

SENATE BILL NO. 981

August 15, 2024, Introduced by Senator CAVANAGH and referred to the Committee on Labor.

A bill to amend 1936 (Ex Sess) PA 1, entitled "Michigan employment security act," by amending sections 3, 4, 5, 5a, 5b, 6a, 8, 9, 10, and 10a (MCL 421.3, 421.4, 421.5, 421.5a, 421.5b, 421.6a, 421.8, 421.9, 421.10, and 421.10a), section 3 as amended by 2003 PA 174, section 4 as amended and section 5b as added by 2002 PA 192, section 5 as amended by 1983 PA 164, section 5a as amended by 2017 PA 227, section 6a as amended by 2011 PA 269, section 8 as amended by 1996 PA 535, section 10 as amended by 2016 PA 517, and section 10a as added by 2011 PA 268; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) The ~~bureau of worker's and unemployment~~
2 ~~compensation~~ **insurance agency** shall establish policies in
3 conformity with this act to do all of the following:

4 (a) Reduce and prevent unemployment.

5 (b) Promote the reemployment of unemployed workers throughout
6 this state in every other way that may be feasible.

7 (c) Carry on and publish the results of investigations and
8 research studies.

9 (d) Investigate, recommend, advise, and assist in the
10 establishment and operation, by municipalities, counties, school
11 districts, and this state, of reserves for public works to be used
12 in times of business depression and unemployment.

13 (2) As used in this act:

14 (a) "Bureau", "commission", ~~and "unemployment agency", and~~
15 **"unemployment insurance agency"** mean the ~~bureau of worker's and~~
16 ~~unemployment compensation~~ **insurance agency** created in ~~section~~
17 ~~5b~~ **within the department of labor and economic growth under**
18 **Executive Reorganization Order No. 2003-1, MCL 445.2011.**

19 (b) "Director" means the director of the ~~bureau of worker's~~
20 ~~and unemployment compensation~~ **insurance agency.**

21 (c) "Experience account" means an account in the unemployment
22 compensation fund showing an employer's experience with respect to
23 contribution payments and benefit charges under this act,
24 determined and recorded in the manner provided in this act. A
25 reference in this act to an employer's "experience record" or
26 "rating account" shall be construed to include reference to the
27 employer's experience account.

28 (d) "Nonchargeable benefits account" and "solvency account"

1 mean the account in the unemployment compensation fund maintained
2 as provided in section 17(2) and (3).

3 Sec. 4. (1) ~~The bureau may~~ **unemployment insurance agency shall**
4 promulgate rules and regulations that it determines necessary, and
5 ~~that are not inconsistent with~~ **to implement** this act, ~~to carry out~~
6 ~~this act.~~ **under the administrative procedures act of 1969, 1969 PA**
7 **306, MCL 24.201 to 24.328.**

8 (2) ~~The bureau shall cause to be printed for distribution to~~
9 ~~the public the text of this act, and all rules and regulations of~~
10 ~~the bureau, and~~ **unemployment insurance agency** shall make available
11 to the public ~~upon~~ **on** request statements of all informal rules or
12 criteria of decision, administrative policies, or interpretations,
13 which may be utilized ~~used~~ by the ~~bureau~~ **unemployment insurance**
14 **agency** or any of its agents or employees in any manner, **except as**
15 **provided under section 11.**

16 ~~(3) No rule or regulation shall be made or changed until after~~
17 ~~public hearing, notice of which shall first be given not less than~~
18 ~~20 days before the hearing, by publication in at least 3 newspapers~~
19 ~~of general circulation in different parts of this state, 1 of which~~
20 ~~shall be in the Upper Peninsula. Copies of proposed rules or~~
21 ~~regulations shall be furnished by the bureau upon application by~~
22 ~~any interested parties. Rules and regulations shall become~~
23 ~~effective in accordance with the administrative procedures act of~~
24 ~~1969, 1969 PA 306, MCL 24.201 to 24.328.~~

25 Sec. 5. ~~(1) The commission by affirmative vote of not less~~
26 ~~than 3 of its members shall appoint an administrative officer,~~
27 ~~hereinafter referred to as the director, who shall serve at the~~
28 ~~pleasure of the commission and shall act as secretary of the~~
29 ~~commission and shall perform other duties as shall be delegated by~~

1 ~~the commission.~~ The director shall ~~must~~ receive an annual salary as
 2 ~~established annually by the legislature and shall be~~ **is** entitled to
 3 the actual and necessary expenses incurred in the discharge of ~~his~~
 4 ~~or her~~ **the director's** official duties, to be paid from the
 5 administration fund. The director shall devote ~~his or her~~ **the**
 6 **director's** entire time to the duties of the office. The director
 7 may appoint ~~, with the approval of the commission,~~ employees and
 8 assistants as ~~shall be necessary~~ for the proper exercise of the
 9 ~~powers hereby granted,~~ **director's official duties** and subject to
 10 ~~the approval of the commission~~ may delegate to those employees or
 11 assistants the authority as ~~he or she~~ **the director** considers
 12 reasonable and necessary. Employees and assistants shall ~~must~~
 13 receive ~~their~~ actual and necessary expenses incurred in the
 14 discharge of ~~their~~ official duties. Compensation and expenses of
 15 the director, ~~and all assistants,~~ and employees shall ~~must~~ be paid
 16 from the administration fund. ~~The commission may incur expenses as~~
 17 ~~shall be required to carry out this act.~~

18 ~~(2) The commission shall arrange for a suitable bond for any~~
 19 ~~person holding moneys or signing checks or vouchers under this act.~~
 20 ~~The cost of the bond shall be paid from the administration fund~~
 21 ~~under section 10.~~

22 ~~(3) The director, in consultation with the commission, shall~~
 23 ~~appoint not to exceed 20 persons who shall be law students or other~~
 24 ~~persons who have previous experience in unemployment compensation~~
 25 ~~for the purposes of providing assistance to employers in~~
 26 ~~interpreting the provisions of this act and to represent claimants~~
 27 ~~at the referee and board of review hearing levels. Appointments~~
 28 ~~made under this subsection shall not exceed 20 full-time equivalent~~
 29 ~~positions and shall terminate April 1, 1986.~~

1 Sec. 5a. (1) ~~For calendar years beginning January 1, 1994 and~~
 2 ~~ending December 31, 1998, the~~ **The** unemployment **insurance** agency
 3 shall develop and implement a program to provide, ~~upon~~ **on** request,
 4 claimant and employer advocacy assistance or consultation. The
 5 purpose of the program is to provide information, consultation, and
 6 representation to claimants and employers ~~relating to the referee~~
 7 ~~or board of review appeal levels,~~ **in proceedings conducted by the**
 8 **Michigan office of administrative hearings and rules, the**
 9 **unemployment insurance appeals commission,** or both.

10 (2) The program must be funded from the penalty and interest
 11 account in the contingent fund. If the program does not operate or
 12 the legislature ~~fails to~~ **does not** approve a yearly appropriation
 13 for the program in an amount at least equal to the maximum yearly
 14 expenditure for the program as provided in this subsection, then
 15 the provision of section 19(a)(5) reducing the maximum
 16 nonchargeable benefits component from 1% to 1/2 of 1% is not
 17 effective for a tax year for which the appropriation is not made or
 18 in which the program does not operate. ~~For fiscal years beginning~~
 19 ~~on and after October 1, 1994, the~~ **The** maximum amount of the
 20 expenditure for the program each year must not exceed
 21 \$1,500,000.00.

22 (3) The appropriations must be used to finance all costs
 23 connected with the program. Costs related to the representation of
 24 claimants must not exceed 60% of the maximum expenditure allowed in
 25 each fiscal year, and costs related to the representation of
 26 employers must not exceed 40% of the maximum expenditure allowed in
 27 each fiscal year.

28 (4) Before an individual provides advocacy assistance services
 29 under this section, the individual must apply to the unemployment

1 **insurance** agency for approval. The unemployment **insurance** agency
 2 shall develop standards for individuals ~~providing~~ **who provide**
 3 advocacy assistance services including standards relating to
 4 knowledge of this act and the practices and procedures ~~at~~ **of** the
 5 ~~referee and board of review appeal levels.~~ **Michigan office of**
 6 **administrative hearings and rules and the unemployment insurance**
 7 **appeals commission.** An individual who is not an attorney may
 8 provide advocacy assistance services. The unemployment **insurance**
 9 agency shall develop a schedule for payment of individuals
 10 providing advocacy assistance services. Active unemployment
 11 **insurance** agency or state employees shall not provide advocacy
 12 assistance services. The only active state or unemployment
 13 **insurance** agency employees involved in the program ~~shall be~~ **are**
 14 those supervising or coordinating the program.

15 (5) The unemployment **insurance** agency may include in the
 16 program standards regarding the provision of advocacy assistance
 17 services in precedent setting cases, multiclient cases, cases
 18 without merit, or regarding other cases or factors as determined by
 19 the unemployment **insurance** agency. However, to the extent that
 20 funding is available from the appropriation under subsection (2),
 21 the unemployment **insurance** agency shall not withhold advocacy
 22 assistance services in cases involving fraud under section 54. If
 23 the unemployment **insurance** agency makes a final determination or
 24 final redetermination or an administrative law judge, the ~~Michigan~~
 25 ~~compensation appellate~~ **unemployment insurance appeals** commission,
 26 or a court makes a final order that an employer or claimant who
 27 received advocacy assistant services committed fraud under section
 28 54, the unemployment **insurance** agency shall make an effort to
 29 recover from the employer or claimant, respectively, an amount

1 equal to the representation fees associated with the advocacy
2 assistance services provided to the employer or claimant,
3 respectively.

4 (6) Individuals who are approved by the unemployment **insurance**
5 agency to provide advocacy assistance services ~~shall~~**must** enter
6 into a contract with the unemployment **insurance** agency that states
7 that the payments made ~~pursuant to~~**based on** the schedule
8 established by the unemployment **insurance** agency are payment in
9 full for all services rendered and expenses incurred and that the
10 claimant or employer who has received the benefit of the services
11 will not be billed for and is not liable for the cost of the
12 services or representation provided. An individual approved by the
13 unemployment **insurance** agency to provide advocacy assistance
14 services ~~shall~~**must** accept only the fee approved by the
15 unemployment **insurance** agency for the services and ~~shall~~**must** not
16 accept any other fee for the services from the claimant or the
17 employer.

18 (7) If a claimant or an employer receives advocacy assistance
19 services beyond an initial consultation, the other party in the
20 case must be immediately notified. The unemployment **insurance**
21 agency shall include in the program provisions to determine the
22 method and the timeliness by which immediate notice must be
23 provided. The unemployment **insurance** agency shall not approve the
24 same individual to provide advocacy assistance services for both
25 claimants and employers. The unemployment **insurance** agency shall
26 clearly designate each individual approved to provide services
27 under this section as representing either claimants or employers.
28 An individual approved by the unemployment **insurance** agency to
29 provide advocacy assistance services is not entitled to payment

1 under this section for representing the individual's own personal
 2 interests. An active state employee shall not represent a claimant
 3 or an employer under this program at ~~the referee or board of review~~
 4 ~~appeal levels.~~ **a hearing conducted by the Michigan office of**
 5 **administrative hearings and rules or the unemployment insurance**
 6 **appeals commission.** However, this subsection does not prohibit an
 7 employee of the unemployment **insurance** agency from participating in
 8 a case in which the unemployment **insurance** agency is an interested
 9 party or from representing the unemployment **insurance** agency's
 10 interest when acting as an administrator for a federal program as
 11 required by federal law.

12 (8) The unemployment **insurance** agency shall make an annual
 13 report to the legislature on the operation of the program. The
 14 first report under this subsection is due within 60 days after the
 15 first anniversary date of the beginning of the program. Each report
 16 under this subsection must include, but ~~is not~~ **be** limited to, the
 17 following for the previous 12-month period:

- 18 (a) Number and type of claimants served.
- 19 (b) Number and type of employers served.
- 20 (c) Costs to the program of the claimants served.
- 21 (d) Costs to the program of the employers served.
- 22 (e) An analysis of the impact of the services provided on the
 23 appeal system provided by this act.

24 Sec. 5b. ~~(1) The bureau of worker's and unemployment~~
 25 ~~compensation is created within the department of consumer and~~
 26 ~~industry services.~~

27 ~~(2) The bureau shall be headed by a director who shall be of~~
 28 **the unemployment insurance agency is** appointed by the governor.

29 ~~(3) All of the authority, powers, functions, duties, and~~

1 ~~responsibilities of the unemployment agency provided under this act~~
 2 ~~are transferred to the bureau as provided in Executive Order No.~~
 3 ~~2002-1.~~

4 ~~(4) All of the powers, functions, duties, and responsibilities~~
 5 ~~of the director of the unemployment agency, defined as the director~~
 6 ~~of employment security in Executive Order No. 1997-12, provided~~
 7 ~~under this act are transferred to the director as provided in~~
 8 ~~Executive Order No. 2002-1.~~

9 Sec. 6a. **(1) The** ~~Except as otherwise provided in section 11, a~~
 10 **writing prepared, owned, used, in the possession of, or retained by**
 11 **the** ~~unemployment insurance agency may destroy or dispose of a~~
 12 ~~document as soon as practicable after the document has been~~
 13 ~~electronically captured and preserved in an information retrieval~~
 14 ~~system. in the performance of an official function is subject to~~
 15 **all of the following:**

16 **(a) The freedom of information act, 1976 PA 442, MCL 15.231 to**
 17 **15.246.**

18 **(b) Sections 284 to 292 of the management and budget act, 1984**
 19 **PA 431, MCL 18.1284 to 18.1292.**

20 **(c) The Michigan history center act, 2016 PA 470, MCL 399.801**
 21 **to 399.812.**

22 **(2)** ~~Electronically stored records shall~~ **must** be retained for
 23 the same minimum retention period as required for the original
 24 record. If an original document is destroyed or disposed of
 25 ~~pursuant to~~ **under** this section, a reproduction of the document
 26 **reproduced** in a medium pursuant to the records reproduction act,
 27 1992 PA 116, MCL 24.401 to 24.406, is admissible in evidence **in** the
 28 same **manner** as the original in any proceeding before the
 29 ~~commission,~~ **unemployment insurance agency, an** administrative law

1 judge, ~~or Michigan compensation appellate~~ **the unemployment**
 2 **insurance appeals** commission, and in all courts. Information
 3 contained on printouts prepared by automatic data processing
 4 equipment is also admissible in evidence, if the original documents
 5 from which ~~such~~ **the** information was obtained would have been
 6 admissible.

7 Sec. 8. A basic purpose of this act is to lighten the burden
 8 of involuntary unemployment on the unemployed worker and ~~his~~ **the**
 9 **worker's** family. In view of this, the maximum weekly benefit rates
 10 under section 27(b) are related to the cost of the necessities of
 11 life for the various dependency classes recognized in that section.
 12 At the same time, the legislature has concluded that the maximum
 13 weekly benefit rates established in that section will finance the
 14 most favorable standard of living consistent with maintaining for
 15 unemployed individuals generally a proper incentive to seek and
 16 accept new work. To maintain this optimum relationship between
 17 maximum weekly benefit rates and the standard of living of the
 18 unemployed individual, the maximum weekly benefit rates established
 19 ~~shall~~ **must** be reviewed annually. The ~~commission~~ **unemployment**
 20 **insurance agency** shall annually, not later than February 28,
 21 compare the United States ~~department of labor's consumers' price~~
 22 ~~index~~ **Consumer Price Index from the United States Department of**
 23 **Labor, Bureau of Labor Statistics,** for the preceding December with
 24 the corresponding United States ~~department of labor's consumers'~~
 25 ~~price index~~ **Consumer Price Index from the United States Department**
 26 **of Labor, Bureau of Labor Statistics,** for the base month. ~~The base~~
 27 ~~month, as used in this subsection, means the month of June 1974,~~
 28 ~~which shall remain the base month until the next adjustment of~~
 29 ~~maximum weekly benefit rates is made. Thereafter, the~~ **The** base

1 month ~~shall be~~ **is** the month of December preceding the most recent
 2 calendar year in which an adjustment of maximum weekly benefit
 3 rates is made. If in a calendar year the United States ~~department~~
 4 ~~of labor's consumers' price index~~ **Consumer Price Index from the**
 5 **United States Department of Labor, Bureau of Labor Statistics,** for
 6 the preceding December has increased or decreased as compared to
 7 the base month, the ~~commission~~ **unemployment insurance agency** shall
 8 determine the percentage of that increase or decrease. The
 9 ~~commission~~ **unemployment insurance agency** shall then multiply the
 10 maximum weekly benefit rate for each dependency class by this
 11 percentage. If the product thus obtained is \$1.00 ~~,~~ or more, the
 12 ~~commission~~ **unemployment insurance agency** shall report that fact to
 13 the governor ~~,~~ **and** the legislature. ~~,~~ ~~and the Michigan employment~~
 14 ~~security advisory council.~~

15 Sec. 9. (1) The ~~commission~~ **may by itself,** ~~unemployment~~
 16 **insurance agency** or ~~by~~ its duly appointed agents ~~,~~ **may** examine or
 17 copy the books, records, and papers of any employing unit relating
 18 to any requirement pertaining to this act. Any member of the
 19 ~~commission~~ **unemployment insurance agency** or its duly authorized
 20 agents may issue a subpoena ~~requiring~~ **that requires** any person to
 21 ~~appear~~ **do any of the following:**

22 (a) **Appear** before the ~~commission,~~ **unemployment insurance**
 23 **agency** or its duly authorized ~~agent~~ **agents** at any reasonable time
 24 and place. ~~,~~ ~~and be~~

25 (b) **Be** examined with reference to any matter within the scope
 26 of the inquiry or investigation being conducted by the ~~commission~~
 27 ~~and to produce~~ **unemployment insurance agency.**

28 (c) **Produce** any books, records, or papers pertaining to the
 29 question involved.

1 (2) Any member of the ~~commission~~ **unemployment insurance agency**
 2 or its duly authorized agents may administer an oath or affirmation
 3 to a witness in any matter before the ~~commission,~~ **unemployment**
 4 **insurance agency**, certify to official acts, and take depositions.
 5 ~~In case of disobedience of~~

6 (3) If a person **disobeys** a subpoena, the ~~commission,~~
 7 **unemployment insurance agency** or the party on whose behalf ~~it~~ **the**
 8 **subpoena** was issued, ~~may~~ invoke the aid of any circuit court of
 9 ~~the~~ **this** state ~~in requiring to require~~ the attendance and testimony
 10 of witnesses and the production of books, records, and papers
 11 pertaining to the question involved. ~~And any~~ **Any** of the circuit
 12 courts of ~~the~~ **this** state within the jurisdiction of which ~~such~~ **the**
 13 inquiry is carried on may, ~~in case of contumacy or if the~~ refusal
 14 to obey a subpoena **continues**, issue an order requiring ~~such~~ **the**
 15 person to appear before ~~said commission~~ **the unemployment insurance**
 16 **agency** or its duly authorized agents and to produce books, records,
 17 and papers if so ordered and give evidence touching the matter in
 18 question. ~~and~~ **The circuit court may punish** any failure to obey
 19 ~~such~~ **its** order ~~of the court may be punished by such court as a~~
 20 contempt ~~thereof.~~ **of court.**

21 (4) ~~No person shall be~~ **An individual is not** excused from
 22 testifying or from producing any books, records, or papers in any
 23 investigation, or upon any hearing, when ordered to do so by the
 24 ~~commission,~~ **unemployment insurance agency** or its duly authorized
 25 agents, ~~upon~~ **on** the ground that the testimony or evidence,
 26 documentary or otherwise, may tend to incriminate ~~him~~ **the**
 27 **individual** or subject ~~him~~ **the individual** to a criminal penalty. ~~+~~
 28 ~~but no person shall~~ **An individual must not** be prosecuted or
 29 subjected to any criminal penalty for, or on account of, any

1 transaction made or thing concerning which ~~he~~**the individual** is
 2 compelled, upon the claiming of ~~his~~**the individual's** privilege to
 3 testify. ~~No person so testifying shall be~~**An individual who**
 4 **testifies is not** exempt from prosecution and punishment for perjury
 5 committed in ~~so~~testifying.

6 Sec. 10. (1) There is created in the department of treasury a
 7 special fund to be known and designated as the administration fund
 8 (Michigan employment security act). Any balances in the
 9 administration fund at the end of any fiscal year of this state
 10 ~~shall~~**must** be carried over as a part of the administration fund and
 11 ~~shall~~**do** not revert to the general fund of this state. Except as
 12 otherwise provided in subsection (3), all money deposited into the
 13 administration fund under this act ~~shall~~**must** be appropriated by
 14 the legislature to the unemployment **insurance** agency to pay the
 15 expenses of the administration of this act.

16 (2) The administration fund ~~shall~~**must** be credited with all
 17 money appropriated to the fund by the legislature, all money
 18 received from the United States or any agency of the United States
 19 for that purpose, and all money received by this state for the
 20 fund. All money in the administration fund that is received from
 21 the federal government or any agency of the federal government or
 22 that is appropriated by this state for the purposes of this act,
 23 except money requisitioned from the account of this state in the
 24 unemployment trust fund pursuant to a specific appropriation made
 25 by the legislature in accordance with section 903(c)(2) of title IX
 26 of the social security act, 42 USC ~~1103(e)(2),~~**1103**, and with
 27 section 17(3)(f), ~~shall~~**must** be expended solely for the purposes
 28 and in the amounts found necessary by the appropriate agency of the
 29 United States and the legislature for the proper and efficient

1 administration of this act.

2 (3) All money requisitioned from the account of this state in
3 the unemployment trust fund pursuant to a specific appropriation
4 made by the legislature in accordance with section 903(c)(2) of
5 title IX of the social security act, 42 USC ~~1103(e)(2)~~, **1103**, and
6 with section 17(3)(f), ~~shall~~**must** be deposited in the
7 administration fund. Any money that remains unexpended at the close
8 of the 2-year period beginning on the date of enactment of a
9 specific appropriation ~~shall~~**must** be immediately redeposited with
10 the secretary of the treasury of the United States to the credit of
11 this state's account in the unemployment trust fund; or any money
12 that for any reason cannot be expended or is not to be expended for
13 the purpose for which appropriated before the close of this 2-year
14 period ~~shall~~**must** be redeposited at the earliest practicable date.

15 (4) If any money received after June 30, 1941, from the
16 appropriate agency of the United States under title III of the
17 social security act, 42 USC 501 to 504, or any unencumbered
18 balances in the administration fund (Michigan employment security
19 act) as of that date, or any money granted after that date to this
20 state under the Wagner-Peyser act, as **that term is** defined in
21 section 12, or any money made available by this state or its
22 political subdivisions and matched by money granted to this state
23 under the Wagner-Peyser act, is found by the appropriate agency of
24 the United States, because of any action or contingency, to have
25 been lost or been expended for purposes other than, or in amounts
26 in excess of, those found necessary by that agency of the United
27 States for the proper administration of this act, the money ~~shall~~
28 **must** be replaced by money appropriated for that purpose from the
29 general funds of this state to the administration fund (Michigan

1 employment security act) for expenditure as provided in this act.
 2 Upon receipt of notice of such a finding by the appropriate agency
 3 of the United States, the unemployment **insurance** agency shall
 4 promptly report the amount required for replacement to the governor
 5 and the governor shall, at the earliest opportunity, submit to the
 6 legislature a request for the appropriation of that amount. This
 7 subsection does not relieve this state of its obligation with
 8 respect to funds received ~~prior to~~ **before** July 1, 1941, under the
 9 provisions of 42 USC 501 to 504.

10 (5) If any funds expended or disbursed by the unemployment
 11 **insurance** agency are found by the appropriate agency of the United
 12 States to have been lost or expended for purposes other than, or in
 13 amounts in excess of, those found necessary by that agency of the
 14 United States for the proper administration of this act, and if
 15 these funds are replaced as provided in subsection (4) by money
 16 appropriated for that purpose from the general fund of this state,
 17 then the director who approved the expenditure or disbursement of
 18 those funds for those purposes or in those amounts, is liable to
 19 this state in an amount equal to the sum of money appropriated to
 20 replace those funds.

21 (6) There is created in the department of treasury a separate
 22 fund to be known as the contingent fund (Michigan employment
 23 security act). ~~into which shall be deposited all~~ **All** solvency taxes
 24 collected under section 19a and all interest on contributions,
 25 penalties, and damages collected under this act **must be deposited**
 26 **into the contingent fund (Michigan employment security act)**. ~~Except~~
 27 ~~as provided in subsection (7), all~~ **All** amounts in the contingent
 28 fund (Michigan employment security act) and all earnings on those
 29 amounts are continuously appropriated without regard to fiscal year

1 for the administration of the ~~talent investment agency, as~~
2 ~~established under Executive Reorganization Order No. 2014-6, MCL~~
3 ~~125.1995, department of labor and economic opportunity,~~ including,
4 but not limited to, the development and execution of workforce
5 training programs, and for the payment of interest on advances from
6 the federal government to the unemployment compensation fund under
7 42 USC 1321, to be expended only if authorized by the unemployment
8 **insurance** agency. Money deposited from the solvency taxes collected
9 under section 19a ~~shall-must~~ not be used for the administration of
10 the unemployment **insurance** agency, except for the repayment of
11 loans from the state treasury and interest on loans made under
12 section 19a(3). However, an authorization or expenditure ~~shall-must~~
13 not be made as a substitution for a grant of federal funds or for
14 any portion of a grant that, in the absence of an authorization,
15 would be available to the unemployment **insurance** agency.
16 Immediately upon receipt of administrative grants from the
17 appropriate agency of the United States to cover administrative
18 costs for which the unemployment **insurance** agency has authorized
19 and made expenditures from the contingent fund, those grants ~~shall~~
20 **must** be transferred to the contingent fund to the extent necessary
21 to reimburse the contingent fund for the amount of those
22 expenditures. Amounts needed to refund interest, damages, and
23 penalties erroneously collected ~~shall-must~~ be withdrawn and
24 expended for those purposes from the contingent fund upon order of
25 the unemployment **insurance** agency. Any amount authorized to be
26 expended for administration under this section may be transferred
27 to the administration fund. An amount not needed for the purpose
28 for which authorized ~~shall, must,~~ upon order of the unemployment
29 **insurance** agency, be returned to the contingent fund. Amounts

1 needed to refund erroneously collected solvency taxes ~~shall~~**must** be
 2 withdrawn and expended for that purpose upon order of the
 3 unemployment **insurance** agency.

4 ~~(7) For the fiscal year ending September 30, 2017 only,~~
 5 ~~\$10,000,000.00 of the money in the contingent fund created in~~
 6 ~~subsection (6) is transferred to and shall be deposited into the~~
 7 ~~general fund.~~

8 Sec. 10a. (1) The obligation trust fund is created as a
 9 separate fund in the state treasury. The assets of the obligation
 10 trust fund ~~shall~~**must** not be commingled with any other fund and
 11 ~~shall~~**must** not be considered part of the general fund of ~~the~~**this**
 12 state.

13 (2) The state treasurer may receive money or other assets from
 14 any source for deposit into the fund. All obligation assessments on
 15 employers collected under section 26a; all interest on payments,
 16 penalties, and damages collected in connection with the obligation
 17 assessments made under section 26a; and a portion of the proceeds
 18 of any obligations, as described in section 26a, in amounts
 19 specified by the issuer, ~~shall~~**must** be deposited into the
 20 obligation trust fund. The state treasurer shall direct the
 21 investment of the fund. The state treasurer shall credit to the
 22 fund interest and earnings from fund investments.

23 (3) Money in the obligation trust fund at the close of the
 24 fiscal year ~~shall remain~~**remains** in the fund and ~~shall~~**does** not
 25 lapse to the general fund. Money in the fund is continuously
 26 appropriated for the purposes specified in section 26a.

27 (4) The department of ~~licensing and regulatory affairs~~ shall
 28 ~~be~~**labor and economic opportunity is** the administrator of the fund
 29 for auditing purposes.

1 (5) The department of ~~licensing and regulatory affairs~~ **labor**
2 **and economic opportunity** shall expend money from the fund only for
3 1 or more of the following purposes:

4 (a) To pay obligations, administrative expenses, and
5 associated expenses described in section 26a.

6 (b) To refund erroneously collected assessments under section
7 26a.

8 (c) For any other purpose described in section 26a(1).

9 Enacting section 1. Sections 3a, 4a, 6, and 6b to 7 of the
10 Michigan employment security act, 1936 (Ex Sess) PA 1, MCL 421.3a,
11 421.4a, 421.6, and 421.6b to 421.7, are repealed.