



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

BILL ANALYSIS



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

**FY 2005-06 Year-to-Date Gross Appropriation ..... \$483,696,300**

**Changes from FY 2005-06 Year-to-Date:**

Items Included by the House and Senate

- 1. **21<sup>st</sup> Century Jobs Initiative.** The Governor, House, and Senate removed one-time funding from the 21<sup>st</sup> Century Jobs Trust Fund. The FY 2005-06 appropriation is included in PA 225 of 2005, one bill in the 21<sup>st</sup> Century Jobs legislation and PA 156 of 2006, a multi-department supplemental appropriation bill for FY 2005-06. (401,000,000)
- 2. **Tobacco Settlement Finance Authority.** The Governor recommended and the House and Senate concurred in removing one-time funding for the administrative expenses of this authority. (1,000,000)
- 3. **Economic Adjustments.** 819,700
- 4. **Other Changes.** Reduce Federal funds (\$424,000) and adjust human resource optimization user charges (\$12,200). (436,200)

Conference Agreement on Items of Difference

- 5. **Economic Development Job Training Grants.** The revised Governor's recommendation removed one-time supplemental funding of \$1.6 million. The House concurred with the Governor. The Senate reduced the line by \$2.7 million GF/GP which was partially offset by replacing \$1.0 million with new revenue from assessments on business payable to MEDC. The 15.0% assessments would replace a 20.0% match payable to community colleges. The Conference Committee removed one-time supplemental funding of \$1.6 million providing a total of \$9,798,000, and maintained the current year match rates. (1,600,000)
- 6. **Michigan Promotion Program.** The Senate increased this line by \$300,000. The Conference Committee maintained current year funding. 0
- 7. **Life Science Technology.** The House included \$1,000,000 for this line item for the Core Technology Alliance under the Department of Treasury appropriation unit. The Conference Committee did not include. 0

Total Changes..... (\$403,216,500)

**FY 2006-07 Conference Report Gross Appropriation ..... \$80,479,800**

**Amount Over/(Under) GF/GP Target: \$0**

**Changes from FY 2005-06 Year to Date:**Items Included by the House and Senate

1. **Sections Removed.** The Senate and House agreed to remove language regarding adjustments to the appropriations to reflect the securitization proposal, the requirement to perform a study on best practices for economic development programs in the other 49 states, and the funding reduction implementation report.
2. **Sections Retained.** The Senate and House agreed to retain language sections that require a report listing grants awarded by the Fund, the appointment of the Executive Committee members for the Michigan Economic Development Corporation (MEDC), the joint annual audit with the Auditor General on job claims by firms receiving tax credits, and the salary report on corporate employees.
3. **State Tourism Advertising Expenditures.** The Senate and House concurred on new language requiring the MEDC to contract with a State research university to study the return on investment for State funding. (Sec. 1018)
4. **Michigan Economic Growth Authority.** The Senate and House concurred on new language proposed by the House prohibiting the MEDC from creating rules that would prohibit a firm from being eligible for these tax credits due to leasing new employees from a professional employer organization. (Sec. 1019)

Conference Agreement on Items of Difference

5. **K-16 Ballot Initiative.** The Senate included new language requiring a report on GF/GP reductions that would reduce expenditures by 7.93% if the K-16 ballot initiative is passed. The Conference Committee did not include.
6. **Economic Development Job Training Grants.** The Senate replaced subsection (11), which authorized a 20.0% or 30.0% match rate for these grants, with new language allowing the Fund to assess 15.0% of a total grant from any business receiving the training. The Conference Committee maintained the current year match language. (Sec. 1001)
7. **Michigan Promotion Program Funding.** The Senate added new language allocating \$100,000 to the Michigan International Speedway to be used as matching funds to promote auto racing events and \$100,000 to promote the Detroit Zoological Institute. The Conference Committee did not include. (Sec. 1020)
8. **Workforce Investment Act Funding.** The Senate added language stating that the Fund work cooperatively with the Department of Labor and Economic Growth and the Michigan Works! Agencies regarding the distribution of Workforce Investment Act funding. The funding is to be used for incumbent worker training in conjunction with the Economic Job Training Grants program. The Conference Committee did not include. (Sec. 1021)
9. **History, Arts, and Libraries (HAL).** The Senate added language requiring the MEDC to reimburse HAL in full for the cost of all services or activities provided by HAL for the MEDC. The Conference Committee did not include. (Sec. 1022)

Date Completed: 7-11-06

Fiscal Analysts: Elizabeth Pratt and Maria Tyszkiewicz