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Senate Bill 1093 (S-1 as reported)
 Committee: Appropriations

Throughout this document Senate means Appropriations Committee

FY 2007-08 Year-to-Date Gross Appropriation \$318,928,800

Changes from FY 2007-08 Year-to-Date:

- 1. **One-Time Delayed Payment.** The Governor and Senate eliminated the funding related to the one-time August 2007 delayed payment (E.O. 2007-3 and 2007 PA 17). (25,759,800)
- 2. **Community College Operations.** The Governor included funding for an overall 3.0% increase for community college operations. The increase is distributed pursuant to the Performance Indicators Task Force formula. This distribution formula has been used to allocate increases in funding since FY 2006-07. The attached table delineates increases for each college, which range from 2.4% to 3.9%. Components of the formula include: 8,604,800
 - a. 50.0% distribution proportionate to current base funding
 - b. 17.5% based on student contact hours
 - c. 17.5% based on a weighted degrees formula
 - d. 15.0% based on strategic value

The Senate concurred with the Governor.
- 3. **Renaissance Zone Reimbursements.** Funding is increased from \$3,025,000 to \$3,479,900, based on projected payments pursuant to Public Act 376 of 1996. The Senate reduced this line by \$100. 454,900
- 4. **Nursing Programs.** The Senate included a \$100 placeholder for nursing programs. 100
- 5. **Comparison to Governor's Recommendation.** The Senate Substitute is at the Governor's recommendation (Gross and GF/GP).

Total Changes..... (\$16,700,000)

FY 2008-09 Senate Appropriations Committee Gross Appropriation \$302,228,800

Changes from FY 2007-08 Year to Date:

1. **Accelerated Entrepreneurship Curriculum.** Required the DLEG to continue to work collaboratively with community colleges to implement an accelerated entrepreneurship curriculum to provide students with the skills and knowledge needed for creating their own businesses. The Governor and Senate removed this section.
2. **Payment Distribution of Appropriation.** The Governor's recommendation modified this section by removing the provision that required At-risk funding to be paid in full by November 1 (this effectively would result in payments over 11 months). The Senate restored the current-year distribution schedule. (Sec. 211)
3. **Infrastructure, Technology, Equipment, and Maintenance (ITEM).** States legislative intent that ITEM funding will be restored. FY 1999-2000 was the last year that this program was funded (in the Capital Outlay Budget). The Governor and Senate eliminated this section.
4. **Collaboration with Four-Year Universities.** Encourages community colleges to explore ways of increasing collaboration and cooperation with universities. The Governor modified this section by changing it to a general policy statement. The Senate 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. The section also encourages a statewide summit on a strategy for the entire State. (Sec. 224)
5. **University Admissions Workgroup.** Legislative intent that the Michigan Community College Association may create and administer a workgroup to evaluate, discuss, and make recommendations for future action regarding university admission and enrollment policies. This section was first included in FY 2002-03. To date, no workgroup has been formed. The Governor and Senate eliminated this section.
6. **Michigan New Jobs Training Program (MNJTP).** The Senate added language stating legislative intent to develop and pass legislation that would authorize community colleges to issue debt to fund customized workforce development training. The principal and interest payments on the debt would be paid by capturing the incremental increase in the State income tax associated with the new employees' wages and redirecting it to the college, instead of the State. The MNJTP would offer an incentive for employers creating new jobs or expanding operations in Michigan. This program has the potential to be a cornerstone of Michigan's workforce and economic development efforts, with the State's community colleges collaboratively partnering with State and local economic development, the Michigan Works! Agencies, and the private sector to implement unified strategies for regional growth. (Sec. 243)
7. **College President's Salary Increases.** The Senate added this new section, stating 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 unless complying with that limit is inconsistent with the college's need to maintain qualified leadership for the institution. (Sec. 244)
8. **Performance Indicators Task Force.** The Governor modified Subsection 1 by stating that the FY 2008-09 appropriation includes a 3.0% increase distributed pursuant to the formula developed by the Performance Indicators Task Force and removing the intent statement that the ACS Data Book information continue to be collected. The Governor modified Subsection 2 by replacing "intent of the legislature" with a general statement requiring future review and continued implementation of the Performance Indicators. The Senate concurred with changes to Subsection 1, and maintained current-year language for Subsection 2. (Sec. 304)
9. **Nursing Program Grants.** Due to Leadership Targets for FY 2007-08, no funding was included in the budget for this proposed new program. However, the enacted version of the bill retained this language as an intent statement regarding support for future funding of the program. The Governor replaced this section with language to identify State programs for expanding nursing education. Programs referenced include financial assistance through the Michigan Nursing Scholarship Program (Treasury) and the Michigan Nursing Corps Grants (DLEG). Community colleges are encouraged to coordinate with the Chief Nurse Executive in the Department of Community Health, and with 4-year universities, to improve access to nursing programs and to assist students to successfully enter the nursing workforce. The Senate concurred with the Governor. (Sec. 241 (2))
10. **Other Changes.** The Senate restored the following provisions eliminated by the Governor: Requires compliance with Joint Capital Outlay Subcommittee use and finance requirements. (Sec. 217) States legislative intent regarding parity with increases for universities. (Sec. 239) States legislative intent that interested parties continue the discussion regarding payments in lieu of taxes. (Sec. 242) Requires notice to Legislature before submission of a new state plan for Perkins Act grants. (Sec. 511) Requires Treasury to compile a report on the property tax revenue loss resulting from TIFAs and tax abatement programs. (Sec. 513)

Date Completed: 03-19-08

Fiscal Analyst: Bill Bowerman



Senate Bill 1093: FY 2008-09 Community College Appropriation Bill

College	FY 2007-08 Year-To-Date*	FY 2008-09 Governor				FY 2008-09 Senate			
		Formula Distribution	Other Adjustments	Total Increase	Percent Change	Formula Distribution	Other Adjustments	Total Increase	Percent Change
Alpena	5,034,800	137,100		137,100	2.7%	137,100		137,100	2.7%
Bay de Noc	5,084,400	141,000		141,000	2.8%	141,000		141,000	2.8%
Delta	13,458,400	439,800		439,800	3.3%	439,800		439,800	3.3%
Glen Oaks	2,259,100	68,500		68,500	3.0%	68,500		68,500	3.0%
Gogebic	4,207,700	101,200		101,200	2.4%	101,200		101,200	2.4%
Grand Rapids	16,879,000	511,300		511,300	3.0%	511,300		511,300	3.0%
Henry Ford	20,524,100	562,300		562,300	2.7%	562,300		562,300	2.7%
Jackson	11,338,500	305,500		305,500	2.7%	305,500		305,500	2.7%
Kalamazoo Valley	11,643,300	368,000		368,000	3.2%	368,000		368,000	3.2%
Kellogg	9,129,600	273,200		273,200	3.0%	273,200		273,200	3.0%
Kirtland	2,781,000	92,700		92,700	3.3%	92,700		92,700	3.3%
Lake Michigan	4,919,800	138,400		138,400	2.8%	138,400		138,400	2.8%
Lansing	29,183,800	868,100		868,100	3.0%	868,100		868,100	3.0%
Macomb	31,158,600	922,800		922,800	3.0%	922,800		922,800	3.0%
Mid Michigan	4,202,200	130,600		130,600	3.1%	130,600		130,600	3.1%
Monroe	4,054,300	132,800		132,800	3.3%	132,800		132,800	3.3%
Montcalm	2,919,500	93,100		93,100	3.2%	93,100		93,100	3.2%
Mott	14,730,200	429,400		429,400	2.9%	429,400		429,400	2.9%
Muskegon	8,369,000	224,400		224,400	2.7%	224,400		224,400	2.7%
North Central	2,838,000	83,400		83,400	2.9%	83,400		83,400	2.9%
Northwestern	8,531,900	225,300		225,300	2.6%	225,300		225,300	2.6%
Oakland	19,698,200	653,200		653,200	3.3%	653,200		653,200	3.3%
St. Clair	6,600,400	194,100		194,100	2.9%	194,100		194,100	2.9%
Schoolcraft	11,516,300	376,100		376,100	3.3%	376,100		376,100	3.3%
Southwestern	6,174,000	154,500		154,500	2.5%	154,500		154,500	2.5%
Washtenaw	11,841,800	460,900		460,900	3.9%	460,900		460,900	3.9%
Wayne County	15,586,500	454,900		454,900	2.9%	454,900		454,900	2.9%
West Shore	2,156,900	62,200		62,200	2.9%	62,200		62,200	2.9%
FY 07 Delayed Payment Reimbursement	* See Notes								
SUBTOTAL OPERATIONS:	\$286,821,300	\$8,604,800	\$0	\$8,604,800	3.0%	\$8,604,800	\$0	\$8,604,800	3.0%
At Risk	3,322,700		0	0	0.0%		0	0	0.0%
Renaissance Zone	3,025,000		455,000	455,000	15.0%		454,900	454,900	15.0%
Nursing Programs	0		0	0	0.0%		100	100	--
TOTAL APPROPRIATION:	\$293,169,000	\$8,604,800	\$455,000	\$9,059,800	3.1%	\$8,604,800	\$455,000	\$9,059,800	3.1%
GF/GP	\$293,169,000	\$8,604,800	\$455,000	\$9,059,800	3.1%	\$8,604,800	\$455,000	\$9,059,800	3.1%

Notes: The FY 2007-08 \$25,759,800 appropriation related to reimbursement for the August 2007 delayed payment is not included in the adjusted FY 2007-08 base for the purposes of this analysis.