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Senate Bill 1062 (S-1, Draft 1 as reported)
 Committee: Appropriations

FY 2003-04 Year-to-Date Gross Appropriation \$276,578,600

Changes from FY 2003-04 Year-to-Date:

- 1. **Tuition Restraint.** Public Act (P.A.) 237 of 2003, an FY 2003-04 supplemental bill, contains language implementing a new tuition restraint proposal. Under P.A. 237, colleges and universities would receive a 3% increase in their FY 2003-04 appropriation if they pledged not to increase tuition for this year and next beyond the estimated fiscal year 2005 increase in the Detroit CPI. Additionally, FY 2004-05 appropriations for these schools would be maintained, while schools not accepting the pledge would see their FY 2004-05 appropriations reduced by 3%. Consequently, the Governor's FY 2004-05 recommendation contains base appropriations for each school with a 3% reduction from current-year amounts (in the event schools decline the tuition pledge) along with a tuition restraint incentive appropriation that recognizes the 3% increase for those schools accepting the pledge. The Senate Substitute concurs with the Governor's recommendation yet makes changes to the tuition restraint program eligibility, more fully described on the back side of this document. 8,518,400

- 2. **Renaissance Zones.** This appropriation reimburses community colleges for property tax revenue lost from properties located within a Renaissance Zone development. The Governor recommended an increase in program funding pursuant to anticipated increased program needs. The Senate Substitute concurs with the Governor's recommendation. 650,000

- 3. **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 Governor recommended continuation funding, with individual college allocations distributed based on the existing program formula. The Senate Substitute concurs with the Governor's recommendation. 0

- 4. **Comparison to Governor's Recommendation.** The substitute is at the Governor's recommendation.

Total Changes..... \$9,168,400

FY 2004-05 Senate Appropriations Subcommittee Gross Appropriation \$285,747,000

Changes from FY 2003-04 Year to Date:

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. **Tax Increment Finance Authorities.** The Senate Substitute concurs with the Governor's recommendation to delete language requiring the Department of Treasury to report on the property tax revenue lost by colleges as a result of tax increment finance authorities and tax abatements. (Current year Sec. 219)
5. **Special Maintenance Financing.** The Senate Substitute concurs with the Governor's recommendation to delete language encouraging the Legislature and the Michigan Community College Association (MCCA) to develop proposals and financing alternatives for special maintenance projects that don't qualify under the State Building Authority. (Current year Sec. 220)
6. **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)
7. **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)
8. **Preventative Contraceptives.** The Senate Substitute concurs with the Governor's recommendation to delete language that encourages colleges to ensure that payment of preventative contraceptives is included in the employee's insurance plan. (Current year Sec. 233)
9. **University Acceptance of College Credits.** The Senate Substitute restores and modifies language deleted by the Governor that creates a workgroup to make recommendations regarding university acceptance of college credits by students enrolled through the postsecondary enrollment options act. (Sec. 235)
10. **Community College Increases.** The Senate Substitute restores language deleted by the Governor that states intent to ensure community college funding increases are similar to university increases. (Sec. 402)
11. **Economic Development Job Training.** The Senate Substitute restores language deleted by the Governor that states legislative intent that 70% of the economic development job training grant money be awarded to community colleges. (Sec. 403)
12. **Tuition Restraint.** The Senate Substitute modifies language included by the Governor that provides a 3% increase in appropriations if colleges agree to keep tuition increases to no more than inflation. The modified language would limit tuition restraint to just in-district tuition; would protect colleges from future reductions; would give the legislature oversight of qualifying tuition increase determinations; and would accept the Governor's revision of the existing language to allow the tuition restraint benchmark to be either the fiscal (2.3%) or calendar (2.4%) year increase in the Detroit CPI. This language replaces existing language contained in P.A. 237 of 2003, which is repealed in the Senate Substitute. (Secs. 207, 1201)
13. **Entrepreneurship Curriculum.** The Senate Substitute accepts new language recommended by the Governor encouraging the Department of Labor and Economic Growth to work with colleges to develop an accelerated entrepreneurship curriculum. (Sec. 208)

Date Completed: 3-17-04

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