

# COMMUNITY COLLEGES

## Summary: As Reported out of Subcommittee Senate Bill 1093 (H-1) Draft 1



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	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 Senate	FY 2008-09 House	FY 2008-09 Enacted	Difference: Executive From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0		\$0	--
Federal	0	0	0	0		0	--
Local	0	0	0	0		0	--
Private	0	0	0	0		0	--
Restricted	0	0	0	0		0	--
GF/GP	318,928,800	302,228,800	302,228,800	309,734,400		(9,194,400)	(2.9)
Gross	<b>\$318,928,800</b>	<b>\$302,228,800</b>	<b>\$302,228,800</b>	<b>\$309,734,400</b>		<b>(\$9,194,400)</b>	<b>(2.9)</b>
FTEs	0.0	0.0	0.0	0.0		0.0	--

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008. Gross and GF/GP reductions result from removal of the one-time payment made to colleges in FY 2007-08 to repay August 2007 monthly payment.

### Overview

The Community Colleges budget includes funds for operational support of the state's 28 community colleges, the At-Risk Student Success Program, and renaissance zone tax reimbursement to the colleges. Community colleges also receive operating revenue from local property taxes and student tuition and fees.

### Major Budget Changes From FY 2007-08 YTD Appropriations

#### 1. Removal of One-Time Payment

Executive removes one-time payment made to the colleges in FY 2007-08 to repay August 2007 monthly payment, which amounted to a reduction of \$25,759,800. Senate and House concurred with Executive.

	FY 2007-08 YTD (as of 2/7/08)	House Change From YTD
Gross	<b>\$25,759,800</b>	<b>(\$25,759,800)</b>
GF/GP	\$25,759,800	(\$25,759,800)

#### 2. Community College Operations

Executive provides overall increase of 3.0% totaling \$8,604,800 GF/GP for community college operations. Funds are distributed based on formula developed by 2006 performance indicator task force; formula includes across-the-board, student contact hour-based, and degree completion-based components. Individual college increases range from 2.4% to 3.9%. Senate concurred with Executive. House included \$505,600 above the Executive and Senate operations increase to be distributed to three colleges to address payment in lieu of taxes disparity. This adjustment given to colleges that have property tax bases less than \$1.4 billion and assess at least 2.5 mills of property tax effort (Alpena, Bay de Noc, Gogebic)

Gross	<b>\$286,821,300</b>	<b>\$9,110,400</b>
GF/GP	\$286,821,300	\$9,110,400

#### 3. Renaissance Zone Tax Reimbursement

Executive includes increase for projected growth of 15.0% in statutorily-required renaissance zone reimbursements to colleges, which amounts to an increase of \$455,000. Senate reduced the renaissance zone reimbursement increase by \$100. House concurred with Executive.

Gross	<b>\$3,025,000</b>	<b>\$455,000</b>
GF/GP	\$3,025,000	\$455,000

#### 4. Nursing Programs

Executive did not include. Senate included \$100, taken from the renaissance zone reimbursements, as a placeholder for nursing programs. House included \$7,000,000 for nursing programs.

Gross	<b>\$0</b>	<b>\$7,000,000</b>
GF/GP	\$0	\$7,000,000

## **Major Boilerplate Changes From FY 2007-08**

### ***Sec. 208. Entrepreneurship Curriculum – DELETED***

Requires DLEG to work with colleges to implement an accelerated entrepreneurship curriculum. Executive, Senate, and House removed section.

### ***Sec. 211. Payment Schedule – MAINTAINED***

Specifies payments schedules for appropriations; Executive revised to include 11-month payment schedule for At-Risk Program. Senate and House restored the current-year distribution schedule.

### ***Sec. 217. Capital Outlay – MAINTAINED***

Prohibits appropriations being used for construction or maintenance of self-liquidating project; Executive revised to delete requirement that colleges comply with current JCOS use and finance policy. Senate and House restored current-year language.

### ***Sec. 220. ITEM Funding – MAINTAINED***

States intent to restore infrastructure, technology, equipment, and maintenance (ITEM) funding for colleges. Executive and Senate removed section. House restored this language.

### ***Sec. 224. Collaboration with Four-Year Universities - REVISED***

Encourages community colleges to explore ways of increasing collaboration and cooperation with universities. Executive modified section to make it a general policy statement. Senate and House restored current-year legislative intent language and added subsections focusing on responding to local employment needs through collaboration with employers and other community colleges to develop strategies to meet local employment needs. Another subsection encourages a statewide summit on a strategy for the entire State.

### ***Sec. 235. Postsecondary Enrollment – DELETED***

States intent for workgroup to make recommendations regarding postsecondary enrollment credits. Executive, Senate, and House removed section.

### ***Sec. 239. State University Appropriations – MAINTAINED***

States intent that any action to increase FY 2007-08 appropriations for state universities be accompanied by similar action for community colleges. Executive removed section. Senate and House restored current-year language.

### ***Sec. 241. Nursing Education Programs and Grants - REVISED***

Executive changed to general policy statement. Senate restored legislative intent language and wrapped Sec. 405 into this section by adding it as subsection (2). House concurred with Executive.

### ***Sec. 242. Payments in Lieu of Taxes – MAINTAINED***

States intent for continued discussion regarding payments to college districts with significant portions of nontaxable land. Executive removed section. Senate and House restored current-year language.

### ***Sec. 243. Michigan New Jobs Training Program (MNJTP) - NEW***

States legislative intent to develop and pass legislation that would authorize community colleges to issue debt to fund customized workforce development training. Executive does not include. Senate and House introduced section as new language.

### ***Sec. 244. College President's Salary Increases - NOT INCLUDED***

States legislative intent that each community college limit any annual salary increase for its college president or chancellor to the annual average percentage increase in the Detroit consumer price index. Executive does not include. Senate introduced section as new language. House concurred with Executive.

### ***Sec. 245. Indian Tuition Waiver - NEW***

House implemented new language stating that if a student attending a community college receives a tuition waiver under 1976 PA 174 and a promise grant under the Michigan Promise Grant Act, the community college shall credit an amount from the promise grant to the community college's general fund in an amount sufficient to offset the amount of that tuition waiver.

### ***Sec. 304. Performance Indicator Formula – REVISED***

States intent that formula developed by performance indicator task force be used for funding distribution in future years; Executive revised (1) to state that 3.0% increase for colleges is based on performance indicator task force formula and removed the intent statement that the ACS Data Book information continue to be collected. Executive also modified (2) by replacing intent language with a general statement requiring future review and continued implementation of the Performance Indicators. Senate concurred with Executive changes to (1), and restored current-year language in (2). House concurred with Senate language, but revised (2) to include intent language that the performance indicators task force review and implement one or more measureable data items for the local strategic value indicator and review and implement one or more measurable data items for an administrative cost formula component.

### ***Sec. 405. Nursing Grants – REVISED***

States intent that the legislature appropriate funding for nursing grants; Executive revised to specify nursing grant programs administered by Treasury/DLEG that colleges are eligible to apply for. Senate removed Sec. 405 and wrapped this section into Sec. 241 (2), while concurring with Executive on language. House concurred with Executive.

### **Major Boilerplate Changes From FY 2007-08**

#### ***Sec. 511. Perkins Act State Plan – MAINTAINED***

Requires DLEG to provide Perkins Act state plan to Legislature prior to submission to U.S. Department of Education. Executive removed section. Senate and House restored current-year language.

#### ***Sec. 513. Tax Loss Data – MAINTAINED***

Requires Department of Treasury to collect data on revenue losses to colleges related to TIFAs and tax abatements. Executive removed section. Senate and House restored current-year language.

**FY 2008-09 House Subcommittee Substitute**  
**COMMUNITY COLLEGES**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(9)	(10)
		<b>3.0% Formula Distribution</b>							
	<b>*Adjusted FY 2007-08  Year-to-Date</b>	<b>50.0% Across- the-Board</b>	<b>17.5% Contact Hours</b>	<b>17.5% Weighted Degrees</b>	<b>15.0% Strat Value Prop to Base</b>	<b>Payments In Lieu of Taxes  Increase</b>	<b>Renaissance Zone/Nursing  Increase</b>	<b>FY 2008-09 House Subcommittee</b>	<b>Change from Adjusted FY08  Amount      Percent</b>
<b>OPERATIONS</b>									
Alpena	\$5,034,800	\$75,500	\$13,600	\$25,300	\$22,700	\$125,700		\$5,297,600	\$262,800      5.2
Bay de Noc	5,084,400	76,300	16,100	25,700	22,900	121,400		5,346,800	262,400      5.2
Delta	13,458,400	201,900	74,000	103,300	60,600			13,898,200	439,800      3.3
Glen Oaks	2,259,100	33,900	9,500	14,900	10,200			2,327,600	68,500      3.0
Gogebic	4,207,700	63,100	7,400	11,800	18,900	258,500		4,567,400	359,700      8.5
Grand Rapids	16,879,000	253,200	103,900	78,200	76,000			17,390,300	511,300      3.0
Henry Ford	20,524,100	307,900	85,400	76,600	92,400			21,086,400	562,300      2.7
Jackson	11,338,500	170,100	42,700	41,700	51,000			11,644,000	305,500      2.7
Kalamazoo	11,643,300	174,600	71,600	69,400	52,400			12,011,300	368,000      3.2
Kellogg	9,129,600	136,900	41,800	53,400	41,100			9,402,800	273,200      3.0
Kirtland	2,781,000	41,700	12,000	26,500	12,500			2,873,700	92,700      3.3
Lake Michigan	4,919,800	73,800	24,000	18,500	22,100			5,058,200	138,400      2.8
Lansing	29,183,800	437,800	124,800	174,200	131,300			30,051,900	868,100      3.0
Macomb	31,158,600	467,400	156,500	158,700	140,200			32,081,400	922,800      3.0
Mid Michigan	4,202,200	63,000	24,800	23,900	18,900			4,332,800	130,600      3.1
Monroe	4,054,300	60,800	28,400	25,400	18,200			4,187,100	132,800      3.3
Montcalm	2,919,500	43,800	16,400	19,800	13,100			3,012,600	93,100      3.2
Mott	14,730,200	221,000	73,200	68,900	66,300			15,159,600	429,400      2.9
Muskegon	8,369,000	125,500	34,100	27,100	37,700			8,593,400	224,400      2.7
North Central	2,838,000	42,600	15,600	12,400	12,800			2,921,400	83,400      2.9
Northwestern	8,531,900	128,000	34,100	24,800	38,400			8,757,200	225,300      2.6
Oakland	19,698,200	295,500	169,300	99,800	88,600			20,351,400	653,200      3.3
St. Clair	6,600,400	99,000	31,300	34,100	29,700			6,794,500	194,100      2.9
Schoolcraft	11,516,300	172,700	81,700	69,900	51,800			11,892,400	376,100      3.3
Southwestern	6,174,000	92,600	17,400	16,700	27,800			6,328,500	154,500      2.5
Washtenaw	11,841,800	177,600	89,700	140,300	53,300			12,302,700	460,900      3.9
Wayne County	15,586,500	233,800	96,700	54,300	70,100			16,041,400	454,900      2.9
West Shore	2,156,900	32,400	9,800	10,300	9,700			2,219,100	62,200      2.9
One-Time Payment	0							0	0      --
<b>Subtotal - Operations</b>	<b>\$286,821,300</b>	<b>\$4,302,400</b>	<b>\$1,505,800</b>	<b>\$1,505,900</b>	<b>\$1,290,700</b>	<b>\$505,600</b>	<b>\$0</b>	<b>\$295,931,700</b>	<b>\$9,110,400</b> <b>3.2</b>
State GF/GP	\$286,821,300	\$4,302,400	\$1,505,800	\$1,505,900	\$1,290,700	\$505,600	\$0	\$295,931,700	\$9,110,400      3.2
<b>GRANTS</b>									
At-Risk Student Prog	\$3,322,700							\$3,322,700	\$0      0.0
Renaiss Zone Reimb	3,025,000						455,000	3,480,000	455,000      15.0
Nursing Programs	0						7,000,000	7,000,000	7,000,000      ---
<b>Subtotal - Grants</b>	<b>\$6,347,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,455,000</b>	<b>\$13,802,700</b>	<b>\$7,455,000</b> <b>117.4</b>
State GF/GP	\$6,347,700	\$0	\$0	\$0	\$0	\$0	\$7,455,000	\$13,802,700	\$7,455,000      117.4
<b>TOTAL - COMM COLL</b>	<b>\$293,169,000</b>	<b>\$4,302,400</b>	<b>\$1,505,800</b>	<b>\$1,505,900</b>	<b>\$1,290,700</b>	<b>\$505,600</b>	<b>\$7,455,000</b>	<b>\$309,734,400</b>	<b>\$16,565,400</b> <b>5.7</b>
TOTAL - GF/GP	\$293,169,000	\$4,302,400	\$1,505,800	\$1,505,900	\$1,290,700	\$505,600	\$7,455,000	\$309,734,400	\$16,565,400      5.7

\*Does not include the one-time delayed payment equaling \$25,759,800

House Fiscal Agency: 6/04/2008