

**Summary: Executive Budget Recommendation
for Fiscal Year 2025-26
LABOR AND ECONOMIC OPPORTUNITY**



Analyst: Marcus Coffin

| | FY 2024-25 | FY 2025-26 | Difference: FY 2025-26 | |
|--------------|------------------------------|------------------------|------------------------|---------------|
| | Year-to-Date as of 2/5/25 | Executive | Amount | % |
| IDG/IDT | \$0 | \$0 | \$0 | -- |
| Federal | 1,191,165,800 | 1,227,473,300 | 36,307,500 | 3.0 |
| Local | 10,700,000 | 10,700,000 | 0 | 0.0 |
| Private | 12,584,600 | 12,588,200 | 3,600 | 0.0 |
| Restricted | 413,774,700 | 312,373,900 | (101,400,800) | (24.5) |
| GF/GP | 793,569,400 | 322,996,700 | (470,572,700) | (59.3) |
| Gross | \$2,421,794,500 | \$1,886,132,100 | (\$535,662,400) | (22.1) |
| FTEs | 2,671.5 | 2,684.5 | 13.0 | 0.5 |

Note: 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, and retention, 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 Authority, and Michigan State Housing Development Authority (MSHDA).

| Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations | FY 2024-25 YTD (as of 2/5/25) | Executive Change from YTD |
|---|--|--|
| 1. Revitalization and Placemaking Removal | Gross \$50,000,000 | (\$50,000,000) |
| Removes \$50.0 million of state restricted funding that was appropriated for the Revitalization and Placemaking Program to reflect the sunset of the program's funding source, which is a \$50.0 million earmark from Corporate Income Tax revenue that was authorized under 2023 PA 4 for Fiscal Years 2022-23, 2023-24, and 2024-25. The Revitalization and Placemaking Program provides access to gap financing for place-based infrastructure development, real estate rehabilitation and development, and public space improvements. | Restricted 50,000,000 | (50,000,000) |
| | GF/GP \$0 | \$0 |
| 2. Pre-Employment Transition Services Expansion | Gross NA | \$40,375,600 |
| Includes \$40.4 million Gross (\$8.4 million GF/GP) to expand pre-employment transition services provided to students with disabilities through the Bureau of Services for Blind Persons and Michigan Rehabilitation Services. Specifically, the funding would be used to increase efforts to serve students with disabilities by offering services that would include concentrated academic remediation, specialized tutoring, and enrollment into career and technical training or college. | Federal NA | 31,984,700 |
| | GF/GP NA | \$8,390,900 |
| 3. Employer Assisted Housing Financing Program | Gross \$0 | \$25,000,000 |
| Includes \$25.0 million GF/GP (one-time) to support an Employer Assisted Housing Financing Program, which would allow MSHDA to provide up to a 1:1 match on employer investments for the creation of local workforce housing opportunities. Eligible households would have to be below 120% of the area median income and housing opportunities would include housing acquisition, rental housing, down payment assistance, and housing rehabilitation. | GF/GP \$0 | \$25,000,000 |

| <u>Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations</u> | <u>FY 2024-25 YTD (as of 2/5/25)</u> | <u>Executive Change from YTD</u> | |
|--|---|---|---------------------|
| 4. Statewide Apprenticeship Expansion | Gross | \$0 | \$19,000,000 |
| Includes \$19.0 million GF/GP (one-time) to expand available apprenticeship opportunities, to assist citizens with obtaining industry credentials recognized by the U.S. Department of Labor, and to support registered apprenticeship expansion across Michigan. Funding would be distributed to registered apprenticeship sponsors, employers, and apprentices in both traditional and non-traditional industries. | GF/GP | \$0 | \$19,000,000 |
| 5. Growth Programming and Initiatives | Gross | \$0 | \$10,000,000 |
| Includes \$10.0 million GF/GP (one-time) for programs to support community growth, engagement efforts to advance Michigan's growth, and strategies to support talent attraction and retention. Funding would support programming offered by the Michigan Growth Office and other programs to implement the Growing Michigan Together Council's blueprint for growth. | GF/GP | \$0 | \$10,000,000 |
| 6. Small Business Support Hubs | Gross | \$0 | \$10,000,000 |
| Includes \$10.0 million GF/GP (one-time) to continue the Small Business Support Hubs program, supporting a statewide network of small business entrepreneurial support hubs. The funding would be used to offer grants to small business support organizations for incubators, accelerators, networking and mentorship programming, and other entrepreneurial support initiatives. | GF/GP | \$0 | \$10,000,000 |
| 7. Talent Action Teams | Gross | \$0 | \$10,000,000 |
| Includes \$10.0 million GF/GP (one-time) to continue the activities of the Talent Action Teams (TATs) program. The TATs provide customized talent solutions to employers in strategic industries, including electric vehicles, semiconductors, and aerospace/defense. Talent solutions include personnel recruitment, curriculum development, internships, incumbent worker training, career exploration, and veteran recruitment. | GF/GP | \$0 | \$10,000,000 |
| 8. Barrier Removal and Employment Success | Gross | \$0 | \$7,500,000 |
| Includes \$7.5 million GF/GP (one-time) to support a program that would seek to remove employment barriers for low-income and asset limited, income constrained, employed (ALICE) individuals by providing supportive services in areas including transportation, childcare, clothing, tools for work, legal services, and other needs. | GF/GP | \$0 | \$7,500,000 |
| 9. Michigan Rehabilitation Services Federal Award and State Match | Gross | NA | \$9,217,800 |
| Includes \$9.2 million Gross (\$2.0 million GF/GP) to provide the requisite state match and to align federal funding authorization to enable Michigan Rehabilitation Services to receive an anticipated federal grant award from the U.S. Department of Education, which would be used to expand vocational rehabilitation services. | Federal | NA | 7,254,400 |
| | GF/GP | NA | \$1,963,400 |
| | | | |
| 10. Michigan Rehabilitation Services Federal Authorization | Gross | NA | \$5,391,000 |
| Includes \$5.4 million of federal funding authorization to allow Michigan Rehabilitation Services to receive \$5.4 million from the U.S. Department of Education. This federal funding would be used to support an IT project to acquire a modern content management system that would have the capability to create accurate federal reports. | Federal | NA | 5,391,000 |
| | GF/GP | NA | \$0 |
| | | | |

| Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations | | FY 2024-25 YTD (as of 2/5/25) | Executive Change from YTD |
|---|--------------|--|--|
| 11. State Brownfield Redevelopment Fund | Gross | \$3,002,100 | \$4,000,000 |
| Includes an additional \$4.0 million of state restricted funding authorization from the State Brownfield Redevelopment Fund for the Job Creation Services line item, which supports activities of the MSF. Under the Brownfield Redevelopment Financing Act, 1996 PA 381, up to 15% of amounts annually deposited to the State Brownfield Redevelopment Fund may be used by the MSF and the Department of Environment, Great Lakes, and Energy for implementing the Brownfield Redevelopment Financing Act and Part 196 of the Natural Resources and Environmental Protection Act. | Restricted | 3,002,100 | 4,000,000 |
| | GF/GP | \$0 | \$0 |
| 12. First Responder Presumed Coverage Claims | Gross | \$4,000,000 | \$2,500,000 |
| Includes an additional \$2.5 million of state restricted funding authorization from the Christopher R. Slezak First Responder Presumed Coverage Fund (FRPCF) to adequately cover claims costs for wage loss and medical care expenses paid to eligible first responders. Legislation enacted in 2021, specifically 2021 PA 117 and 2021 PA 129, expanded both the population of first responders who are eligible to make claims through the program and the types of cancer that qualify for reimbursement. The executive recommendation also proposes statutory changes to increase allocations made to the FRPCF from the Internet Gaming Fund and the Internet Sports Betting Fund. | Restricted | 4,000,000 | 2,500,000 |
| | GF/GP | \$0 | \$0 |
| 13. Wage and Hour Program | FTE | 33.0 | 10.0 |
| Includes an additional \$1.5 million GF/GP and authorization for 10.0 FTE positions to onboard additional staff for the Wage and Hour Program. The additional staff would engage with employees and employers on workplace operations related to pay, benefits, and youth employment and would include 7 regulation agents, 2 analysts, and 1 regulation supervisor. | Gross | \$4,555,000 | \$1,500,000 |
| | Restricted | 4,555,000 | 0 |
| | GF/GP | \$0 | \$1,500,000 |
| 14. Arts and Cultural Program | Gross | \$1,250,000 | (\$1,250,000) |
| Removes \$1.3 million GF/GP of specific Arts and Cultural Program award allocations. Of the removed amount, \$250,000 is for the Michigan Traditional Arts Program and \$1.0 million is for the Concert of Colors. | GF/GP | \$1,250,000 | (\$1,250,000) |
| | | | |
| 15. Volunteer Income Tax Assistance Grants | Gross | \$1,000,000 | (\$1,000,000) |
| Removes \$1.0 million GF/GP that supports a volunteer income tax assistance grants program for tax preparation services. | GF/GP | \$1,000,000 | (\$1,000,000) |
| | | | |
| 16. Personal Assistance Services Reimbursement for Employment Program (PASREP) | Gross | \$400,000 | (\$400,000) |
| Removes \$400,000 GF/GP for administration of PASREP, which reimburses eligible persons with disabilities for personal assistance costs incurred to gain or maintain employment. | GF/GP | \$400,000 | (\$400,000) |
| | | | |
| 17. Office of Rural Prosperity FTE Authorization Increase | FTE | 1.0 | 3.0 |
| Increases authorization in the Michigan Office of Rural Prosperity line item by 3.0 FTE positions. The additional authorization would be used to onboard a program and partnership manager, a grant administration specialist, and a community resource specialist. Funding for the positions would come from existing resources and funding authorization discussed under item 18. | Gross | \$697,400 | \$0 |
| | GF/GP | \$697,400 | \$0 |

| <u>Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations</u> | FY 2024-25 YTD (as of 2/5/25) | Executive Change from YTD | |
|--|--|--|------------------------|
| 18. Technical Adjustments | Gross | NA | (\$565,200) |
| Includes numerous internal transfers to reflect funding allocations and technical adjustments to align fund sources with anticipated revenues. These technical adjustments include the following: | Federal | NA | (459,700) |
| | Restricted | NA | (105,500) |
| | GF/GP | NA | \$0 |
| <ul style="list-style-type: none"> • Transfers \$100,000 of private funding authorization from the Workforce Development line item to the Michigan Office of Rural Prosperity line item and provides an additional \$1.5 million of federal funding authorization for the Michigan Office of Rural Prosperity line item to reflect current fund sources supporting the program. • Includes an additional \$294,000 of state restricted funding authorization from Corporation Fees in the MIOSHA line item to align with increased expenditures for services provided by the Michigan Office of Administrative Hearings and Rules in LARA. • Transfers \$300,000 of private funding authorization from the Workforce Development line item to the Prosperity line item. • Transfers \$592,800 of federal funding and \$160,500 GF/GP from the Michigan Community Service Commission and the Michigan Rehabilitation Services line items to the Information Technology Services and Projects line item. • Aligns federal funding authorization from 11 sources and state restricted funding authorization from 7 sources across 11 line items. | | | |
| 19. Removal of FY 2024-25 One-Time Appropriations | Gross | \$638,812,000 | (\$636,812,000) |
| Removes \$636.8 million Gross (\$562.8 million GF/GP) of one-time funding that was included in the FY 2024-25 budget. Funding for 58 of the 60 FY 2024-25 one-time programs and grants would be eliminated, and the Office of Rural Prosperity Grants line item would be reduced by \$1.5 million GF/GP. Funding for the Focus: HOPE program would be retained at \$1.0 million GF/GP. | Federal | 14,000,000 | (14,000,000) |
| | Restricted | 60,000,000 | (60,000,000) |
| | GF/GP | \$564,812,000 | (\$562,812,000) |
| 20. Economic Adjustments | Gross | NA | \$9,880,400 |
| Reflects a net increase in costs of \$9.9 million Gross (\$1.5 million GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, overtime costs, insurances, workers' compensation, building occupancy charges, food, fuel, and utilities, and other economic adjustments. | Federal | NA | 6,137,100 |
| | Private | NA | 3,600 |
| | Restricted | NA | 2,204,700 |
| | GF/GP | NA | \$1,535,000 |

Major Boilerplate Changes from FY 2024-25

GENERAL SECTIONS

Sec. 206. Disciplinary Action Against State Employees – DELETED

Prohibits LEO from taking disciplinary action against employees for communicating with legislators or their staff, unless the communication is prohibited by law.

Sec. 210. Contingency Authorization – REVISED

Appropriates up to \$30.0 million in federal, \$560.0 million in state restricted, \$2.0 million in local, and \$11.0 million in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises state restricted contingency authorization to \$715.0 million.

Sec. 212. Restricted Funds Report – DELETED

Requires LEO to work with SBO to report on estimated restricted fund revenues, expenditures, and fund balances for the previous two fiscal years.

Sec. 216. Retention of Reports – DELETED

Requires LEO to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention.

Major Boilerplate Changes from FY 2024-25

Sec. 217. Report on Policy Changes for Public Act Implementation – DELETED

Requires LEO to report on policy changes made to implement public acts that took effect during the previous calendar year.

Sec. 218. Work Project Usage – DELETED

Stipulates that appropriations are not to be expended, if possible, until all existing work project authorization for the same purpose is exhausted.

Sec. 221. State Fiscal Recovery Fund (SFRF) – DELETED

Requires state budget director to ensure all SFRF revenue is expended by December 31, 2026; authorizes state budget director to reallocate appropriated funds for the purpose of fully expending funds; requires all guidance, implementation, and reporting provisions of federal law to be followed; requires state budget director to notify appropriations committees of reallocations made; authorizes state budget director and state departments to make accounting transactions necessary to implement reallocation.

Sec. 222. Single Recipient Grants – DELETED

Requires grant funding intended for a single recipient organization or local government to be used for a program or project that is for a public purpose; requires department to follow state procurement statutes, including bidding requirements; authorizes SBO to compile and submit reports; lists eligibility requirements to receive grant funding; provides timeframes for receiving and expending grant funding; requires information on grants/projects to be posted on a public website, including receiving entity and grant sponsor; requires reports.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Sec. 301. General Fund Prioritization – DELETED

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

Sec. 303. SIGMA System Reporting – DELETED

Requires LEO to use SIGMA to report encumbrances and expenditures.

Sec. 304. Private Grant Funded Projects – REVISED

Authorizes appropriation of private grant revenues, subject to a limitation of \$1.5 million; requires LEO to report on fund source, purpose, and amount of the grant within 10 days of receipt. Executive revises to remove the \$1.5 million appropriation cap.

Sec. 305. Informational, Training, and Special Events Revenues and Expenditures – REVISED

Authorizes LEO to charge registration fees for events sponsored by LEO; requires fees to reflect costs of sponsoring events; appropriates revenue generated by fees for sponsorship costs; authorizes excess revenue to be carried forward; limits appropriation to \$500,000. Executive revises to remove the \$500,000 appropriation cap.

STRATEGIC OUTREACH AND ATTRACTION RESERVE

Sec. 351. Strategic Outreach and Attraction Reserve Appropriation – DELETED

Appropriates up to \$500.0 million of restricted funding from the SOAR fund; requires funds to support activities under the Michigan Strategic Fund Act, after transfer; requires funding not restricted, obligated, or committed at fiscal year close to lapse to the general fund.

Sec. 352. Critical Industry Program and Michigan Strategic Site Readiness Program – DELETED

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

Sec. 353. SOAR Program: CIP and MSSRP Expenditures – DELETED

States legislative intent that CIP and MSSRP funding be expended to maximize job creation, grow wages, support existing businesses, attract new business development, and include community support and equity; states legislative intent that the MSF prioritize specific conditions when expending funds, including claw-back provisions if jobs are not retained for 5 years, locating projects in qualified census tracts or communities that have unemployment rates higher than state average, first-source hiring provisions, community benefits agreements, and agreements that qualified business offer specific employee services.

Major Boilerplate Changes from FY 2024-25

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Sec. 401. Michigan State Housing Development Authority Annual Report – DELETED

Requires MSHDA to annually present a report on the status of the authority's housing production goals under all financing programs; prohibits MSHDA from restricting eligibility for housing units without a permanent foundation unless it is a federal restriction for program; requires report on production goals, including efforts to raise affordable housing goals, program summaries, status of goal progress, and program utilization explanations.

Sec. 403. Transition and Supportive Housing – DELETED

Requires that at least 2.0 FTEs work with MDHHS on transition and supportive housing to support the transition to permanent housing.

MICHIGAN STRATEGIC FUND

Sec. 503. Pure Michigan Appropriation – REVISED

(1) Requires Pure Michigan appropriations to be used for specified purposes and allows up to 4.25% of the appropriation to be used for administration; (2) authorizes MSF to contract any authorized activities; (3) authorizes MSF to work with local units of government, non-profit entities, and private entities on Pure Michigan promotion campaigns; (4) requires a report on utilization of funds for eligible activities; (5) requires Pure Michigan appropriations to be used to market Michigan as a travel and tourist destination with the sole purpose of attracting new visitors and retaining former visitors; (6) requires funds appropriated for Pure Michigan to be used exclusively for marketing Michigan as a travel and tourist destination and prohibits MEDC from using funds to sponsor or support non-tourism incentives and campaigns. Executive revises to remove the 4.25% cap under item (1), to extend a reporting deadline, and to delete items (5) and (6).

Sec. 506. Business Incentive and Community Revitalization Project Amendments Report – DELETED

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

Sec. 507. MEDC Reporting – DELETED

Requires MEDC/MSF to report information on MEDC's budget, including expenditures and revenues, FTE numbers, activities, programs, grants, and subprograms funded with the Business Attraction and Community Revitalization line item.

Sec. 508. MSF Interlocal Agreements – DELETED

Requires interlocal agreements entered by MSF and local units of government to contain language stating that if the local unit has a contract or memorandum of understanding with a private economic development agency, the MEDC will work cooperatively with the private corporation.

Sec. 509. Land Options and Purchases – DELETED

Prohibits MEDC from purchasing land or land options unless the land is in an economically distressed area, the purchase is at invitation of local unit of government and economic development agency, or the land is obtained from the State Land Bank Authority or a local land bank authority; 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 land or options for land.

Sec. 513. MEDC Staff Fundraising Activities – DELETED

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

Sec. 514. Business Attraction and Community Revitalization Allocation – DELETED

Requires not less than 20% of funds appropriated for the program to be granted for brownfield redevelopment and historic preservation projects under the Community Revitalization Program.

Sec. 515. Film Incentives Reporting – DELETED

Requires MSF to report on the status of film incentives and specifies information to be included in the report, with requirements for both tax credits and loans; requires MSF to report on activities of the Michigan Film and Digital Media Office; specifies that the report must include a listing of all projects that received assistance from the office, a listing of services provided for each project, and an estimate of the investment leveraged.

Major Boilerplate Changes from FY 2024-25

Sec. 517. Arts and Cultural Grant Program – REVISED

(1) Requires Michigan Arts and Culture Council to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires council to publish application criteria; authorizes council to charge a non-refundable application fee, appropriated for expenses necessary to administer the programs; requires a report to the legislature on awards; (2) allows up to 3% of the arts and cultural appropriation to be expended for program administration; (3) requires \$250,000 from the arts and cultural program appropriation to be awarded to the Michigan Traditional Arts Program at Michigan State University; (4) requires \$1.0 million from the arts and cultural program appropriation to be awarded to Concert of Colors. Executive revises to delete items (2), (3), and (4).

Sec. 519. Business Attraction and Community Revitalization Quarterly Reporting – DELETED

Requires quarterly reporting 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. 521. 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. 525. Job Creation Services Report – DELETED

Requires LEO to provide a report that includes expenditures by division and program unit within the job creation services line item; requires report to contain detailed information on expenditures and programs within the State Historic Preservation Office.

Sec. 527. Revitalization and Placemaking Program Expenditures – REVISED

Requires Revitalization and Placemaking Program appropriation to be expended for projects as described in section 696 of the Income Tax Act of 1967. Executive revises to include language appropriating any interest and earnings from the Revitalization and Placemaking Fund to the Revitalization and Placemaking Program to support activities described in section 696 of the Income Tax Act of 1967.

Sec. 528. Revitalization and Placemaking Program – DELETED

(1) Requires Revitalization and Placemaking Program appropriation to be deposited in accordance with section 695 of the Income Tax Act of 1967 and allocates \$25.0 million of the appropriation for administering the Revitalization and Placemaking Program, with the remainder allocated for the Michigan Talent Partnership Program; (2) requires Michigan Talent Partnership Program to be used to implement transformational public space development projects and to leverage coordination through local talent plans, also establishes criteria that qualified plan proposals must include; (3) declares that the Revitalization and Placemaking Program appropriation is for a public purpose; (4) outlines permitted actions LEO may take to implement the program; (5) requires LEO to allocate program funding through local talent plans from eligible applicants; (6) requires eligible applicants to be a consortium of entities, requires consortium applicants to appoint a lead applicant to serve as a fiduciary and project manager, establishes other consortium requirements, and requires applicants to provide at least 50% local or private match funds to be considered for a grant; (7) requires approved talent plans to include certain specified activities; (8) establishes additional criteria that approved local plans must satisfy; (9) allows LEO to establish a state agency workgroup to support implementation; (10) allows LEO to retain up to 3% of funds for implementation costs and allows LEO to contract with nonprofit research organizations or public education institutions; (11) specifies LEO communication responsibilities during development and implementation; (12) establishes criteria that LEO must use when evaluating applications and selecting grant recipients; (13) requires LEO to award \$18.0 million to 1 project in Detroit, Grand Rapids, Lansing, and Ann Arbor, and \$7.0 million, less implementation costs, to projects in regional prosperity zones that meet requirements; (14) requires LEO to publish approved plans and funding allocations and allows LEO to approve subsequent funding rounds if funds are available; (15) outlines oversight mechanisms and requires claw-back provisions; (16) requires biannual updates on the program; (17) designates unexpended funds as a work project appropriation.

EMPLOYMENT SERVICES

Sec. 601. Wage and Hour Program Investigations – REVISED

Requires LEO to conduct investigations of child labor violations and wage theft from workers. Executive revises to require LEO to engage with employers and employees to enhance education and outreach in accordance with the Youth Employment Standards Act, Payment of Wages and Fringe Benefits Act, Improved Workforce Opportunity Wage Act, Earned Sick Time Act, Human Trafficking Notification Act, and Prevailing Wage on State Projects Act.

Major Boilerplate Changes from FY 2024-25

Sec. 602. First Responder Presumed Coverage Fund – NEW

Appropriates all funds necessary from the Slezak First Responder Presumed Coverage Fund to pay approved first responder presumed coverage claims and administrative costs; requires LEO to provide a report to the Michigan Gaming Control Board, the Department of Treasury, and the State Budget Office that includes the total of all approved claims and administrative costs.

WORKFORCE DEVELOPMENT

Sec. 705. Going Pro Program Reporting – REVISED

(1) Requires LEO to publish biannual data and reports concerning the status of Going Pro, including number of awardees participating, funding information, training models established, and utilization metrics; (2) requires LEO to expand workforce training and reemployment services to better connect workers to in-demand jobs and identify specific outcomes and performance metrics for the initiative; (3) requires LEO to report on recommendations for enhanced reporting on training outcomes associated with the Going Pro Talent Fund. Executive revises to adjust reporting dates and information and to delete item (3).

Sec. 713. Interagency Job Readiness TANF Funding – DELETED

Requires LEO to provide reporting on the interagency agreement with MDHHS for the use of TANF funds to provide job readiness and welfare-to-work programming; requires report containing various metrics regarding referrals to Michigan Works! job readiness programs.

Sec. 716. Volunteer Income Tax Assistance Grants – DELETED

Requires LEO to allocate funds to a nonprofit trade association to provide free tax preparation services for tax filers, expanded statewide access to free tax preparation services, expanded local capacity to provide free tax preparation services; allows for up to 5% of the appropriation to be used for administration costs.

Sec. 717. Office of Rural Prosperity – NEW

Requires the Office of Rural Prosperity to collaborate with MDARD on the Rural Development Fund grant program.

REHABILITATION SERVICES

Sec. 902. Michigan Rehabilitation Services Report – DELETED

Requires annual report on efforts taken to improve MRS; specifies information that must be included in the report.

Sec. 905. Independent Living – REVISED

(1) Requires that funds appropriated for Independent Living be used to support Centers for Independent Living in various capacities that include serving underserved areas and building capacity, and establishes requirements for applications, use of funds, and service provision; (2) requires LEO to provide a report on direct customer and system outcomes and performance measures; (3) designates unexpended GF/GP as a work project appropriation. Executive revises to delete item (3).

Sec. 906. Personal Assistance Services Reimbursement for Employment Program – DELETED

Requires LEO to allocate PASREP appropriations to support administration of the program; allows MRS to work collaboratively with service organizations to administer the program; requires annual reporting on PASREP.

COMMISSIONS

Sec. 951. Commissions Reporting and Expenditures – DELETED

Requires the Office of Global Michigan to coordinate with any affiliated commissions to produce a report detailing commission activities, including interaction volumes, activity descriptions, and programmatic costs; requires an expenditure of appropriated funds by a commission to directly relate to the mission statement of that commission.

ONE-TIME APPROPRIATIONS

Sec. 1001-1011, 1013-1031, and 1033-1054. One-Time Boilerplate Sections – DELETED

Stipulates how 58 different FY 2024-25 one-time appropriations are to be used and allocated.

Sec. 1003. Employer Assisted Housing Financing Program – NEW

Allocates funds to MSHDA for the purpose of incentivizing employers to create local workforce housing opportunities (housing acquisition, rental housing, down payment assistance, and rehabilitation) by providing up to a 1:1 match on employer investments; stipulates that eligible households must be below 120% of the area median income; requires MSHDA to develop and post program guidelines and eligibility criteria; requires efforts be made to ensure a broad geographic distribution of funds to urban and rural communities.

Major Boilerplate Changes from FY 2024-25

Sec. 1004. Talent Action Teams – NEW

Requires funds to be used for operation of the talent action teams fast track system; requires MSF to collaborate with higher education institutions, community colleges, Michigan Works! Agencies, private training providers, nonprofits, state agencies, and units of local government on providing services that include talent recruitment, workforce training, and scholarships and other resources; allows LEO to retain up to 3% of the appropriation for administration.

Sec. 1005. Growth Programming and Initiatives – NEW

Allows funds to be used for growth programs and activities that include programs and pilots to support growth in communities across Michigan, engagement efforts to advance Michigan’s growth, and strategies to support talent attraction and retention; allows LEO to retain up to 3% of the appropriation for administration.

Sec. 1006. Barrier Removal and Employment Success – NEW

Requires funds to be used to provide supportive services to low-income, poor, and working poor citizens in Michigan to address and remove barriers preventing them from taking or staying in a job; allows LEO to retain up to 3% of the appropriation for administration.

Sec. 1007. Statewide Apprenticeship Expansion – NEW

Requires funds to be used for expanding available apprenticeship opportunities, assisting individuals with obtaining industry credentials recognized by the U.S. Department of Labor, and supporting registered apprenticeship program expansion efforts; allows LEO to retain up to 3% of the appropriation for administration; requires LEO to provide a report on the number of active, new, and completing registered apprentices served under the program.

Sec. 1008. Small Business Support Hubs – NEW

Requires funds to be used by the MSF for continued support of small businesses statewide; allows funds to be used for grants to small business support organizations for incubators, accelerators, networking and mentorship programming, and other entrepreneurial support initiatives; allows MSF to retain up to 3% of the appropriation for administration.

| | | <u>FY 2024-25 Recommendation</u> |
|---|--------------|---|
| <i>1. Community Development Block Grant – Disaster Recovery</i> | | |
| Includes \$43.6 million of federal funding authorization to allow for the expenditure of a special allocation of Community Development Block Grant Disaster Recovery funds that were received to address severe storms that affected Southeast and Central Michigan in August 2023. | Gross | \$43,570,000 |
| | Federal | 43,570,000 |
| | GF/GP | \$0 |
| <i>2. Transmission Siting and Economic Development Program</i> | | |
| Includes \$35.8 million of federal funding authorization to allow for the expenditure of a grant received from the U.S. Department of Energy, that would support apprenticeship programs, home weatherization, and workforce training programs in communities in Branch and Calhoun Counties. | Gross | \$35,800,000 |
| | Federal | 35,800,000 |
| | GF/GP | \$0 |
| <i>3. Community and Worker Economic Transition Office</i> | | |
| Includes \$22.7 million of federal funding authorization to allow the Community and Worker Economic Transition Office to utilize grant funding from the U.S. Department of Energy to issue grants to small- and medium-sized auto suppliers that are experiencing an industry transition. | Gross | \$22,653,100 |
| | Federal | 22,653,100 |
| | GF/GP | \$0 |
| <i>4. Michigan Rehabilitation Services</i> | | |
| Includes \$9.5 million of federal funding authorization to allow for the expenditure of Michigan Rehabilitation Services’ receipt of a one-time multi-year grant award from the U.S. Department of Education that is focused on career development and job placement of individuals with disabilities. | Gross | \$9,467,300 |
| | Federal | 9,467,300 |
| | GF/GP | \$0 |
| <i>5. First Responder Presumed Coverage Fund</i> | | |
| Includes \$2.5 million of state restricted funding authorization from the Slezak First Responder Presumed Coverage Fund to align funding authorization with projected FY 2024-25 benefit payments, which cover wage loss and medical care expenses for eligible first responders who are diagnosed with specific types of cancer. | Gross | \$2,500,000 |
| | Restricted | 2,500,000 |
| | GF/GP | \$0 |

Supplemental Recommendations for FY 2024-25 Appropriations

**FY 2024-25
Recommendation**

6. Office of Rural Prosperity

Includes \$350,000 of federal funding authorization to allow the Michigan Office of Rural Prosperity to expend two grants received from the U.S. Department of Agriculture, both of which will support the development of community facilities projects.

| | |
|--------------|------------------|
| Gross | \$350,000 |
| Federal | 350,000 |
| GF/GP | \$0 |