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Senate Bill 138 (Substitute S-3 as reported)

Sponsor: Senator Valde Garcia

Committee: Economic Development and Regulatory Reform

CONTENT

The bill would amend Public Act 317 of 2006, which establishes the Defense Contract Coordination Center (DCCC) in the Michigan Strategic Fund, to do the following:

- -- Eliminate the July 20, 2011, sunset on the Act.
- -- Rename the DCCC the Michigan Economic Development Corporation (MEDC) Defense.
- -- Prescribe annual reporting requirements for a Procurement Technical Assistance Center (PTAC) or other entity that received a grant or loan from the MEDC Defense.

Specifically, a PTAC or other entity receiving a grant or loan would have to report the following to the MEDC Defense for the preceding year: how the grant, loan, or other funding had been used; and the number and amount of defense or homeland security contracts the PTAC or other entity had received.

MCL 125.1972 Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would eliminate the sunset on the Defense Contract Coordination Center (which the bill would rename the Michigan Economic Development Corporation Defense), permitting it to continue operations past the original termination date of July 20, 2011. The DCCC has been funded previously from the 21st Century Jobs Trust Fund. At its meeting on September 22, 2010, the Michigan Strategic Fund board allocated \$2,070,000 to the DCCC, consisting of \$2.0 million from the FY 2009-10 appropriations for Jobs for Michigan Investment Program: 21st Century Jobs Fund, and \$70,000 in remaining authorization from the original DCCC appropriation of \$10.0 million in FY 2005-06.

The proposed name change would cause a one-time minimal increase in costs. The reporting requirement for the Procurement Technical Assistance Centers that receive a grant or loan from the Michigan Economic Development Corporation Defense would increase the costs of the PTACs by a minimal amount. The PTACs are funded jointly by the Michigan Economic Development Corporation, the Federal Defense Logistics Agency, and local partners.

Date Completed: 11-10-10 Fiscal Analyst: Elizabeth Pratt