



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

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

Items Included by the Senate and House

- 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 Leadership Target Agreement reduced funding available for community colleges to a 2% increase. 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 1.6% to 2.6%. Components of the formula include: 5,736,500
 - 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

Conference Agreement on Items of Difference

- 3. **Nursing Programs.** The Senate included a \$100 placeholder for nursing programs. The House included \$7 million. Due to the Leadership Target Agreement, the Conference did not include funding for this item. 0
- 4. **Property Tax Base Disparity.** The House added funding to three community colleges (Alpena \$125,700; Bay de Noc \$121,400; Gogebic \$258,500) based on districts that have a property tax bases of less than \$1.4 billion and assess at least 2.5 mills. Due to the Leadership Target Agreement, the Conference did not include funding for this item. 0
- 5. **Indian Tuition Waiver Adjustment.** The House included funding to offset the difference between the current cost of the Indian Tuition Waiver Program and the amount that was rolled into the community college appropriation base for the Program in FY 1996-97. Due to the Leadership Target Agreement, the Conference did not include funding for this item. 0
- 6. **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. The House restored the \$100. The Conference concurred with the House. 455,000

Total Changes..... (\$19,568,300)

FY 2008-09 Conference Report Gross Appropriation \$299,360,500

Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2007-08 Year to Date:Items Included by the Senate and House

1. **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 and House restored the current-year distribution schedule. (Sec. 211)
2. **Collaboration with Four-Year Universities.** The Senate 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 and encourages a statewide summit on a strategy. The House concurred with the Senate. (Sec. 224)
3. **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 House concurred with the Senate. (Sec. 243)
4. **Other Changes.** The Senate and House 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) The Governor, Senate and House eliminated sections that required the DLEG to continue to work collaboratively with community colleges to implement an accelerated entrepreneurship curriculum and a section stating legislative intent that the Michigan Community College Association may create and administer a workgroup to evaluate university admission and enrollment policies.

Conference Agreement on Items of Difference

5. **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. The House restored it. The Conference concurred with the Governor and Senate.
6. **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. The House removed this section. The Conference concurred with the House.
7. **Performance Indicators Task Force.** The House added the following sentence: "Specifically, it is the intent of the legislature that the performance indicators task force review and implement one or more measurable data items for the local strategic value indicator and review and implement one or more measurable data items for an administrative cost formula component." The Conference concurred with the House. (Sec. 304)
8. **Nursing Grant Distribution.** The House added language providing that nursing program grants shall be allocated to each community college on a proportional basis based on the number of 2006-2007 ADN/RN nursing program awards. The Conference eliminated this section.
9. **Nursing Shortage Workgroup.** The House added language stating that it is the intent of the Legislature that a workgroup be formed including representatives of community colleges, State universities, and the health care community to address and resolve the nursing shortage in the State of Michigan. The Conference concurred with the House. (Sec. 246)
10. **Purchase of Foreign Automobiles Prohibition.** The House added language providing that funds appropriated in Part 1 shall not be used for the purchase of foreign automobiles if competitively priced and of comparable quality automobiles made in the State of Michigan or elsewhere in the United States of America are available. The Conference concurred with the House. (Sec. 247)

Date Completed: 6-26-08

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		FY 2008-09 House					FY 2008-09 Conference				
		Total Increase	Percent Change	Total Increase	Percent Change	Formula Distribution	ITW** Adjustment	Other Adjustments	Total Increase	Percent Change	Formula Distribution	Other Adjustments	Total Increase	Percent Change	Total Appropriation
Alpena	5,034,800	137,100	2.7%	137,100	2.7%	137,100	1,400	125,700	264,200	5.2%	91,300		91,300	1.8%	5,126,100
Bay de Noc	5,084,400	141,000	2.8%	141,000	2.8%	141,000	17,500	121,400	279,900	5.5%	94,000		94,000	1.8%	5,178,400
Delta	13,458,400	439,800	3.3%	439,800	3.3%	439,800	0		439,800	3.3%	293,200		293,200	2.2%	13,751,600
Glen Oaks	2,259,100	68,500	3.0%	68,500	3.0%	68,500	0		68,500	3.0%	45,700		45,700	2.0%	2,304,800
Gogebic	4,207,700	101,200	2.4%	101,200	2.4%	101,200	15,400	258,500	375,100	8.9%	67,500		67,500	1.6%	4,275,200
Grand Rapids	16,879,000	511,300	3.0%	511,300	3.0%	511,300	125,900		637,200	3.8%	340,800		340,800	2.0%	17,219,800
Henry Ford	20,524,100	562,300	2.7%	562,300	2.7%	562,300	0		562,300	2.7%	374,800		374,800	1.8%	20,898,900
Jackson	11,338,500	305,500	2.7%	305,500	2.7%	305,500	13,100		318,600	2.8%	203,800		203,800	1.8%	11,542,300
Kalamazoo Valley	11,643,300	368,000	3.2%	368,000	3.2%	368,000	13,200		381,200	3.3%	245,300		245,300	2.1%	11,888,600
Kellogg	9,129,600	273,200	3.0%	273,200	3.0%	273,200	0		273,200	3.0%	182,200		182,200	2.0%	9,311,800
Kirtland	2,781,000	92,700	3.3%	92,700	3.3%	92,700	12,500		105,200	3.8%	61,800		61,800	2.2%	2,842,800
Lake Michigan	4,919,800	138,400	2.8%	138,400	2.8%	138,400	7,200		145,600	3.0%	92,300		92,300	1.9%	5,012,100
Lansing	29,183,800	868,100	3.0%	868,100	3.0%	868,100	67,100		935,200	3.2%	578,700		578,700	2.0%	29,762,500
Macomb	31,158,600	922,800	3.0%	922,800	3.0%	922,800	0		922,800	3.0%	615,300		615,300	2.0%	31,773,900
Mid Michigan	4,202,200	130,600	3.1%	130,600	3.1%	130,600	163,600		294,200	7.0%	87,000		87,000	2.1%	4,289,200
Monroe	4,054,300	132,800	3.3%	132,800	3.3%	132,800	14,200		147,000	3.6%	88,500		88,500	2.2%	4,142,800
Montcalm	2,919,500	93,100	3.2%	93,100	3.2%	93,100	8,500		101,600	3.5%	62,100		62,100	2.1%	2,981,600
Mott	14,730,200	429,400	2.9%	429,400	2.9%	429,400	21,500		450,900	3.1%	286,200		286,200	1.9%	15,016,400
Muskegon	8,369,000	224,400	2.7%	224,400	2.7%	224,400	28,500		252,900	3.0%	149,600		149,600	1.8%	8,518,600
North Central	2,838,000	83,400	2.9%	83,400	2.9%	83,400	109,300		192,700	6.8%	55,600		55,600	2.0%	2,893,600
Northwestern	8,531,900	225,300	2.6%	225,300	2.6%	225,300	138,400		363,700	4.3%	150,100		150,100	1.8%	8,682,000
Oakland	19,698,200	653,200	3.3%	653,200	3.3%	653,200	9,700		662,900	3.4%	435,500		435,500	2.2%	20,133,700
St. Clair	6,600,400	194,100	2.9%	194,100	2.9%	194,100	14,800		208,900	3.2%	129,400		129,400	2.0%	6,729,800
Schoolcraft	11,516,300	376,100	3.3%	376,100	3.3%	376,100	36,200		412,300	3.6%	250,700		250,700	2.2%	11,767,000
Southwestern	6,174,000	154,500	2.5%	154,500	2.5%	154,500	0		154,500	2.5%	102,900		102,900	1.7%	6,276,900
Washtenaw	11,841,800	460,900	3.9%	460,900	3.9%	460,900	34,400		495,300	4.2%	307,200		307,200	2.6%	12,149,000
Wayne County	15,586,500	454,900	2.9%	454,900	2.9%	454,900	3,200		458,100	2.9%	303,400		303,400	1.9%	15,889,900
West Shore	2,156,900	62,200	2.9%	62,200	2.9%	62,200	27,000		89,200	4.1%	41,600		41,600	1.9%	2,198,500
FY 07 Delayed Payment Reimbursement	* See Notes														
SUBTOTAL OPERATIONS:	\$286,821,300	\$8,604,800	3.0%	\$8,604,800	3.0%	\$8,604,800	\$882,600	\$505,600	\$9,993,000	3.5%	\$5,736,500	\$0	\$5,736,500	2.0%	\$292,557,800
At Risk	3,322,700	0	0.0%	0	0.0%			0	0	0.0%			0	0.0%	3,322,700
Renaissance Zone	3,025,000	455,000	15.0%	454,900	15.0%			455,000	455,000	15.0%		455,000	455,000	15.0%	3,480,000
Nursing Programs	0	0	0.0%	100	--			7,000,000	7,000,000	--					0
TOTAL APPROPRIATION:	\$293,169,000	\$9,059,800	3.1%	\$9,059,800	3.1%	\$8,604,800	\$882,600	\$7,960,600	\$17,448,000	6.0%	\$5,736,500	\$455,000	\$6,191,500	2.1%	\$299,360,500
GF/GP	\$293,169,000	\$9,059,800	3.1%	\$9,059,800	3.1%	\$8,604,800	\$882,600	\$7,960,600	\$17,448,000	6.0%	\$5,736,500	\$455,000	\$6,191,500	2.1%	\$299,360,500

* 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.

** ITW: Indian Tuition Waiver.