

COMMUNITY COLLEGES
Summary: As Reported from Committee
Senate Bill 1093 (H-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	310,617,000		(8,311,800)	(2.6)
Gross	\$318,928,800	\$302,228,800	\$302,228,800	\$310,617,000		(\$8,311,800)	(2.6)
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

		FY 2007-08 YTD (as of 2/7/08)	House Change From YTD
1. Removal of One-Time Payment	Gross	\$25,759,800	(\$25,759,800)
<u>Executive</u> 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. <u>Senate</u> and <u>House</u> concurred with Executive.	GF/GP	\$25,759,800	(\$25,759,800)
2. Community College Operations	Gross	\$286,821,300	\$8,604,800
<u>Executive</u> 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%. <u>Senate</u> concurred with Executive. <u>House</u> concurred with Executive and Senate.	GF/GP	\$286,821,300	\$8,604,800
3. Payment in Lieu of Taxes Disparity Payment	Gross	N/A	\$505,600
<u>House</u> 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).	GF/GP	N/A	\$505,600
4. Indian Tuition Waiver Payment	Gross	N/A	\$882,600
<u>House</u> included \$882,600 which is distributed to the community colleges to offset the difference between the cost to the community college of the waiver and the amount that was rolled in to cover the waiver in FY 1996-97.	GF/GP	N/A	\$882,600
3. Renaissance Zone Tax Reimbursement	Gross	\$3,025,000	\$455,000
<u>Executive</u> includes increase for projected growth of 15.0% in statutorily-required renaissance zone reimbursements to colleges, which amounts to an increase of \$455,000. <u>Senate</u> reduced the renaissance zone reimbursement increase by \$100. <u>House</u> concurred with Executive.	GF/GP	\$3,025,000	\$455,000

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>	<u>FY 2007-08 YTD (as of 2/7/08)</u>	<u>House Change From YTD</u>	
4. Nursing Programs	Gross	\$0	\$7,000,000
<u>Executive</u> did not include. <u>Senate</u> included \$100, taken from the renaissance zone reimbursements, as a placeholder for nursing programs. <u>House</u> included \$7,000,000 for nursing programs.	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. 246. Nursing Shortage Workgroup - NEW

House added new language stating that it is the intent of the legislature that a workgroup be formed which would include representatives from community colleges, state universities, and the health care community to address and resolve the nursing shortage in the state of Michigan.

Sec. 247. Community College Automobile Purchases - NEW

House added new language stating that community colleges shall purchase automobiles made in the state of Michigan or elsewhere in the United States of America.

Major Boilerplate Changes From FY 2007-08

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.

Sec. 406. Nursing Program Grant Disbursement - NEW

House included language describing how the funds appropriated for the nursing programs would be distributed among the community colleges.

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 Committee Substitute
COMMUNITY COLLEGES

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	*Adjusted	3.0% Formula Distribution				Payments In	Renaissance	FY 2008-09	Change from Adjusted FY08	
	FY 2007-08	Across-	Contact	Weighted	Strat Value	Lieu of Taxes	Zone/Nursing/ITW	House	Change from Adjusted FY08	
	Year-to-Date	the-Board	Hours	Degrees	Prop to Base	Increase	Increase	Committee	Amount	Percent
OPERATIONS										
Alpena	\$5,034,800	\$75,500	\$13,600	\$25,300	\$22,700	\$125,700	\$1,400	\$5,299,000	\$264,200	5.2
Bay de Noc	5,084,400	76,300	16,100	25,700	22,900	121,400	17,500	5,364,300	279,900	5.5
Delta	13,458,400	201,900	74,000	103,300	60,600		0	13,898,200	439,800	3.3
Glen Oaks	2,259,100	33,900	9,500	14,900	10,200		0	2,327,600	68,500	3.0
Gogebic	4,207,700	63,100	7,400	11,800	18,900	258,500	15,400	4,582,800	375,100	8.9
Grand Rapids	16,879,000	253,200	103,900	78,200	76,000		125,900	17,516,200	637,200	3.8
Henry Ford	20,524,100	307,900	85,400	76,600	92,400		0	21,086,400	562,300	2.7
Jackson	11,338,500	170,100	42,700	41,700	51,000		13,100	11,657,100	318,600	2.8
Kalamazoo	11,643,300	174,600	71,600	69,400	52,400		13,200	12,024,500	381,200	3.3
Kellogg	9,129,600	136,900	41,800	53,400	41,100		0	9,402,800	273,200	3.0
Kirtland	2,781,000	41,700	12,000	26,500	12,500		12,500	2,886,200	105,200	3.8
Lake Michigan	4,919,800	73,800	24,000	18,500	22,100		7,200	5,065,400	145,600	3.0
Lansing	29,183,800	437,800	124,800	174,200	131,300		67,100	30,119,000	935,200	3.2
Macomb	31,158,600	467,400	156,500	158,700	140,200		0	32,081,400	922,800	3.0
Mid Michigan	4,202,200	63,000	24,800	23,900	18,900		163,600	4,496,400	294,200	7.0
Monroe	4,054,300	60,800	28,400	25,400	18,200		14,200	4,201,300	147,000	3.6
Montcalm	2,919,500	43,800	16,400	19,800	13,100		8,500	3,021,100	101,600	3.5
Mott	14,730,200	221,000	73,200	68,900	66,300		21,500	15,181,100	450,900	3.1
Muskegon	8,369,000	125,500	34,100	27,100	37,700		28,500	8,621,900	252,900	3.0
North Central	2,838,000	42,600	15,600	12,400	12,800		109,300	3,030,700	192,700	6.8
Northwestern	8,531,900	128,000	34,100	24,800	38,400		138,400	8,895,600	363,700	4.3
Oakland	19,698,200	295,500	169,300	99,800	88,600		9,700	20,361,100	662,900	3.4
St. Clair	6,600,400	99,000	31,300	34,100	29,700		14,800	6,809,300	208,900	3.2
Schoolcraft	11,516,300	172,700	81,700	69,900	51,800		36,200	11,928,600	412,300	3.6
Southwestern	6,174,000	92,600	17,400	16,700	27,800		0	6,328,500	154,500	2.5
Washtenaw	11,841,800	177,600	89,700	140,300	53,300		34,400	12,337,100	495,300	4.2
Wayne County	15,586,500	233,800	96,700	54,300	70,100		3,200	16,044,600	458,100	2.9
West Shore	2,156,900	32,400	9,800	10,300	9,700		27,000	2,246,100	89,200	4.1
One-Time Payment	0							0	0	--
Subtotal - Operations	\$286,821,300	\$4,302,400	\$1,505,800	\$1,505,900	\$1,290,700	\$505,600	\$882,600	\$296,814,300	\$9,993,000	3.5
State GF/GP	\$286,821,300	\$4,302,400	\$1,505,800	\$1,505,900	\$1,290,700	\$505,600	\$882,600	\$296,814,300	\$9,993,000	3.5
GRANTS										
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	---
Subtotal - Grants	\$6,347,700	\$0	\$0	\$0	\$0	\$0	\$7,455,000	\$13,802,700	\$7,455,000	117.4
State GF/GP	\$6,347,700	\$0	\$0	\$0	\$0	\$0	\$7,455,000	\$13,802,700	\$7,455,000	117.4
TOTAL - COMM COLL	\$293,169,000	\$4,302,400	\$1,505,800	\$1,505,900	\$1,290,700	\$505,600	\$8,337,600	\$310,617,000	\$17,448,000	6.0
TOTAL - GF/GP	\$293,169,000	\$4,302,400	\$1,505,800	\$1,505,900	\$1,290,700	\$505,600	\$8,337,600	\$310,617,000	\$17,448,000	6.0

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

House Fiscal Agency: 6/05/2008