

Senate Fiscal Agency
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SFA



BILL ANALYSIS

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FY 1998-99 Year-to-Date Gross Appropriations	\$282,000,000
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Changes from FY 1998-99 Year-to-Date:

Items Included by the House and Senate

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| 1. Renaissance Zone Tax Reimbursement. This line-item reimburses colleges for property tax revenue lost from properties located within a Renaissance Zone development. The Governor recommended a reduction in program funding to more accurately reflect anticipated tax loss. The House and Senate concurred in the recommendation. | (184,542) |
| 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 level courses without additional preparatory assistance. The Governor, House, and Senate recommended continuation level funding with funds reallocated based on the existing formula. | 0 |

Conference Agreement on Items of Difference

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| 3. Operations. The House recommended a 2.5% increase in the base funding level for Community College operations distributed as 1.25% across-the-board and 1.25% according to the Gast-Mathieu funding formula. The Senate recommended to move the Tuition Restraint Incentive Grant monies into the base for operations, and add an additional \$2,746,560 for a total increase of 5.0%. The 5.0% increase was distributed as 2% across-the-board, and 3% according to the Gast-Mathieu formula. The Conference Committee allocated the target increase for operations of 5.55% as 2.55% across-the-board, and 3.0% by the Gast-Mathieu formula. | 15,412,561 |
| 4. Tuition Restraint Incentive Grants. The House recommended a 1.5% across-the-board increase as a categorical grant for community colleges contingent on colleges keeping their tuition increases to 3% or less. The House also exempted tuition from the distance learning pilot program. The Senate recommended to include these funds in base operations for each college, and removed all language related to the proposal. The Conference Committee moved the funds into base operations and added language to remove 1.5% from the FY 2000-2001 base operations for colleges that raise tuition above 3.0% in FY 1999-2000. Language was also included stating legislative intent to study the effect on funding in the formula for colleges with lower than average tuition. | 0 |
| 5. Tax Revenue Loss Grant. The House included a new categorical grant intended to reimburse colleges for property tax revenue lost as a result of tax increment finance authorities, and tax abatements. The Senate did not include this item. The Conference Committee did not include this item. | 0 |

Total Changes	\$15,228,019
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FY 1999-2000 Enacted Gross Appropriation	\$297,228,019
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Changes from FY 1998-99 Year-to-Date:Items Included by the House and Senate

1. **Abortion Coverage in Employee Health Insurance.** The House and Senate included current-year language that prohibits the use of funds for health insurance that include abortion services (except in cases of spontaneous abortions, or to protect the life of the mother) for college employees.
2. **Economic Development Job Training Grant Report.** The House inserted new language retained by the Senate requiring a report detailing the recipients of economic development job training grants.
3. **Payment of Preventative Contraceptives.** The House and Senate included new language encouraging colleges to ensure that payment for preventative contraceptives is included in the employee's insurance plan.

Conference Agreement on Items of Difference

4. **Tax Increment Finance Authorities Report.** The Senate deleted current-year language, included by the House, to require the Department of Treasury to compile and publish a report on property tax revenue loss as a result of tax increment finance authorities and other tax abatement programs. The House also included language, deleted by the Senate, requiring the Auditor General to audit tax loss reports. The Conference Committee adopted the language.
5. **Co-terminus College Districts.** The Governor deletes current-year language that creates a task force to improve access to comprehensive community college services. The House and Senate concurred, yet retained a provision encouraging the Legislature to continue to review and analyze the issue. The Senate included language to allow the Michigan Community College Association to participate in co-terminus discussions. The Conference Committee concurred in the Senate language.
6. **Tuition Restraint Incentive Grant.** The House recommended an additional 1.5% for each college contingent on colleges keeping tuition increases to 3% or less. The House also exempted tuition for the distance learning program. The Senate eliminated this section. The Conference Committee included new language to remove 1.5% from the FY 2000-2001 base for any college that raises tuition above 3.0%. Intent language was also included to study the treatment of colleges with lower than average tuition, and to exempt tuition for the distance learning program.
7. **Partnership for Employment Program.** The Senate deleted current-year language, reinstated by the House, that requires colleges to implement a partnership for employment program, that would require colleges to form links with businesses in order to ascertain local employment needs. The Conference Committee included the language but allowed the program for other similar programs of like nature and intent.
8. **Tax Revenue Loss Grant Program.** The House included new language eliminated by the Senate intended to reimburse colleges for the revenue lost from tax increment finance authorities and tax abatements. The Conference Committee did not include this language.
9. **Promoting Equal Opportunities.** The House included new language eliminated by the Senate that requires colleges to promote equal opportunities, eliminate discrimination, and foster a diverse student body. The Conference Committee adopted language stating legislative intent.
10. **Deprived & Depressed Communities.** New language added by the Senate that would encourage colleges to ensure business in depressed areas compete for contracts. The Conference Committee included this language.
11. **Reports on Internet.** New language added by the Senate that would require all reports to be made available through the Internet. The Conference Committee included this language.
12. **FY 1998-99 Supplemental.** The bill includes \$2,800 for an FY 1998-99 supplemental that would provide \$100 for each community college to be used for infrastructure, technology, equipment, or maintenance. The Conference Committee eliminated the supplemental. The Conference Committee did not include this language.

Date Completed: 7/19/99

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