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Senate Bill 266 (S-1 as reported)  
Committee: Appropriations

<b>FY 2004-05 Year-to-Date Gross Appropriation .....</b>	<b>\$280,827,400</b>
<b>Changes from FY 2004-05 Year-to-Date:</b>	
<b>1. Operations.</b> The Governor recommended continuation level support for college operations from the current FY 2004-05 base amount which includes the 1.8% across the board reduction to college operations approved in Executive Order 2005-07. The Senate substitute makes across-the-board reductions to each college's appropriation of 0.9%, or \$2,554,800, in order to meet overall budget targets. In addition, General Fund support of \$18,282,200 is replaced by the same amount from the School Aid Fund.	(2,554,800)
<b>2. Renaissance Zone Reimbursements.</b> The Governor recommended a 21% increase in program funds in anticipation of increased reimbursements to local units of government that have designated Renaissance Zones within their taxing districts. The Senate substitute concurs.	500,000
<b>3. At Risk Student Success Program.</b> The Governor recommended continuation level funding of \$3,322,700 for this categorical grant program designed to address the special needs of at risk students. Funds are distributed based on the proportion of developmental and preparatory contact hours provided by each college. The Senate substitute concurs.	0
<b>4. Comparison to Governor's Recommendation.</b> The Senate substitute is \$2,554,800 Gross and \$20,837,000 GF/GP below the Governor's recommendation.	
Total Changes.....	(2,054,800)
<b>FY 2005-06 Senate Appropriations Committee Gross Appropriation .....</b>	<b>\$278,772,600</b>

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**Changes from FY 2004-05 Year to Date: Assumes House Subcommittee boilerplate decisions are adopted.**

1. **Tuition Restraint.** The Governor did not recommend any form of tuition restraint for community colleges for FY 2005-06. Consequently, current-year language that describes the program's parameters was removed. The House and Senate substitute concurs. (Sec. 207).
2. **Entrepreneurship Curriculum.** The Governor retains existing language encouraging the Department of Labor and Economic Growth to work with colleges to develop an accelerated entrepreneurship curriculum. The House adds a reporting section. The Senate substitute concurs. (Sec. 208).
3. **Buy American/Buy Michigan.** The Governor recommends current year language encouraging colleges to buy Michigan and American made products where available, with minor edits to make the language standard with other similar boilerplate. The House and Senate substitute concurs. (Sec. 209).
4. **Deprived and Depressed.** The Governor and Senate substitute retain current-year language that encourages colleges to do business in deprived and depressed communities. The House does not include this language. (Sec. 210).
5. **At Risk Payment Schedule.** The Governor recommends changing the current distribution of these funds from a single payment on November 1 to 11 equal payments throughout the year similar to the operations payment schedule. The House retains current schedule, which is payment in full by November 1. The Senate substitute concurs. (Sec 211).
6. **Abortion Coverage in Employee Health Insurance.** The Governor deletes language that prohibits the use of State funds for health insurance that includes abortion services for college employees. The House and Senate substitute retain current language. (Sec. 230).
7. **Benefits for Unmarried Partners.** The Governor deletes language that prohibits the use of State appropriations to provide benefits to unmarried partners of college employees. The House and Senate substitute retain current language. (Sec. 231).
8. **Payments in Lieu of Taxes.** The Governor deletes current language that creates a workgroup to evaluate and make recommendations regarding the possibility of state payments in lieu of taxes to community colleges whose districts contain state-owned land. The House includes federal, local, or otherwise nontaxable land, and adds a reporting requirement due by March 1. The Senate substitute concurs. (Sec. 237).
9. **Optional Retirement Plan.** The Governor deletes current language that creates a workgroup to evaluate and make recommendations regarding the impact of expanding eligibility for the optional retirement plan to include part-time faculty. The House includes a reporting requirement due March 1. The Senate substitute concurs. (Sec. 238).
10. **Performance Indicators Task Force.** The House adds new language that creates a 13-member workgroup to develop performance indicators that will be used to determine all, or part, of future budgets for community colleges. The Senate substitute does not include this language.
11. **Gast-Mathieu Funding Formula.** The Governor deletes current language that states legislative intent to achieve full funding of the funding formula. The House and Senate substitute retains current language. (Sec. 304).
12. **Nursing Education Programs.** The Senate substitute includes new language encouraging colleges to expand nursing education programs by creating partnerships with health care providers, expanding the scope of the nursing scholarships program and redirecting existing resources. (Sec. 241).
13. **At-Risk Equipment Funds.** The Governor eliminates the use of At-Risk funding for equipment or information technology upgrades. The House and Senate substitute retain current-year language. (Sec. 401).
14. **Audits.** The House increases the number of random audits conducted by the Auditor General of Activities Classification Structure (ACS) data, from 7, to 7-10. The Senate substitute retains 7.
15. **TIFA Revenue Loss Report.** The Governor deletes current language that requires the Department of Treasury to issue a report on the revenue loss by college resulting from tax increment financing authorities and tax abatements. The House retains the language and adds a March 1 reporting deadline. The Senate substitute concurs. (Sec. 513).

Date Completed: 6-13-05

Fiscal Analyst: Mike Hansen

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

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## FY 2005-2006 Community College Recommended Appropriations

College	A	B	C (A+B)	D	E (D-C)	F	G	H (G-C)	I	J	K (J-C)	L
	FY 2004-05 Appropriations			FY 2005-06 Governor			FY 2005-06 Senate			FY 2005-06 House		
	P.A. 358 2004 Enacted	E.O. '05-07 1.8% atb red.	Adjusted Appropriation*	Dollar Approp.	Chg From '05 Adjust.	% Chg '05 Adjust.	Dollar Approp.	Chg From '05 Adjust.	% Chg '05 Adjust.	House Recommend.	Chg From '05 Adjust.	% Chg '05 Adjust.
Alpena	4,862,500	(85,400)	4,777,100	4,777,100	0	0.0%	4,732,700	(44,400)	-0.9%	4,777,100	0	0.0%
Bay de Noc	4,701,100	(82,600)	4,618,500	4,618,500	0	0.0%	4,575,600	(42,900)	-0.9%	4,618,500	0	0.0%
Delta	13,148,100	(231,000)	12,917,100	12,917,100	0	0.0%	12,797,100	(120,000)	-0.9%	12,917,100	0	0.0%
Glen Oaks	2,205,900	(38,800)	2,167,100	2,167,100	0	0.0%	2,147,000	(20,100)	-0.9%	2,167,100	0	0.0%
Gogebic	4,022,200	(70,700)	3,951,500	3,951,500	0	0.0%	3,914,800	(36,700)	-0.9%	3,951,500	0	0.0%
Grand Rapids	16,538,000	(290,500)	16,247,500	16,247,500	0	0.0%	16,096,600	(150,900)	-0.9%	16,247,500	0	0.0%
Henry Ford	20,154,800	(354,100)	19,800,700	19,800,700	0	0.0%	19,616,800	(183,900)	-0.9%	19,800,700	0	0.0%
Jackson	11,156,800	(196,000)	10,960,800	10,960,800	0	0.0%	10,859,000	(101,800)	-0.9%	10,960,800	0	0.0%
Kalamazoo Valley	11,383,600	(200,000)	11,183,600	11,183,600	0	0.0%	11,079,700	(103,900)	-0.9%	11,183,600	0	0.0%
Kellogg	8,943,800	(157,100)	8,786,700	8,786,700	0	0.0%	8,705,100	(81,600)	-0.9%	8,786,700	0	0.0%
Kirtland	2,714,500	(47,700)	2,666,800	2,666,800	0	0.0%	2,642,000	(24,800)	-0.9%	2,666,800	0	0.0%
Lake Michigan	4,813,500	(84,600)	4,728,900	4,728,900	0	0.0%	4,685,000	(43,900)	-0.9%	4,728,900	0	0.0%
Lansing	28,599,500	(502,400)	28,097,100	28,097,100	0	0.0%	27,836,200	(260,900)	-0.9%	28,097,100	0	0.0%
Macomb	30,514,700	(536,100)	29,978,600	29,978,600	0	0.0%	29,700,200	(278,400)	-0.9%	29,978,600	0	0.0%
Mid Michigan	4,070,600	(71,500)	3,999,100	3,999,100	0	0.0%	3,962,000	(37,100)	-0.9%	3,999,100	0	0.0%
Monroe	3,960,400	(69,600)	3,890,800	3,890,800	0	0.0%	3,854,700	(36,100)	-0.9%	3,890,800	0	0.0%
Montcalm	2,864,600	(50,300)	2,814,300	2,814,300	0	0.0%	2,788,200	(26,100)	-0.9%	2,814,300	0	0.0%
Mott	14,459,400	(254,000)	14,205,400	14,205,400	0	0.0%	14,073,500	(131,900)	-0.9%	14,205,400	0	0.0%
Muskegon	8,228,500	(144,600)	8,083,900	8,083,900	0	0.0%	8,008,800	(75,100)	-0.9%	8,083,900	0	0.0%
North Central	2,787,100	(49,000)	2,738,100	2,738,100	0	0.0%	2,712,700	(25,400)	-0.9%	2,738,100	0	0.0%
Northwestern	8,396,400	(147,500)	8,248,900	8,248,900	0	0.0%	8,172,300	(76,600)	-0.9%	8,248,900	0	0.0%
Oakland	19,249,100	(338,200)	18,910,900	18,910,900	0	0.0%	18,735,300	(175,600)	-0.9%	18,910,900	0	0.0%
St. Clair	6,447,600	(113,300)	6,334,300	6,334,300	0	0.0%	6,275,500	(58,800)	-0.9%	6,334,300	0	0.0%
Schoolcraft	11,297,400	(198,500)	11,098,900	11,098,900	0	0.0%	10,995,800	(103,100)	-0.9%	11,098,900	0	0.0%
Southwestern	6,064,500	(106,500)	5,958,000	5,958,000	0	0.0%	5,902,700	(55,300)	-0.9%	5,958,000	0	0.0%
Washtenaw	11,482,300	(201,700)	11,280,600	11,280,600	0	0.0%	11,175,800	(104,800)	-0.9%	11,280,600	0	0.0%
Wayne County	14,843,000	(260,800)	14,582,200	14,582,200	0	0.0%	14,446,800	(135,400)	-0.9%	14,582,200	0	0.0%
West Shore	2,114,400	(37,100)	2,077,300	2,077,300	0	0.0%	2,058,000	(19,300)	-0.9%	2,077,300	0	0.0%
<b>Subtotal Operations</b>	<b>\$280,024,300</b>	<b>(\$4,919,600)</b>	<b>\$275,104,700</b>	<b>\$275,104,700</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$272,549,900</b>	<b>(\$2,554,800)</b>	<b>-0.9%</b>	<b>\$275,104,700</b>	<b>\$0</b>	<b>0.0%</b>
<b>At Risk</b>	<b>3,322,700</b>	<b>0</b>	<b>3,322,700</b>	<b>3,322,700</b>	<b>0</b>	<b>0.0%</b>	<b>3,322,700</b>	<b>0</b>	<b>0.0%</b>	<b>3,322,700</b>	<b>0</b>	<b>0.0%</b>
<b>Renaissance Zone</b>	<b>2,400,000</b>	<b>0</b>	<b>2,400,000</b>	<b>2,900,000</b>	<b>500,000</b>	<b>20.8%</b>	<b>2,900,000</b>	<b>500,000</b>	<b>20.8%</b>	<b>2,900,000</b>	<b>500,000</b>	<b>20.8%</b>
<b>Total Gross Approp.</b>	<b>\$285,747,000</b>	<b>(\$4,919,600)</b>	<b>\$280,827,400</b>	<b>\$281,327,400</b>	<b>\$500,000</b>	<b>0.2%</b>	<b>\$278,772,600</b>	<b>(\$2,054,800)</b>	<b>-0.7%</b>	<b>\$281,327,400</b>	<b>\$500,000</b>	<b>0.2%</b>
<b>School Aid Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$18,282,200</b>	<b>\$18,282,200</b>	<b>NA</b>	<b>0</b>	<b>0</b>	<b>NA</b>
<b>GF/GP</b>	<b>\$285,747,000</b>	<b>(\$4,919,600)</b>	<b>\$280,827,400</b>	<b>\$281,327,400</b>	<b>\$500,000</b>	<b>0.2%</b>	<b>\$260,490,400</b>	<b>(\$20,337,000)</b>	<b>-7.2%</b>	<b>\$281,327,400</b>	<b>\$500,000</b>	<b>0.2%</b>

\* FY 2004-05 Adjusted Appropriation does not include the May Revenue Estimating Conference partial restoration of \$2,705,800