

FY 2024-25: LABOR AND ECONOMIC OPPORTUNITY
Summary: House Subcommittee Chair’s Recommendation
House Bill 5502 (H-1)



Analyst: Marcus Coffin

IDG/IDT	FY 2023-24	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	Difference: House	
	Enacted as of 2/7/24	Executive	House	Senate	Conference	From FY 2023-24 Enacted Amount	%
	\$0	\$0	\$0			\$0	--
Federal	1,183,654,200	1,177,165,800	1,177,165,800			(6,488,400)	(0.5)
Local	10,700,000	10,700,000	10,700,000			0	0.0
Private	12,539,200	12,584,600	12,584,600			45,400	0.4
Restricted	358,863,400	413,774,700	352,274,700			(6,588,700)	(1.8)
GF/GP	1,301,508,000	359,007,400	503,107,400			(798,400,600)	(61.3)
Gross	\$2,867,264,800	\$1,973,232,500	\$2,055,832,500			(\$811,432,300)	(28.3)
FTEs	2,648.9	2,678.5	2,667.5			18.6	0.7

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Labor and Economic Opportunity (LEO) engages in economic development; community growth and development; affordable housing; tourism promotion; job creation, retention, and training; and workforce development and preparedness. LEO includes the Michigan Strategic Fund (MSF)/Michigan Economic Development Corporation (MEDC), Bureau of Employment Relations, Bureau of Services for Blind Persons, Michigan Occupational Safety & Health Administration (MIOSHA), Workforce Development, Michigan Rehabilitation Services, Office of Global Michigan, Unemployment Insurance Agency (UIA), Workers' Disability Compensation Agency, State Land Bank, and Michigan State Housing Development Authority (MSHDA).

Major Budget Changes from FY 2023-24 Enacted Appropriations	FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
1. Michigan Innovation Fund	Gross	\$0
<u>Executive</u> includes \$60.0 million of Venture Michigan Fund investment proceeds (one-time) for deposit into a new innovation fund that would support startups and make investments that would improve the startup and innovation ecosystem, including programming, technical assistance, and other support services. (Note: would require statutory change to authorize use of Venture Michigan Fund investment returns). <u>House</u> does not include.	Restricted	0
	GF/GP	\$0
2. Build Ready Sites Program	Gross	\$0
<u>Executive</u> includes \$25.0 million GF/GP (one-time) to create development-ready sites to attract and promote business investment throughout the state. <u>House</u> does not include.	GF/GP	\$0
3. Business Attraction and Community Revitalization	Gross	\$100,000,000
<u>Executive</u> includes \$20.0 million GF/GP (one-time) to augment existing \$100.0 million in ongoing funds for business development and community revitalization programs and the expansion of small business services. <u>House</u> concurs.	Restricted	59,350,000
	GF/GP	\$40,650,000
4. Michigan Marketing Initiatives	Gross	\$0
<u>Executive</u> includes \$20.0 million GF/GP (\$15.0 million GF/GP considered one-time) for marketing initiatives that focus on talent attraction, labor retention, and population growth. <u>House</u> does not include.	GF/GP	\$0

Major Budget Changes from FY 2023-24 Enacted Appropriations		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
5. Going Pro		Gross	\$54,750,000
<u>Executive</u> includes \$20.0 million GF/GP (one-time) to augment existing \$54.8 million Gross for Going Pro program, which would increase employer training grants in FY 2024-25. <u>House</u> does not include.		Restricted	9,540,800
		GF/GP	\$45,209,200
			\$0
6. Talent Solutions		Gross	\$0
<u>Executive</u> includes \$20.0 million GF/GP (one-time) to support initiatives providing economic assistance to businesses locating or expanding in Michigan, specifically around workforce needs. Funding would also support development of customized talent solutions to help fill identified needs in certain industries. <u>House</u> does not include.		GF/GP	\$0
			\$0
7. New Michigander - Immigration and Legal Services		Gross	\$0
<u>Executive</u> includes \$8.0 million GF/GP (one-time) for immigrant integration services that are not provided through the federal refugee resettlement program. <u>House</u> does not include.		GF/GP	\$0
			\$0
8. Federal Vocational Rehabilitation State Match		Gross	NA
<u>Executive</u> includes \$5.9 million Gross (\$1.3 million GF/GP) to increase authorization in the Bureau of Services for Blind Persons (\$272,900) and Michigan Rehabilitation Services (\$5.6 million) to expand vocational rehabilitation services. <u>House</u> concurs.		Federal	NA
		GF/GP	NA
			\$5,852,600
			4,602,600
			\$1,250,000
9. Community and Worker Economic Transition Office		FTE	0.0
<u>Executive</u> includes \$5.0 million GF/GP and authorization for 20.0 FTE positions for the Community and Worker Economic Transition Office developed in 2023 PA 232. Office goals include ensuring communities, workers, and businesses are supported in navigating the state's economic transition from internal combustion engines to electric vehicles, the shift to renewable energy, and the decarbonization of the manufacturing industry. (Note: prorated funding is included in FY 2023-24 supplemental request.) <u>House</u> concurs on funding and includes 10.0 FTE positions.		Gross	\$0
		GF/GP	\$0
			\$5,000,000
			\$5,000,000
10. Arts and Cultural Grants		Gross	\$11,050,000
<u>Executive</u> includes \$5.0 million GF/GP (one-time) to augment existing \$11.1 million GF/GP ongoing appropriation to provide additional arts and cultural grants. An increase of \$50,000 is also reflected for private authorization, to align with anticipated revenues. <u>House</u> concurs.		Federal	1,050,000
		Private	150,000
		GF/GP	\$9,850,000
			\$5,050,000
			0
			50,000
			\$5,000,000
11. Community and Neighborhood Initiatives		Gross	\$0
<u>Executive</u> includes \$5.0 million GF/GP (one-time) for grants to community and neighborhood organizations for programs and initiatives that would build strong communities through education programs, workforce training services, recreational activities, senior programming, and other wraparound services. Grants would support projects that are free and open to the community in which they are located or serve. <u>House</u> includes \$15.0 million GF/GP (one-time) for this purpose.		GF/GP	\$0
			\$15,000,000
			\$15,000,000
12. Global Talent and Retention		FTE	0.0
<u>Executive</u> includes \$4.0 million GF/GP (one-time) and authorization for 1.0 FTE position to improve the integration of individuals from foreign countries seeking education and/or employment in the state. Funds would support activities that would increase direct connections between universities and employers and lowering barriers to employment by improving licensing and certification processes. <u>House</u> does not include.		Gross	\$0
		GF/GP	\$0
			\$0
			\$0

Major Budget Changes from FY 2023-24 Enacted Appropriations		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
13. Michigan Growth Office		Gross	\$0
<u>Executive</u> includes \$4.0 million GF/GP (one-time) to fund efforts that would build off and expand the work of the Growing Michigan Together Council, identify barriers to economic and population growth in the state, and support community growth opportunities statewide. <u>House</u> does not include.		GF/GP	\$0
14. Office of Rural Prosperity Grants		Gross	\$0
<u>Executive</u> includes \$2.5 million GF/GP (one-time) for grants that would improve shovel-ready projects that meet statewide priorities, including enhancing or elevating broadband, housing, infrastructure, education, and workforce development. Funds would also support building and enhancing regional and statewide coordination of services and programming in rural communities. <u>House</u> concurs.		GF/GP	\$0
15. Workers' Disability Compensation Agency Fee Proposal		Gross	\$8,316,100
<u>Executive</u> includes \$1.5 million of state restricted funding authorization from the Workers' Compensation Administrative Revolving Fund to recognize increased revenues from a proposed expansion of redemption fees and establishment of coverage reporting filing fees. (Note: legislation would be needed to effectuate the fee increase and expansion.) <u>House</u> does not include.		Restricted	4,823,000
		GF/GP	\$3,493,100
16. Focus: HOPE		Gross	\$1,000,000
<u>Executive</u> retains \$1.0 million GF/GP (one-time) for a grant to Focus: HOPE for education and workforce development programming. There was \$1.0 million one-time GF/GP appropriated for the same purpose in FY 2023-24. <u>House</u> concurs.		GF/GP	\$1,000,000
17. Executive Order 2023-6 Transfers		FTE	12.0
<u>Executive</u> includes the following transfers to effectuate Executive Order 2023-6:		Gross	\$68,674,200
<ul style="list-style-type: none"> Transfers out \$68.7 million GF/GP and authorization for 12.0 FTE positions for Reconnect and the Tri-Share Child Care program to the new MiLEAP department. Transfers in \$697,400 GF/GP and authorization for 1.0 FTE due to the shift of the Office of Rural Prosperity from MDARD to LEO. 		GF/GP	\$68,674,200
<u>House</u> concurs.			(11.0)
18. Prosperity Bureau Limited-Term Staffing		Gross	NA
<u>Executive</u> includes \$1.0 million GF/GP (one-time) and boilerplate authorization for 4.0 limited-term FTE positions to build staffing capacity and improve program delivery. <u>House</u> does not include.		GF/GP	NA
19. Language Access		Gross	\$39,874,600
<u>Executive</u> includes \$500,000 GF/GP (one-time) for the Office of Global Michigan to coordinate language access initiatives statewide, including providing technical assistance and guidance to state agencies. <u>House</u> concurs.		Federal	38,369,000
		GF/GP	\$1,505,600
20. Bureau of Services for Blind Persons Federal Authorization		FTE	116.0
<u>Executive</u> increases federal authorization by \$3.4 million to recognize an anticipated increase in federal revenues for the BSBP. <u>House</u> concurs.		Gross	\$25,698,800
		Federal	19,211,400
		Local	100,000
		Private	111,800
		Restricted	350,000
		GF/GP	\$5,925,600
			0
			3,435,100
			0
			0
			0
			\$0

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
Major Budget Changes from FY 2023-24 Enacted Appropriations			
21. Michigan Occupational Safety and Health Radiation Safety Fees	FTE	21.4	4.6
	Gross	\$3,466,200	\$582,000
<u>Executive</u> includes \$582,000 restricted radiological health fees authorization and authorization 4.6 FTE positions to reflect increased revenues from a FY 2022-23 fee increase. Funds would support increased staffing and updated equipment. (Note: request for funding was also included in FY 2023-24 supplemental request 2023-2 described below.) <u>House</u> concurs.	Federal	513,300	0
	Restricted	2,952,900	582,000
	GF/GP	\$0	\$0
22. State Historic Preservation Office	Gross	NA	\$300,000
<u>Executive</u> includes \$300,000 of state restricted funding authorization to align the State Historic Preservation Office Fees and Charges fund source with anticipated revenues. <u>House</u> concurs.	Federal	NA	0
	Restricted	NA	300,000
	GF/GP	NA	\$0
23. MSHDA Technical Assistance Field Staff	FTE	303.0	15.0
	Gross	\$50,259,300	\$0
<u>Executive</u> includes authorization for 15.0 additional FTE positions in MSHDA Housing and Rental Assistance to support local capacity building for housing. <u>House</u> concurs.	Federal	2,773,300	0
	Restricted	47,486,000	0
	GF/GP	\$0	\$0
24. Housing Development Projects	Gross	\$0	\$150,000,000
<u>House</u> includes \$150.0 million GF/GP (one-time) to support MSHDA's efforts to increase housing stock and affordability through the construction of new single- and multi-family housing units, renovation of existing single- and multi-family units, and completion of energy efficiency improvements.	GF/GP	\$0	\$150,000,000
25. Community Museum Grants	Gross	\$0	\$12,000,000
<u>House</u> includes \$12.0 million GF/GP (one-time) for grants to museums that would be awarded as follows:	GF/GP	\$0	\$12,000,000
<ul style="list-style-type: none"> • \$2.0 million to the Lakeshore Museum Center. • \$2.0 million to the Motown Museum. • \$1.0 million to the Chaldean Cultural Center. • \$1.0 million to the Yankee Air Museum. • \$6.0 million for grants awarded on a first-come, first-served basis to museums that support artistic, scientific, technological, or cultural exhibitions. 			
26. Community and Fitness Centers	Gross	\$0	\$10,000,000
<u>House</u> includes \$10.0 million GF/GP (one-time) to provide grants to support community and fitness centers, which would be awarded on a first-come, first-served basis. \$2.5 million of the total would be allocated for updating and expanding the Tri-Cities YMCA located in Grand Haven.	GF/GP	\$0	\$10,000,000
27. Ethanol 15 Rebate Program	Gross	\$0	\$9,000,000
<u>House</u> includes \$9.0 million GF/GP (one-time) to provide rebates to motor fuel retail establishments that sell blended fuel containing Ethanol 15. The rebate rate under the program would be set at 5 cents per gallon of blended fuel sold.	GF/GP	\$0	\$9,000,000
28. Symphony Orchestra Competitive Grants	Gross	\$0	\$6,000,000
<u>House</u> includes \$6.0 million GF/GP (one-time) for grants to symphony orchestras in Michigan that have a demonstrated financial need for state support.	GF/GP	\$0	\$6,000,000

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
Major Budget Changes from FY 2023-24 Enacted Appropriations			
29. Michigan Skills Fund	Gross	\$0	\$5,000,000
<u>House</u> includes \$5.0 million GF/GP (one-time) for a workforce credential program through Michigan Works! agencies to provide tuition assistance to obtain an industry-recognized credential or certificate in a high-demand occupation.	GF/GP	\$0	\$5,000,000
30. Special Events and National Convention Attraction	Gross	\$0	\$5,000,000
<u>House</u> includes \$5.0 million GF/GP (one-time) to promote Michigan as a destination for special events such as national conventions, conferences, and major sporting events.	GF/GP	\$0	\$5,000,000
31. Substitute Teacher Pool Pilot Program	Gross	\$0	\$5,000,000
<u>House</u> includes \$5.0 million GF/GP (one-time) to develop and deploy a statewide substitute teacher pool pilot program, which would match substitute teachers with job postings from education providers.	GF/GP	\$0	\$5,000,000
32. Higher Education Reenrollment Services	Gross	\$0	\$4,000,000
<u>House</u> includes \$4.0 million GF/GP (one-time) for the ReUp program, which provides a coordinated strategy to identify and re-enroll individuals who have some amount of postsecondary education experience but who lack a postsecondary credential.	GF/GP	\$0	\$4,000,000
33. American Arab Chamber of Commerce	Gross	\$0	\$3,000,000
<u>House</u> includes \$3.0 million GF/GP (one-time) for the American Arab Chamber of Commerce.	GF/GP	\$0	\$3,000,000
34. Small Business Development	Gross	\$0	\$3,000,000
<u>House</u> includes \$3.0 million GF/GP (one-time) to assist institutions that serve as Small Business Development Center regional hosts with operating costs and federal match requirements.	GF/GP	\$0	\$3,000,000
35. Michigan Technological University Critical Skills Pilot Program	Gross	\$0	\$2,500,000
<u>House</u> includes \$2.5 million GF/GP (one-time) to support the implementation of an economic development critical skills pilot program at Michigan Technological University.	GF/GP	\$0	\$2,500,000
36. Housing Readiness Incentive Grants	Gross	\$5,000,000	(\$2,625,600)
<u>Executive</u> eliminates \$5.0 million GF/GP (one-time) that was included in the FY 2023-24 budget for grants to cities, villages, and townships to offset costs associated with adopting land use policies, master plan updates, zoning text amendments, and similar actions that help increase housing supply and affordability. <u>House</u> retains \$2.4 million GF/GP (one-time) for this purpose.	GF/GP	\$5,000,000	(\$2,625,600)
37. Agricultural Tourism Hub Redevelopment	Gross	\$0	\$2,000,000
<u>House</u> includes \$2.0 million GF/GP (one-time) to redevelop a former corrections site in Grand Traverse County into an agricultural tourism attraction.	GF/GP	\$0	\$2,000,000
38. Hospitality Industry Training Program	Gross	\$0	\$2,000,000
<u>House</u> includes \$2.0 million GF/GP (one-time) to provide training to individuals to advance skill sets, grow operational knowledge, and expand the attributes necessary to secure an advanced career in the hospitality industry.	GF/GP	\$0	\$2,000,000
39. Michigan's High-Tech Talent Initiative	Gross	\$0	\$2,000,000
<u>House</u> includes \$2.0 million GF/GP (one-time) to increase the amount of high-tech talent in Michigan through various programming modalities.	GF/GP	\$0	\$2,000,000
40. Nutritional Support Program Grant	Gross	\$0	\$2,000,000
<u>House</u> includes \$2.0 million GF/GP (one-time) to offset costs of capital improvements, renovations, infrastructure expansion, or related expenses at Meal on Wheels of Western Michigan.	GF/GP	\$0	\$2,000,000

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
<u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u>			
41. Post-Incarceration Employment	Gross	\$0	\$1,250,000
<u>House</u> includes \$1.3 million GF/GP (one-time) for a program operating in Oakland County and Wayne County that provides immediate and comprehensive employment services to individuals with a history of incarceration, with a focus on those at the highest risk of recidivism.	GF/GP	\$0	\$1,250,000
42. 23+ High School Diploma Program	Gross	\$3,000,000	\$1,000,000
<u>House</u> includes an additional \$1.0 million GF/GP (one-time) to augment ongoing funding for a grant to the Graduation Alliance program, which assists adults over the age of 23 with obtaining high school diplomas and career training program placement.	GF/GP	\$3,000,000	\$1,000,000
43. Centers for Independent Living	Gross	\$19,718,600	\$1,000,000
<u>House</u> includes an additional \$1.0 million GF/GP (one-time) to augment ongoing funding for grants to regional centers for independent for services that they provide to persons with disabilities.	Federal	8,451,600	0
	Private	10,000	0
	GF/GP	\$11,257,000	\$1,000,000
44. Early Childhood Family Engagement	Gross	\$0	\$1,000,000
<u>House</u> includes \$1.0 million GF/GP (one-time) to support a program that offers a comprehensive early childhood family engagement system to strengthen bonds between the school and the home through mobile tools, video tutorials, and in-person workshops.	GF/GP	\$0	\$1,000,000
45. Holistic Workforce Development	Gross	\$0	\$1,000,000
<u>House</u> includes \$1.0 million GF/GP (one-time) to support a program in Detroit that provides full-time employment and services to individuals recovering from homelessness and that provides individuals with the skills to produce specific types of garments.	GF/GP	\$0	\$1,000,000
46. Junior Achievement	Gross	\$0	\$1,000,000
<u>House</u> includes \$1.0 million GF/GP (one-time) to provide funding to the Junior Achievement youth programs in Detroit and Grand Rapids. The programs provide lessons on financial literacy, career readiness, and entrepreneurship.	GF/GP	\$0	\$1,000,000
47. Math and Reading Academies	Gross	\$0	\$1,000,000
<u>House</u> includes \$1.0 million GF/GP (one-time) for the My Reading Academy and My Math Academy programs, which supplement instruction for grades pre-K through 5.	GF/GP	\$0	\$1,000,000
48. School Psychologists Programming	Gross	\$0	\$1,000,000
<u>House</u> includes \$1.0 million GF/GP (one-time) to expand access to school psychology education or preparation programs maintained by Michigan's institutions of higher education.	GF/GP	\$0	\$1,000,000
49. Young Adult Wellbeing and Success	Gross	\$0	\$1,000,000
<u>House</u> includes \$1.0 million GF/GP (one-time) for the Discover You program, which provides evidence-informed workshops to build mental and emotional wellbeing, increase academic and life outcomes, and develop skills for 21st century jobs in individuals that are in grades 6 through 12 or in early postsecondary education.	GF/GP	\$0	\$1,000,000
50. Forest Products Workforce Training and Development Program	Gross	\$0	\$750,000
<u>House</u> includes \$750,000 GF/GP (one-time) to provide training to advance individual skill sets, grow operational knowledge, and advance careers in the forest products industry.	GF/GP	\$0	\$750,000
51. High-Impact Tutoring Pilot Program	Gross	\$0	\$500,000
<u>House</u> includes \$500,000 GF/GP (one-time) to support a high-impact, high-dosage, data-driven tutoring program provided by Littera and focused on improving educational outcomes for students in need.	GF/GP	\$0	\$500,000

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
<u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u>			
52. Walkabouts Multisensory Movement-Based Learning	Gross	\$0	\$500,000
<u>House</u> includes \$500,000 GF/GP (one-time) to support a program that provides walkabouts, supplemental learning tools that integrate physical movement and multisensory lessons to complement traditional classroom instruction.	GF/GP	\$0	\$500,000
53. Auto Show Public Safety	Gross	\$0	\$225,000
<u>House</u> includes \$225,000 GF/GP (one-time) to support payments made to cities, counties, municipalities, or regional authorities for security, police, fire, traffic, or parking services or for facility rentals associated with the Detroit International Auto Show.	GF/GP	\$0	\$225,000
54. One-Time Placeholders	GF/GP	\$0	\$600
<u>House</u> includes \$100 GF/GP one-time placeholders for the following items:	Gross	\$0	\$600
<ul style="list-style-type: none"> • Center for Social Enterprise Development • Digital Workforce Development • Grand Valley State University Competency-Based Education Incubator and Omni • Housing Legal Aid • Michigan State University Engineering and Digital Innovation Center • Skilled Trades Apprenticeship Programs. 			
55. Removal of Enacted Budget One-Time Appropriations	Gross	\$1,037,330,000	(\$1,037,330,000)
<u>Executive</u> removes \$1,037.3 million Gross (\$1,012.3 million GF/GP) of one-time funding that was included in the FY 2023-24 budget to support the 30 one-time appropriation lines. <u>House</u> concurs.	Federal	15,000,000	(15,000,000)
	Restricted	10,000,000	(10,000,000)
	GF/GP	\$1,012,330,000	(\$1,012,330,000)
56. Current Services Baseline Technical Adjustments	Gross	NA	(\$6,479,500)
<u>Executive</u> reduces various lines by a total of \$6.5 million Gross (\$0 GF/GP) to align various revenue sources with anticipated revenues. <u>House</u> concurs.	Federal	NA	(6,122,700)
	Restricted	NA	(356,800)
	GF/GP	NA	\$0
57. Economic Adjustments	Gross	NA	\$11,034,300
<u>Executive</u> reflects increased costs of \$11.0 million Gross (\$1.6 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> concurs.	Federal	NA	6,596,600
	Private	NA	(4,600)
	Restricted	NA	2,886,100
	GF/GP	NA	\$1,556,200

Major Boilerplate Changes from FY 2023-24

GENERAL SECTIONS

Sec. 206. Disciplinary Action Against State Employees – RETAINED

Prohibits department from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law. Executive deletes. House retains.

Sec. 210. Contingency Authorization – RETAINED

Appropriates \$15.0 million in federal, \$510.0 million in state restricted, \$11.0 million in private, and \$2.0 million in local contingency authorization; authorizes expenditure after legislative transfer to specific line items. Executive revises authorizations to \$30.0 million federal and \$560.0 million state restricted. House retains.

Sec. 211. Transparency Website – RETAINED

Requires department to maintain a searchable website that is accessible by the public at no cost that includes data on expenditures, vendor payments, and data on number of active employees, including job specifications and wage rates. Executive deletes. House retains.

Major Boilerplate Changes from FY 2023-24

Sec. 212. Report on State Restricted Funds – RETAINED

Requires department to report within 14 days of the release of the executive budget recommendation on state restricted fund balances, projected state restricted fund projected revenues, and state restricted fund expenditures for the prior 2 fiscal years. Executive deletes. House retains.

Sec. 214. Department Metrics – DELETED

Requires department to maintain, on a publicly accessible website, information that identifies, tracks, and regularly updates, key metrics that are used to monitor and improve the department's performance. Executive and House delete.

Sec. 216. Prioritization of In-person Work for State Workforce – RETAINED

States that the intent of legislature is to maximize efficiency of state workforce and, where possible, prioritize in-person work; requires each department, agency, board, or commission to post its in-person, remote, or hybrid work policy on its website. Executive deletes. House retains.

Sec. 217. Receipt and Retention of Required Reports – REVISED

Requires departments to receive and retain copies of all reports required in Article 9; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes departments to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House revises to align with standard reporting across departments.

Sec. 218. State Administrative Board Transfers – DELETED

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. Executive and House delete.

Sec. 218. Reporting Requirement on Policy Changes – RETAINED

Requires department to report by April 1 on policy changes made in order to implement enacted legislation. Executive deletes. House retains.

Sec. 219. Work Project Expenditures – RETAINED

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. Executive deletes. House retains.

Sec. 222. Severance Pay Report – DELETED

Requires department to report name and any amount of severance pay given to high-ranking department officials; requires department to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines "severance pay". Executive and House delete.

Sec. 301. Fund Sourcing Priorities – RETAINED

Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure. Executive deletes. House retains.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY (LEO)

Sec. 301. Fund Sourcing Priorities – RETAINED

Requires federal or private grant funding to be used prior to general fund appropriations when available for the same expenditure. Executive deletes. House retains.

Sec. 303. SIGMA System Reporting – RETAINED

Requires LEO to use SIGMA to report encumbrances and expenditures. Executive deletes. House retains.

Sec. 304. Private Grant Funded Projects – RETAINED

Authorizes appropriation of private grant revenues, subject to a limitation of \$1.5 million; requires report to legislature within ten days of receiving grants from private entities. Executive revises to eliminate \$1.5 million cap. House retains.

Sec. 305. Informational, Training, and Special Events Revenues and Expenditures – RETAINED

Authorizes LEO to charge registration fees for events sponsored by LEO; requires fees to reflect costs of sponsoring events; appropriates revenue generated by fees for sponsorship costs; authorizes excess revenue to be carried forward; limits appropriation to \$500,000. Executive revises to eliminate \$500,000 cap. House retains.

Sec. 308. Grant and Project Funding Transparency – DELETED

Requires LEO to follow procurement statutes for any grant program or project, created for a public purpose, unless it can fully validate specific organization or local unit of government that will receive funds and how funds will be administered and expended; provides list of required verifying and application activities departments must perform to administer public grants or projects; requires identification of sponsoring legislator or department of a grant and certain activities for approval of grant agreement; requires all grant funding to be expended by close of FY 2027-28; requires information on each grant or project to be posted on public website, including receiving entity and grant sponsor. Executive and House delete.

Major Boilerplate Changes from FY 2023-24

Sec. 308. Initiatives and Recommendations Related to Savings Identified in Audit Reports – RETAINED

Requires department to report on efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports; authorizes the auditor general to perform and charge for a subsequent audit to ensure that the initiatives related to savings and efficiencies have been implemented if the required report is not received within 6 months of the release of the audit. Executive deletes. House retains.

STRATEGIC OUTREACH AND ATTRACTION RESERVE FUND

Sec. 350. Strategic Outreach and Attraction Reserve Appropriation – DELETED

Appropriates up to \$500.0 million restricted funding from the SOAR fund; funds must be used to support activities under the Michigan Strategic Fund Act; requires funding not restricted, obligated, or committed at end of fiscal year to lapse to the state general fund. Executive revises to include interest and earnings in the appropriation to the fund to allow them to be used to support SOAR projects after legislative transfers have been approved. Removes requirement that funding not restricted, obligated, or committed at the end of the fiscal year to lapse to the general fund because it is already required by statute. House deletes.

Sec. 352. SOAR Program: CIP and MSSRP Expenditures – RETAINED

States legislative intent that CIP and MSSRP funding be expended to maximize job creation, grow wages, support existing state businesses and attract new businesses; states legislative intent that the MSF prioritize specific conditions when expending funds, including claw-back provisions if jobs are not retained for 5 years, locating projects in qualified census tracts that have unemployment rates higher than state average, community benefits agreements, and agreements that qualified business offer specific employee services. Executive deletes. House retains.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Sec. 401. Michigan State Housing Development Authority Annual Report – RETAINED

Requires Michigan State Housing Development Authority (MSHDA) to annually present a report on the status of the authority's housing production goals under all financing programs; prohibits MSHDA from restricting eligibility for housing units without a permanent foundation unless it is a federal restriction for program. Executive deletes. House retains.

Sec. 403. Community Development Block Grant (CDBG) – DELETED

Appropriates federal CDBG funding to complete all program activities from prior program years ending with the 2022 program allocation; allows funding to be expended for program activities and program administration. Executive and House delete.

MICHIGAN STRATEGIC FUND

Sec. 503. Pure Michigan Appropriations – REVISED

Requires GF/GP appropriated for Pure Michigan to be used for specified purposes; authorizes fund to contract any of the authorized activities; authorizes fund to work with local units of government, non-profit entities, and private entities on Pure Michigan promotion campaigns. Executive revises to remove reference to promotional focus including talent attraction, labor retention, and relocating to Michigan due to inclusion of new Michigan Marketing Initiatives appropriation. Removes reporting requirement. House revises to limit Pure Michigan funding for use promoting Michigan as a travel and tourist destination and to limit how funds may be expended.

Sec. 506. Business Incentive and Community Revitalization Grant Amendment Reporting – RETAINED

Requires MSF to provide a report of prior year amendments to Michigan Business Development Program and Michigan Community Revitalization Program incentives. Executive deletes. House retains.

Sec. 507. Corporate Funding Reporting – RETAINED

Requires MEDC/MSF to provide an activities report on programs and activities administered by the MEDC board and supported with corporate or investment revenues. Executive deletes. House retains.

Sec. 508. MSF Interlocal Agreements – RETAINED

Requires interlocal agreements entered into by MSF and local units of government to contain language which states that if the local unit has an arrangement with a private economic development corporation, the MEDC will work cooperatively with the private corporation. Executive deletes. House retains.

Sec. 509. Land Purchase Provisions – RETAINED

Prohibits MEDC from purchasing land or land options unless the land is in an economically distressed area or purchase is at invitation of local unit of government and economic development agency; authorizes consideration of purchases where proposed use is consistent with a regional land use plan, will result in redeveloping an economically distressed area, can be supported with existing infrastructure, and will not cause population to shift from population centers; requires a report that lists all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price if the fund purchases on land or on options for land. Executive deletes. House retains.

Major Boilerplate Changes from FY 2023-24

Sec. 513. Fundraising Activity – RETAINED

Prohibits MEDC staff involved in fundraising from being party to grant award, incentives, or tax abatement decisions. Executive deletes. House retains.

Sec. 514. Business Attraction and Community Revitalization – RETAINED

Requires that not less than 20% of the funds appropriated for this program be used for brownfield redevelopment incentives and historic preservation incentives. Executive deletes. House retains.

Sec. 515. Film Tax Incentive Program Report – RETAINED

Requires MSF to report on the status of film incentive program and previous film tax credit program, including number of contracts signed, number of films completed, amount of tax credits, and number of jobs created. Executive deletes. House retains.

Sec. 516. Film and Digital Media Office Status Report – RETAINED

Requires annual activities report from the Michigan Film and Digital Media Office; requires report to include a listing of all projects that received assistance from the office, a listing of the services provided for each project, and an estimate of the investment leveraged. Executive deletes. House retains.

Sec. 518. Michigan Arts and Culture Council Grants – REVISED

Requires Michigan Arts and Culture Council to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires council to publish application criteria; authorizes council to charge a non-refundable application fee to be used for expenses necessary to administer the programs; requires a report to the legislature. Executive retains. House revises to prohibit arts and culture grants funding from being used for administrative expenses.

Sec. 520. Business Attraction and Community Revitalization Funds Reporting – RETAINED

Requires quarterly report on the amount of funds considered appropriated, pre-encumbered, encumbered, and expended; requires report to include funds previously appropriated that have lapsed back to the fund after being considered appropriated, pre-encumbered, encumbered, or expended for any reason. Executive deletes. House retains.

Sec. 522. Previously Authorized Tax Credit Transfer Notification – RETAINED

Requires notification 30 days prior to authorizing the transfer of any previously authorized tax credit that would increase the liability to the state. Executive deletes. House retains.

Sec. 526. Job Creation Services Report – REVISED

Requires department to provide a biannual report that includes expenditures by division and program unit within the job creation services line item. Executive deletes. House revises to include reporting on State Historic Preservation Office expenditures and programs.

WORKFORCE DEVELOPMENT

Sec. 701. Tri-Share Child Care Program – DELETED

Requires funding to be used to continue the Tri-Share Child Care program; allow funding of new child care facilitator hubs provided that existing hubs receive sufficient support; requires new hubs to increase the number of participating counties or serve statewide employers; caps administration costs at \$200,000. (*Transferred to MiLEAP under Executive Order 2023-6*). Executive and House delete.

Sec. 705. Going Pro Expenditure Report – RETAINED

Requires LEO to provide a report of Going Pro expenditures by program/grant type for the prior fiscal year and a projected expenditure report by program/grant type for the current fiscal year. Executive deletes. House retains.

Sec. 715. Interagency Agreement for TANF Funds – RETAINED

Requires LEO to provide reporting on the interagency agreement with DHHS for the use of TANF funds; requires report on use of TANF funds by LEO. Executive deletes. House retains.

Sec. 716. Office of Rural Development – NEW

Directs the Office of Rural Development to encourage and enable appropriate community advancements and improvements, including, but not limited to, housing, infrastructure, education, workforce development, and other needs uniquely present in rural areas of this state that will assist in expansion of rural agriculture development. (*Transferred in from MDARD under EO 2023-6*.) Executive includes new language. House includes new language and requires reporting.

Sec. 717. Community and Worker Economic Transition Office – NEW

Authorizes the LEO to hire employees and deploy capabilities to evaluate and address the impacts of economic transitions; lists activities of the office; requires office to submit a community and worker economic transition plan by December 31, 2025; requires annual report submitted by February 13, 2025. Executive and House include new language.

Major Boilerplate Changes from FY 2023-24

Sec. 718. Office of Global Michigan – NEW

Requires the Office of Global Michigan to report the number of individuals assisted by the Office's programming who identify as a refugee, African-American or black, or LGBTQ+. Executive does not include. House includes new language.

UNEMPLOYMENT

Sec. 805. Unemployment Insurance Agency Limited-Term Employee Authorization – RETAINED

Authorizes the UIA to hire up to 500.0 limited-term employees if UIA local offices offer full-time, in-person services. Executive revises to remove requirement that UIA must provide full-time, in-person services at existing unemployment insurance local offices to hire limited-term employees. House retains.

REHABILITATION SERVICES

Sec. 902. Michigan Rehabilitation Services Report – RETAINED

Requires annual status and outcome report on efforts taken to remedy and improve the MRS. Executive deletes. House retains.

COMMISSIONS

Sec. 951. Ethnic Affairs Commissions Reporting – RETAINED

Requires Office of Global Michigan to coordinate with three ethnic affairs commissions to produce report detailing commissions' activities. Executive deletes. House retains.

Sec. 952. Ethnic Affairs Commissions' Spending – RETAINED

Requires expenditure of appropriated funds by the commissions to directly relate to mission statements. Executive deletes. House retains.

ONE-TIME APPROPRIATIONS

Note: Boilerplate throughout the bill was revised to include non-substantive technical changes agreed to by the House, the Senate, and the Legislative Service Bureau. Boilerplate section numbers listed in this document are section numbers as they appear in the House bill substitute. The House bill substitute deletes numerous boilerplate sections associated with FY 2023-24 one-time line items which were not included in the FY 2024-25 budget.

Sec. 1001. Agricultural Tourism Hub Redevelopment – NEW

Requires the department to award \$2.0 million for the redevelopment of a former corrections facility in Grand Traverse County into an agricultural tourism hub. Executive does not include new language. House includes new language.

Sec. 1002. Global Talent and Retention – NOT INCLUDED

Requires funds appropriated in part 1 for Global Talent and Retention to be used for equitable local, regional, and statewide economic growth through immigrant inclusion programs. Executive includes new language. House does not include new language.

Sec. 1002. American Arab Chamber of Commerce – NEW

Requires LEO to allocate appropriated funds to the American Arab Chamber of Commerce located in Dearborn. Executive does not include. House includes new language.

Sec. 1003. Prosperity Bureau – NOT INCLUDED

Authorizes funds appropriated in part 1 to be used for up to 4.0 limited-term employees to expand capacity within the Prosperity Bureau. Executive includes new language. House does not include new language.

Sec. 1003. Arts and Cultural Program – NEW

Requires LEO to award \$200,000 to the Michigan Traditional Arts Program at Michigan State University. Executive does not include new language. House includes new language.

Sec. 1004. Talent Solutions – NOT INCLUDED

Requires funds appropriated in part 1 for Talent Solutions to be used for the operations of the talent action teams fast track system, grants to employer-led collaboratives to support job creation and authorizes up to 3% of funds to be used for administration. Executive includes new language. House does not include new language.

Sec. 1004. Auto Show Public Safety – NEW

Requires allocation of funds to the 501(c)(6) nonprofit entity that operates the North American International Detroit Auto Show for the purpose of paying cities, counties, municipalities, or regional authorities for security, police, fire, traffic or parking services or for facility rentals associated with the auto show. Executive does not include. House includes new language.

Major Boilerplate Changes from FY 2023-24

Sec. 1005. Michigan Marketing Initiative – NOT INCLUDED

Requires funds appropriated in part 1 for Michigan Marketing Initiative be used for activities focused on promotion of Michigan as a place to live, attracting and retaining talent for in-demand and high-growth occupations, and supporting broader population growth goals; authorizes MSF to contract with outside entities for services and work with local units, nonprofit entities, and private entities. Executive includes new language. House does not include new language.

Sec. 1005. Community and Fitness Centers – NEW

Requires LEO to allocate \$2.5 million for facility updates and expansions at the Tri-Cities YMCA in Grand Haven; allocates \$7.5 million for grants to community and fitness centers throughout Michigan, with grants awarded on a first-come, first-served basis and subject to a \$500,000 cap. Executive does not include new language. House includes new language.

Sec. 1006. Community and Neighborhood Initiatives – NEW

Requires funds appropriated in part 1 for Community and Neighborhood Initiatives to be used for a grant program for projects that benefit local communities and neighborhoods; outlines requirements for program guidelines, eligibility criteria, and application process; requires quarterly progress reports from grant recipients and a departmental report. Executive and House include new language.

Sec. 1007. Michigan Innovation Fund – NOT INCLUDED

Requires funds appropriated in part 1 for the Michigan Innovation Fund to be used for activities under section 32 of the Michigan Early Stage Venture Act of 2003; requires MSF to develop and post program guidelines; requires not less than \$5.0 million of funds to support underrepresented entrepreneurs; requires awards to be made to universities, economic development organizations, nonprofit organizations, and other investment vehicle entities; requires annual pitch competition to address strategic challenges in Michigan. Executive includes new language. House does not include new language.

Sec. 1007. Community Museum Grants – NEW

Requires LEO to allocate \$2.0 million to the Lakeshore Museum Center, \$2.0 million to the Motown Museum, \$1.0 million to the Chaldean Cultural Center, and \$1.0 million to the Yankee Air Museum; allocates \$6.0 million for statewide grants to museums, which are to be distributed on a first-come, first-served basis, subject to a \$1.0 million cap. Executive does not include new language. House includes new language.

Sec. 1008. Build Ready Sites Program – NOT INCLUDED

Requires funds appropriated in part 1 for the Build Ready Sites Program to be used to develop or enhance strategic sites to make them build ready and competitive for site selection projects. Executive includes new language. House does not include new language.

Sec. 1008. Early Childhood Family Engagement – NEW

Requires LEO to allocate \$1.0 million for the Ready Rosie program through Teaching Strategies, which offers a comprehensive early childhood family engagement system that strengthens bonds between the school and the home through mobile tools, video tutorials, and in-person workshops.

Sec. 1009. Ethanol 15 Rebate Program – NEW

Requires funds be expended to provide rebates to motor fuel retail establishments that sell blended fuel containing ethanol 15, at a rate of 5 cents per gallon sold, for a total rebate of up to \$100,000 per fiscal year; establishes rebate eligibility criteria and reporting requirements. Executive does not include new language. House includes new language.

Sec. 1011. Forest Products Workforce Training and Development – NEW

Requires funding to be allocated to a nonprofit forest industry council based in the City of Lansing in Ingham County; requires funds to be used to provide quality training to advance skill sets, grow operational knowledge, and advance careers in the forest products industry. Executive does not include new language. House includes new language.

Sec. 1012. High-Impact Tutoring Pilot Program – NEW

Requires funding to be allocated to a program that provides high-impact, high-dosage, data-driven tutoring programs focused on improving educational outcomes of students in need. Executive does not include new language. House includes new language.

Sec. 1013. Higher Education Reenrollment Services – NEW

Requires LEO to allocate funds for a coordinated strategy that includes data analytics, multichannel marketing, live professional coaching, and a platform-based user experience to reenroll students who have not obtained a postsecondary education certificate but who have some amount of postsecondary education experience. Executive does not include new language. House includes new language.

Major Boilerplate Changes from FY 2023-24

Sec. 1014. Holistic Workforce Development – NEW

Requires funding to be awarded to Empowerment Plan, an entity operating in the City of Detroit that provides full-time employment and services to individuals recovering from homelessness and that produces sleeping bag coats for global distribution. Executive does not include new language. House includes new language.

Sec. 1015. Hospitality Industry Training Program – NEW

Requires funding to be allocated to a proprietary school located in Lansing that has a mission to provide individuals with quality training to advance skill sets, grow operational knowledge, and expand attributes necessary for advanced careers in the hospitality industry. Executive does not include new language. House includes new language.

Sec. 1016. Housing Development Projects – NEW

Requires MSHDA to expend funds for purposes of increasing the number of housing units and making housing more affordable; requires funds to be used for constructing new single-family or multifamily housing, renovating existing single-family or multifamily housing, and completing energy efficiency improvements on existing single-family or multifamily housing. Executive does not include new language. House includes new language.

Sec. 1017. Housing Readiness Incentive Grants – NEW

Requires LEO to expend funds to provide grants to cities, villages, and townships to offset costs associated with adopting land use policies, master plan updates, zoning text amendments, and similar actions to encourage increasing housing supply and affordability. Executive does not include new language. House includes new language.

Sec. 1018. Junior Achievement – NEW

Requires LEO to allocate funds to Junior Achievement, a nonprofit organization that provides young people with practical economic education programs and experiences in the competitive private enterprise system through business and education communities located in Detroit and Grand Rapids; requires funding to be used for program resources and staffing; requires each location to receive \$500,000. Executive does not include new language. House includes new language.

Sec. 1019. Math and Reading Academies – NEW

Requires LEO to allocate funds for implementation of My Math Academy or My Reading Academy for grades pre-K through 5; allows programs to include professional learning for educators or a guardian care center for parental involvement. Executive does not include new language. House includes new language.

Sec. 1020. Michigan Skills Fund – NEW

Requires funds to be made available to Michigan Works! to provide residents with tuition assistance to obtain an industry-recognized credential or certification in a high-demand occupation; lists requirements for qualifying for tuition assistance. Executive does not include new language. House includes new language.

Sec. 1021. Michigan Technological University Critical Skills Pilot Program – NEW

Requires Michigan Technological University to administer a pilot program to support the implementation of a critical skills program with the goal of increasing the number of critical skills degrees the university awards; requires a report on number of students enrolled, practices implemented, starting and ending balances, amount of university matching funds, and outreach and training efforts. Executive does not include new language. House includes new language.

Sec. 1022. Michigan's High-Tech Talent Initiative – NEW

Requires LEO to award funds to MICHauto, an entity in the City of Detroit whose mission is to promote, retain, and grow this state's automotive industry; prohibits funds from being used for digital or social media platforms. Executive does not include new language. House includes new language.

Sec. 1023. Nutritional Support Program – NEW

Requires LEO to award funds to Meals on Wheels of Western Michigan for costs of capital improvements, renovations, infrastructure expansion, or related expenses. Executive does not include new language. House includes new language.

Sec. 1024. Office of Rural Prosperity Grants – NEW

Requires LEO to operate a grant program to support community activities, including enhancing or elevating broadband, housing, infrastructure, education, workforce development, and addressing other needs unique to rural areas. Executive and House includes new language.

Sec. 1025. Post-Incarceration Employment – NEW

Requires LEO to award funds to the Center for Employment Opportunities, a nonprofit organization that operates a program that provides services to parolees and probationers assessed by the Department of Corrections as moderate- or high-risk to recidivate, and provides job readiness training, transitional employment, job coaching and placement, and postplacement retention services. Executive does not include new language. House includes new language.

Major Boilerplate Changes from FY 2023-24

Sec. 1026. School Psychologists Programming – NEW

Requires LEO to allocate funds to expand access to school psychology education or preparation programs maintained by institutions of higher education that offer designations, focus, or special certifications in the provision of school psychology services; requires funds to be used to hire faculty members to initiate or expand enrollment and to develop distance education in existing programs; requires a plan for internally funding the school psychologist program after the grant period ends; prohibits grants for initiating enrollment from exceeding \$350,000 per year for 1, 2, or 3 years; and prohibits grants for expanding enrollment and developing distance education in existing programs from exceeding \$150,000 per year for 1, 2, or 3 years. Executive does not include new language. House includes new language.

Sec. 1027. Skilled Trades Apprenticeship Programs – NEW

Requires LEO to allocate funds to skilled trades programs to train apprentices and journeypersons in the construction, energy, and other skilled trades industries. Executive does not include new language. House includes new language.

Sec. 1028. Small Business Development – NEW

Requires LEO to allocate funds to higher education institutions that serve as small business development center regional hosts to offset operations costs and federal match requirements. Executive does not include new language. House includes new language.

Sec. 1029. Special Events and National Convention Attraction – NEW

Requires funds be used to promote Michigan as a destination for special events, including national conventions, conferences, and major sporting events that would feature Michigan to a national audience; establishes eligibility criteria; and provides work project authorization. Executive does not include new language. House includes new language.

Sec. 1030. Substitute Teacher Pool Pilot Program – NEW

Requires LEO to allocate funds to Wonderschool, an organization with experience building program capacity in the education and child care sectors to develop and deploy a statewide substitute teacher pool pilot program; requires the program to recruit, screen, train, and onboard qualified substitute teachers, and create and launch an online platform to match substitute teachers with job postings from educational providers; requires a report on the number of open substitute positions that are filled using the online platform, the number of substitute teachers recruited and entered into the pool, accounting of expenditures, and recommendations regarding continuation of the program. Executive does not include new language. House includes new language.

Sec. 1031. Symphony Orchestra Grants – NEW

Requires funds to be allocated for a program that distributes need-based grants to symphonies that have a demonstrated financial need for support; requires guidelines and a grant application process to be developed; requires grants to be awarded on a proportional basis if applications exceed the allocation. Executive does not include new language. House includes new language.

Sec. 1032. Walkabouts Multisensory Movement-Based Learning – NEW

Requires LEO to award a grant to a program that provides supplemental learning tools that integrate physical movement and multisensory lessons to complement traditional classroom instruction. Executive does not include new language. House includes new language.

Sec. 1033. Young Adult Wellbeing and Success – NEW

Requires LEO to award a grant to Discover You, a Midland-based program that provides evidence-informed workshops to build mental and emotional well-being, increase academic and life outcomes, and develop skills for 21st century jobs in individuals that are in grades 6 through 12 or in early postsecondary education. Executive does not include new language. House includes new language.

Sec. 1034. Repurpose Unexpended Work Project Account Balances – NEW

Directs LEO to expend \$50.0 million of unexpended work project account balances to fund the following: \$25.0 million for public safety infrastructure and equipment grants and \$25.0 million for Pure Michigan; designates funding as a work project appropriation; requires funding for public safety and infrastructure and equipment grants to be distributed through a competitive grant program to fire department and law enforcement agencies for purchasing equipment and for making improvements to physical infrastructure; prohibits grants from exceeding \$500,000. Executive does not include new language. House includes new language.