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BILL ANALYSIS

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**FY 1999-2000 Year-to-Date Gross Appropriation . . . . . \$297,228,019**

**Changes from FY 1999-2000 Year-to-Date:**

Items Included by the Senate and House

- 1. **Tuition Restraint Initiative.** Pursuant to Legislative intent language in the current-year appropriations bill, the Governor recommended a 1.5% reduction for each community college that raised tuition for the 1999-2000 school year by more than 3.0%. Three colleges raised tuition by more than 3.0%: Gogebic Community College, Monroe County Community College, and Wayne County Community College. These funds (totaling \$369,285) were then redistributed to all other community colleges through the Gast-Mathieu funding formula. The Senate and House eliminated the tuition restraint proposal and restored the 1.5% reduction made by the Governor. 0
  
- 2. **At Risk Student Success Program.** This program is designed to address the needs of students who test at a level that would indicate that they will not be successful in college without additional preparatory assistance. The Senate and House concurred in the Governor's recommendation to provide a 3.0% increase in program funding with funds distributed based on the existing program formula. 107,537
  
- 3. **Postsecondary Access Student Scholarship (PASS).** The Governor recommended a new program to implement proposals made by the Michigan Commission on Financing Postsecondary Education. The program essentially will provide free college tuition for eligible participants by financing the difference between tuition and all other scholarships and grants for qualifying students. The program is to be financed from the Tobacco Settlement Trust Fund. The Senate and House concurred in the Governor's funding recommendation, but made program eligibility changes (see boilerplate item 7 on reverse). 10,000,000

Conference Agreement on Items of Difference

- 4. **College Operations.** The Senate recommended a 5.4% overall operations increase distributed as 3.0% across-the-board and 2.4% by formula. The House concurred in the recommendation yet added \$100 for each of the 28 community colleges. The Conference Committee accepted the target agreement increase of 6.0% and distributed the increase as 3.5% across-the-board, and 2.5% by formula. 17,611,490
  
- 5. **Renaissance Zones/Tax Increment Finance Authorities Reimbursements.** The Senate concurred with the Governor to provide funds for Renaissance Zone reimbursements. The House added \$50,000 to also partially offset estimated losses to community colleges as a result of reduced property tax revenue from the establishment of Tax Increment Finance Authorities. The Conference Committee accepted the \$50,000 and stipulated that the money be distributed to colleges for assisting Treasury with data collection efforts from local units of government. 114,673

Total Changes . . . . . \$27,833,700

**FY 2000-01 Conference Report Gross Appropriation . . . . . \$325,061,719**

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

**Changes from FY 1999-2000 Year to Date:**Items Included by the Senate and House

1. **Abortion Coverage in Employee Health Insurance.** The Senate and House reinstated language eliminated by the Governor that prohibits the use of State funds for health insurance that includes abortion services (except in the cases of spontaneous abortions, or to protect the life of the mother) for college employees. (Sec. 230).
2. **Benefits for Unmarried Partners.** The Senate and House reinstated language eliminated by the Governor that prohibits the use of State appropriations to provide benefits to unmarried partners of college employees. (Sec. 231).
3. **Tuition Restraint Initiative.** The Senate and House removed language recommended by the Governor that would require next year's base appropriation to be reduced by 1.5% for each college that raises tuition by more than 3%.

Conference Agreement on Items of Difference

4. **Tax Increment Finance Authorities.** The Senate reinstated language eliminated by the Governor that requires the department of Treasury to compile and publish a report on the property tax revenue lost by colleges as a result of tax increment finance authorities and tax abatements. The House added language requiring reimbursements up to \$50,000 to partially offset estimated losses from tax increment finance authorities established after December 31, 1999. The Conference Committee accepted the \$50,000 and stipulated the money be distributed to colleges to assist Treasury in data collection efforts with local units of government. (Sec. 219, 222)
5. **Partnership for Employment.** The Senate eliminated language that requires colleges to implement a partnership for employment program, requiring colleges to form links with businesses in order to ascertain local employment needs. The House restored this language. The Conference Committee accepts the language. (Sec. 303)
6. **Economic Development Job Training.** The Senate reinstated language eliminated by the Governor that would state Legislative intent that at least 70% of the economic development job training grant money be awarded to community colleges. The House made technical changes citing program location. The Conference Committee concurred with the House. (Sec. 403)
7. **Postsecondary Access Student Scholarship (PASS).** The Senate included language recommended by the Governor outlining the requirements of the recommendations of the Commission on Financing Postsecondary Education for the PASS student tuition assistance program, yet changed the allowable tuition for independent colleges from the average in-district college tuition, to the average lower level university tuition, included part-time students, recommended continued review and development of the program, and excluded tuition incentive program (TIP) participants from the PASS program. The House added reporting requirements. The Conference Committee adds reporting requirements and makes other technical changes as recommended by the DMB. (Sec. 404)
8. **Payment of Contraceptives.** The Governor and Senate did not include current-year language that encourages colleges to ensure that payment of preventative contraceptives is included in the employee's insurance plan. The House restored this language. The Conference Committee includes this language. (Sec. 233)
9. **Promoting Equal Opportunities.** The Governor and Senate did not include current-year language that requires colleges to promote equal opportunities, eliminate discrimination, and foster a diverse student body. The House restored this language. The Conference Committee includes this language. (Sec. 234)
10. **Pre-Funding Health Benefits.** The House added language to require that if amendments to the public school employees retirement act that require pre-funding of the health benefits portion of the Michigan public school employee's retirement system are enacted and take effect, those amendments apply to community colleges. The Conference Committee includes this language. (Sec. 216)
11. **Staffing Patterns.** The House added language that requires the Department of Career Development to coordinate with community colleges officials and organizations representing employees at community colleges to discuss staffing patterns as they relate to part-time employees and their effect on educational instruction. The Conference Committee did not include this language.

Date Completed: 6-23-00

Fiscal Analyst: M. Hansen

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.