

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5274 (S-1, Draft 1 as reported)

Committee: Appropriations

FY 1999-2000 Year-to-Date Gross Appropriation	\$168,917,100
Changes from FY 1999-2000 Year-to-Date:	
1. Economic Development Job Training Administrative Staff. The Governor and House recommend transferring 6 FTE's back to the Department of Career Development.	(530,000)
2. Small Business Development Center Network. The Senate added this new line item.	1,000,000
3. Economic Adjustments.	695,700
4. Comparison to Governor's Recommendation. The Senate recommendation is \$1,000,000 Gross and GF/GP over the Governor's Recommendation.	
Total Changes	\$1,165,700
FY 2000-01 Senate Appropriations Subcommittee Gross Appropriation	\$170,082,800

Changes from FY 1999-2000 Year to Date:

1. **Standard Language.** The Governor recommended deleting the following standard sections: Grants Funding, Use of FTE's and Funding, Retention of Reports Funded from Part 1, Deprived and Depressed, Buy American, Internal Auditor Report. The House and Senate recommended reinstating: Grants Funding, Deprived and Depressed, Buy American, Internal Auditor Report and added Affirmative Action Language.
2. **Economic Development Job Training Grants.** The Governor recommended deleting the 70% funding level requirement for Community Colleges and adding new language allowing the Agency to use 1/3 of the total appropriation for worker recruitment when the unemployment rate is below 6% annually. The House retained the current year language. The Senate increased administrative amounts to 5% and added 12% administrative cap on grant recipients, deleted all web based language, deleted some reporting requirements for recipients, and added new language allowing \$1,000,000 for recruitment. (Sec. 401)
3. **Life Science Corridor.** The Governor recommended adding the VanAndel Institute to the first category of grant funding which provides funding for basic research projects. The House added new language providing the Steering Committee the authority to make adjustments to the category funding percentage amounts, based on demands within a category, and the quality of applications. The House and Senate eliminated all references to the VanAndel Institute and replaced it with "Michigan non-profit private research institutes". (Sec. 410)
4. **Small Business Support Organizations.** The House added new language allowing the Agency to allocate up to \$1,000,000 from the Job Creation Services line item to small business support organizations. The Senate changed this language to provide the funding to the SBDC Network Headquarters at Wayne State University which would distribute the funds based on established criteria, collect data, and submit financial reports to the Fund. (Sec. 411)
5. **Foreign Offices.** The House and Senate revised the current year language to require the Agency to report on any decisions to eliminate any foreign outreach personnel. (Sec. 412)
6. **Promotion Program.** The Governor, House, and Senate deleted language prohibiting the use of funds appropriated for the Michigan Promotion Program from being used for non-tourism-related projects.
7. **Strategic Fund Report.** The Governor eliminated the language requiring the Agency to report on all activities financed from the Strategic Fund using investment or Indian gaming revenue. The House and Senate retained this language. (Sec. 403)
8. **Promotion Funding for Northeast Side and Cultural Tourism.** The Governor deleted language designating \$200,000 of Promotion funding be used to promote tourism in the northeast region of the State and requiring that 25% of the funding be used to promote cultural tourism activities in the State. The House retained the 25% for promoting cultural tourism requirement, and added new language prohibiting the Agency from using promotional funding for advertising materials that involve personal effects with the exception of Travel Michigan. The Senate restored the \$200,000 set aside for the northeast side of the State (Sec. 405) and concurred with new advertising material language. (Sec. 413)
9. **Private Fundraising.** The Governor, House, and Senate deleted language requiring that all private fundraising be conducted through the Michigan Economic Development Foundation and prohibiting State employees detailed to fundraising from being party to decisions regarding the awarding of grants or tax abatements.
10. **Options on Land.** The Governor deleted language specifying the conditions under which the MEDC can purchase options on land. The House and Senate retained the current year language. (Sec.409)
11. **Lapse Language.** The Senate added new language requiring the Fund to return to the General Fund any unencumbered or unexpended balance at the end of the fiscal year and requiring any encumbered balance be used for the same purpose as the original appropriation. (Sec. 415)
12. **Compliance Language.** The Senate added new language requiring the Fund and the Michigan Economic Development Corporation to comply with the Freedom of Information Act, Open Meetings Act, audits of all financial records by the Auditor General, and all reports required by law submitted to the Michigan Legislature. (Sec. 416)

Date Completed: 5-9-00

Fiscal Analyst M. Tyszkiewicz:

