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# HOUSE FISCAL AGENCY

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SB371      SUBSTITUTE  
Schwarz  
H-11

Sponsor      Sen. M.D., John J. H.  
Committee      HOUSE APPROPRIATIONS

Analyst(s)    Prince, Hank

Completed    10/18/01

### State Fiscal Impact

### Local Fiscal Impact

Cost            Increase  
Revenues      Increase

Cost            None  
Revenues      None

The House substitute (H-11) for SB 371 amends the Michigan Income Tax Act to restrict the state Tuition Tax Credit's effective dates to tax years 1995 through 2000. Thus, the credit would not be in effect for the current or subsequent tax years. It also appropriates \$32.7 million to postsecondary institutions, with \$26.2 million to state universities, \$1.3 million to independent colleges and universities, and \$5.2 million to community colleges.

For state universities, the distribution is based primarily on the university's proportionate share of the total number of resident undergraduate FY 2000-01 fiscal year equated students (FYES) and secondarily on the university's FY 2000-01 state appropriations.

For the community college appropriations, the allocations are based on a combination of across-the-board and formula-funding components, using the FY 2000-01 budget as a base.

For independent colleges and universities, the allocation is made through the General Degree Grant reimbursement program, which provides a per-graduate amount based on the number of degrees conferred on Michigan residents in the prior academic year.

It requires state universities to distribute their allocations, on a per-FYES basis by December 15, 2001, to all resident undergraduate students who were enrolled and paid tuition/fees for the fall semester/term. If a state university did not certify by November 15, 2001 that it would distribute the allocations in this prescribed manner, its appropriation would be reallocated to all other complying state universities.

H-11 also repeals the contingent appropriations sections contained in the already-enacted FY 2001-02 community college and higher education budgets.