



Senate Fiscal Agency
P. O. Box 30036
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BILL ANALYSIS



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FY 2002-03 Year-to-Date Gross Appropriation	\$458,111,700
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Changes from FY 2002-03 Year-to-Date:

Items included by the Senate and House

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| 1. Federal Revenue Adjustments. The Governor recommended Federal revenue adjustments to reflect anticipated increases for the Labor Market Information System, \$992,300; NAFTA Trade Adjustment Assistance, \$11,000,000; and Federal Adult Education administration, \$150,000. The bill includes these adjustments. | 12,142,300 |
| 2. Council of Michigan Foundations. The Governor recommended reducing this grant from \$2,000,000 to \$1,000,000. This grant is funded with Tobacco Settlement Revenue. The bill includes this reduction. | (1,000,000) |
| 3. Other Changes. The Governor recommended various other adjustments to reflect building occupancy charges, workers' compensation costs, FY 2002-03 early retirement costs, Federal match reductions and administrative efficiency savings. Not contained in the bill are employee-related economics for salaries, insurance, and retirement totaling \$4,679,500 Gross of which \$561,000 would come from GF/GP. The Senate and House reduced FTEs by 99.5 to eliminate unfunded FTE positions. | (1,294,000) |

Conference Agreement on Items of Difference

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| 4. Pre-college Programs in the Engineering and the Sciences. The Governor eliminated funding to the programs in Detroit and Grand Rapids. The Senate restored this line to \$500,000. The House created an item of difference. The Conference Committee concurs with the Senate. | (400,000) |
| 5. Job Training Programs Subgrantees. The Governor reduced the administrative funding for these centers from \$190,000 to \$10,000. The Senate concurred and transferred Federal Workforce Investment Act funding in from Focus:HOPE. The House created an item of difference. The Conference Committee concurs with the Governor. | (180,000) |
| 6. Volunteer Investment Grants. The Senate reduced the GF/GP funding for these grants from \$780,100 to \$250,000. The House created an item of difference. The Conference Report reduces these grants to \$280,100. | (500,000) |
| 7. Focus:HOPE. The Senate transferred the Federal Workforce Investment Act funding into the Job Training Programs Subgrantees line. The House created an item of difference. The Conference Report includes current year funding. | 0 |
| 8. Independent Living Centers. The Senate reduced this line. The House created an item of difference. The Conference Report includes current year funding. | 0 |
| 9. Administration. The Senate reduced the GF/GP in this line. The House created an item of difference. The Conference Report includes the Governor's recommended funding level. | 0 |
| 10. \$100 Items of Difference. The House created an item of difference in all other GF/GP line items. The Conference Committee restores this funding. | 0 |

Total Changes	\$8,768,300
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FY 2003-04 Enacted Gross Appropriation	\$466,880,000
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Changes from FY 2002-03 Year to Date:Items included by the Senate and House

1. **Contingency Funds.** The bill does not include the Contingency Fund language.
2. **Encourage Administrative Efficiencies.** The Governor added language that would appropriate to the Department one-half of the unexpended FY 2002-03 GF/GP that would otherwise lapse at year end. The bill does not include this language.
3. **Deleted Sections.** The Governor deleted the language sections regarding the report on the Volunteer Investment Grant distribution and the intent language to work with the Disability Rights Coalition to find matching funding; the Senate and House concurred.
4. **Council of Michigan Foundations.** The Governor recommended changing this language to limit the use of the grant funds for smoking cessation programs. The Senate and House concurred. (Sec. 313)
5. **Veterans Employment Representative.** The Governor deleted this language. The Senate and House reinstated it with a change from Employment Service Office to Michigan Works! Agencies. (Sec. 311)
6. **Adult Education Intent Language.** The Governor deleted this section. The Senate and House concurred.
7. **Carryforward for School Fee Fund.** The Senate and House deleted this language.

Conference Agreement on Items of Difference

8. **Pre-College Programs.** The Governor deleted this section. The Senate and House maintained it with a change in the allocation. The Conference Report includes this language. (Sec. 309)
9. **Focus:HOPE.** The Senate added intent language that 2003-04 be the final year Federal funds will be awarded to this organization and requiring the Department to allow them to compete for the Statewide Federal Workforce Investment Act funding. The House did not include this language. The Conference Report does not include these sections.

Date Completed: 8-18-03

Fiscal Analyst: Maria Tyszkiewicz



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FY 2002-03 Year-to-Date Gross Appropriation	\$136,883,400
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Changes from FY 2002-03 Year-to-Date:

Items included by the Senate and House

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| 1. Community Development Block Grants. The Governor decreased spending authority for this Federal grant program. The Senate and House concurred. | (10,000,000) |
| 2. Other Changes. The Governor made various other adjustments to reflect workers' compensation costs, FY 2002-03 early retirement costs, and administrative savings. Not contained in the bill are employee-related economics for salaries, insurance and retirement totaling \$1,101,200 Gross of which \$974,600 would come from GF/GP. The Senate and House reduced FTEs by 31.5 to eliminate unfunded FTE positions. | (1,870,200) |

Conference Agreement on Items of Difference

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| 3. Economic Development Job Training Grants. The Governor and Senate reduced this grant program to \$10,048,000 for FY 2003-04. The House created an item of difference. The Conference Committee concurs with the Senate. | (2,300,000) |
| 4. Michigan Promotion Program. The Governor reduced this funding from \$6,417,500 to \$5,717,500. The Senate reduced this line to \$5,500,000. The House created an item of difference. The Conference Committee concurs with the Governor. | (700,000) |
| 5. Life Sciences Corridor. The Governor reduced the appropriation for this grant program from \$32,500,000 to \$10,000,000 and expanded the focus of the program to include funding for research and development on homeland security and automotive issues along with the life sciences. These funds will be matched with \$10,000,000 from the off-budget Indian gaming revenues deposited into the Strategic Fund. The Senate allocated \$15,050,000 to just the life Science initiative. The House created an item of difference. The Conference Committee adds \$5 million GF/GP to the Governor's recommendation bringing this line to \$15 million. | (17,500,000) |
| 6. Homeland Security and Automotive Initiative. The Senate created a new line item for these two initiatives. The House created an item of difference. The Conference Committee does not include this line. | 0 |
| 7. Administration. The Senate reduced this line to \$54,700. The House created an item of difference. The Conference Committee concurs with the Governor. | 0 |
| 8. Life Sciences Research and Commercialization Center. The House added this \$10,000,000 line item. The Conference Committee does not include this line. Funding to this center is included in P.A. 173, which included the full \$10,000,000 appropriation in FY 2002-03. | 0 |

Total Changes	\$(32,370,200)
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FY 2003-04 Enacted Gross Appropriation	\$104,513,200
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Changes from FY 2002-03 Year to Date:Items Included by the Senate and House

1. **Contingency Fund Language.** This language is not included in the bill.
2. **Deleted Language.** The Governor recommended and the Senate and House concurred to delete the following language sections:
 - a) Requirement that 25% of Promotion Funding be used to promote cultural tourism;
 - b) Requirement that Travel Michigan coordinate with ethnic destination marketing groups to promote ethnic festivals;
 - c) Set aside out of the Job Creation Services line for the Technical Assistance Center in Port Huron

Conference Agreement on Items of Difference

3. **Economic Development Job Training Grants.** The Governor made the following changes:
 - a) Changing the program into two categorical grants - Business Response Grants (up to \$7 million) and Manufacturing Competitiveness grants (up to \$4 million);
 - b) Changing administrative costs from 5% of total grant to \$800,000;
 - c) Deleting prohibition for grants to train permanent striker replacement workers, and 90% set aside for community colleges, not less than 10% for private sector training grants, \$5 million set aside for rapid response grants, \$1 million set aside for worker recruitment, \$1 million set aside to match university Federal research grants, and intent language that the grants be funded at the FY 2002 level;
 - d) Changing match requirement from 25% to 30%.

The Senate and House adjusted the dollar amounts to reflect the appropriation, maintained community college set aside at 75%. The Senate maintained permanent striker replacement language with a restriction on strikes lasting three years. The House maintained the current year striker replacement and deleted the language regarding the Growth Capital Fund. The Conference Committee includes the Growth Capital fund language and Senate striker language. (Sec. 401)

4. **Life Sciences Corridor.** The Governor changed this language to rename the program the Technology Tri-corridor which includes research in life sciences, homeland security and automotive issues; increased the Steering Committee membership from 14 to 17; changed depository requirement from repayments or revenue be deposited into the fund from which it was awarded to deposit into the Commercial Development Fund. The Senate renamed this program the Life Sciences and Technology Tri-Corridor; requiring \$15 million be allocated for Life Sciences and \$100,000 for Homeland Security and Automotive Initiative; allowed other sources of funding be used for Automotive and Homeland Security including Gaming or Federal revenues; added a representative from Western Michigan University to the Steering Committee; allowed up to 5% of Homeland and Automotive Initiative funding be used for administration; restricting awards from the Commercial Development Fund to only Life Science initiative; switched percentages for research categories; and required all proposals funded under Automotive and Homeland Security compliment the Life Sciences proposals. The House changed the Development Fund to include any business commercialization opportunity and added two members to the Steering Committee from the Legislature. The Conference Committee does not include the allocation for Homeland and Auto Initiative; concurs with House commercialization language and modifies it to eliminate Life Science component as part of commercialization requirement; restricts member from Western to only FY 2003-04; and changes funding for commercialization set aside from "not less than" \$5 million to "not more than". (Sec. 410)
5. **Life Sciences Research and Commercialization Center.** The House added language to reference this center. The Conference Committee does not include this language.
6. **MEDC Executive Committee.** The House added intent language regarding the appointments for this committee to be subject to the advice and consent of the Senate. The Conference Committee concurs with the House. (Sec. 420)

Date Completed: 8-19-03

Fiscal Analyst: Maria Tyszkiewicz