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SFA



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Senate Bill 285 (Substitute S-1 as reported)

Committee: Appropriations

FY 2002-03 Year-to-Date Gross Appropriation	\$458,111,700
Changes from FY 2002-03 Year-to-Date:	
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 Senate concurs.	12,142,300
2. Pre-college Programs in the Engineering and the Sciences. The Governor recommended eliminating grant funding to the program in Detroit and Grand Rapids. The Senate recommends restoring this line to \$500,000.	(400,000)
3. One Stop Centers. The Governor recommended reducing the administrative funding for these centers from \$190,000 to \$10,000. The Senate concurs.	(180,000)
4. 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 Senate concurs.	(1,000,000)
5. Volunteer Investment Grants. The Senate recommends eliminating the GF/GP funding for these grants.	(780,100)
6. Focus:HOPE. The Senate recommends reducing this appropriation and transferring \$4 million of Federal Workforce Investment Act funding to the job Training Subgrantees line item.	(2,460,200)
7. Job Training Subgrantees. The Senate recommends transferring Federal Workforce Investment Act funding from Focus:HOPE into this line.	2,000,000
8. Independent Living Centers. The Senate recommends a 13% GF/GP reduction to this line.	(259,700)
9. 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 concurs and reduces FTEs by 99.5 to eliminate unfunded FTE positions.	(1,294,000)
10. Comparison to Governor's Recommendation. The Senate recommendation is (\$1,000,000) Gross and GF/GP under the Governor.	
Total Changes	\$7,768,300
FY 2003-04 Senate Appropriations Subcommittee Gross Appropriation	\$465,880,000

Changes from FY 2002-03 Year to Date:

1. **Standard Language.** The Governor recommended deleting the following standard sections: Privatization, Deprived and Depressed, Buy American, Affirmative Action, Grants from other Units, Receive and Retain Reports, Early Retirement, Budgetary Savings, and Tobacco language. The Senate recommends maintaining Privatization, Buy American, Receive and Retain, Affirmative Action, and Deprived and Depressed sections.
2. **Encourage Administrative Efficiencies.** The Governor recommended adding 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 Senate did not include this language.
3. **Deleted Sections.** The Governor recommended deleting the following language sections:
 - a) Limit on the Local Match for Vocational Rehabilitation Facilities; (Sec. 303)
 - b) Report on the Volunteer Investment Grant distribution;
 - c) Requirement to work with Community Health on the creation of a Medicaid Buy-In Program; (Sec. 320)
 - d) Report on marketing effort for the King-Chavez-Parks Initiative; (Sec. 321)
 - e) Operational funding for the One-Stop Centers; (Sec. 326)
 - f) Intent language to work with the Disability Rights Coalition to find matching funding;The Senate recommends maintaining all of these sections except Volunteer Investment Grants and Disability Rights Coalition sections.
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 concurs. (Sec. 313)
5. **Veterans Employment Representative.** The Governor deleted this language. The Senate recommends reinstating 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 recommends changing the language to require 30% of all fund sources for Adult Education be used for Alternative Services. (Sec. 319)
7. **Pre-College Programs.** The Governor deleted this section. The Senate recommends maintaining it with the allocation of funding being \$250,000 to Detroit and \$250,000 to Grand Rapids. (Sec. 309)
8. **Carryforward for School Fee Fund.** The Senate recommends deleting this language.
9. **Focus:HOPE.** The Senate recommends new language stating legislative intent that 2003-04 be the final year Federal funds will be awarded to this organization. (Sec. 330)
10. **Billboards.** The Senate recommends new language prohibiting the Department from purchasing advertisement on billboards after the current contracts expire. (Sec. 331)

Date Completed: 4-28-03

Fiscal Analyst: Maria Tyszkiewicz

Senate Bill 285 (Substitute S-1 as reported)

Committee: Appropriations

FY 2002-03 Year-to-Date Gross Appropriation	\$136,883,400
Changes from FY 2002-03 Year-to-Date:	
1. Community Development Block Grants. The Governor recommended a decrease in spending authority for this Federal grant program. The Senate concurs.	(10,000,000)
2. Economic Development Job Training Grants. The Governor recommended reducing this grant program to \$10,048,000 for FY 2003-04. The Senate recommends reducing the line to \$8,048,000	(4,300,000)
3. Michigan Promotion Program. The Governor recommended reducing this funding from \$6,417,500 to \$5,717,500. The Senate recommends reducing this line to \$4,000,000.	(2,417,500)
4. Life Sciences Corridor. The Governor recommended reducing the appropriation for this grant program from \$32,500,000 to \$10,000,000 and expanding 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 recommends allocating this \$15,050,000 to just the life Science initiative.	(17,450,000)
5. Homeland Security and Automotive Initiative. The Senate recommends creating a new line item for these two initiatives.	100,000
6. Job Creation Services. The Senate recommends a reduction to this line.	(2,000,000)
7. Other Changes. The Governor recommended 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 concurs and reduces FTEs by 31.5 to eliminate unfunded FTE positions.	(1,870,200)
8. Comparison to Governor's Recommendation. The Senate recommendation is \$(567,500) Gross, \$(5,667,500) GF/GP under the Governor.	
Total Changes	\$(37,937,700)
FY 2003-04 Senate Appropriations Subcommittee Gross Appropriation	\$98,945,700

Changes from FY 2002-03 Year to Date:

1. **Standard Language.** The Governor recommended deleting the following standard sections: Privatization, Deprived and Depressed, Buy American, Affirmative Action, Grants from other Units, Receive and Retain Reports, Early Retirement, Budgetary Savings, and Tobacco language. The Senate recommends maintaining Buy American, Privatization and Receive and Retain, Affirmative Action, and Deprived and Depressed sections.
2. **Economic Development Job Training Grants.** The Governor recommended 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 recommends reducing the dollar amounts by \$1 million for each program, maintaining community college set aside at 75%, maintaining rapid response set aside at \$4 million, maintaining permanent striker replacement language, and concurs with the rest of the Governor's changes. (Sec. 401)
3. **Life Sciences Corridor.** The Governor recommended changing this language to rename the program the Technology Tri-corridor which includes research in life sciences, homeland security and automotive issues; increasing the Steering Committee membership from 14 to 17; changing 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 recommends renaming this program the Life Sciences and Technology Tri-Corridor; requiring \$10 million be allocated for Life Sciences and \$100,000 for Homeland Security and Automotive initiative; allowing 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; changing administration for Life Science from \$2.5 million to \$825,000 and up to 5% of Homeland and Automotive; changing set aside for Commercial Development Fund from \$5 million to \$500,000 and restricting awards to only Life Science initiative; switching percentages for research categories; and requiring all proposals funded under Automotive and Homeland Security compliment the Life Sciences proposals. (Sec. 410)
4. **Deleted Language.** The Governor recommended deleting 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 HuronThe Senate concurs.

Date Completed: 4-28-03

Fiscal Analyst: Maria Tyszkiewicz