



Senate Fiscal Agency
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BILL ANALYSIS

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FY 2003-04 Year-to-Date Gross Appropriation	\$276,828,600
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Changes from FY 2003-04 Year-to-Date:

Items Included by the Senate and House

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| 1. Tuition Restraint. Both the Senate and House included the tuition restraint proposal, which provides a 3% increase in FY 2003-04, and then no reduction in FY 2004-05, for those colleges who pledge to keep their increase in tuition below either the projected increase in the Detroit Consumer Price Index (CPI) (Senate) or 3% (House) for next year. The Conference Committee set the tuition increase limit at 2.8%, and made the FY 2003-04 payment contingent upon the sale of the Northville Psychiatric Hospital property. | 8,518,400 |
| 2. Renaissance Zones. Both the Senate and House included the Governor's recommended increase in funding used to reimburse community colleges for property tax revenue lost from properties located within a Renaissance Zone development. The increase was based on projected program expansion. | 400,000 |
| 3. At Risk Student Success Program. Both the Senate and House retained program funding at current-year levels, as recommended by the Governor. | 0 |

Conference Agreement on Items of Difference

4. Only Boilerplate (see reverse)

Total Changes.....	\$8,918,400
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FY 2004-05 Enacted Gross Appropriation.....	\$285,747,000
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Changes from FY 2003-04 Year to Date:Items Included by the Senate and House

1. **Deprived and Depressed Communities.** The Senate Substitute restores language deleted by the Governor that encourages colleges to ensure businesses in depressed areas compete for contracts. (Sec. 210)
2. **At Risk Payments.** The Senate Substitute restores language deleted by the Governor that requires one lump sum payment for these grants. The Governor recommends paying these in 11 equal installments, consistent with State aid payments. (Sec. 211)
3. **Public School Employee Retirement System Reports.** The Senate Substitute restores language deleted by the Governor limiting retirement benefit calculation reports to four annually. (Sec. 216 (3))
4. **Abortion Coverage in Employee Health Insurance.** The Senate Substitute restores language deleted by the Governor that prohibits the use of State funds for health insurance that includes abortion services for college employees. (Sec. 230)
5. **Benefits for Unmarried Partners.** The Senate Substitute restores language deleted by the Governor that prohibits the use of State appropriations to provide benefits to unmarried partners of college employees. (Sec. 231)

Conference Agreement on Items of Difference

6. **Tuition Restraint.** The Senate agreed with the Governor to set the tuition restraint limit to the projected 2005 increase in the Detroit CPI. House set the tuition restraint limit at 3.0%. The Conference Committee set the limit at 2.8% and made the FY 2003-04 payment contingent upon the sale of the Northville Psychiatric Hospital property.
7. **Tax Increment Financing Authority Report.** The House retains current-year language deleted by the Governor and the Senate requiring the Department of Treasury to produce a report estimating the amount of revenue lost by community colleges as a result of Tax Increment Financing Authorities (TIFAs). The Conference Committee includes this language.
8. **Funding Special Maintenance.** The House retains current-year language deleted by the Governor and the Senate that states legislative intent to develop financing alternatives for funding special maintenance projects at colleges. The Conference Committee includes the language and adds intent language to restore funding for the Infrastructure, Technology, Equipment, and Maintenance (ITEM) funding that had been provided in previous fiscal years.
9. **Tuition and Fee Reporting.** The Senate included language that required the reporting of the total cost of attendance based on a 30 credit hour schedule, also be included in tuition and fee reports. The House deleted this provision. The Conference Committee retains the language.
10. **Tuition Reciprocity Agreements.** The House included new language stating legislative intent that, 1) tuition reciprocity agreements be submitted for review and approval by the appropriations committees at least once every three years, and 2) that, under such agreements, out-of-state students pay the in-state, out of district rate at the Michigan Community Colleges. The Conference Committee retains this language.
11. **Payments in Lieu of Taxes.** The House included new language stating intent that a workgroup be formed to evaluate the impact of making payments in lieu of taxes to community colleges whose districts contain state-owned land. The Conference Committee retains this language.
12. **Optional Retirement Plan.** The House included new language stating intent that a workgroup be formed to evaluate the impact of expanding eligibility for the Optional Retirement Plan (a defined contribution plan available to full-time community college faculty and administrative staff as an alternative to the MPSERS defined benefit plan) to include part-time faculty. The Conference Committee retains this language.
13. **President and Student Housing.** The House did not include language added by the Senate that requires a report on the condition of and costs associated with both student housing facilities and any housing provided for the college's president or chancellor. The Conference Report does not include this language.

Date Completed: 10-6-04

Fiscal Analyst: Mike Hansen