

## HOUSE OF REPRESENTATIVES

# COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON LABOR, ECONOMIC DEVELOPMENT, AND LIFELONG LEARNING

REP. WILL SNYDER CHAIR

## **COMMITTEE MEETING MINUTES**

Thursday, April 25, 2024

9:00 AM

Room 308, House Office Building

The House Appropriations Subcommittee on Labor, Economic Development, and Lifelong Learning was called to order by Chair Snyder.

The Chair requested attendance be called:

Present: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney,

VanWoerkom, Meerman, Beson, Alexander.

Absent: None. Excused: None.

Representative Martus moved to adopt the meeting minutes from April 18, 2024. There being no objection, the motion prevailed by unanimous consent.

The Chair laid HB 5501 before the committee:

HB 5501 (Rep. Snyder)

A bill to make appropriations for the department of lifelong education, advancement, and potential for the fiscal year ending September 30, 2025; and to provide for the expenditure of the appropriations.

Representative Martus moved to adopt substitute (H-1) to HB 5501. The motion prevailed 10-0-0:

#### FAVORABLE ROLL CALL

Yeas: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, VanWoerkom, Meerman, Beson, Alexander.

Nays: None. Pass: None.

Chair Snyder recognized Perry Zielak, House Fiscal Agency Senior Fiscal Analyst, and Noel Benson, House Fiscal Agency Fiscal Analyst, who provided an overview of the contents of House Bill 5501 (H-1). Questions and discussion followed.

Representative VanWoerkom offered the following amendment to HB 5501 (H-1):

1. Amend page 3, line 13, after "71.0" by striking out "\$14,564,600" and inserting "\$13,564,600" and adjusting the subtotals, totals, and section 201 accordingly.

Representative VanWoerkom moved to adopt the amendment to HB 5501 (H-1). The motion did not prevail 4-7-0:

#### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative VanWoerkom offered the following amendment to HB 5501 (H-1):

1. Amend page 4, following line 16, by inserting:

Child care facility construction grant program

1,000,000

2. Amend page 4, line 19, after "\$" by striking out "2,100,000" and inserting "3,100,000" and adjusting the subtotals, totals, and section 201 accordingly.

Representative VanWoerkom moved to adopt the amendment to HB 5501 (H-1). The motion did not prevail 4-7-0:

#### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative VanWoerkom offered the following amendment to HB 5501 (H-1):

- 1. Amend page 24, following line 11, by inserting:
- "Sec. 1103. (1) From the funds appropriated in part 1 for the Child Care Facility Construction Grant, the department shall implement a grant program to provide businesses or community organizations with grants to assist with the construction of the new child care facility.
- (2) Grant eligible projects must include the construction of a new facility and may not be used for the renovation of an existing child care facility.
- (3) Entities must be affiliated with the Tri-Share program at the time of application in order to be eligible to receive grant funding.".

Representative VanWoerkom moved to adopt the amendment to HB 5501 (H-1). The motion did not prevail 4-7-0:

### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative Alexander offered the following amendment to HB 5501 (H-1):

1. Amend page 21 following line 11, by inserting:

"Sec. 1016. The department shall provide an annual report to the house and senate subcommittees on labor, economic development, and lifelong learning, the standard report recipients. This report shall include, but is not limited to, the following:

- (a) The current number of families and children served by the program.
- (b) The current economic makeup of families served by the program.
- (c) The current number of openings in the program.
- (d) The estimated maximum capacity of the program to take on new participants and still be able to achieve the mission and goals of the program.".

Representative Alexander moved to adopt the amendment to HB 5501 (H-1). The motion did not prevail 4-7-0:

#### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

The following people submitted a card in support of HB 5501 (H-1), but did not wish to speak:

Jay Lyon, representing Swipe Out Hunger.

Wes Kim, representing the Food and Nutrition Association.

Sami Velia, representing the Refugee Club.

Olivia Heath, representing United for Latino Success.

Spencer Good, representing the Spartan Food Security Council.

Adam Cupples, representing an MSU Student.

Rylan Smith, representing Michigan State University Students.

Lydia Jendretzke, representing a Michigan State University Student.

Jacob Brody, representing an MSU Student.

Delaney Grant, representing an MSU Student.

Madison Mogg, representing MSU Students.

Representative Martus moved to refer House Bill No. 5501 to the Committee on Appropriations, with recommendation as substitute (H-1). The motion prevailed 7-0-4:

### FAVORABLE ROLL CALL

Yeas: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Nays: None.

Pass: Reps. VanWoerkom, Meerman, Beson, Alexander.

The Chair laid HB 5502 before the committee:

HB 5502 (Rep. Snyder)

A bill to make appropriations for the department of labor and economic opportunity for the fiscal year ending September 30, 2025; and to provide for the expenditure of the appropriations.

Representative Martus moved to adopt substitute (H-1) to HB 5502. The motion prevailed 11-0-0:

#### FAVORABLE ROLL CALL

Yeas: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney,

VanWoerkom, Meerman, Beson, Alexander.

Nays: None.

Pass: None.

Chair Snyder recognized Marcus Coffin, House Fiscal Agency Senior Fiscal Analyst, who provided an overview of the contents of House Bill 5502 (H-1). Questions and discussion followed.

Chair Snyder offered comments on HB 5501 (H-1) and HB 5502 (H-1).

Chair Snyder offered the following amendment to HB 5502 (H-1):

1. Amend page 51, line 8, by striking out all of lines 8 through 15 and renumbering the remaining sections accordingly.

Chair Snyder moved to adopt the amendment to HB 5502 (H-1). The motion prevailed 7-0-4:

#### FAVORABLE ROLL CALL

Yeas: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Nays: None.

Pass: Reps. VanWoerkom, Meerman, Beson, Alexander.

Representative VanWoerkom offered the following amendment to HB 5502 (H-1):

- 1. Amend page 41, following line 4, by inserting:
- "Sec. 529. (1) From the funds appropriated in part 1, the MEDC shall issue a report not later than December 31, outlining the MEDC's current processes for ensuring that there is accountability and transparency in the use of state grant funds.
- (2) The MEDC shall conduct an audit of expenses for any grant recipient that incurs expenditures of \$200,000.00 or more in a fiscal quarter.
- (3) If the Michigan Strategic Fund finds that any of the grant expenditures made by a grant recipient are inappropriate or unlawful during the course of an audit described under subsection (2), the fund shall refer the recipient to the department of attorney general for further investigation and the fund shall freeze any state grant funds available to the grant recipient until all investigations are completed.".

Representative VanWoerkom moved to adopt the amendment to HB 5502 (H-1). The motion did not prevail 4-7-0:

### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative Meerman offered the following amendment to HB 5502 (H-1):

- 1. Amend page 41, following line 9, by inserting:
- "Sec. 602. From the funds appropriated in part 1, the office of global Michigan shall provide a quarterly report to the standard report recipients on the newcomer rental assistance program. The report must contain all of the following information:
- (a) The total number of individuals served by the program and the number of individuals served in each county.
- (b) The number of individuals served by immigration status type.
- (c) The average length of a subsidy provided to individuals under the program and the total amount of subsidies administered through the program to date.

- (d) The number of program applications received and the number of program applications rejected, including an analysis of the reasons for rejection, broken down by rejection category.
- (e) The number of landlords participating in the program.
- (f) A detailed accounting of all funds available to the program, including, but not limited to, fund source and any restrictions placed on the appropriate use of those funds.".

Representative Meerman moved to adopt the amendment to HB 5502 (H-1). The motion did not prevail 4-7-0:

### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative Meerman offered the following amendment to HB 5502 (H-1):

1. Amend page 24, following line 15, by inserting:

"Sec. 353. As a condition of receiving funds appropriated under part 1, for any project being considered for strategic outreach and attraction reserve fund funding, the fund shall be receive a foreign entity report from the committee on foreign investment in the United States that provides a review of any foreign persons or entities that may provide foreign investments associated with a project. Additionally, not less than 30 days before approving a project that receives strategic outreach and attraction reserve fund funding, the fund must notify the speaker of the house, the house minority leader, the senate majority leader, and the senate minority leader if any person or organization affiliated with the project is affiliated with countries of concern, as defined by the United States department of state. A list of any entities that are determined to have these ties must be posted on the department's publicly available website not less than 30 days before the fund approves the project."

Representative Meerman moved to adopt the amendment to HB 5502 (H-1). The motion did not prevail 4-7-0:

### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative Alexander offered the following amendment to HB 5502 (H-1):

1. Amend page 41, following line 4, by inserting:

"Sec. 529. (1) As a condition of receiving funds appropriated under part 1, the MEDC must adopt a streamlined performance and business development services standard not later than December 31. Copies of the streamlined performance and business development services standard must be transmitted to each member of the legislature not later than January 15. (2) As used in this section, "streamlined performance and business development services standard" means a policy to combine servicing and customer assistance functions related to any program or service offered by the MEDC. At a minimum, the policy must combine points of contact and substantially similar programming, in order to limit wait times and service delays."

Representative Alexander moved to adopt the amendment to HB 5502 (H-1). The motion did not prevail 4-7-0:

#### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative VanWoerkom offered the following amendment to HB 5502 (H-1):

1. Amend page 22, following line 17, by inserting:

"Sec. 309. (1) The department and every type 1 agency under its organization shall review all programs that are established within the department and the type 1 agencies that accomplish the same or similar missions within their purview. This requirement must include metrics that include, but are not limited to, the following:

- (a) The number of individuals served by each program.
- (b) The administrative costs of each program.
- (c) The number of employees assigned to each program.
- (d) The outcomes for each program participant.
- (2) The department shall submit a report to the standard report recipients not later than December 31 that contains data for each of the metrics described in subsection (1).".

Representative VanWoerkom moved to adopt the amendment to HB 5502 (H-1). The motion did not prevail 4-7-0:

#### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative VanWoerkom offered the following amendment to HB 5502 (H-1):

1. Amend page 22, following line 17, by inserting:

"Sec. 309. The department shall provide a report to the standard report recipients that provides a comparative analysis of the state of Michigan's economy and how it has been impacted annually by economic development funding since January 1, 2021. This report must include, but is not limited to, all of the following:

- (a) An analysis of how any funds provided directly to business entities have impacted the prosperity region that the project is located in.
- (b) Return on investment of any awarded funds.
- (c) Statewide job creation statistics.
- (d) Number of in-state project applications.
- (e) Number of out-of-state project applications.".

Representative VanWoerkom moved to adopt the amendment to HB 5502 (H-1). The motion did not prevail 4-7-0:

### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative VanWoerkom offered the following amendment to HB 5502 (H-1):

1. Amend page 22, following line 17, by inserting:

"Sec. 309. For the purpose of things considered under joint rule 8, in order to be considered as part of the conference committee as a point of difference, the item must have appeared in either chambers' budget bill for the department or agency being considered for conference.".

Representative VanWoerkom moved to adopt the amendment to HB 5502 (H-1). The motion did not prevail 4-7-0:

### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative Beson offered the following amendment to HB 5502 (H-1):

- 1. Amend page 5, line 22, after "217.0" by striking out "37,474,600" and inserting "36,6333,500".
- 2. Amend page 6, line 9, after "health" by striking out "15,784,200" and inserting "15,361,800".
- 3. Amend page 6, line 13, after "fund" by striking out "959,200" and inserting "942,800".
- 4. Amend page 6, line 14, after "fees" by striking out "11,533,100" and inserting "11,398,700".
- 5. Amend page 6, line 19, after "fund" by striking out "11,499,800" and inserting "11,362,600".
- 6. Amend page 6, line 21, after "fees" by striking out "11,054,400" and inserting "10,923,700" and adjusting the subtotals, totals, and section 201 accordingly.

Representative Beson moved to adopt the amendment to HB 5502 (H-1). The motion did not prevail 4-7-0:

# UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative Alexander offered the following amendment to HB 5502 (H-1):

- 1. Amend page 9, line 13, after "Michigan" by striking out "25,000,000" and inserting "30,000,000".
- 2. Amend page 13, line 4, after "grants" by striking out "6,000,000" and inserting "1,000,000" and adjusting the subtotals, totals, and section 201 accordingly.

Representative Alexander moved to adopt the amendment to HB 5502 (H-1). The motion did not prevail 4-6-1:

### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat.

Pass: Rep. McKinney.

Representative Beson offered the following amendment to HB 5502 (H-1):

1. Amend page 56, following line 15, by inserting:

"Sec. 808. The department shall provide a report to the standard report recipients detailing any funds expended over the past 5 years for unemployment insurance benefit claims monitoring. Funds appropriated in part 1 for unemployment insurance agency must be used to support ongoing costs related to unemployment insurance benefit claims monitoring and fraud detection through the use of a third-party service that provides a proprietary identity document capture and verification solution."

Representative Beson moved to adopt the amendment to HB 5502 (H-1). The motion did not prevail 4-7-0:

### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

Representative Beson offered the following amendment to HB 5502 (H-1):

- 1. Amend page 3, line 21, after "10.0" by striking out "5,000,000" and inserting "7,000,000".
- 2. Amend page 3, line 27, by striking out all of line 27.
- 3. Amend page 54, following line 8, by inserting:

"Sec. 719. Not less than 80 percent of the funds appropriated in part 1 for community and worker economic transition office must be used for direct grants to workers displaced by the economic transitions in sectors such as, but not limited to, auto, utility, manufacturing, and building trades on workers, communities, and employers." and adjusting the subtotals, totals, and section 201 accordingly.

Representative Beson moved to adopt the amendment to HB 5502 (H-1). The motion did not prevail 4-7-0:

#### UNFAVORABLE ROLL CALL

Yeas: Reps. VanWoerkom, Meerman, Beson, Alexander.

Nays: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Pass: None.

The following person submitted a card in support of HB 5502 (H-1), but did not wish to speak:

John McNamara, representing the Michigan Restaurant and Lodging Association.

Representative Martus moved to refer House Bill No. 5502 to the Committee on Appropriations, with recommendation as substitute (H-1), as amended. The motion prevailed 7-0-4:

#### FAVORABLE ROLL CALL

Yeas: Reps. Snyder, Martus, Tyrone Carter, Liberati, Puri, Farhat, McKinney.

Nays: None.

Pass: Reps. VanWoerkom, Meerman, Beson, Alexander.

There being no further business before the subcommittee, Chair Snyder adjourned the meeting at 9:57 AM.

Representative Will Snyder, Chair

Marcus Coffin Committee Clerk mcoffin@house.mi.gov