



Senate Fiscal Agency
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FY 2007-08 Year-to-Date Gross Appropriation 219,972,500

Changes from FY 2007-08 Year-to-Date:

Items Included by the House and Senate

1. **Economic Development and Cultural Institutions Earmarks.** The Governor eliminated earmarks of \$100 each for Business Incubator Program; Berrien County Brownfield Redevelopment Authority; Detroit Institute of Arts; McBain Township, Missaukee County; Detroit Historical Museum; Detroit Zoological Institute; and the Michigan State University Bio-Energy Research Center. The House and Senate concurred. (700)
 2. **Economic Adjustments.** The Governor, House, and Senate concurred. 78,600
- Conference Agreement on Items of Difference
3. **Michigan Promotion Program.** The Governor eliminated one-time funding from the Jobs for Michigan Fund>Returns to Fund, reducing funding from \$11,417,500 to \$5,717,500. The House concurred. The Senate increased by \$100 GF/GP. Conference reduced by \$41,300 from House, setting the line at \$5,717,500. (5,700,000)
 4. **21st Century Jobs Trust Fund Programs.** The Governor continued funding at \$75.0 million as specified in statute. The House concurred. The Senate reduced by \$100. Conference funded at \$65.0 million. The Governor vetoed the \$3.0 million allocation for Lakeshore Advantage. (13,000,000)
 5. **Business Incubator Earmarks.** The Senate added line items of \$100 GF/GP each for business incubators in Macomb and Washtenaw Counties. Conference appropriated \$1,250,000 from 21st Century Investment Fund – Returns to Fund to fund business incubators in Washtenaw, Genesee, Berrien, Wayne, and Macomb counties. 1,250,000
 6. **Economic Development Job Training Grants.** Governor and House maintained current funding. Senate reduced by \$100. Conference reduced by \$120,500 (including HMO savings of \$37,900) and included boilerplate allocations for Mack Alive and Michigan Aerospace Manufacturers Association. (120,500)
 7. **Community Development Block Grant (CDBG) Technical Assistance.** The House provided \$66,000 GF/GP in grants to local planning agencies that received grants in 2008. The Senate did not include. Conference concurred with Senate. 0
 8. **Energy Efficiency Grants.** The House provided \$600,000 GF/GP for grants of \$200,000 each to pilot residential energy efficiency programs in Ann Arbor, Grand Rapids, and Lansing. The Senate did not include. Conference concurred with Senate. 0
 9. **Detroit Festival of Arts.** The House provided a \$75,000 GF/GP grant. The Senate did not include. Conference concurred with Senate. 0
 10. **Film Office.** The Governor's revised recommendation transferred the Film Office to the MSF consistent with the recently passed film package, adding 6.0 FTEs. The Senate concurred. Conference concurred with revised Governor and Senate. 731,600
 11. **Other Changes.** Adjustments made to remove FY 2007-08 supplemental funding of \$50,000,000 for promotion pursuant to P.A. 98 of 2008, \$3.5 million for the MSU Bio-energy Research Center, and made other adjustments (53,567,800)

Total Changes..... (\$70,328,800)

FY 2008-09 Enacted Gross Appropriation..... \$149,643,700

Changes from FY 2007-08 Year to Date:Items Included by the House and Senate

1. **Intent on Incentives.** The Governor stated intent that economic development incentives be given to Michigan businesses. The House and Senate maintained current year language. (Sec. 1029)

Conference Agreement on Items of Difference

2. **Deletions.** The Governor eliminated a number of sections including:
 - **Audits.** Permissive language concerning the implementation of audit procedures that allow for the auditing of job claims at companies receiving financial incentives. House revised specifying which credits and incentives may be audited. Senate changed current year language to require audits. Conference directs MEDC to utilize the audit procedures previously developed, review the results and report to the legislature (Sec. 1016)
 - **Job Creation Reporting.** Required the Fund to report separately the number of actual and indirect jobs created due to incentives in marketing materials. House concurred. The Senate maintained current language. Conference concurred with House. (Sec. 1025)
 - **Lakeshore Advantage.** Required a \$3.0 million allocation by March 31, 2007. House concurred. The Senate retained current year allocation from the 21st Century Fund. Conference concurred with Senate. (Sec. 1027)
The Governor vetoed this language section.
3. **Promotion Work Project.** Provided work project authorization for \$5.7 million appropriated for Michigan Promotion and Business Development activities. House concurred. Senate changed the language stating availability of other funds for promotion from the bonding package. Conference concurred with Senate. (Sec. 1021)
4. **Economic Development Job Training Grants (EDJT).** The Governor added the assistance of Michigan residents and companies as a purpose for this grant program; deleted the earmark for community colleges; added businesses with less than 50 employees and an award less than \$20,000 to the list of eligible applicants; changed the repayment provision to allow for a prorated amount based on the number of actual jobs created or trained compared with the number originally identified in the application; increased the match rate for businesses training incumbent workers from a minimum of 30.0% up to 50.0% of the program costs; and deleted the earmark for the aerospace certification grants. House concurred. The Senate maintained the current year match requirement and the earmark for Michigan Aerospace Manufacturing Association (MAMA) and concurred in the remaining changes. Conference set the match from 30% to 50%, included MAMA allocation, and added a \$50,000 allocation to Mack Alive for employment training. (Sec. 1002)
5. **MEDC Annual Report.** The Senate expanded the MEDC annual report to include detailed reporting on tourism promotion and business marketing, revenues by source, and information on the number of jobs projected to be created and actually created by projects using financial incentives. Conference included tourism and revenue reports only. (Sec. 1007)
6. **CDBG Technical Assistance Grants.** The House added new language allocating these grants to local planning agencies that received grants in 2008 and required each agency to receive an amount equal to previous year. The Senate required that contracts for CDBG technical assistance be awarded to regional planning commissions in the same amounts as in FY 2007-08. Conference concurred with Senate. (Sec. 1015)
7. **Energy Efficiency Pilot.** The House added language specifying the allocation of these funds as \$200,000 each for three cities: Ann Arbor, Grand Rapids, and Lansing. The Senate did not include. Conference concurred with Senate. (Sec. 1018)
8. **Agricultural Promotion.** The Senate stated intent that MSF and its contractors work with the Department of Agriculture to promote business development of Michigan agricultural products. Conference concurred. (Sec. 1019)
9. **SBIR/STTR Program.** The Governor and House deleted the set aside for SBIR/STTR programs. The Senate maintained the \$1.4 million allocation in FY 2008-09. The House specified the use of unaccepted awards for a \$1.5 million business incubator program. The Senate did not include. (Sec. 1024)
10. **Business Incubator Program.** House included 3 business incubators in distressed areas. Senate funded two placeholders. Conference appropriated \$1,250,000 for a competitive business incubator program in Wayne, Macomb, Genesee, Washtenaw and Berrien counties.
11. **Tourism Promotion.** The Senate included Mackinac Island State Park and the Michigan State historic parks with allowable promotion activities. Conference concurred with Senate. (Sec. 1024)