



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1093 (as introduced)
Committee: Appropriations

Vehicle for Governor's Recommendation line items is Senate Bill 1142

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 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	
3. Renaissance Zone Reimbursements. Funding is increased from \$3,025,000 to \$3,480,000, based on projected payments pursuant to Public Act 376 of 1996.	455,000
Total Changes.....	(\$16,700,000)
FY 2008-09 Governor's Recommendation.....	\$302,228,800

Changes from FY 2007-08 Year to Date:

1. **Accelerated Entrepreneurship Curriculum.** Requires 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 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). (Sec. 211)
3. **Appropriation Limitations.** Prohibits the use of appropriations in Part 1 for the construction or maintenance of a self-liquidating project. The Governor eliminated the provision that requires compliance with Joint Capital Outlay Subcommittee use and finance requirements. (Sec. 217)
4. **Infrastructure, Technology, Equipment, and Maintenance (ITEM).** States legislative intent that ITEM funding provided in previous years will be restored. Appropriations for ITEM were included in the Capital Outlay Budget. However, FY 1999-2000 was the last year that this program was funded. The Governor eliminated this section.
5. **University Admissions Workgroup.** Legislative intent that the Michigan Community College Association may create and administer a workgroup that includes members representing universities and K-12 school organizations to evaluate, discuss, and make recommendations for future action regarding university admission and enrollment policies that specifically address the acceptance and application of college credits earned by students through the Postsecondary Enrollment Options Act. This section was first included in FY 2002-03 to address concerns that certain universities are not accepting college credits earned by high school students. To date, no workgroup has been formed. The Governor eliminated this section.
6. **Parity to Higher Education Budget.** States legislative intent that any executive or legislative proposal or action to increase appropriations to State-supported 4-year universities will be accompanied by a similar action or proposal for State-supported community colleges. The Governor eliminated this section.
7. **Payments in Lieu of Taxes.** States legislative intent that interested parties continue the discussion regarding payments in lieu of taxes, especially for those community college districts that contain significant portions of nontaxable land. The Governor eliminated this section.
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. (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. (Sec. 405)
10. **Perkins Act.** At least 30 days before submission of a new State plan to the United States Department of Education for approval under the Perkins Act, the Department of Labor and Economic Growth shall provide copies of the proposed plan to the members of the Senate and House Appropriations Subcommittees on Community Colleges for their review and comment. States intent that the Perkins grant application process and content shall be streamlined to the extent possible. The Governor eliminated this section.
11. **Tax Increment Finance Authorities (TIFAs) Report.** Requires Treasury to compile and publish a report on the property tax revenue loss for each community college as a result of TIFAs and tax abatement programs. The Governor eliminated this section.

Date Completed: 02-13-08

Fiscal Analyst: Bill Bowerman

FY 2008-09 Community Colleges Appropriations: Governor's Recommendation

FY 2008-09 Governor's Recommendation (Performance Task Force Distribution)

College	FY 2007-08 Year-to-Date*	50% Proportionate to Base	17.5% Student Contact Hours	17.5% Weighted Degree Formula	15% Strategic Value Proportionate to Base	Other Adjustments	Total Increase	Percent Change
Alpena	5,034,800	75,500	13,600	25,300	22,700		137,100	2.7%
Bay de Noc	5,084,400	76,300	16,100	25,700	22,900		141,000	2.8%
Delta	13,458,400	201,900	74,000	103,300	60,600		439,800	3.3%
Glen Oaks	2,259,100	33,900	9,500	14,900	10,200		68,500	3.0%
Gogebic	4,207,700	63,100	7,400	11,800	18,900		101,200	2.4%
Grand Rapids	16,879,000	253,200	103,900	78,200	76,000		511,300	3.0%
Henry Ford	20,524,100	307,900	85,400	76,600	92,400		562,300	2.7%
Jackson	11,338,500	170,100	42,700	41,700	51,000		305,500	2.7%
Kalamazoo Valley	11,643,300	174,600	71,600	69,400	52,400		368,000	3.2%
Kellogg	9,129,600	136,900	41,800	53,400	41,100		273,200	3.0%
Kirtland	2,781,000	41,700	12,000	26,500	12,500		92,700	3.3%
Lake Michigan	4,919,800	73,800	24,000	18,500	22,100		138,400	2.8%
Lansing	29,183,800	437,800	124,800	174,200	131,300		868,100	3.0%
Macomb	31,158,600	467,400	156,500	158,700	140,200		922,800	3.0%
Mid Michigan	4,202,200	63,000	24,800	23,900	18,900		130,600	3.1%
Monroe	4,054,300	60,800	28,400	25,400	18,200		132,800	3.3%
Montcalm	2,919,500	43,800	16,400	19,800	13,100		93,100	3.2%
Mott	14,730,200	221,000	73,200	68,900	66,300		429,400	2.9%
Muskegon	8,369,000	125,500	34,100	27,100	37,700		224,400	2.7%
North Central	2,838,000	42,600	15,600	12,400	12,800		83,400	2.9%
Northwestern	8,531,900	128,000	34,100	24,800	38,400		225,300	2.6%
Oakland	19,698,200	295,500	169,300	99,800	88,600		653,200	3.3%
St. Clair	6,600,400	99,000	31,300	34,100	29,700		194,100	2.9%
Schoolcraft	11,516,300	172,700	81,700	69,900	51,800		376,100	3.3%
Southwestern	6,174,000	92,600	17,400	16,700	27,800		154,500	2.5%
Washtenaw	11,841,800	177,600	89,700	140,300	53,300		460,900	3.9%
Wayne County	15,586,500	233,800	96,700	54,300	70,100		454,900	2.9%
West Shore	2,156,900	32,400	9,800	10,300	9,700		62,200	2.9%
FY '07 Delayed Payment Reimbursement	* See Notes							
Subtotal Operations	\$286,821,300	\$4,302,400	\$1,505,800	\$1,505,900	\$1,290,700	\$0	\$8,604,800	3.0%
At Risk	3,322,700	0	0	0	0	0	0	0.0%
Renaissance Zone	3,025,000	0	0	0	0	455,000	455,000	15.0%
Total Appropriation	\$293,169,000	\$4,302,400	\$1,505,800	\$1,505,900	\$1,290,700	\$455,000	\$9,059,800	3.1%
GF/GP	\$293,169,000	\$4,302,400	\$1,505,800	\$1,505,900	\$1,290,700	\$455,000	\$9,059,800	3.1%

Notes: For the purposes of this analysis, 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.