governmental units and to meet other listed eligibility requirements; requires eligible projects to include at least a 20 percent local cost share; requires quarterly reports.

Sec. 1094. Community Downtown Economic Development – NEW

Requires funding to be used for competitive grant program to local community partners for redevelopment, placemaking, climate resilient infrastructure, housing, or other infrastructure to support economic development in community areas that are densely populated and centers of a community; requires grants to be used for projects in commercial cores; requires MSF and the department to develop program guidelines; requires eligibility criteria to include that applicants are local units of governments; authorizes eligible projects to be part of existing strategic plans and strategies; requires grant funds to be allocated to each of the 10 prosperity regions and projects to include at least a 20 percent local cost share for communities over 15,000 or 10 percent local cost share for communities under 15,000; requires quarterly reports.

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations

Sec. 1096. Talent Retention and Expansion Program – NEW

Requires funding to be used to support creation of jobs in key industries; authorizes funding to be used for developing employer-led collaboratives and training and activities proposed by the collaborative to address workforce needs.

Sec. 1097. Arsenal of Innovation – Defense Industry Funding – NEW

Requires funding to be used for competitive awards to support new mobility defense technologies, testing of new technologies, or new defense systems that support mobility and electrification.

Sec. 1098. Outdoor Recreation Business Development – NEW

Requires funding to be used by MSF to support outdoor recreation industry, including outdoor retailers, outdoor recreation supply base companies, or outdoor recreation service providers, and to attract and leverage venture capital for outdoor recreation industry.

Sec. 1099. Child Savings Accounts – NEW

Requires funding to be expended to support child savings accounts in partnership with philanthropic and nonprofit organizations; authorizes funding to be expended for grants to eligible organizations, new pilot programs to seed accounts or provide matching grants for family contributions, and for outreach, education and marketing.

Sec. 1100. Digital Workforce Development – NEW

Requires funding to be used for a single digital platform for career exploration and skill development to connect prospective employees with employers; requires platform to be made available to intermediate school districts and employers and to include a library of virtual reality content for skill development and education, career exploration tools, and a tool to connect employers with certain students.

Sec. 1101. Student Wraparound Services and Basic Needs Supports – NEW

Requires funding to be used to work with public colleges and universities and tribal colleges to develop and implement strategies for improving graduation and completion rates; authorizes grants to be awarded for specific programs, such as public assistance benefit screening, emergency housing, child care, food pantries, emergency grants to student, mental health supports, and re-enrollment support; designates unexpended funds as a work project appropriation.

Sec. 1102. College Success Fund – NEW

Requires funding to be used for competitive grants to public community colleges and universities and tribal colleges to improve graduation and completion rates; requires each institution to include an evaluation plan.

Sec. 1103. Insulin Affordability and Manufacturing Attraction – NEW

Requires funding to be used to help make insulin more affordable; requires MSF, in coordination with DHHS and DIFS, to work with partners to pursue the development of a novel low-cost interchangeable biosimilar insulin or other insulin product for distribution, the establishment of a manufacturing facility for these products, and any agreement that will reduce cost of insulin to consumers; prohibits more than \$25.0 million from being expended on the development of insulin products; requires state commitment to the distribution of such products to be proportional to commitments of other similar entities involved.

<u>Supplemental Recommendations for FY 2022-23 Appropriations</u>	<u>FY 2022-23 Recommendation</u>	
1. Tri-Share Child Care Program	Gross	\$0
Unappropriates and reappropriates funding for the Tri-Share Child Care program in order to revise boilerplate language to allow funding to be allocated for new hubs, as long as existing hubs receive needed support.	GF/GP	\$0
2. Workforce Development Programs	Gross	\$7,485,200
Includes \$7.5 million federal funding for workforce development programs, including MiCOACH program, MiCRI initiative, and Michigan Incarcerated Veterans In-Reach Program (MIVIP) which provides incarcerated veterans with employment services.	Federal	7,485,200
	GF/GP	\$0
3. Wage and Hour Outreach and Education Program	FTE	2.0
Includes \$1.8 million Gross (\$1.5 million GF/GP) and authorization for 2.0 FTE positions for an education and outreach program to workers and employers concerning minimum wage and other employment laws.	Gross	\$1,750,000
	Restricted	250,000
	GF/GP	\$1,500,000
4. Michigan Community Service Commission	Gross	\$7,274,200
Includes \$7.3 million federal funding to support AmeriCorps program.	Federal	7,274,200
	GF/GP	\$0

<u>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</u>	<u>FY 2022-23 YTD (as of 2/9/22)</u>	<u>Executive Change from YTD</u>
5. Strategic Outreach and Attraction Reserve (SOAR) Fund Recognizes \$500.0 million restricted funding for SOAR to be used to attract business projects and expansions to the state. Allocation to SOAR was proposed in HB 4001, but has yet to take effect.	Gross Restricted GF/GP	\$500,000,000 500,000,000 \$0
6. Revitalization and Placemaking Program Allocates \$50.0 million restricted funding for grant program for rehabilitation of vacant, underused, and blighted structures and to help develop traditional downtown place-based infrastructure.	Gross Restricted GF/GP	\$50,000,000 50,000,000 \$0
7. Michigan Housing and Community Development Program - MSHDA Allocates \$50.0 million restricted funding to expand access to affordable housing and support revitalization of downtown areas.	Gross Restricted GF/GP	\$50,000,000 50,000,000 \$0
8. Global Epicenter of Mobility - Detroit Includes \$5.0 million federal funding for Office of Future Mobility and Electrification to support mobility industry.	Gross Federal GF/GP	\$5,000,000 5,000,000 \$0
9. Office of Global Michigan Includes \$7.0 million federal funding for services to specific Ukrainian populations and other non-Ukrainian individuals.	Gross Federal GF/GP	\$7,000,000 7,000,000 \$0
10. State Digital Equity Planning Grant Includes \$1.3 million federal funding to develop a state digital equity plan to qualify for additional federal funding.	Gross Federal GF/GP	\$1,328,000 1,328,000 \$0
11. Community Development Block Grant – Disaster Recovery Appropriates \$7.9 million federal Disaster Recovery funding to help mid-Michigan address the severe storms of June 2021.	Gross Federal GF/GP	\$7,864,000 7,864,000 \$0
12. Special Events and National Convention Attraction Includes \$10.0 million GF/GP to be used to promote Michigan as a destination for special events such as national conventions, conferences, or major sporting events.	Gross GF/GP	\$10,000,000 \$10,000,000
13. ARP – Electric Vehicle (EV) Charging Infrastructure Includes \$65.0 million federal Coronavirus State Fiscal Recovery Fund to expand access to EV charging stations.	Gross Federal GF/GP	\$65,000,000 65,000,000 \$0
14. ARP – Going Pro Includes \$35.0 million federal Coronavirus State Fiscal Recovery Fund to further expand employer training grants.	Gross Federal GF/GP	\$35,000,000 35,000,000 \$0
15. ARP – Michigan Reconnect Expansion to 21 Includes \$140.0 million federal Coronavirus State Fiscal Recovery Fund to temporarily expand program to eligible students over 21 years old whose education was interrupted by the pandemic.	Gross Federal GF/GP	\$140,000,000 140,000,000 \$0
16. ARP – Reconnect Bachelor's Degree Pathway Includes \$75.0 million federal Coronavirus State Fiscal Recovery Fund to help eligible students whose college career was interrupted by the pandemic to provide a way to earn a bachelor's degree.	Gross Federal GF/GP	\$75,000,000 75,000,000 \$0
17. ARP – Michigan Main Street Recovery Initiative Includes \$135.0 million federal Coronavirus State Fiscal Recovery Fund for grants to small businesses affected by the pandemic.	Gross Federal GF/GP	\$135,000,000 135,000,000 \$0
18. ARP – Pure Michigan Includes \$15.0 million federal Coronavirus State Fiscal Recovery Fund for Pure Michigan.	Gross Federal GF/GP	\$15,000,000 15,000,000 \$0
19. ARP – Retraining and Retooling Fund Includes \$35.0 million federal Coronavirus State Fiscal Recovery Fund to provide small manufacturers with matching grants, technical assistance, and support for helping workers earn credentials.	Gross Federal GF/GP	\$35,000,000 35,000,000 \$0

<u>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</u>	<u>FY 2022-23 YTD (as of 2/9/22)</u>	<u>Executive Change from YTD</u>
20. ARP – Migratory Agriculture Worker Housing	Gross	\$15,000,000
Includes \$15.0 million federal Coronavirus State Fiscal Recovery Fund for housing needs for migratory workers in food and agriculture industry.	Federal	15,000,000
	GF/GP	\$0
21. ARP – Attainable Homeownership and Apprenticeship Program	Gross	\$10,000,000
Includes \$10.0 million federal Coronavirus State Fiscal Recovery Fund for program to help individuals acquire, renovate, and sell properties in land banks; requires paid apprentices on each renovation site.	Federal	10,000,000
	GF/GP	\$0
22. ARP – EDA Statewide Planning Grant	Gross	\$1,000,000
Includes \$1.0 million federal funding to recognize a federal grant for statewide planning efforts to support economic development, increase competitiveness, support efforts concerning climate changes, and recover from the pandemic; funding would support the creation of Michigan Regional Resiliency Program.	Federal	1,000,000
	GF/GP	\$0