

COMMUNITY COLLEGES
Summary: Conference Committee
Senate Bill 1093 (H-1) CR-1



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	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 Senate	FY 2008-09 House	FY 2008-09 Conference	FY 2008-09 Enacted	Difference: Conference From FY 2007-08 YTD	
							Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0		\$0	--
Federal	0	0	0	0	0		0	--
Local	0	0	0	0	0		0	--
Private	0	0	0	0	0		0	--
Restricted	0	0	0	0	0		0	--
GF/GP	318,928,800	302,228,800	302,228,800	310,617,000	299,360,500		(19,568,300)	(6.1)
Gross	\$318,928,800	\$302,228,800	\$302,228,800	\$310,617,000	\$299,360,500		(\$19,568,300)	(6.1)
FTEs	0.0	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, House, and Conference concurred with Executive.

Gross	FY 2007-08 YTD (as of 2/7/08)	Conference Change From YTD
	\$25,759,800	(\$25,759,800)
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 and House concurred with Executive. Conference provided an overall increase of 2% totaling \$5,736,500 GF/GP for community college operations. Funds are distributed based on formula developed by the 2006 performance indicator task force.

Gross	FY 2007-08 YTD (as of 2/7/08)	Conference Change From YTD
	\$286,821,300	\$5,736,500
GF/GP	\$286,821,300	\$5,736,500

3. Payment in Lieu of Taxes Disparity Payment

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). Conference did not include.

Gross	FY 2007-08 YTD (as of 2/7/08)	Conference Change From YTD
	N/A	N/A
GF/GP	N/A	N/A

4. Indian Tuition Waiver Payment

House 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. Conference did not include.

Gross	FY 2007-08 YTD (as of 2/7/08)	Conference Change From YTD
	N/A	N/A
GF/GP	N/A	N/A

<u>Major Budget Changes From FY 2007-08 YTD Appropriations</u>		<u>FY 2007-08 YTD (as of 2/7/08)</u>	<u>Conference Change From YTD</u>
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> and <u>Conference</u> concurred with Executive.	GF/GP	\$3,025,000	\$455,000
4. Nursing Programs	Gross	N/A	N/A
<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. <u>Conference</u> concurred with the Executive and did not include.	GF/GP	N/A	N/A

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, House, and Conference 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, House, and Conference 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, House, and Conference restored current-year language.

Sec. 220. ITEM Funding – DELETED

States intent to restore infrastructure, technology, equipment, and maintenance (ITEM) funding for colleges. Executive and Senate removed section. House restored this language. Conference concurred with the Senate and did not include the 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, House, and Conference 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, House, Conference 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, House, and Conference 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. Conference concurred with the Senate.

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, House, and Conference 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, House, and Conference 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 and Conference concurred with Executive.

Major Boilerplate Changes From FY 2007-08

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. Conference concurred with House by adding new language.

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. Conference concurred with House by adding new language.

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. Conference concurred with the House.

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. Conference concurred with the Senate.

Sec. 406. Nursing Program Grant Disbursement - NOT INCLUDED

House included language describing how the funds appropriated for the nursing programs would be distributed among the community colleges. Conference did not include language.

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, House, and Conference 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, House, and Conference restored current-year language.

FY 2008-09 Conference Committee
COMMUNITY COLLEGES

	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	(10)
	*Adjusted	3.0% Formula Distribution				Renaissance			
	FY 2007-08	50.0%	17.5%	17.5%	15.0%	Zone/Nursing/ITW	FY 2008-09	Change from Adjusted FY08	
	<u>Year-to-Date</u>	<u>Across-</u>	<u>Contact</u>	<u>Weighted</u>	<u>Strat Value</u>	<u>Increase</u>	<u>Conference</u>	<u>Amount</u>	<u>Percent</u>
		<u>the-Board</u>	<u>Hours</u>	<u>Degrees</u>	<u>Prop to Base</u>				
OPERATIONS									
Alpena	\$5,034,800	\$50,300	\$9,100	\$16,800	\$15,100		\$5,126,100	\$91,300	1.8
Bay de Noc	5,084,400	50,800	10,700	17,200	15,300		5,178,400	94,000	1.8
Delta	13,458,400	134,600	49,300	68,900	40,400		13,751,600	293,200	2.2
Glen Oaks	2,259,100	22,600	6,300	10,000	6,800		2,304,800	45,700	2.0
Gogebic	4,207,700	42,100	4,900	7,900	12,600		4,275,200	67,500	1.6
Grand Rapids	16,879,000	168,800	69,300	52,100	50,600		17,219,800	340,800	2.0
Henry Ford	20,524,100	205,300	56,900	51,000	61,600		20,898,900	374,800	1.8
Jackson	11,338,500	113,400	28,500	27,900	34,000		11,542,300	203,800	1.8
Kalamazoo	11,643,300	116,400	47,700	46,300	34,900		11,888,600	245,300	2.1
Kellogg	9,129,600	91,300	27,900	35,600	27,400		9,311,800	182,200	2.0
Kirtland	2,781,000	27,800	8,000	17,700	8,300		2,842,800	61,800	2.2
Lake Michigan	4,919,800	49,200	16,000	12,300	14,800		5,012,100	92,300	1.9
Lansing	29,183,800	291,800	83,200	116,100	87,600		29,762,500	578,700	2.0
Macomb	31,158,600	311,600	104,400	105,800	93,500		31,773,900	615,300	2.0
Mid Michigan	4,202,200	42,000	16,500	15,900	12,600		4,289,200	87,000	2.1
Monroe	4,054,300	40,500	18,900	16,900	12,200		4,142,800	88,500	2.2
Montcalm	2,919,500	29,200	10,900	13,200	8,800		2,981,600	62,100	2.1
Mott	14,730,200	147,300	48,800	45,900	44,200		15,016,400	286,200	1.9
Muskegon	8,369,000	83,700	22,800	18,000	25,100		8,518,600	149,600	1.8
North Central	2,838,000	28,400	10,400	8,300	8,500		2,893,600	55,600	2.0
Northwestern	8,531,900	85,300	22,700	16,500	25,600		8,682,000	150,100	1.8
Oakland	19,698,200	197,000	112,900	66,500	59,100		20,133,700	435,500	2.2
St. Clair	6,600,400	66,000	20,900	22,700	19,800		6,729,800	129,400	2.0
Schoolcraft	11,516,300	115,200	54,300	46,600	34,600		11,767,000	250,700	2.2
Southwestern	6,174,000	61,700	11,600	11,100	18,500		6,276,900	102,900	1.7
Washtenaw	11,841,800	118,400	59,800	93,500	35,500		12,149,000	307,200	2.6
Wayne County	15,586,500	155,900	64,500	36,200	46,800		15,889,900	303,400	1.9
West Shore	2,156,900	21,600	6,600	6,900	6,500		2,198,500	41,600	1.9
One-Time Payment	0						0	0	--
Subtotal - Operations	\$286,821,300	\$2,868,200	\$1,003,800	\$1,003,800	\$860,700	\$0	\$292,557,800	\$5,736,500	2.0
State GF/GP	\$286,821,300	\$2,868,200	\$1,003,800	\$1,003,800	\$860,700	\$0	\$292,557,800	\$5,736,500	2.0
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						0	7,000,000	---
Subtotal - Grants	\$6,347,700	\$0	\$0	\$0	\$0	\$455,000	\$6,802,700	\$455,000	7.2
State GF/GP	\$6,347,700	\$0	\$0	\$0	\$0	\$455,000	\$6,802,700	\$455,000	7.2
TOTAL - COMM COLL	\$293,169,000	\$2,868,200	\$1,003,800	\$1,003,800	\$860,700	\$455,000	\$299,360,500	\$6,191,500	2.1
TOTAL - GF/GP	\$293,169,000	\$2,868,200	\$1,003,800	\$1,003,800	\$860,700	\$455,000	\$299,360,500	\$6,191,500	2.1

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

House Fiscal Agency: 6/27/2008