

**Department of Energy, Labor & Economic Growth
2009 Accomplishments (updated 12/8/09 11:00 a.m.)**

Workforce and Urban

No Worker Left Behind

- In a little more than two years, 105,634 people have enrolled for training through No Worker Left Behind (NWLB) – surpassing the original goal of enrolling 100,000 people in three years ten months early.
- In October, we issued the first outcomes report. The report found that during its first eighteen months, 34,355 NWLB participants completed training, and of those who completed training, 72 percent or 24,699 either obtained or retained jobs. This is an amazing result given Michigan’s current economic climate.
 - The percentage of unemployed and underemployed workers enrolled in workforce training in Michigan is double the national average.
 - Among unemployed and underemployed workers still enrolled in NWLB, 77 percent are in long-term training, which is more than triple the national percentage of people in long-term training.
 - Long-term training allows workers to develop skills and credentials valued by employers, which dramatically increases their ability to find good-paying jobs.
 - For unemployed and underemployed workers, 86 percent got a job related to their training. Training appears to be an essential element to re-employment.
- USDOL awarded DELEG an additional \$38 million in Recovery Act funding for NWLB through three Regional Economic Impact National Emergency Grants. (USDOL’s largest award ever outside a natural disaster.) DELEG will use these grants to serve 8,644 Michigianians in 27 different counties throughout Michigan.
- In October, Governor Granholm announced that No Worker Left Behind will continue as Michigan’s permanent workforce policy.

Bureau of Energy Systems

- The Rebuild MI (RM) Program enrolled 56 additional public school districts and local governments to assist them with energy efficiency retrofits in their buildings. The program delivered support services such as energy audits, benchmarking and project planning and it measured \$20 million in energy efficiency investments during the 2009 fiscal year. RM Community Partnerships contributed technical assistance to 30 more building owners with some BES staff support. Five new RM case studies were posted online. New construction energy planning help is now available to all RM customers.

Sixty engineering and energy consulting firms participated in the annual Technical Energy Analysts Webinar, which reviewed program guidelines, provided a technology update, and produced an updated directory of energy professionals and project services for RM customers' reference. Published quarterly editions of Rebuild MI Partner News.

- The DELEG Energy Use Reduction Coordinator team completed energy audits in state owned and leased buildings, published and distributed energy awareness materials to all bureaus for employees, and measured a statistically significant drop (7%) in electricity use compared with baseline consumption in the group of buildings for which utility data was available.
- Staff coordinated start up of the Biofuels Infrastructure Tax Credit Program authorized by P.A. 335 of 2008. Service station owners that install or convert dispensing equipment for qualifying biodiesel and/or ethanol fuel blends may apply for tax credits up to \$20k or 30 percent of eligible costs. Seven businesses received cash incentives for E-85 fuel pump conversions under a separate program. Highway signage incentives covered 50 percent of costs for informing the driving public of E-85 or B-20 fuel availability near an exit ramp via station logo signs. Five incentives were claimed in 2009.
- The BES partnered with General Motors, five states and their Clean Cities Coalitions on a proposal to fund biofuels infrastructure along the I-75 corridor from Michigan to Florida. The project received \$1.8 million in federal and partner funding and will be completed within two years.
- BES also partnered on another clean vehicle technology and infrastructure project proposal that received a \$15 million federal grant award. Together with partner match is investing nearly \$30 million into the Michigan economy.
- Small grants awarded to the state's four Clean Cities Coalitions leveraged \$128,000 in cash match and a series of radio ads promoting clean vehicle technology, alternative fuels and energy efficient driving tips that reached an estimated 4.6 million listeners.
- Updated the Michigan renewable fuels service station list. Closed out a successful grant project with Lake Superior State University that demonstrated pelletizing Reed Canary Grass, a noxious weed that grows abundantly in the U.P., and using as a low-carbon heating fuel. Published and distributed the quarterly electronic newsletter called "Michigan Ethanol News" to state policy makers and interested parties. Awarded nearly \$75k in grants for biomass energy demonstrations, with two awards going to municipal utilities for co-firing projects and the other to Michigan Technological University for testing E15 blended fuel in snowmobiles and showcasing its performance during the 2010 Snowmobile Challenge competition among engineering schools. Completed MI Biomass Feedstock Assessment project with MSU; it's a county-by-county inventory of agriculture waste potentially available for conversion to energy production and it's formatted as an online GIS mapping tool that is publically accessible. Sponsored three conferences/workshops with biomass-to-energy focuses including the Agri-Energy Conference, Biosolids & Energy Conference and a MAREC business workshop.
- The U.S. Department of Energy approved the staff plan to distribute \$17.4 million in competitive grants to local governments and nearly \$196,000 in for technical assistance grants to nonprofits. A three-year grant was awarded to the state in September. Applicants have submitted 269 proposals to fund energy efficiency and conservation projects/programs for buildings, transportation, and public works and to leverage

additional resources for longer-range planning goals; proposal review and selection is now underway. Three limited-term analysts were hired to assist with the EECBG grant selection, administration and federal reporting duties. The staff partnered with local government associations and state agencies to conduct ten statewide and regional workshops and webinars for potential applicants. A Request for Proposals and press release for the EECBG Technical Assistance Grants was released. A substantial effort to make all documents and related information available on the bureau and Recovery Web sites has been made and continues.

- Michigan Wind Working Group held three meetings in FY09 and staff regularly sent email updates to the more than 400 members. The State Wind Outreach Team was very active making 151 presentations that reached over 11,000 persons. Diverse groups were interested in learning about wind energy including township and county officials, local planners, crop dusters, students and teachers, and farmers. DELEG provided financial support and co-sponsored with the Great Lakes Renewable Energy Association the third Michigan Wind Energy Conference that was held in Detroit on March 3 and 4 attracting approximately 900 the first day and 600 the second day.
- Michigan State University Extension (MSUE) continued their outreach efforts to farmers, landowners, and other interested parties. MSUE is into Round three of the anemometer loan program. In addition to the regular operation of the loan program and collection and analysis of wind speed data, MSUE has been expanding the service with 60 meter anemometer towers that are needed for community wind projects. The State of Michigan and MSUE were successful in receiving federal funding to put anemometers at 3 levels including 100 meters on a state police communications tower in Berrien County.
- Go Solar program implemented by the Great Lakes Renewable Energy Assoc. reached 208 persons in Ann Arbor, Grand Rapids, Oakland County, and Kalamazoo. Three additional 10 kW photovoltaic demonstration projects were completed bringing the total to 19 since 2002.
- Home Seminars and Tours Program run by seven local energy demonstration centers reached 8750 residents to assist them with energy efficiency and renewable energy improvements to their homes.
- The Bureau continues to assist the Bureau of Construction Codes with revising energy codes for residential and commercial buildings. DOE requires Michigan to revise the building energy codes in order to receive ARRA funds through the SEP program. It is expected that the revised codes will be recommended for approval in December '09, followed by the administrative rulemaking process that will allow the codes to take effect as early as summer 2010.
- Green Lodging Michigan certification and technical assistance program continues to expand. To date, 65 facilities have been certified and 32 applications are pending. A similar Green Venues certification program for entertainment, recreational, and conference facilities has been piloted and will start next year.
- State Energy Program (SEP) Formula American Recovery and Reinvestment Act (ARRA) grant application was approved by the U.S. Dept. of Energy. Over \$82 million dollars will be used for energy efficiency, retrofits, renewable energy, and distributive generation energy projects over a three year period.

- The SEP Year 2009 Formula grant application was approved by the U.S. Department of Energy. \$950 thousand dollars will be available to design and carry out renewable energy and energy efficiency programs.
- Enhancing State Government Energy Assurance Capabilities and Planning for Smart Grid Resiliency Grant application was approved by the U.S. Department of Energy. The Michigan Energy Office was awarded over \$1 million dollars three grant to conduct Energy Assurance Planning and initiate a process or mechanism for tracking the duration, response, restoration and recovery time of energy supply disruption events. The Energy Office is working collaboratively with the Public Service Commission on this grant.
- The Retired Engineers Technical Assistance Program (RETAP) is partnering with Michigan State University Extension Services (MSUE) on a U.S. Dept. of Agriculture Rural Development REAP grant. The MSUE received \$100,000 dollars to provide energy audits and energy development assistance. The audits are being conducted by RETAP.
- The State Energy Program's application for a U.S. Department of Energy Save Energy Now Program Grant was approved. The three year \$830,000 dollar grant will establish a Michigan Industrial Energy Center (MIEC). The MIEC will help struggling industries in the region identify opportunities for energy efficiency within their operations. The work will be done in partnership with the University of Michigan.
- The SEP is seeking to establish a low interest revolving loan with ARRA dollars to fund advance manufacturing, energy efficiency, retrofits, renewable energy, and distributive generation energy projects in the public and private sectors. The SEP is awaiting legislative action on HR 5375 and SB 852.
- The SEP is finalizing contracts to award \$15.5 M dollars in grants to Michigan firms to accelerate the deployment of renewable energy technologies in the state by expediting and expanding the availability as well as the diversity of renewable energy products. The grants provide financial assistance to small manufacturing companies, currently located in Michigan, to diversify into high-growth clean energy sectors and invest in advanced manufacturing of renewable energy systems and components (i.e. wind turbine systems, solar technology, bio-energy equipment, geothermal heating and cooling systems). The seed money leverages over 38 million dollars in private sector investments to increase the supply of renewable energy systems in the Michigan marketplace and lower the costs of manufacturing, transportation, and installation of renewable energy systems in Michigan. In addition, these grants will create approximately 1500 green jobs over the next three years.
- The SEP is finalizing a contract to award \$9 M dollars in ARRA funds for energy efficiency and retrofits in state-owned and operated facilities, buildings, and properties. The program provides up to 50% matching in funds for lighting upgrades; replacing mechanical systems (i.e. heating, cooling, and ventilation equipment), water heating and pumping systems, smart metering systems, insulation, sealing, and other building envelope improvements; and boiler or furnace replacement. The combined projects are cover over 22 million square

feet, 11 MBTUs annual energy savings, and an anticipated \$1.1 M dollars in the first year savings.

- The SEP has issued solicitations for over \$35 M dollars in ARRA funds for additional energy efficiency and distributive energy projects in state-owned and operated building, facilities, and properties. This is in addition to the \$9M dollars to be awarded.
- The Retired Engineer and Technical Assistance Program (RETAP) conducted over 100 energy and pollution prevention assessments were completed in Fiscal Year 2009 that identified over \$4.6 million in potential cost savings, resulting in an average of over \$45,000 in potential savings per RETAP assessment. Assessors provided 688 hours of additional pollution prevention technical assistance for small businesses and government facilities, which identified over \$161,000 in potential cost savings. Two year follow-up surveys were conducted with 67 RETAP assessed facilities. These companies report implementing or acting on more than 74 percent of RETAP recommendations, with measured reductions in waste disposal of over 2.3 million pounds and total cost savings of nearly \$1.9 million.

Completed 101 Energy Efficiency and Pollution Prevention Assessments in FY09	
Reductions	Amount
Operating Costs	4.6 million Dollars
Waste Disposal	2.6 million Pounds
Water Usage	42.6 million Gallons
Electricity Usage	24.3 million kWh
Natural Gas Usage	1.2 million CCF
CO2 Emissions (equivalents)	54.6 million Pounds

- Green Chemistry in Higher Education. The Bureau managed green chemistry grants awarded to Grand Valley State University, Kettering University, Michigan State University, and Wayne State University on behalf of the Department of Environmental Quality. The purpose of the grants was to promote and expand green chemistry education and training of undergraduate and graduate students in Michigan. They were offered as part of the implementation of Executive Directive No. 2006-6 “Promotion of Green Chemistry for Sustainable Economic Development and Protection of Public Health.”
- Recycling. Responding to the Michigan general public, communities, business and institution requests for recycling and waste reduction information and assistance continued. In 2009 more effort was put into “Greening State Government” with presentations made to Lansing area staff about how each person could make a positive difference in the state’s office paper recycling program and reduce energy use. Over 100 staff attended sessions in the last half of 2009 with more sessions expected in 2010. Two popular on-line resources were also updated: The clickable map of local recycling, household hazardous waste and composting programs as well as the Michigan Recycled

Materials Market Directory. Both tools, available 24/7 provide residents and generators access to a variety of markets and collection programs to recycle in Michigan.

- MI Green Communities Challenge (GCC) is designed to ensure that all Michigan communities have the tools to take the necessary steps to implement short-term and long-range actions that will protect the environment and operate municipal government in a more cost-effective, energy-efficient and environmentally-sustainable manner. DELEG is working in partnership with the Michigan Municipal League and Michigan communities. Over 40 communities have taken the pledge and created local ordinances to facilitate the program goals.
- MI Clean Marina Program (CMP). The formation of the MI Clean Marina Foundation received final approval from the US Internal Revenue Service in accepting the programs application for 501(c)3 status. The board for the foundation is comprised of representatives from MI Boating Industries Association, MI Sea Grant, and DELEG.
- The MI Clean Marina virtual classroom is nearly completion. This online training and teaching tool has been developed by MI Sea Grant to supplement our current training regiment. Face to face workshops are not always practical for small business owners so it is our intention to give them another option. We are currently testing this application with a number of marinas that have pledged to the program but not attended a workshop.

Workforce Transformation

Management Services Division (MSD)

- MSD staff worked collaboratively with DELEG's Financial Services Division (FSD) and Agate Software on the Management of Awards to Recipients System (MARS), an electronic case management system to be implemented effective July 1, 2009. Approximately \$300 million annually in federal grant funding for job training programs will be awarded, tracked, and reported on through this new system.
- The Training and Development Section conducted five training webinars, six classroom instructions, and coordinated seven events. These training opportunities and events provide technical assistance and help local Michigan Works! Agency and bureau staff deliver effective services to thousands of Michigan jobseekers and employers.
- MSD staff prepared and filed a comprehensive update to the State's Methods of Administration (MOA) with the United States Department of Labor's (USDOL's) Civil Rights Center. Submitted on behalf of the Governor, the MOA describes the policies and procedures implemented by the State to ensure that its federal programs and activities that operate as a part of the state's workforce development system comply with legal requirements related to nondiscrimination and equal opportunity. USDOL's review of the State's submittal was highly favorable, resulting in federal recertification of the MOA with no requested changes or required action.

- Completed the reorganization of the Bureau, which impacted approximately 260 employees.
- Implemented the Management of Awards to Recipients System (MARS). The new internet-based system allows grant recipients to receive grant notices, request cash draws, and report expenditures electronically. MARS provides greater efficiency in that it reduces manual data entry thereby freeing up staff time and reducing errors.
- Designed, developed, and delivered Customer Service Training to approximately 260 Bureau staff in various locations statewide.

Accelerating Employment Division (AED):

- Workforce Investment Act (WIA) staff successfully completed a \$3 million Career Advancement Account (CAA) Demonstration in partnership with USDOL.
- WIA staff received and processed \$136.2 million in American Recovery and Reinvestment Act (ARRA) WIA funding to support re-employment and training activities within the 30 day time limit set by the USDOL.
- WIA staff completed and submitted an extension request for the State's WIA/Wagner-Peyser State Plan for Program Year 2009 by the April 15, 2009, deadline. A modification to include utilization of ARRA funding is to be submitted to USDOL for approval on or before June 30, 2009.
- 18,274 people were placed in employment through the Jobs, Education, and Training (JET) program.
- 9,388 Temporary Assistance for Needy Families (TANF) cases were closed due to income.
- 7,520 individuals enrolled in education and training activities (over a 68% increase from the same period in 2008).
- JET Plus, an innovative service delivery strategy designed to address the barriers preventing TANF recipients from entering training that leads to employment and workplace stability, was implemented. However, JET Plus had to be suspended in early May due to state budget reductions. This initiative revealed numerous new service delivery strategies that will be pursued further when funding becomes available.
- Received and awarded \$139.6 million in Workforce Investment Act (WIA) funding to support re-employment and training activities across the state.
- Received approval of the State's WIA/Wagner-Peyser State Plan for Program Year (PY) 2009 from the United States Department of Labor (USDOL).
- Requested and received a waiver from the USDOL allowing for the continued operation of a \$3.8 million Incumbent Worker Training program to aid in layoff aversion through the use of WIA funds.
- Awarded approximately \$9.4 million in Regional Economic Impact (REI) WIA National Emergency Grants (NEGs) to the Michigan Works! Agencies (MWAs)
- Submitted the WIA Annual Report to the USDOL by the October 1st deadline, documenting 76,181 WIA participants served during PY 2008
- Placed 27,618 people in employment through the Jobs, Education, and Training (JET) program during Fiscal Year 2009.

- Closed 12,758 Temporary Assistance for Needy Families (TANF) cases due to income.
- Enrolled 14,745 individuals in education and training activities, an over 68% increase from the same time period in 2008.
- Allocated \$7,811,262 in American Recovery and Reinvestment Act (ARRA) Wagner-Peyser Reemployment Services funding to the MWAs for the provision of intensive employment services to unemployment insurance claimants.
- Allocated \$2,561,232 in Wagner-Peyser funding to MWAs for the implementation of the Michigan National Career Readiness Certificate.

Migrant, Immigrant, & Seasonal Worker Services Division (MISWSD)

- Continued the Project Respeto initiative. Project Respeto fosters better community relationships between local law enforcement and the migrant, immigrant, and seasonal farmworker community.
- The Division's nationally recognized radio show, La Hora del Campesino, meaning the hour of the farmworker, reached an average of 36,000 listeners weekly, and another 1,500 on average per week by streaming the show on the internet.

Lifelong Learning Division (LLD):

- The Trade and Globalization Adjustment Assistance Act of 2009, part of the ARRA, significantly modified the TAA program. TAA staff have worked extensively with the USDOL to prepare for the implementation of the new TAA program.
- A series of statewide training events have been scheduled to train Michigan Works! Agency staff on the new TAA program.
- The NWLB Action Team responded to 5,488 inquiries between August 1, 2007, and May 31, 2009.
- Funding provided by NWLB allowed nine Michigan Works! Agencies to update the informational value of their websites with respect to NWLB.
- The Green Jobs Initiative (GJI) was announced on August 1, 2008, as a part of Year Two of NWLB. On May 11, 2009, as a part of the GJI, the Green Today, Jobs Tomorrow Conference was held in Lansing. Over 1500 individuals attended the conference.
- For the license year beginning July 1, 2008, and ending June 30, 2009, Proprietary Schools Section staff processed 94 applications for new school licensure. This represents a 141% increase from the previous year. It also represents a 118% increase over the last ten year average for new license applications.
- In partnership with Oakland University, the King-Chavez-Parks (KCP) initiative co-sponsored the 19th Annual Equity in the Classroom Conference, serving over 300 university and K-12 educators.
- KCP initiative served 25,653 students in the five programs that make up the pipeline of services that support the educational success of economically or academically disadvantaged students.

- Curriculum and Literacy Task Forces finalized Adult Basic Education Content Standards.
- Office of Adult Learning published three newsletters for Adult Education Directors. The goal of the newsletter is to improve communications between the state office and the field.
- On May 18, 2009, the Oklahoma Scoring Service alerted the Office of Adult Education that a GED candidate who had recently tested received a perfect score on all five GED tests. This is the first time that a tester from Michigan has ever earned a perfect score on the 2002 Test Series.
- Total enrollment in adult educational programs in Michigan was 46,818.
- Michigan Adult Education program performance improved 27% over the previous year with regard to exceeding federal performance measures.
- The Office of Adult Education worked with the Adult Learning Workgroup to change the infrastructure of Adult Learning in Michigan as reported to the CLEG and approved by CLEG in December 2008.
- Organized three statewide events headlined by the Governor to celebrate the success of the NWLB initiative in meeting its enrollment goal 10 months early and to unveil data from the initiative's first 18 months.
- King-Chavez-Parks (KCP) Initiative staff presented at the 2009 National GEAR UP Conference in San Francisco in July on the value of partnering to provide college readiness skills to economically disadvantaged students.
- Over 200 graduate students served by the KCP Initiative participated in a conference in November to increase their professional skills and readiness for future faculty and administrative positions.
- KCP awarded 24 competitive grants to Michigan public and private colleges and universities to develop support programs to assist economically and/or academically disadvantaged college students complete baccalaureate degrees.
- Awarded \$10.8 million in federal WIA Title II funds to over 100 local agencies to provide adult education services in Michigan.
- GED Testing Centers tested 9,958 examinees from July-December.
- Opened two new GED Testing Centers in Detroit and Cadillac.
- Community colleges received over 164 Postsecondary Carl D. Perkins Career and Technical Education Act grants totaling \$14.5 million.
- Nine community colleges were awarded Programs of Study Initiative grants for sixteen programs.
- Conducted seven community college monitoring site visits.

Veterans Services Division (VSD):

- Assisted 5,682 veterans in finding employment.
- Created a new program called Veterans to Agriculture (Vets to Ag) to train and prepare unemployed and homeless veterans for jobs in demand in the agriculture industry.
- Expanded the listening area receiving the Veterans' Hour Radio Show to now reach roughly two-thirds of the state's population.

Regional and Sectoral Strategies Division (RSSD):

- Continued implementation of the Green Jobs Initiative (GJI), launched August 1, 2008. The GJI is a \$6 million investment to: increase the number of green industries and businesses in Michigan; develop green education and training programs, spurring the growth of Michigan's green economy; invest in worker education and training to prepare our workers for green jobs; and support urban renewal by creating green jobs and training opportunities for a diverse mix of people. (See NWLB also)
- On May 11, 2009, as a part of the GJI, the Green Today, Jobs Tomorrow Conference was held in Lansing. Over 1500 individuals attended the conference. (See NWLB also)
- Continued implementation of the Green Jobs Initiative (GJI), launched August 1, 2008. The GJI is a \$6 million investment to: increase the number of green industries and businesses in Michigan; develop green education and training programs, spurring the growth of Michigan's green economy; invest in worker education and training to prepare our workers for green jobs; and support urban renewal by creating green jobs and training opportunities for a diverse mix of people.
- Launched the first three Green Regional and Sectoral Skills Alliances: the Michigan Academy for Green Mobility, the Michigan Emerging Markets Skill Alliance for Tool and Die, and the Energy Conservation Apprenticeship Readiness Program.

Meeting Employer Needs Division (MEND):

- March 2009 was proclaimed as Fidelity Bonding Program (FBP) of Michigan month. The program was recognized for its contribution for reducing recidivism in the state of Michigan. Thus far in 2009, 18 Fidelity Bonding Stamps have been issued.
- Staff organized two training sessions to launch our SHARE Network Expansion initiative. Attending these training sessions were workforce development partners as well as representatives from faith-based and community organizations. The USDOL Share Network program consultant conducted the training.
- Page view traffic on the Michigan Jobs & Career Portal website totaled 1,046,730 for the time period October 1, 2008, through May 31, 2009.
- The Michigan Jobs & Career Portal website promoted/displayed statewide information concerning 207 job and career fairs for the time period October 1, 2008, through May 31, 2009. In many instances, employers and colleges requested the Michigan Jobs & Career Portal staff participate at these events, including the NAACP job fair and the Good Morning America job fair.
- The Occupational Research Section made wage determinations for 2,610 online prevailing wage requests submitted by Michigan employers and colleges/universities for the time period October 1, 2008, through May 31, 2009. The processing time for a wage request was one business day.

- For the time period January 1, 2009, through May 31, 2009, the Michigan Talent Bank (MTB) served an average of 5,300 customers per month, or 26,500 for the first five months of 2009. This is a 30% increase over 2008.
 - Customer breakdown is as follows:
 - 4,300 employers
 - 22,100 job seekers
 - 100 MWAs, schools/colleges, libraries, and community agencies
- For the first five months of 2009, the MTB registered 3,624 new employers.
- Survey results indicate that 98% of employers using the MTB resume database say they would use it again.
- An online survey of all MTB users found that 95% would recommend the MTB to a friend or associate.
- 274,300 new resumes were posted on the MTB between January 1, 2009 and May 31, 2009, which is a substantial increase.
- The MTB reached the 1 million resume milestone for active resumes on June 9, 2009.
- Launched the Michigan National Career Readiness Certificate (MI NCRC) statewide in July. The MI NCRC will give Michigan a way to demonstrate and verify to employers that Michigan's workforce has the foundational skills needed to successfully perform the jobs they need done. Since launch, over 9,000 certificates have been issued. With the issuance of these certificates, Michigan has now climbed to second in the nation with over 80,000 certificates issued in the state.

Michigan Commission for the Blind

- ***During FY 2009***, MCB provided vocational rehabilitation services to over 3,200 blind and visually impaired consumers within the state and assisted approximately 1,800 consumers to achieve their desired goals of economic independence and maintain their independence within their home and community. MCB also provided 300 youth with low vision evaluations and specialized adaptive eyewear.
- ***During FY 2009***, the MCB Business Enterprise Program's 84 blind entrepreneurs hired and paid employees, paid sales tax, purchased products from Michigan producers and suppliers, paid personal income taxes, and purchased goods and services for their families, all supporting the state's economy.
- MCB has provided two Mini Adjustment programs to date in 2009—in Detroit (March 1-6) and Gladstone (May 17-22)—to provide opportunities for individuals to learn skills of blindness. As a component of each Mini Adjustment program, an Employment Readiness Seminar was also conducted for job seekers ready for employment. Additional 2009 programs and seminars are scheduled for August 23-28 in Clare and November 15-20 in Grand Rapids.
- Ten MCB summer youth programs of varying lengths are scheduled for 2009, all designed to develop independence, self-confidence, and readiness to transition

from high school graduation into postsecondary education and/or employment. One such program is the Business Enterprise Program (BEP) Summer Work Opportunity Program, which currently has 12 BEP entrepreneurs around the state who have expressed an interest in providing young MCB clients with paid summer work experience.

- All vocational rehabilitation students at the MCB Training Center are enrolled in JOBS class, where they thoroughly explore their career options, and a World of Work class, where they develop a resume and participate in a work experience. In addition, the MCB Training Center provides trial work experience in the areas of reception and secretarial support, food service, facility maintenance, and domestic services, which help to prepare students who have never before enjoyed the chance to work and they increase confidence and the development of alternative skills for those who have worked as sighted individuals only.
- MCB Services for Blind Veterans: MCB staff, together with the Department of Veterans Affairs, Michigan Rehabilitation Services, and Michigan Commission on Disability Concerns participated in an agency-wide training for collaboratively providing improved services to returning veterans who are blind and/or have other disabilities.
- Services for MCB Clients with Mental Illness and Developmental Disabilities: The Michigan Commission for the Blind has entered into an agreement with the Michigan Department of Mental Health and Michigan Rehabilitation Services to increase services for MCB consumers with mental illness and developmental disabilities.
- Continuously Improving BEP Businesses' Customer Service: A quarterly newsletter, Snack Bites, has been established for Business Enterprise Program food service entrepreneurs as an ongoing means of providing information on how they can better serve their customers.
- Cost Savings Through Greater Efficiency: In order to save time and, as a result, save costs, MCB is beta testing the batch processing of System 7 client payments to the MAIN accounting system.
- Additional Resources Through Partnerships: The MCB Training Center is continuing to develop its relationship with Leader Dogs for the Blind, Western Michigan University, and the Michigan Rehabilitation Services' Michigan Career and Technical Institute to provide additional resources for MCB Training Center students. MCB's Client Internship Program using American Recovery and Reinvestment Act funding was successfully launched in September 2009, providing opportunities for an estimated 45 MCB consumers (clients) who are nearing the end of the rehabilitation process to gain valuable work experience within state government.
- MCB's work with CVS pharmacies has generated 28 employment opportunities in the company for blind and visually impaired individuals in southeast Michigan.
- MCB presented two additional week-long Mini Adjustment programs—in Clare and Grand Rapids—to provide opportunities for MCB consumers to learn skills of blindness and independence. Each of these programs included an Employment Readiness Seminar, which provided job-ready MCB consumers with preparation and resources for their job searches.

- The Michigan Works! Summer Youth Program, in collaboration with MCB, provided work experiences for 45 young MCB consumers in several occupations, with compensation based on work experience. Some of these experiences were with independent Business Enterprise Program businesses, providing experience in the food service industry.
- MCB has continued to work with Native American health centers with the objective of increasing services for blind and visually impaired individuals including vocational training, independent living skills training, and employment opportunities.
- MCB's work with Area Agencies on Aging (AAA) has resulted in the development of accessible computer work stations at several AAA senior centers, allowing for basic computer training for individuals who are blind or visually impaired.
- As a physical manifestation of Governor Jennifer M. Granholm's efforts to place Michigan in the forefront of the new alternative energy revolution, the MCB Training Center began a comprehensive facility energy assessment with the intent that the center will become an "energy showcase" with features such as a state-of-the-art geothermal heating and cooling system and efficiency improvements in many areas of energy remediation and conservation.
- The MCB Training Center has begun administering the World of Work Inventory (WOWI) and other career interest assessments to help MCB consumers to identify career interests and options.
- B E P Vending machines have been installed in two new highway rest areas, improving the incomes of two blind licensees and expanding services for Michigan travelers.
- MCB's Annual Honor Roll Award recognition will be held on December 11, 2009, as a part of the Commission Board meeting. The agency will recognize the outstanding achievement of consumers who have successfully achieved their goals for independence and employment; community partners for their assistance in helping MCB to provide quality service to its consumers; and employers for their exemplary leadership and outstanding cooperation in employing workers who are blind, focusing on their abilities rather than their disability.
- MCB continued providing information to employers on MCB's Business Services through participation in job fairs such as the twice-annual Capital Area Michigan Works! Job Expo and with activities during Investing in Abilities Month in October.
- In Michigan, Governor Jennifer M. Granholm declared October "Investing in Abilities Month," a state-wide observance urging employers and the general public to focus on the abilities of people with disabilities, recognizing their talent and skills. A luncheon and awards presentation was held at the State Capitol to recognize employers for their leadership in hiring people with disabilities, coordinated by the Michigan Rehabilitation Council, Michigan Rehabilitation Services, and the Michigan Commission for the Blind.

Land Bank Fast Track Authority

- Initiated the creation of the “Free Land for Green Jobs” program
- Created the “Garden for Growth” program offering vacant land to residents to create urban gardens for just \$75 for a 3-year lease
- Preparing to receive \$10 Million from HUD’s Neighborhood Stabilization Program to demolish 600 blighted structures in urban neighborhoods. Vacant lots will be re-seeded with environmentally friendly “slow grow” grass seed and clover to prevent the need for future mowing and lots will be offered to neighbors for urban gardens or side yards.
- Initiated a Deconstruction Pilot Project partnering with the cities of Detroit and Highland Park and non-profit entities to deconstruct and recycle materials from five to ten structures in each city. The deconstruction process will include job training for returning prisoners.
- Implemented new acquisition guidelines to acquire select properties for large-scale economic development projects using the specialized development tools offered by the State Land Bank including expedited quiet title and Brownfield redevelopment.
- Reduced the cost of the Side-Lot program now offering vacant lots to adjacent homeowners for just \$100.
- Authorized four new county Land Banks including Emmet, Houghton, Kalamazoo, and Marquette, bringing the total number of Land Banks in Michigan to 21.
- Hired a Development Specialist to engage in strategic planning, to oversee large economic development projects and to prepare commercially zoned parcels for ‘shovel-ready’ condition to provide incentives to developers seeking land for the creation of new businesses.
- Initiated a \$10 million demolition program, using federal Neighborhood Stabilization Program dollars, to eliminate all blighted structures held by the Michigan Land Bank. Approximately 500 commercial and residential structures will be demolished leaving vacant land for urban gardens or reuse by the neighbors.
- Joined a consortium, lead by MSHDA, to apply for \$290 million grant from the federal Department of Housing and Urban Development (HUD) to remove blight and revitalize neighborhoods in 12 of the State of Michigan’s largest municipalities. These HUD funds, issued under the Neighborhood Stabilization Program Part 2 (NSP2) would support the New Michigan Urban Neighborhood Initiative.
- Purchased a significant historical vacant building in downtown Detroit for redevelopment using NSP funding from MSHDA. The Farwell Building is part of a strategic redevelopment plan for the district in downtown Detroit known as Capital Park. The State Land Bank has partnered with the City of Detroit Downtown Development Authority, the Detroit Economic Growth Corporation, the Detroit Investment Fund and the Wayne County Land Bank to develop a comprehensive redevelopment strategy for the Capitol Park district.
- Initiated the steps to purchase a vacant building in Hart, Michigan using additional NSP funds from MSHDA. The blighted property will be demolished

and the Land Bank will remove contaminated underground material to allow for the eventual redevelopment of the site into lake-front senior housing units.

- Hired a Departmental Technician to create a GIS mapping system and a specialized data storage and management system capable of capturing any and all real property data pertaining to State Land Bank properties. The data system will enable the State Land Bank to log general property details, such as assessing data and ownership histories, as well as site specific information, such as comments obtained from callers. The use of GIS mapping in conjunction with the data system will enable the State Land Bank to assist with planning for property assemblage for larger developments with local jurisdictions or private developers.
- Applied for a competitive \$1 Million grant from the federal Environmental Protection Agency (EPA) for the assessment of its properties that are suspected of being environmentally contaminated. The State Land Bank is the lead applicant in a coalition of seven county land banks.
- Applied for a \$1 Million Revolving Loan Fund grant from the EPA that would assist with the environmental clean up, remediation, and eventual redevelopment of its contaminated property.
- Authorized nine new county Land Banks bringing the total number of Land Banks in Michigan to 31.

MSHDA

Homeownership/Foreclosure Prevention

- MSHDA has taken a leadership role in Governor Granholm's Save the Dream initiative, which offers a variety of options for Michigan citizens who are at risk of home foreclosure. Thousands of people have been helped to stay in their homes or avert foreclosure thanks to MSHDA's incredibly talented network of more than 300 homeownership counselors statewide – the largest number in the state's history. PSAs featuring the homeownership counselors are currently running on statewide network and cable television and will run through the rest of the year.
- Counseling was provided in the following areas: Homebuyer education, 3,049 households; Foreclosure prevention, 4,195; Family Self-Sufficiency, 274; Key to Own, 47; Save the Dream Refinance, 262; and specialty programs, 280.
- MSHDA has set aside \$10,000,000 of Neighborhood Stabilization Program (NSP) funds to provide additional homeownership opportunities to eligible borrowers who meet MSHDA's NSP income and sales price limits. Borrowers must purchase an existing foreclosed or abandoned property in an "area of greatest need," as defined by HUD.
- MSHDA has made available up to \$7,500 through its Down Payment Assistance program that can be used in conjunction with the \$8,000 federal homebuyer tax credit that has been extended through April 30, 2010. In addition, MSHDA dropped mortgage interest rates nearly a full point in an effort to further stimulate the housing market for low and moderate income homebuyers. The significant drop to 5.375 percent for a 30-year fixed rate MSHDA mortgage and the

extension of the homebuyer tax credit makes owning a home an achievable reality for many more people throughout the state.

- In FY 2009, MSHDA's Homeownership division financed 3,256 single-family units, representing a total investment of \$259 million.

Ending Homelessness

- MSHDA allocated more than \$23 million from HUD through the Homeless Prevention and Rapid Re-Housing Program (HPRP) to lead agencies throughout Michigan to provide assistance and housing options for the homeless and those at risk of homelessness.
- MSHDA resources helped 79,000 plus homeless residents, many of them children and families, through the Housing and Homeless Initiatives division. We are working with 60 local groups and a number of state agencies in Michigan's 10-year Campaign to End Homelessness.
- More than 500 homeless service providers from organizations statewide attended the 4th annual Homeless Summit in October.
- Silver Star Apartments, opened during 2009, is the first Low Income Housing Tax Credit (LIHTC) development in Michigan to provide permanent supportive housing to 75 homeless veterans. It was developed by MSHDA in partnership with a for-profit developer, the Veteran's Administration, the Veteran's Hospital, and local service agencies. The Silver Star Apartment complex is a first-of-its-kind project that will provide permanent supportive housing targeted exclusively to homeless veterans. The project will combine on-site and off-site supportive services with existing Veterans Administration services and nonprofit services for the homeless.
- In MSHDA's FY 2009, \$958,045 was provided in rental development grants which provided 26 units of housing for the homeless.
- MSHDA allocated \$5,000,000 to match and supplement HUD's Emergency Shelter Grant (ESG) Program. The ESG program offers financial assistance to public and nonprofit organizations that are responding to the needs of homeless populations through a Continuum of Care process.

Affordable Rental Housing

- MSHDA was one of only four states and Puerto Rico to receive American Recovery and Reinvestment Act (ARRA) funds to create jobs and provide affordable housing. \$78 million came to Michigan. ARRA provided new resources—including the TCAP and the Section 1602 program that provides cash grants in lieu of LIHTC awards. Both programs were announced at the end of June and should begin producing development mid-way through FY 2010 to complete construction of qualified housing developments.
- The tools from ARRA, in combination with those provided by the 2008 Housing and Economic Recovery Act (HERA), have provided MSHDA with powerful resources intended to combat national dislocations within the LIHTC program, the nation's most substantial affordable housing production tool over the past two decades. The focus is on rehab, energy efficiency, improving affordability and

renovation, not building new public housing. MSHDA made Michigan the first state in the nation to announce its ARRA spending proposals.

- In MSHDA's FY 2009, the Multifamily lending program financed \$59.6 million in loans, representing nine developments containing a total of 1,185 housing units. This is a surprisingly successful result considering Michigan's economy and the reluctance on the part of developers to invest in the state.
- During FY 2009, the Authority allocated \$23 million in Low Income Housing Tax Credits to 49 developments helping create 2,610 units of affordable housing.
- In FY 2009, a total of 24,582 families participated in the Housing Choice Voucher program which uses the private rental market to assist Michigan's extremely low income families to afford decent, safe, and sanitary housing. The average adjusted household income was \$9,837.

Vibrant Cities and Neighborhoods

- Federal authorities are considering a \$290 million proposal from MSHDA to launch the "New Michigan Urban Neighborhood" plan, an unprecedented effort to remove blight and revitalize neighborhoods in 12 of the state's largest municipalities – Detroit, Highland Park, Hamtramck, Wyandotte, Flint, Saginaw, Pontiac, Lansing, Battle Creek, Kalamazoo, Grand Rapids, and Benton Harbor. The "New Michigan Urban Neighborhood" plan marks the first time in its 43-year history that MSHDA has sought HUD funding through a coalition that includes city government partners and eight of the state's most progressive land banks. MSHDA would allocate the funds to acquire and redevelop more than 6,000 foreclosed, abandoned and vacant properties in Michigan, demolish 2,500 structures and rehabilitate or build 1,500 homes. We hope to hear by the end of 2009 if the funds will be awarded.
- MSHDA has been allocated \$98,653,915 to address the areas of greatest need within Michigan. MSHDA's Office of Community Development (OCD) has awarded NSP funds for the following eligible activities:
 - Acquisition and rehabilitation of foreclosed or abandoned single family homes for resale to owner-occupants (all applicants);
 - Demolition of blighted structures for future redevelopment (land banks only);
 - Demolition of blighted structures for green space or for immediate redevelopment (all applicants);
 - Redevelopment of demolished or vacant lots for single family owner occupied housing (all eligible applicants); and
 - Redevelopment of demolished or vacant properties for public facilities or public services (land banks, local units of government, and nonprofits only).
- MSHDA produced a video stressing the importance of Michigan downtowns and buying and reinvesting locally to transform the state's economy through our Michigan Main Street Center. The video has been picked up nationally and adopted by the National Main Street program. It is currently running throughout the country encouraging people to shop and reinvest in their own downtowns.

- MSHDA has acquired the State Historic Preservation Office, the Office of the State Archeologist, and the Idlewild Centennial Commission from the Department of History, Arts and Libraries, and is currently integrating the activities associated with these divisions into our Vibrant Cities and Neighborhoods initiative.
- After more than a year in the making, MSHDA launched the Pure Michigan Living Web site. It is dedicated to sharing quality of life stories by raising the visibility of new economic opportunities in Michigan, and to highlight the people who are choosing the Great Lakes state as a place to live and shaping what is next for our state. Inspired by Travel Michigan's Pure Michigan campaign, Pure Michigan Living is a partnership between MSHDA and the Michigan Economic Development Corporation (MEDC).
- In FY 2009, 394 grants were made to local units of government and nonprofit housing and service providers, for a total grant expenditure of \$55 million.
- MSHDA and Dow Chemical presented grants totaling \$20,000 to the Civitan Recreation Center in Saginaw for youth programs. The \$10,000 MSHDA grant was made possible by the city of Saginaw through MSHDA's Cities of Promise partnership team efforts. In addition, a \$10,000 matching grant was presented by Dow Chemical of Midland. This money will allow the Civitan to operate a year-round recreation and academic support program for Saginaw youth. The goal of the program is to help keep youth off the street by providing positive experiences and guidance through mentors and employment opportunities.
- MSHDA and its Cool Cities initiative implemented the first ever Cool Cities internship pilot program with students participating from Michigan State University, the University of Michigan, and Wayne State University. The students worked with dozens of Cool Cities designated neighborhoods around the state to engage with residents and learn first-hand about innovative and exciting developments and programs in our communities.
- Almost 2,700 residential properties have been demolished through the eight Cities of Promise (COP) blight elimination program.
- Safe Routes to School is a federal program administered through MDOT in conjunction with MSHDA's COP initiative to encourage and enable children to walk and bicycle to school. Almost 30 schools located in the Cities of Promise created action plans to overcome barriers to children walking and riding safely to school. Nearly \$7 million in infrastructure and education and training funding has been awarded to these schools for sidewalk and crosswalk improvements, safety programs and other activities. Hamtramck recently won a national award for their Safe Routes to School model.

Michigan Conference on Affordable Housing

- The Michigan Conference on Affordable Housing was held June 1 – 3 at the Lansing Center where more than 1,500 attendees heard nationally renowned speakers and attended hundreds of sessions designed for service providers, nonprofit and for-profit developers and financiers from the affordable housing industry and community economic development industries.

Job Creation Statistics

- Authority-financed housing created approximately 2,340 jobs, paid approximately \$156 million in wages, and resulted in approximately \$53 million in taxes being collected.

**CONSTRUCTION JOBS, WAGES, TAXES
FY 2009 (07/01/08 TO 06/30/09)**

	Jobs	Wages	Taxes
<i>Multifamily Direct Loans</i>			
Crosstown Parkway	38	\$2,512,500	\$892,314
Dauner Haus	29	\$1,934,970	\$687,205
Hawk's Ridge	61	\$4,089,064	\$1,386,806
Lincolnshire Village	46	\$3,067,645	\$1,089,474
Maplewood Manor Senior	16	\$1,054,592	\$374,538
Mari-Dan Miller	39	\$2,586,306	\$918,527
Maxwell Place	21	\$1,406,123	\$476,887
Piquette Square	88	\$5,836,294	\$1,979,379
Ridgewood Vista	40	\$2,695,611	\$957,346
Multifamily Subtotal	378	\$25,183,105	\$8,762,476
<i>Single Family Loans</i>	1,942	\$129,337,346	\$43,864,761
<i>Property Improvement Loans</i>	19	\$1,281,708	\$470,579
TOTAL	2,340	\$155,802,158	\$53,097,816

Metro Authority

- Roll out of the Metro Authority database for telecom providers. Approximately 110 providers were assigned user names and passwords and were provided with instructions on how to review their invoice and payment history, review their current linear footage information, update/correct contact information, and submit their annual true ups.
- Roll out of the Metro Authority database for municipalities. Municipalities with populations of over 10,000 are required to file an annual report of how they spent funds received from the Metro Authority. 185 municipalities were assigned user names and passwords and were provided with instructions on how to update/correct contact information, review their payment history, review the linear footages reported by telecom providers in their public rights of ways, and on how to e-file their annual report.
- Approximately 85 telecom providers were invoiced in the amount of \$21,977,528.78 on April 1, 2009. (Cable companies and education institutions, which are exempt from paying maintenance fees, are still required to report linear footages in public rights of ways.)
- Funds in the amount of \$22,009,786.50 were distributed to municipalities in late May/early June. This represented \$21,891,304 in telecom provider payments,

interest accrued since last year, and carry forward from FY2008 (payments received after 2008 distribution).

- Collected \$105,530.33 of delinquent maintenance fees from three telecom providers to be added to FY10 disbursements to eligible Municipalities.
- Updated Metro Authority website to include most recent information regarding METRO Act activities and operations.
- Reviewed MPSC website information related to the METRO Act and suggested removal, clarification, and/or updates to outdated information; MPSC accepted recommendations and posted updated their METRO Act FAQ's information on their website.
- Rendered determination that contractors performing work in public rights-of-way for telecom providers are not exempt from pay municipality construction fee permits.
- Rendered determination that telecom cable company providers that provide cable, telephone and internet (bundled) services and initially obtained a unilateral or bi-lateral permit to access, occupy, or use a municipality's public right-of-way must extend or renew such permits when they expire. This determination blunts claims by some telecom providers that they now may not have to pay METRO Act maintenance fees per Section 8(11) of the Act.
- As part of the Governor's Broadband Planning Consortium as regards the state's efforts to secure federal ARRA funds to provide broadband services to unserved/underserved areas of Michigan, provided information from Metro Act resources that facilitated better communications to the state's 1,778 municipalities about planned state broadband access, resources, etc.
- Formulated and issued procedures to address Attorney General concern that state departments must timely address statutory FOIA response periods and postmarking of such responses to document mailing dates to avoid losing circuit court actions alleging untimely FOIA responses.

Labor Market Information & Strategic Initiatives

- Undertook a rigorous empirical study on Michigan's green economy and conducted the first survey of Michigan employers with the objective of measuring the current number of Michigan's green jobs and presented the findings in Michigan's first "Green Jobs Report". The study used a unique three-prong approach that included qualitative, analytical and quantitative research. The study was only the second such analysis of green jobs done by a state and the first to assess the growth potential of green related industries.
- The LMI website, www.michigan/lmi, received over 394,000 total visits in FY2009 an increase of over 19% from FY2008.
- The Bureau staff responded to 9,500 requests for workforce information in 2009. Some of these requests involved basic dissemination of labor market indicators, but many required more in-depth data production and analysis or consulting with customers on the application and use of workforce information.

- LMISI applied for and was awarded a State Labor Market Improvement grant from the U.S. Department of Labor, authorized by the American Recovery and Reinvestment Act (ARRA). The grant awarded \$4 Million to Michigan, Indiana and Ohio to research the workforce requirements of the future restructured auto industry and identify potential employment opportunities for dislocated auto workers and other at-risk workers in the green economy.
- Prepared a comprehensive 25-page “Economic and Labor Market Analysis” document as part of a Michigan two-year strategic plan required by the U.S. Department of Labor in support of a grant application for BWT.
- Developed a report for the Southwest Michigan Works! Agency Coalition titled Southwest Michigan’s 21st Century Workforce: Regional Labor Trends and Forecasts. The document provided an in-depth analysis for a seven-county Michigan region on recent labor market trends, identification of competitive advantage and competitive employment performance sectors, information on regional labor supply from the Local Employment Dynamics program, long-term job outlook for regional industries and occupations, and information on key skills, knowledge and work activity gaps.
- Issued the third edition of the Michigan Economic and Workforce Indicator Report -- Winter 2009. The bi-annual publication provides policy makers, economic developers and community leaders timely and concise labor market information on topical workforce measures.
- Released the latest short and long term occupational and industry forecast for the state and its economic regions. The information was used to update the growth occupations for the Career Outlook brochures and Hot 50! Job posters.
- Released the 2009 Annual Planning Reports to the twenty-five Michigan Workforce Agencies. These reports provide each workforce agency a detailed assessment of economic, demographic and labor market conditions for their specific regions.
- Completed the first Older Worker Report for Michigan, providing insight and analysis into the labor market as it impacts Michigan’s baby boomers. The report addresses demographic and market conditions as well as job opportunities and labor market shortages in a number of vital industries and occupations.

Michigan Rehabilitation Services

- Served a total of **50,779** customers
- **6,935** customers were successfully closed in employment
- Customer satisfaction **rose to 84.2%**
- Participated in a community employment collaborative that helped to secure a \$950,000 grant in St. Clair county to expand transportation to adjacent counties for employment opportunities
- Assisted Peckham Industries develop a new Leadership in Energy and Environmental Design (LEED) facility

- Established a partnership with Hannahville Indian Community for job retention of persons with disabilities at the Hannahville Indian Casino
- Conducted several successful job fairs, notably one in Midland with 1,500 job seekers and 96 companies represented; one in central Michigan with 800 job seekers and 52 companies represented; and a federal job fair in Macomb county with about 275 job seeks and 11 federal agencies
- Implemented a statewide roll out in Lansing and Ann Arbor of our interagency agreement with the Veterans Administration. MRS counselors were selected and trained to be VA champions
- Launched Michigan Transition for the 21st Century project
- Provided 3,721 consultations for JET (Jobs, Education, and Training), 709 had plans for services and 114 were successfully rehabilitated into employment
- Completed energy audit and facility assessment at MCTI
- Introduced green technology, alternative energy skill training and certificates in MCTI electronics and machine technology trade programs
- MCTI graduated 307 students in 2008-2009
- 73% of the 2007-2008 MCTI graduates obtained employment. Of those, 78% found employment in their trade and 78% retained employment for 90 days.
- Added assistive technology lab at MCTI for students and faculty
- Culinary instructor was recognized as Chief Educator of the Year at MCTI and was featured in Grand Rapids Magazine and Channel 13 News
- The Association of Rehabilitation Programs in Computer Technology (ARPCT) gave an award to an MCTI office automation instructor as outstanding member of the year
- Upgraded MRS software system to new technology for approximately 700 users
- Successfully consolidated Detroit offices, including successfully improved service delivery to transition youth in Detroit schools
- MRS Recovery Act Projects. MRS is using American Recovery and Reinvestment Act (ARRA) funds to develop a series of projects to assist citizens of Michigan to obtain and retain jobs. Innovative placement projects through MRS District Offices; expanded programs at the Michigan Career and Technical Institute (MCTI) into emerging occupations; and expanding MCTI training into the Detroit area with the creation of MCTI East will create successful employment outcomes.
- MRS vocational rehabilitation counselor received the Metropolitan Detroit Rehabilitation Association (MDRA) Westerman Award. The award is presented annually to persons who have distinguished themselves by their contributions to the field of rehabilitation.

Commission on Disability Concerns

- Reorganization, downsizing and appointment of members to Disability Concerns Commission.

- Development of first draft of rules and regulations for Sign Language Interpreter Act
- Michigan Youth Leadership Forum funded with \$50,000 outside of state budget
- Negotiation of lease for Michigan of Texas Sign Language Interpreter Test
- Facilitation of a national agreement which will bring VA funding to Michigan Centers for Independent Living for veteran services

Labor

Bureau of Employment Relations

- The fact that BER has successfully handled this number of filings is remarkable as our staff has been reduced in size by 60% over the past 30 years - from 49 positions in 1979 to 21 positions (2 of which are vacant).
- In a less than 6-month period from January 1 to June 12, 2009, with reduced staff and budget, BER ably handled the following filings:
 - 64 Union representation petitions processed
 - 43 Commission Decisions and Orders issued
 - 46 Union representation elections conducted***
 - 85% Certifications of elections issued within 15 days of the election
 - 1,716 Notices of open contracts received and processed
 - 634 Mediation conferences held
 - 53 Fact Finding petitions filed and processed

***Significantly, during this period, one Election Officer (without assistance from the State's mailroom) timely and ably handled union representation petitions and conducted representation elections in several large bargaining units involving the Michigan Federation of Teachers, including at: Michigan State University (665 voters), Central Michigan University (560 voters), and Western Michigan University (500 voters).

- BER developed a unique collaboration with the Rapid Response Team (RRT) - another DELEG agency. Recognizing a commonality in their missions, BER and RRT work together to reduce the number of entities moving out of state and/or the number of mass layoffs when labor costs may be a reason for the potential job loss.
- The collaboration involves RRT notifying BER when RRT receives a notice of layoff or closure. BER labor mediators offer assistance to the parties and work with RRT to determine how best to respond to the situation, ensuring that if the labor issues are resolvable, they do not contribute to the loss of jobs in our state.

- One example of this involved Lenawee Stamping Corporation and the UAW, Region 1-A – the employees’ bargaining representative. The company was considering moving out of state or closing its doors. Through the efforts of a labor mediator, the RRT, and MEDC incentives, Lenawee Stamping remained viable and reached a labor contract with the UAW.

Michigan Employment Security Board of Review

- Made significant headway in reducing its average case age. Achieved a significant reduction in its average pending case age during the first half of 2009, reducing it from 109 days in January to 79 days in June. During the second half of 2009, the Board maintained its average pending case age at a stable level. In July 2009, the average pending case age was 82 days, and in October 2009, the average had dropped to 80 days.
- Helped the Unemployment Insurance Agency to address its backlog of adjudications caused by the recent large increase in unemployment claims. From February 2009 to April 2009, two of the Board’s staff attorneys devoted two days per week to adjudicating redeterminations for UIA.
- Maintained a steady output of decisions during the second half of 2009, despite the extended medical leave of absence of one Board member from May 2009 through November 2009, and the retirement of that Board member effective December 1, 2009, leaving a vacancy on the Board.
 - Issued between 500 and 550 decisions each month, from July through October 2009, which compares favorably to the 430 to 615 decisions per month that were issued from January through June 2009.
 - Avoided any significant increase in its average pending case age during the second half of 2009, despite the absence of a Board member.

MIOSHA

- Launched its extensive **“Protecting Workers in Tough Economic Times”** initiative on May 7. This awareness campaign demonstrates how a comprehensive safety and health management system can help employers protect their workers and their bottom line. In enforcement MIOSHA offered penalty reductions, a penalty payment plan, good faith credits, focused inspections, more options for prehearing locations, and inspection deferrals. On the consultation side, the CET Division offered more free publications, improved access to standards online, and more DVD titles in the free video loan library.
- Launched a **\$28,000 scholarship program** for the MIOSHA Training Institute (MTI). The MTI has quickly become the premier provider of safety and health training in Michigan, with more than 4,400 individuals enrolled statewide representing more than 700 employers. With the scholarship students can attend MTI courses for 50 percent of the regular course fees. Unemployed workers will only pay the \$20 data base fee. Application forms were available on the MIOSHA website in mid-July, for seminars starting on October 1st.

- Continued its very successful, multi-year “**Connecting MIOSHA to Industry**” initiative that is merging traditional program responsibilities with proactive outreach measures. Providing excellent customer service is the main focus of the Connecting Initiative. As the next step in 2009, all MIOSHA staff received Emotional Intelligence training (provided by Civil Service) to strengthen our ability to become more effective in our interactions with customers.
- Named, for the second year in a row, a winner of the **Alfred P. Sloan Award for Business Excellence in Workplace Flexibility**, distinguishing the agency as a leading practitioner of workplace flexibility. MIOSHA was one of 34 winners recognized. The Sloan Awards honor organizations of all sizes and all types in Michigan and across the country that are using workplace flexibility as a strategy to increase workplace effectiveness and yield positive business results. MIOSHA was named as an award winner on September 11, 2009.
- Announced these **Strategic Plan FY 2008 program successes**: The CET Division provided 3,034 safety and health consultations; 728 onsite surveys; 1,187 training sessions, with an attendance of 19,078; distributed 106,882 pieces of literature; and loaned 1,458 videos/DVDs. There are 26 MVPP Star sites and 3 Rising Star sites, 19 SHARP companies, 19 active alliances, and 8 active partnerships. MIOSHA awarded 20 CET Grants, totaling \$1 million. The two MIOSHA enforcement divisions conducted 5,098 inspections, identified 16,242 violations, with total proposed penalties of \$5,818,737. Five standards were promulgated and/or amended. MIOSHA received 1.7 million website visits. Information is available online at www.michigan.gov/miosha.

Unemployment Insurance Agency

- Hired and trained over 400 new employees to help unemployed workers
- Opened a new call center in Lansing and opened a temporary Problem Resolution Office (PRO) in Detroit (Cadillac Place) in December 2008. UIA will open another temporary PRO in Pontiac by June 22, 2009 (Phoenix Center)
- Enhanced UIA telephone capabilities to allow unemployed workers to file their unemployment claims through the agency’s automated telephone system 24 hours a day, six days a week.
- Improved telephone MARVIN’s capacity by about 40% in January and February 2009 and boosted capacity by another 15% in June 2009.
- Launched MARVIN Online in January. UIA is now working to enhance its technological capacity by adding another server before its current capacity is maxed-out
- Organized and conducted an Automotive Suppliers’ UI Roundtable in May 2009
- Launched “UI Tube,” which includes online and on-demand video tutorials for both workers and employers. By mid-July 2009, UIA anticipates approximately 25 such tutorials ranging from how to use the UIA’s online resources to how unemployment insurance tax rates are computed. The website address is: <http://www.michigan.gov/ui/0,1607,7-118--213931--,00.html>

- Launched SNAP, a software program designed and developed in-house. SNAP is intended to speed up the issuing of decisions in contested claims (a decision tree analysis). SNAP is currently undergoing a pilot test.
- Developed an “Online Filing Kit” designed to make the online unemployment claims process even more efficient and convenient.
http://www.michigan.gov/documents/uia/OnlineClaimFilingKit_278831_7.pdf
- Implemented various federal initiatives under the American Recovery & Reinvestment Act: Emergency Unemployment Compensation, Extended Benefits, an extra \$25 per week in Federal Additional Compensation, \$2,400 tax free portion, Trade Act amendments, among others.
- Re-initiated the process to begin development of the UIA’s 25-year old computer system (a large factor to many of the Agency’s challenges during these difficult times). A Project Management Office RFP was released and bids will soon be reviewed (joint cooperation of UIA, DIT and DMB)
- Involved deeply in the passage of at least four Public Acts this year (suspension of solvency tax, Extended Benefits [two laws] and a supplemental appropriation).
- Maintained tight management and oversight of various processes (federal, budget, legislative and trust fund projections) that are expected to result in UIA receiving nearly \$70 million for UI operations funding.
- Answered, on average, from 13,000 to 16,000 phone calls from unemployed workers every business day.
- Paid unemployment benefits to approximately 450,000 persons who, without these benefits may have lacked sufficient means to get by.
- Paid out in excess of \$130 million in unemployment benefits every week, since the ARRA was passed. Total includes the federally funded portions of the Recovery Act.
- Expanded and continues to expand communication with various labor, workers and employer groups to provide correct information to workers and employers.
- Established and expanded partnerships with other service agencies to further assist the unemployed - joint initiatives with DHS, MIChild health insurance, MSHDA, and the utility companies to provide information to unemployed workers on additional help available to them.
- Worked with Bureau of Workforce Transformation and Michigan Works! Agencies to provide information to unemployed workers about training funds and programs (NWLB and Pell grants) and eligibility waivers for those collecting UI and in training.
- Worked with Michigan Works! Agencies and community colleges on proposal to provide computer time for unemployed workers to use in filing claims during evening hours and on Saturdays.
- Improved public website by redesigning it for easier public access to information.
- Developed and provided targeted training for newer UIA staff in specific high volume and backlogged workloads.
- Implemented the Automated Work Distribution System (AWDS) at the beginning of FY 2009. The new system significantly reduced agency mailing costs, while allowing UIA to better track the work flow and move work more quickly through the system.

- Increased the Audit Production Standard for fully experienced auditors from seven to eight per month starting January 1, 2009. The increase places the UIA's Field Audit Section in line with the most productive field audit groups in all of USDOL Region IV.
- Maintained a reasonable assurance of quality in the field audit process (based on Tax Performance System quality results published during the FY 2009). The 59 of 60 sampled field audits (drawn from the full universe of field audits) passed the TPS quality standards.
- Completed the successful integration of eRegistration and EWAM with Michigan One Stop.
- Filled 14 positions out of 19 vacancies in the UIA Tax Office.
- Obtained access to the new BRIDGE system for WOTC.
- Implemented the two new federal Work Opportunity Tax Credit target groups and added the two groups to the WOTC Oracle Program.
- Eliminated paper backlog in the Tax Office
- Completed the move of the SUTA Dumping Unit to the Tax Office
- Implemented successorship of reimbursing accounts
- Completed the Statement of Accounts which assisted the SUTA Dumping Unit in the resolution and settlement of multiple SUTA Dumping cases.
- Collected more than \$2.5 million from employers that were not in compliance with the requirements outlined in the MES Act and Rules
- Hired and trained two new employees in Tax Enforcement
- Began to coordinate efforts between its Tax Enforcement Unit and the Michigan Dept. of Treasury to share their Discontinuance of Business Form. These forms will serve as source documents to inactivate the employer accounts that have (8) estimated quarters in the UIA 3270 system. This will significantly reduce the accounts on the D-Run report.
- Began working with the Department of Attorney General on a method to properly send "Notices to Withhold" to the Michigan Dept. of Treasury for severely delinquent noncompliant employers. These employers would either be vendors of the State or receive some sort of reimbursement from the state (i.e. Medicaid payments).
- Began working with the Department of Attorney General on the creditor's examination process for severely delinquent noncompliant employers.
- Began working with other internal departments on a method (procedure) to intercept state income tax returns from delinquent noncompliant sole proprietors.
- Paid out over \$3.6 billion in unemployment benefits from June through November 2009
- Took in over 1.6 million telephone calls
- Opened and imaged over 4.8 million pages of correspondence
- Processed and responded to 650,000 documents requiring resolution
- UIA's strategy of encouraging people to use online services is taking hold:
 - MARVIN online (launched January 2009) now accounts for 18% of all weekly MARVIN activity, and it continues to rise
 - Internet filed unemployment claims account for 55-60% of monthly new claims filings

- UI TUBE (online, on demand webinars for workers and employers) received over 56,200 views during from June through November 2009.
 - Prepared two DVDs now being played in local Michigan Works! Service Centers and/or UIA Problem Resolution Offices (PRO). Copies of the DVDs were also made available to all public libraries. The DVDs focus on filing claims for unemployment benefits including filing a claim online.
 - Continued outreach to the employer community to increase usage of the Employer Web Account Manager (and pre-registered employers to EWAM and built-within EWAM an online application for positive balance employers to claim the state unemployment tax credit around June 2010). Implemented auto enrollment for employers who do not have an EWAM account to encourage usage of the online services.
- Conducted 16 Employer Seminars around the state from Marquette to Kalamazoo (2,300 employers registered for the seminars)
- Opened the Adjudication Academy which is designed to shorten the learning curve associated with staff becoming skilled at the complex work of adjudicating cases
- Reduced the adjudication backlog by over 28% from 107,500 on September 24, 2009, to 74,707 on November 30, 2009.
- Collaborated with the Department of Human Services in opening three "mini Problem Resolution Offices" within DHS offices in Muskegon, Kalamazoo and Clinton Twp. In addition, the agency opened a temporary PRO in Pontiac. These offices extend UIA's presence in areas of the state where unemployment is high and customer service can be enhanced. The agency now operates 11 PROs across the state.
- Implemented the latest federal unemployment extension (Emergency Unemployment Compensation Tiers III and IV) less than two weeks after it became law. The President signed the law on Friday, November 6, 2009, and UIA made first payments on Thursday, November 19
- Finalizing the development and opening of the new Virtual Problem Resolution (VPR) team in early January 2010. The innovative VPR will: **(1)** improve customer service by creating an additional channel through which unemployed workers can get their questions answered and problems resolved; and **(2)** further increase adoption rates for other UIA online services, e.g., Claim Portal and MARVIN Online
- Enhanced the agency's Employer System Support
 - Integrated eRegistration and EWAM into the Michigan Business One Stop web portal.
 - Converted three employer service providers from filing Wage Detail Reports via outmoded magnetic tape to the faster, more efficient Employers Web Account Manager (EWAM) electronic file submission program and converted two paper-filing employer service providers to EWAM, reducing the volume of paper forms.
 - Added an electronic version of the *Employer Handbook* as a resource tool available to employers with EWAM accounts. UIA also processed more than 230 orders for hard copies of the *Employer Handbook*.

- Implemented a bulk tax payment option, which allows employers to submit an electronic file providing the distribution of one ePayment.
- Implemented changes to the WOTC Oracle system to include two new target groups created by the Reinvestment in America Act. Develop.
- Implemented modifications to the voluntary payment process to allow for voluntary payments to avoid solvency tax and then implemented program changes to waive the solvency tax for 2009 and 2010 due to the Reinvestment in America Act.
- Developed and implemented a quarterly automated inactivation process for reimbursing employers to comply with TPS guidelines.
- Served 45,049 customer contacts through UIA's Centralized Response Team, a 57% increase over the previous year to date. Despite the large increase, average response time for contacts is still less than two days.
- Served 12,017 customers through the Governor's Line for Unemployment through November, a 391% increase over the previous year to date.
- Assisted 313,263 walk-in customers at the agency 11 Problem Resolution Offices (PRO) past 12-month period, a 261% increase over the previous year to date. Added a more stable image and new features to the customer self-service lobby computers in the PROs, including information on accessing family assistance such as the on-line Food Assistance application
- Provided Advocacy Program services for 2,625 unemployed workers and 1,412 employers for the period of July 1, 2009 to October 30, 2009. and answered 12,282 calls to the Advocacy Program's toll-free telephone line.
- Arranged for UIA staff to attend 535 Worker Orientation Meetings and 152 Rapid Response Team Meetings and facilitated two training sessions in 2009 to train new agency speakers.
- Processed and referred 17,667 unemployed workers to profiling and reemployment services for those who are most likely to exhaust their unemployed benefits before full-time work is found.
- Mailed more than 26,600 UIA forms to Michigan Works Agencies for distribution to unemployed workers visiting their offices. The forms are also available via the UIA's website, thus reducing copying and mailing costs.
- Accepted 30,321 new claims and 57,906 additional claims that were electronically filed by Employer Filed Claims employers from June through November 30, 2009 and handled 32,315 telephone calls during the same period.
- Issued an average of 11,000 checks per month in Trade Readjustment Allowances (TRA) with an average payment of \$300 per week. Total payments were \$3.3 million as of November 30, 2009. Accepted 21,285 TRA claims in 2009 and handled 102,850 phone calls. Paid over \$550,000 to Alternate Trade Adjustment Assistance claimants, who have chosen to go back to work instead of going to school. They are paid the difference in wages that they lost.
- Collected more than \$31 million in claimant restitution
- Wrote 1,958 wage/benefit crossmatch redeterminations establishing almost \$2.5 million in restitution and penalty.
- Wrote 3,297 (re)determinations establishing over \$7 million in restitution and penalties through its six crossmatch programs.

- Added to the UIA website information about the Disconnected Youth and Unemployed Veterans target groups that became part of the federal Work Opportunity Tax Credit program as a result of the American Recovery and Reinvestment Act of 2009. UIA notified employers of these two new target groups, and the agency has already received about 10,000 applications from these target groups.
- Hosted six meetings workshops, conferences, training, or presentations using within seven months of installing and testing a new videoconferencing technology: The videoconferencing system will reduce travel and improve communication between agency units.
- Trained an average of 428 staff members per month in various work units to improve service to the public, productivity and address UIA backlogs.
- Upgraded “Train the Trainer” programs to increase the training skills and ability of agency subject matter trainers. The agency’s Learning League members provided New Hire Training to over 400 new employees in a short period of time during the rapid start-up of the Lansing Call Center.
- Created and implement a Managers Skill Building Process to continue leadership development by building upon previous training and providing additional tools to enhance the capabilities of both experienced and new managers. The agency’s Center for Learning and Development (CLD) did the work on this project.
- Created and implemented a customer services performance improvement/training program, which included a quality review process, results meetings, training for staff and managers and other efforts such as video discussions, and reading and discussion assignment. This was collaboration between the CLD and Benefit Overpayment Collections unit.
- Changed processes successfully in the UIA print shop to allow for the presorting of 14 million pieces of mail at the Lansing Print Center. This saved the State approximately 10 cents an envelope or \$1.4 million.
- Completed enhancements to FACTS (Fraud Automated Case Tracking System) in the agency’s Fraud Investigations program. These upgrades will speed investigative case work.
- Closed 642 cases, resulting in 68 arrest warrants being issued and \$1,652,985 in restitution and \$4,130,580 in penalties being recommended. Among the cases was a large federal prosecution case which resulted in a great amount of restitution being established along with a prison sentence.

Wage & Hour

- Decided approximately 76% of claims within 90 days or less of filing, even with a shortage of investigative staff
- Experienced increased cooperation with U.S. Department of Labor Wage & Hour program in June 2009 on education of teens and employers on rights/requirements of Youth Employment Standards Act
- Was featured in June on the DELEG-produced cable television program “THE JOB SHOW.” The program focused on youth employment

- Increased its prevailing wage collections by over 200%, which puts collections on track to be the largest amount of money collected for workers in any prior fiscal year
- Increased its Michigan Minimum Wage education efforts. The Division participated in the annual farm workers conference, speaking on their entitlement to the state's minimum wage
- Worked successfully on its pilot IMAGING project. The project is on target to have files imaged, resulting in greater productivity for Division investigators
- Collected \$2.3 million for workers with claims filed in FY 09.
- Collected over \$200,000 in prevailing wage claims for workers and was only exceeded by collections in FY 1990.
- Decided over 75% of claims within 90 calendar days, and over 75% informally. This was accomplished with 25% fewer investigators -- 15 vs. 20 for much of the year.
- Converted over 250,000 pages of "hard copy" files to electronic storage in the division's IMAGING project.
- Presented at a statewide conference of payroll professionals information about wage and hour laws applicable to them.
- Presented at three statewide meetings of education professionals information on youth employment and minimum wage.

Workers' Compensation Agencies

- The Workers' compensation Appellate Commission has been able to completely eliminate its backlog of decisions.
- Magistrates, Commissioners and Mediators attended "CompCollege 08," as provided by statute and Executive Order. Detailed presentations and discussions included evidence rules and vocational assessment issues.
- Compared to the rest of the nation, Michigan Workers' Compensation program continues to have relatively low costs.
 - In its biennial nationwide workers' compensation insurance premium study, the Oregon Department of Consumer and Business Services reported that Michigan was below the national median of all states for workers' compensation insurance premiums.
 - Michigan insurance premiums are significantly lower in cost than Alabama and Mississippi, states that are often mentioned as low cost labor states.
- Based on the Workers Compensation Research Institute (WCRI) studies, Michigan's workers' compensation program:
 - Is a "competitive asset" for the state, especially under the challenging economic conditions in recent years.
 - Provided a "better value proposition" for both employers and injured workers.
 - Had indemnity costs per claim with more than seven days of lost time that were lower than the study states, including several states that Michigan often competes with for business.
 - Shorter duration of temporary disability

- Lower average weekly temporary total disability benefit rate
 - Had lower costs as Michigan employers paid 20% less for workers' compensation costs per average case than the median of the comparison states (IN; IL; WI; MN; IA; TN and PA. Not in the study but with the same result were KY and OH.)
 - Had lower medical costs and utilization per claim than typical when compared to the 14-state study group.
- Has a national leadership role in Electronic Data Interchange (EDI). In its continuing efforts to cut operational costs and improve customer service:
 - Has six insurance groups currently (representing 10 individual insurance companies) filing various mandated insurance forms electronically, including the Accident Fund (the state's largest writer of workers' compensation policies).
 - Expects another large insurance group (representing five individual insurance companies) will be in production by the end of December 2009. When implemented, approximately 50% of all insurance filings received by the agency will be electronic.
- Is developing a web-based system for filing of the Annual Medical Payment Report and the renewal of the Certification of a Carrier's Professional Health Care Review Program.
- Has realized additional cost savings by changing its publications:
 - Maintains downloadable copies of the annual rate tables for wage loss benefits on its website. The tables are no longer printed. Agency customers can also download software from the WCA website that is updated annually and calculates weekly wage loss benefit rates, accrued benefits, coordination of benefits, and other calculations that historically were done with printed tables and calculators.
 - Fostered a partnership between the Institute for Continuing Legal Education (ICLE, a consortium of Michigan law schools) and the Workers' Compensation Section of the State Bar of Michigan to assume publication of the Workers' Disability Compensation Act and Rules on a recurring basis. The new version contains a user friendly major revision of the index. The new index was prepared by the WC Appellate Commission, and was edited by Murray Gorchow, when he was chair of the Board of Magistrates. ICLE reports that the volume has been extremely well received with brisk sales.
- Created a "Know Your Rights" poster for employees, which will assist with, and improve, reporting of claims by employees.
- Workers' Compensation Board of Magistrates:
 - Relocated the agency's Pontiac hearings office within the Oakland Towne Center to provide updated security, office efficiency, and better service to WC customers. The move also supports the Governor's Cities of Promise initiative.
 - Closed the Mt. Clemens hearings office effective June 24, 2009. The need to reduce operational costs and the decline in the filing of contested

cases was the basis for the office closing. Cases assigned to that office were transferred to Saginaw, Pontiac and Detroit.

- Workers' Compensation Appellate Commission
 - Eliminated its backlog of decisions and has substantially reduced costs through careful review of all expenditures such as library subscriptions.
- Funds Administration
 - Moved its office from leased space to the General Office Building. The newly designed office has greater efficiency in work process and energy consumption.
- Michigan Self-Insured programs
 - Navigated successfully two of the largest bankruptcies in U.S. history.
 - Returned a significant portion of surplus premiums to their membership, further reducing their costs for workers' compensation coverage.
- Supreme Court impact
 - Required re-handling of previously decided cases by the Board of Magistrates and the WC Appellate Commission due to a series of decisions made by the Michigan Supreme Court, which brought about significant changes in workers' compensation law and procedures. The Board and Commission had to take additional testimony and write additional opinions to address the changes in case analysis as specified by the Supreme Court decisions.
 - Required WCA to create new docket controls and, in conjunction with the State Bar Workers' Compensation Section, the creation of new agency forms to facilitate court-mandated disclosure of information by both sides of the cases.

Interagency Task Force on Employee Misclassification

- Submitted its annual report to the Governor on July 1, 2009, with recommendations from the subcommittees on possible solutions to employee misclassification based on information gathered from public hearings throughout the year.
- Was created by Governor Granholm's Executive Order No. 2008-1. The Task Force includes representatives from DELEG's Unemployment Insurance Agency, Wage & Hour Division, and Workers' Compensation Agency, as well as the Department of Treasury and the Department of Management & Budget. Data is also received from the IRS to investigate inappropriate use of 1099s.

Commission on Spanish-Speaking Affairs

- Education Committee met with the Michigan Department of Education, and members from ALSAME (Advocates for Latino Student Advancement in Michigan Education), MABE (Michigan Advocates for Bilingual Education) and MITSOL (Michigan Teachers of English to Speakers of Other Languages) to begin a partnership and the planning for a 2009 Education Summit.

- Business forum held in Saginaw that provided resources to Hispanic/Latino business owners/individuals with information on: how to start your own business, how to write a business plan, how to obtain financing, how to expand your business. This was co-sponsored with the Michigan Economic Development Corporation and the Mid-Michigan Hispanic Business Association.
- The Commission has continued to work with Senator Garcia's office and DELEG Legislative Liaison Tom Martin, in regard to the final draft of SB215. This bill amends the name of the Commission to: Hispanic/Latino Commission of Michigan, which was necessary to be in compliance with Proposal 2. The Bill also reduces the number of necessary yearly meetings from 12 to 6 and adds the partnership of implementing and planning of annual Hispanic Heritage Month and other Hispanic/Latino holiday celebrations with the Michigan Hispanic Caucus, local agencies and organizations and higher learning institutions. The Bill has moved from the Senate to the House -Governmental Affairs Committee.
- The Executive Director attended the National Council of La Raza's (NCLR) Midwest Regional Meeting on October 8-9, 2009 in Kansas City, Missouri. The purpose of this regional meeting was to discuss the various issues/problems affecting the Hispanic population in the Midwest. There were 26 affiliates in attendance (more than any other event in NCLR history), along with President/CEO Janet Murgia and NCLR Staff from the Washington, DC and Chicago Offices.
- The Commission has joined with the U.S. Census Bureau to form a community partnership to assist in disseminating information to the Hispanic community regarding the importance of being counted in the 2010 Census. The office also disseminated information on job opportunities for bilingual individuals.
- The Executive Director has been the speaker at various classes at Lansing Community College to discuss diversity in the workplace.
- The Commission has met with the Hispanic Legislators on a proposed migrant rest area project.
- The Executive Director attended a Hispanic community meeting consisting of all the National Hispanic organizations to meet the new Supreme Court Justice Sonya Sotomayor in Washington, DC in October 2009. There were about 700 individuals in attendance from various parts of the country.
- The Commission held its annual Retreat in Port Huron on November 5, 2009 to work on its Strategic Directions for 2010-2014. The Retreat Facilitator was Mr. Harvey Hollis, Vice President of Governmental Affairs, Wayne State University.
- The Executive Director attended a National Education Summit held in September 2009 that was sponsored by the National Federation of Teachers and the National Education Association. She attended as a guest of the United States Leadership Institute in Chicago. The purpose of the Summit was to discuss the various issues/problems presently affecting our Hispanic students, i.e. how do we prevent them from dropping out of high school, what retention programs do we need or have that we could all benefit from, etc.
- The Commission met with members of the Executive Staff with the Secretary of State (SOS) to discuss the driver's license and state identification, and marriage license requirements for immigrants. The Commission had been informed on

various occasions of staffers in the district office being rude and not providing licenses to immigrants. Prior to this meeting, the Commission had provided a lengthy list of questions to the SOS and this meeting was in follow-up to their responses.

- The Commission and Office assisted the Michigan Hispanic Caucus, Capital Area Cesar E. Chavez Commission and Lansing Community College in their annual celebrations of Hispanic Heritage Month (September 15-October 15) and Cesar Chavez Day (March 31). Due to the state of the economy, these celebrations were held together this year.
 - The office produced an annual statewide calendar of events that were being held to commemorate Hispanic Heritage Month.
 - On September 29, 2009, the celebration includes a Statewide Student Summit at Lansing Community College. Over 750 high school students attended. The keynote speaker was Mr. Ruben Gonzales, Three-time Olympian and National Luge Champion, from Texas.
 - A free cultural lunch on the Capitol Lawn was provided for community members and students attending the Summit. A college information fair was held on the Capitol Lawn for attending students. Entertainment included Mexican folkloric dancers and a group of 50 students from Kalamazoo sang De Colors in Spanish. A welcome address was provided by State Senator Valde Garcia, Mayor Virg Bernero and Governor Representative Jerome Marks.
 - A recognition & awards dinner was held that same evening to celebrate the accomplishments of Hispanics in Michigan and Cesar E. Chavez. Leadership awards were presented in the areas of: lifetime achievement, arts, business, Hispanic advocate and Hispanic educator. In addition, there were three scholarships awarded by the Michigan Hispanic Caucus and nine savings bonds to essay contest winners (three elementary students, three middle school students and three high students).
 - The Commission presented its 3rd Annual Hispanic Entrepreneur of the Year Award to Mr. David Segura, VisionIT.
 - In October 2009, Commission Chairman Lawrence Garcia and Commissioner Danny Inquilla participated in Pro Bono Day in Michigan to assist immigrants with legal questions, forms and any other legal problem/questions the attendees had.

Regulatory

SOAHR

- Will close over 150,000 cases in calendar year 2009.
- RFP process completed and bid award made for a SOAHR case tracking system to reduce 12-15 case management processes down to one or two.

- Assisted Unemployment Insurance Agency by hearing 7,200 redetermination cases for them in calendar year 2009.
- Successfully incorporated the aggressive schedule requirements of 2008 PA 286 in eight utility rate proceedings.
- In the MERC area, SOAHR ALJs have recently initiated the issuance of "Bench Decisions" as a pilot program to expedite the issuance of decisions in non-complex matters where there is no dispute of fact. The Bench decisions contain full and complete Findings of Fact and Conclusions of Law. Most frequently, they follow a "Show-Cause" hearing, but can also result from a pre-hearing conference that occurs just before a hearing. On occasion, the process is used after a full hearing and it eliminates the filing of briefs and the need for parties to wait months for a decision. This process is similar to a current NLRB decision process, again in non-complex matters where there is no dispute of fact. This process saves parties the time and expense of filing briefs and makes SOAHR's hearing process more efficient with more cases being decided at earlier stages. If, for example, the decision requires back pay, the period of time for back pay is shortened due to the promptness of the decision.
- In the MERC area, MERC ALJs are undertaking a full review of all forms, letters and Oracle documents to (1) make the documents more understandable, (2) better reflect current procedures, (3) consolidate and eliminate documents, and (4) update office names, addresses, etc.
- SOAHR coordinated 65 administrative rule sets for various Departments and Agencies and rescinded over 127 obsolete rules from the Michigan Administrative Code.
- Eliminated an approximately 200 case backlog for abuse/neglect expunction hearings while scheduling all incoming requests for hearings. Abuse/neglect expunction hearings are now scheduled to be heard within 60 days of the date the request for hearing is received by SOAHR.
- In November of 2009, SOAHR eliminated an inputting backlog of over 4,500 new Department of Human Services cases that resulted from a continuing and rapid escalation of our overall intake.
- Through the receipt of federal stimulus dollars, SOAHR was able to retain at the close of the review period additional staff to respond to an increase in unemployment insurance appeals.
- A piloted program was begun in our Department of Corrections referrals to enable greater staff flexibility by utilizing video hearing technologies.
- A pilot project was successfully launched in SOAHR's Ottawa Building Office to use remote video interpreter services to reduce interpreter costs in administrative hearings.
- Additional ALEs were cross-trained in Department of Human Services and Unemployment Appeals to foster more efficient use of staff resources and to increase SOAHR's ability to respond to peaks in demand in these areas.
- SOAHR joined partnership with the Michigan Works! Agency's Jobs, Education and Training (JET) Program as a training site in October of 2007. We have been providing various on-the-job training opportunities that have helped JET applicants achieve office skills needed to obtain employment in Michigan. We

have had twelve (12) applicants trained in SOAHR from October 2007 through December 2009.

- SOAHR has sent Administrative Law Judges to several of the state's law schools, Cooley Law School, MSU School of Law and Wayne State University, to explain the nature and mission of SOAHR and to offer mentoring or internship opportunities. One of these opportunities led to the updating of the MIOSHA and Wage Hour Digests. These updates have been placed in the libraries of MSU School of Law, Cooley, Wayne State University Law School, and the State of Michigan Library. SOAHR has also been represented at various community groups such as the local Chamber of Commerce, Rotary, etc.

Bureau of Construction Codes

- Reached out to local construction code enforcing agencies with information about the bureau's services, reminding them of our willingness to assist them in any way possible, and reinforcing the importance of local and state government agencies working together toward our common goal of construction code safety.
- Participated in six town hall meetings around the state with the Michigan Department of Agriculture, Michigan Townships Association, and the Michigan Farm Bureau. The meetings focused on providing information to local code enforcement officials, farmers, and the general public about the Right to Farm Act, zoning, construction permit requirements, and the exemptions related to agricultural buildings.
- Continued review of the Office of Local Government and Consumer Services functions and processes to identify and eliminate inefficiencies.
- Received over 1,200 applications for registration as a boiler operator and/or stationary engineer. The Board of Boiler Rules has approved registration of over 700 applicants to date.
- Held training sessions with all field inspectors to review code changes.
- Promulgated updated administrative rules for boilers. Working on updating rules for elevator, building, mechanical, plumbing, electrical, residential, rehabilitation, and energy.
- Reached out to local construction code enforcing agencies with information about the bureau's services, reminding them of our willingness to assist them in any way possible, and reinforcing the importance of local and state government agencies working together toward our common goal of construction code safety.
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- Continued review of the Office of Local Government and Consumer Services functions and processes to identify and eliminate inefficiencies.

- Received over 1,200 applications for registration as a boiler operator and/or stationary engineer. The Board of Boiler Rules has approved registration of over 700 applicants to date.
- Held training sessions with all field inspectors to review code changes.
- Promulgated updated administrative rules for boilers and electrical. Convened ad hoc committees to update rules for elevator, building, mechanical, plumbing, electrical, residential, rehabilitation, and energy.
- Issued registration renewals to 2,700 code officials.
- Assisted MSU in the education of code officials regarding the Michigan Uniform Energy Code.
- Provided continuing education to the electrical industry and began enforcement of the electrical apprentice ratios after the federal injunction was lifted.
- Instituted software enhancements to the plan review system to allow confirmation and plan review letters to be issued electronically.
- Manufactured Housing database became operational in Permits Plus.
- Updated the Michigan Electrical Code that became effective December 2, 2009.
- Participated in the 2009 International Code Council Code Development Hearings.
- Reached out to the Michigan School Business Officials and created a task group to review and discuss school construction issues.
- Developed and implemented a training program for inspection staff to use electronic tools more effectively.
- Worked with the Bureau of Fire Services to review and resolve code conflicts.

Public Service Commission

- Issued grants of \$5.5 million to promote renewable energy in schools and \$8.1 million to institute Michigan Saves program to improve energy efficiency.
- Processed renewable energy plans and energy optimization plans for nine investor-owned electric utilities, 12 electric cooperatives, 41 municipal electric utilities, 26 alternative electric suppliers, and six natural gas utilities.
- Adopted interconnection standards for small electric generators to promote the use of renewable resources.
- Initiated video franchise dispute resolution process to promote development of video services in Michigan.
- Entered into Memorandum of Understanding with Department of Environmental Quality to review electric generation alternatives analyses submitted in conjunction with proposed coal-fired power plants.
- Completed review of electric generation alternatives analyses submitted in conjunction with proposed coal-fired power plants and submitted review to Department of Environmental Quality.
- Completed contractual arrangements for energy optimization coordinator for 10 Michigan utilities.
- Issued grants of \$55 million to provide energy assistance to low-income households, \$14 million to improve energy efficiency in low-income households,

\$8.5 million to implement on-site renewable energy systems, and \$1 million to promote the use of compact fluorescent lights.

- Improved consumer protections for natural gas customers.
- Launched renewable energy certification system to track credits for Michigan's renewable energy standard.

Bureau of Commercial Services

LICENSING DIVISION:

- Consistently met red tape requirements of strict times on processing business license applications
- Developed an online continuing professional education (CPE) reporting system for accountancy licensees to input earned CPE hours over the internet, thus eliminating staff handling of paper reporting of 12,000 licensees.
- Implemented a new renewal criteria for certain accountancy licensees through development of an online Peer Review Reporting system. The program will facilitate the processing of renewals and will identify noncompliance issues.
- Staff prepped and scanned over 6,000 files that were previously retained in record center in order to enhance our capability to retrieve licensees' records electronically.
- Continuously enhanced the licensing section of the website by providing licensees with updated information and improved application forms.
- Enhanced the licensing database to perform more tasks electronically thus decreasing manual processing tasks.
- Provided outreach to licensees through speaking at association functions, development of FAQ's, hosting a booth at association conferences and writing articles for association publications.
- Implemented new license program for Mixed Martial Arts (MMA) under the Michigan Unarmed Combat Regulatory Act, which required process development and database enhancement.
- Worked on extensive revisions of proposed administrative rules, held a public hearing on the rules and they were promulgated on April 23, 2009.
- Researched and designed new MMA licensure forms along with enhancing and revising the Boxing licensure forms
- Expanded and enhanced the licensing website to include the MMA licensing program along with key links, licensing forms and information on MMA and Boxing.
- Implemented a process to issue National Identification cards to Michigan MMA licensees.
- Prepped and scanned over 300 active security guard licensee files to enhance our capability to retrieve licensing records electronically.
- Developed fillable PDF forms for quarterly reporting by security alarm licensees and enhanced the licensing website with compliance information regarding the reporting requirements.
- Developed fillable PDF forms for all business license applications.

- Implemented procedural changes that increased efficiency in processing applications including the elimination of duplicate information as a filing requirement.
- The hearing aid dealer salesperson licensure examination was restructured to a two-part examination consisting of written theory and practice (ear impression) parts.
- The hearing aid dealers licensure examination was restructured to consist of written theory only
- Legislation was enacted to convert landscape architect registrants to licensees effective May 13, 2009. Implemented the new statute, which required database enhancements, website enhancements, new forms designed, and FAQs. Other program requirements such as continuing competency as a renewal requirement and rules promulgation are targeted to be implemented by September 30, 2010.
- Developing rules for real estate appraiser licensees to implement recommendations of the federal Appraisal Sub Committee (ASC) regulatory body.
- Reminder postcards were mailed to licensed Michigan real estate brokers in preparation of tasks to be completed prior to renewing licenses during the upcoming renewal cycle. Brokers were encouraged to check the website and to check in advance to verify the continuing education hours posted to their license number as well as all their affiliated sales staff.
- Enhanced the real estate website for licensees to view their continuing education hours earned and reported.
- The Michigan Business One Stop portal, unveiled by the Governor on March 4, 2009, includes application information for 15 of our business licensees.
- Legislation was enacted to allow the licensing exam after graduation for architectural graduates effective November 10, 2009.

Testing, Education and Program Services Section

- Completed COLA preparation of Real Estate and Auctioneer renewals— This was the first renewal performed in our new iCOLA/COLA database for our real estate and auctioneer licensees. We provided additional business rules that required programming changes to meet calculation of continuing education & relicensure requirements; straight renewals; print processes and processing of refunds.
- Implemented in L2K new setup of handling Homeowners' Construction Lien Refund complaints – due to cost efficiency the Attorney General's office no longer represent us regarding construction lien cases where the license is lapsed. To reduce processing time the investigative process was eliminated and a new process implemented to forward the cases directly to Treasury.
- Developed a web application allowing BCSService IT liaisons to correct enforcement data corrections – correcting errors made by enforcement staff in the complaint module of License 2000 database required DIT staff to correct the simplest of errors. Data corrections would take a lot of DIT staff and IT liaison time to review and make the necessary corrections to the data. DIT created a web interface so that IT liaisons are able to make data corrections.
- Set up four new license types for Unarmed Combat Commission within L2K. We coordinated with L2K support staff, Print Team, and Finance/C3 Team to complete the set up.

- Created a Crematory License Type within L2K. We coordinated with L2K support staff, Print Team, and Finance/C3 Team to complete the set up.
- Create a new License Type of License Landscape Architects and converted all active Registered Landscape Architects to Licensed. We coordinated with L2K support staff, Print Team, and Finance/C3 Team to complete the set up.
- New Hearing Aid Exam types started to be administered. All pending Applications for HA in L2K were withdrawn and re-entered. All old applications were cleaned up at this time. Automatic ATT's are now sent to PSI.
- Modified Exam Grade Export to PSI to include builders, hearing aid, and barber/cosmetology relicensure applicants
- Brought remaining builder licenses to new three year licensing cycle.
- Modified Accountancy Firm license type configuration to require a licensed accountant as a pre-requisite, removing the requirement to collect a listing of principals of an accountancy firm at renewal.
- Modified webpage listing licensees CE taken to toggle between just current cycle courses, or all courses.
- Corrected Faxcom configuration to prevent collisions of email submissions to Corporation Division
- Modified Corp database and web pages to add Low Profit LLC as a new entity type
- Modified COLA to expand transaction auditing functionality
- Brought all applications taking credit card payments into compliance with new PCI requirements (FileOnline, MICH-ELF, MyLicense, COLA). Required by Jan 2010.
- Executed major version upgrade of License 2000 and MyLicense applications (Was moved to production in the first weeks of FY 2010)
- Modified Licensed Accountant and Accountancy Firm license type configurations in License 2000 and MyLicense to collect Peer Review status and fees.
- Created new pages in MyLicense to allow licensees to report their CE hours and Peer Review status online.
- Reviewed and approved first pre-licensure school for Auctioneers
- Attended CLEAR convention in Denver, Colorado, to gain insight and knowledge about how other states and jurisdictions license and test occupations/professions.
- Added a large number of Sponsors/Course Offerings to the Residential Builders and Maintenance & Alteration Contractors Prelicensure Course Program.
- Implemented extensive revisions of the Hearing Aid Dealers Salesperson Theory and Practical examinations and the Hearing Aid Dealer Theory examination.
- Amended the Real Estate-Real Estate Appraiser-Low Volume Exams Contract with PSI to increase HAD exam fees resulting from the revisions to the examinations.
- Implemented extensive revisions to the Polygraph Examiner oral examination.
- Participated in the PSI Examination Review Committee for Barber & Cosmetology Practical examinations.
- Implemented revisions to the Barber & Cosmetology Practical examinations.
- Extended the Residential Builders and Maintenance & Alteration Contractors Contract with PSI through July 31, 2010.
- Extended Barber/Cosmetology Contract with PSI through July 31, 2010.
- Worked extensively on Administrative Rules for Residential Builders and Maintenance & Alteration Contractors Continuing Competency.

- Worked extensively on Administrative Rules for the Design Boards (Engineers, Architects and Surveyors) Continuing Professional Competency.
- Worked extensively on Administrative Rules for the Auctioneers Boards Prelicensure Education and Continuing Competency.
- Attended and presented at the Association of Test Publishers (APT) Conference, the casting multiple equivalent forms of an examination from an item bank.

LEGAL AFFAIRS DIVISION & OFFICE OF THE STATE CEMETERY
COMMISSIONER:

- The division, through activities associated with the state cemetery commissioner, continues to monitor and participate in unprecedented on-going litigation activities concerning the conservatorships for the former 29 Indian Nation (Clayton Smart) cemeteries and the Chapel Hill cemetery in Grand Rapids (Robert Nelms). The sale of 27 of 29 Indian Nation/Smart cemeteries to Midwest Memorial Group (MMG) under an amended Sale and Asset Purchase Agreement approved by the Ingham County Circuit Court, after difficult negotiations, was finalized during the year avoiding an unwinding of the sale. David Shipper, affiliated with MMG, assumed the role of conservator over the two remaining cemeteries (Albion Memorial and Chapel Gardens) for which environmental concerns caused MMG to exercise its option to not purchase these two properties. The commissioner was notified by the department of attorney general that criminal prosecutions of Clayton Smart are still pending in Michigan and the State of Tennessee, and that Robert Nelms entered plea agreements in Michigan and the State of Indiana. The Nelms' plea agreements has led to continuing efforts to resolve the conservatorship status of the Chapel Hill cemetery vis-à-vis the Indiana receiver and litigation. The office of state cemetery commissioner continues to review new, proposed legislation affecting the industry, and has worked with industry representatives and the departments of environmental quality, community health, and HAL on common issues of concern and the promulgation of rules to meet requirements in the 2008 amendments to the Cemetery Regulation Act.
- Due to the current national and State of Michigan economic situation, the number of new contested cases declined this last fiscal year. This has resulted in less new conferences and hearings, as well as a noticeable shift in case type focus from residential builders and alteration contractors (in years past always the predominate case type) to other occupations and professions. The number of cases already in the processing continuum caused much more of an emphasis on final order monitoring and compliance, and resulting attendant issues that includes a significant increase in the Department being notified by respondents of bankruptcy filings. Comparative figures from last fiscal year to this fiscal year are provided below:

<u>HEARINGS</u>	<u>FY08-2009</u>	<u>FY07-2008</u>
Hearings Held:	350	424
New Hearings Opened:	430	577
Hearings Closed:	557	568
Other Hearing Actions per SOAHR*:	419	478
* Include hearing adjournments and cancellations.		
Compliance Conferences Scheduled	377	511
Final Orders Served	674	663
Formal Complaints Served	529	735

LEGAL AFFAIRS DIVISION & OFFICE OF THE STATE CEMETERY COMMISSIONER

FOIA Requests	424	432
Billing Amount	\$6,388	\$7,979

The division has been actively involved in supporting the Michigan Business One-Stop and Business Permitting review processes. This project has required the redeployment of certain division personnel to assist in the project when feasible or directly related to legal or cemetery issues.

ADMINISTRATIVE SERVICES DIVISION

- Assisted County Prosecutor in investigation and conviction of Prepaid Funeral Provider for conversion.
- Assisted Livonia police with investigation and arraignment of Prepaid Funeral Provider with conversion charges.
- Worked with Attorney General and stakeholders regarding Homeowner Construction Lien Recovery Fund funding issues.
- The Homeowner Construction Lien Recovery Fund received a total of 320 new claims worth \$9,362,514.25 and processed 98 payments totaling \$1,288,485.74

INFORMATIONAL SALES PROGRAM:

- Information Sales received 359 inquires and completed 169 orders, totaling \$25,230.00 for FY 2009.

- The website for ISP was updated to include a basic price list, detailed list of the available professions/occupations available to assist customers in obtaining the desired information. A new URL shortcut (www.michigan/bcsisp) was created to make it easier to navigate to the ISP webpage.

SCANNING/IMAGING:

- During FY 2009, the staff scanned a total of 439,474 records that are available for review on-line through the Alchemy program.
- In February 2009, training sessions were held for the BCS Licensing staff to review the Scanning procedures and to refresh staff on document preparation.
- To facilitate a smooth transition of paper to electronic image, and to save space in the scanning storage room, the scanning procedures were updated to shorten the retention period for paper documents to 40 days after the release to Alchemy.

Bureau of Fire Services

- The position of State Fire Marshal was filled in May 2009. This position had been vacant for one year.
- There are approximately 2,000 subscribers to BFS's Monthly Newsletter to stakeholders.
- The State of Michigan's first fire fighter basic training class which used video-conferencing between two remote sights was completed this year. The successful pilot course proved the OFFT configuration can be used for future classes.
- The Office of Fire Fighter Training continued its effort to go paperless, electronically entering training courses into the BFS Information Management System and forwarding the results to the course managers electronically. The production of training certificates for non-statutorily required courses was eliminated, and alternative methods of verification were introduced through the Information Management System.
- Rule Promulgation:
 - Healthcare rules – Final rules were filed with the Secretary of State, and became effective July 28, 2009. The National Fire Protection Association provided training free of charge to the State Fire Marshal's office for adoption of the 2006 edition of the Life Safety Code.
 - Certified Fire Inspector Rules – A public hearing was held in February 2009, rules were filed with the Secretary of State June 12, 2009 and became effective August 11, 2009.
 - Adult Foster Care Rules – The AFC Ad-Hoc committee has finalized the rules. An Impact Statement was completed and is awaiting a Public Hearing.
 - Fire Prevention Rules – The Ad-Hoc committee has been meeting and a final copy of the rules, the regulatory impact statement and a strike-bold document of proposed changes of the referenced 2006 Uniform Fire Code was completed August 1, 2009 and is awaiting a public hearing.

Liquor Control Commission

- Expanded online services by offering online fillable license application forms for easier accessibility to customers.
- Computer liaison team has been working diligently toward an online application-tracking database that will provide external customers with the ability to review licensing application status online. It is anticipated this feature will eliminate a majority of the 2,500 telephone status calls answered monthly by Commission Licensing Staff.
- Implemented cost saving paperless licensing docket for the Commissioners and staff for utilization at weekly Licensing Meetings.
- Successfully implemented a reorganization of the retail Licensing Division by creating four specialized units focusing on each step of the licensing process.
- Completed and rolled out a PowerPoint Law Enforcement Training presentation allowing Investigators and Supervisors to better train state and local law enforcement agencies on Liquor Control Code, Administrative Rules, violation reporting and Commission procedures.
- Developed and implemented an interactive investigator's report template to minimize investigator typing, eliminate redundant reporting, improve report standardization and allow for more efficient report reviewing and investigation analysis.
- Conducted 906 controlled-buy checks at liquor licensed establishments resulting in 87% of licensees refusing to sell to the decoys and 13% selling to the under-aged decoys corresponding to 116 violations for sales to minors.
- Completed documenting the business requirements (Phase 2, Requirements Definition) for a new Liquor Sales, Inventory and Purchasing System that will replace our 30 year old mainframe computer system.
- Reviewing/re-writing/updated all of our Bulletins and Business Operating Procedures that direct and control the Authorized Distribution Agents liquor distribution operations.
- Implemented several improvements to the MLCC's Liquor Price Reduction process.
- Brought awareness to four different middle schools throughout the Lansing/Detroit area regarding the dangers of underage drinking.
- Held the first "Afternoon with the Commission" panel discussion (an open forum for licensees/law enforcement/general public to ask questions and voice complaints)
- All MLCC Licensing forms are writeable on the MLCC website.
- Scheduled 95% of original violation hearings within 90 days of receipt of the violation report in the Unit
- Scheduled 95% of postponed and continued hearings within 180 days of receipt of the violation report in the Unit
- Issued 100% of final orders from violation hearings within 45 days of the

- hearing date
- Scheduled 100% of licensing hearings within 30 days from the hearing request date
- Worked with DIT staff to improve efficiency of the ORACLE program relative to violation system
- Participated in two town hall meetings located in Lansing and Muskegon. The meetings focused on changes (split case prices, increasing minimum case orders, and instituting a price for returned or refused orders) within our Liquor Distribution System.
- Participated in four trade shows that informed our licensees on the importance of checking IDs and answered questions on licensing and enforcement matters.
- Taped an episode of Consumer's Corner focusing on licensee responsibility that would be aired throughout Michigan.
- Recorded and distributed 5 Public Service Announcements which focused on licensee responsibilities, binge drinking, and when to start talking to your children on the importance of not consuming alcohol until they reach the age of 21.
- Enhanced our website to be more user-friendly and a source of valuable information for consumers, licensees and media.
- Provided outreach to licensees through speaking at association functions, community functions or schools, and writing articles for association publications.
- Implemented Michigan Business Services Improvement Initiative (Michigan Business One Stop) at agency
- Completed Strategic Workforce Planning Project
- Successfully implemented a reorganization of the retail Licensing Division by creating four specialized units focusing on each step of the licensing process; 1) First Requests; 2) Authorizing; 3) Submitting; and 4) Final license preparation
- Processed approximately 7,161 licensing transactions
- Issued 6,083 Special Licenses for non-profit charitable organizations
- Completed over 8,400 Product Registration Approvals
- Successfully completed the 2009-2010 annual license renewal for all retail and non-retail licensees.
- Prepared and submitted 10,501 licensing requests to the Administrative Commissioner's for their review.
- Issued over 1,300 new retail and non-retail licenses.
- Expanded online services by offering online fillable license application forms for easier accessibility to customers
- Implemented an online application tracking system which allows licensees and other interested parties to access the status and process of licensing transactions. This feature will eliminate a majority of the over 2,500 telephone status calls previously answered monthly by Commission Licensing staff.
- Implemented an online Special License issuance report. This weekly

report lists the license numbers, non-profit organization name, event location and event dates for Special Licenses issued to non-profit organizations.

- Implemented cost saving paperless licensing docket for Commissioners and staff for utilization at weekly Licensing Meetings
- Created cost saving writeable forms for utilization by licensing staff in lieu of ordering specialized forms.
- Conversion completed for paper documents for on premises and off premises multiple business operators to scanning bar codes.
- Manufacturers and Wholesalers surety bond program has been automated to provide a report and notices for those licensees not in compliance with the Bond requirements of Section 801.
- Implemented an e-mail account wherein MLCC Investigators can provide final inspection reports and supplemental information for faster service to customers nearing completion of the application process.
- Implemented e-mail program for submission of price postings for non-retail licensees.
- Conducted 1,753 controlled-buy checks at liquor licensed establishments resulting in 249 violations (13%) for selling alcoholic liquor to minors.
- Investigated 2,231 complaints alleging violations of the Liquor Control Code and/or Administrative Rules,
- Completed 2,308 licensing investigations involving existing and new liquor licensees.
- Submitted 1,640 violations against liquor licensees for violations of the Liquor Control Code and/or Administrative Rules.
- Finalized development and began implementation of a preliminary investigation report template to standardize and streamline investigator reports.
- We have reduced the cost to print and distribute our Quarterly Liquor Price Lists through the use of cheaper paper for the body of the list and cheaper material for the outside cover. This change will save at least \$10,000 annually.
- We changed to an all electronic method of distribution for the Commission's Monthly Financial Statements. These reports are only available through our web site; they are not printed anymore. The Annual Financial Report is also available through our web site. We still print Annual Financial Reports, but only about half as many copies as in previous years.
- We now create and distribute monthly electronic status reports to the Commissioners and Executive Staff. These reports provide a quick and easy to use summary of the results of Commission operations in the areas of Liquor Sales, Purchases, Non-sufficient Funds checks received and outstanding, and expenditures.

OFIR

Office of Financial & Insurance Regulation

Major Accomplishments 2009

Banking

- Michigan Heritage and Warren Bank: OFIR helped facilitate the acquisition all of the deposits of Heritage Bank in Farmington Hills by Level One Bank in Farmington Hills and helped facilitate the acquisition all of the deposits of Warren Bank by Huntington National Bank in Columbus, OH. No depositor lost a penny in these transactions.

Credit Unions

- NASCUS Re-accreditation: OFIR successfully completed the rigorous re-accreditation process of the Conference of National Association of State Credit Union Supervisors.
- Rouge Credit Union: OFIR helped facilitate the acquisition all of the deposits of Rouge Employees Credit Union in Dearborn by Chief Financial Credit Union in Pontiac. No member lost a penny in the transaction.

Mortgage Industry

- Mortgage Loan Officer Registration: OFIR began registering the state's mortgage loan officers. The registration strengthens the state's oversight of the loan industry's practices by mandating background checks and educational training for loan officers. Over 3,000 loan officers have registered to date.
- Mortgage Servicer Conservatorship: OFIR Commissioner Ken Ross placed Wixom-based Northwestern Financial Corporation into conservatorship and named OFIR Director of Receiverships James Gerber as conservator. The Commissioner also directed that the company cease and desist from doing business. The order allows the conservator to operate Northwestern, stabilize the company's mortgage servicing operations and protect consumers.

Insurance

- Disapproving Auto/Home Rates Based on Credit Scoring: OFIR began disapproving insurance rate filings made by auto and home insurance companies that use insurance credit scoring as a factor in determining their premiums. OFIR determined that premiums developed using credit scoring do not meet the requirements of Michigan's Insurance Code. The insurance industry sued the agency and the matter is before the State Court of Appeals.

- Prior Approval for Auto and Home Forms: OFIR ordered the state's insurance companies to submit to OFIR, prior to use, all new or revised personal automobile and homeowner insurance documents and forms.
- Challenge to BCBSM's Proposed Rate Increases: On behalf of Michigan consumers, OFIR staff requested a hearing on BCBSM proposal to raise rates for its individual, group conversion and Medigap health plans. A settlement was reached between OFIR staff, the attorney general and BCBSM on the individual, and group conversion health plans. The settlement gave BCBSM's a significantly lower increase than originally requested. An agreement could not be reached on the Medigap rate increase request and a hearing on that issue continued.
- Medigap Rates: Commissioner Ross made a final decision disapproving BCBSM's rate increase request of 31.2% and ordered BCBSM to recalculate final rates for its Medigap products. BCBSM's recalculated rates will result in an overall increase of no more than approximately 3.8 percent. In order to protect consumers, Ross set and enforced an expeditious hearing schedule for this matter. In years past, similar hearings have taken up to 18 months to complete. The completion of this matter took only six months from the start of the hearing until today's final decision.
- Wellness Plan: OFIR's released The Wellness Plan (TWP), formerly a Detroit-based HMO, from a successful rehabilitation. The rehabilitation process allowed OFIR to restore TWP to financial solvency, and to transform the company into a clinic network focused squarely on serving the community. TWP is now a vital alliance of three state-of-the-art Federally Qualified Health Centers (FQHC) serving the Greater Detroit area.

Legislation

- MCCA Transparency Legislation: OFIR worked closely with the State House on the passing of legislation that would increase the transparency of the Michigan Catastrophic Claims Association by requiring it to submit to a performance audit, comply with the Open Meetings Act and the Freedom of Information Act and restructure its board of directors. OFIR has urged the State Senate to act quickly on the legislation.
- Stranger-Oriented Life Insurance (STOLI): OFIR worked closely with the State House on the passing legislation that would regulate the sale of life insurance policies. OFIR has urged the State Senate to act quickly on the legislation.

- SAFE Act: OFIR worked closely with the legislature on the passing of the SAFE Act. The act is designed to enhance consumer protection and reduce fraud by establishing minimum standards for licensing and registration of state-licensed mortgage loan originators and depository registered mortgage loan originators.

Securities

- Uniform Securities Act (USA): OFIR worked closely with the legislature on USA, which was signed into law earlier this year and went into effect October 1, 2009. USA provides enhanced civil and criminal actions against perpetrators of securities fraud. The legislation also creates the Michigan Investor Education Fund, which will be funded entirely by securities fines and will be used solely for educating Michigan consumers on investment issues and how to avoid financial scams.
- Auction Rate Securities Settlements (ARS): OFIR continued to reach settlements with brokerage firms regarding ARS that requires the firms to offer full buybacks to any eligible customer who purchased an ARS. The settlements also require the firms to pay fines to the state. OFIR now has ARS settlements with six firms totaling in offers for full buybacks of more than \$3.5 billion to Michigan consumers and payments of more than \$6.5 million to the state.
- \$50 Million Ponzi Scheme: The SEC halted an alleged Ponzi scheme being conducted in the Detroit area by John Bravata and his company BBC Equities. The SEC alleges that Bravata raised more than \$50 million from at least 440 investors by offering them membership interests in a purported real estate investment fund. OFIR notified the SEC earlier this year about the alleged Ponzi scheme after receiving consumer complaints and conducting its own investigation into BBC and Bravata. In March, OFIR ordered the companies to cease and desist from selling unregistered securities in the state.

Consumer Assistance

- Consumer Recoveries: From January 1, 2009 to December 4, 2009, the agency recovered over \$30 million on behalf of Michigan consumers. OFIR consumer protection recoveries were based on more than 1,700 consumer complaints resolved by the agency. During this time period, OFIR Consumer Assistance Staff answered more than 107,000 consumer calls.

Legal

- Fake Financial Institutions: OFIR successfully shut down several fake financial entities that were posing as legitimate businesses in an attempt to steal consumers' money and identity. Through their websites, the fraudulent financial institutions were encouraging customers to apply for loans by providing upfront payments and personal information. OFIR ordered the fake companies to cease and desist from doing business and contacted their websites' hosts. The websites were then shut down.
- Credit Scoring Hearing: The Michigan Supreme Court heard OFIR's appeal regarding the agency's rules to ban the use of insurance credit scoring. In 2005, OFIR promulgated rules banning the use of insurance credit scoring. The agency is hopeful the court will soon decide in favor of Michigan drivers.

Department-Wide Services

Office of Communications

- Created and produced, including set design, construction and marketing materials, 3 episodes of a brand new cable TV show, "Michigan's Energy Future Today", for DELEG.
- Produced the video "Filing Your Claim" for the Unemployment Insurance Agency (UIA). Over 1,000 copies were distributed to every Michigan Works! Agency and public library in the state.
- Created print materials for use at the 2009 Adult Education Conference.
- Out of the 6 cable TV shows now produced by DELEG, 5 of them (The Job Show, The Job Show For Teens, Consumer's Corner, House Michigan and Insurance 101 with Butch Hollowell) are being posted to the internet. UIA's "Filing Your Claim" video was also posted on the internet.
- The 4 cable TV shows produced by DELEG in 2008 (The Job Show, The Job Show For Teens, Consumer's Corner & House Michigan) all won Bronze awards in the 2009 Telly Awards.
- Created brand and marketing materials for the Green Today, Jobs Tomorrow Conference, videotaped and distributed footage to WTVS, WGVU and MGTV.
- The Office of Media & Public Relations received, tracked and responded to 4338 calls from media outlets concerning DELEG programs.
- The Office of Media & Public Relations drafted and issued 465 press releases in the past FY.

- DMT produced 11 episodes of “The Job Show”, 3 episodes of “Consumer’s Corner”, 3 episodes of “House Michigan”, 1 episode of “The Job Show For Teens”, 7 episodes of “Insurance 101 with Butch Hollowell”, and 6 episodes of “Michigan’s Energy Future Today”.