



Senate Fiscal Agency
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BILL ANALYSIS

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FY 2006-07 Year-to-Date Gross Appropriation	\$247,845,500
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Changes from FY 2006-07 Year-to-Date:

Items Included by the House and Senate

1. The Senate passed version of HB 4360 included \$100 place holders for all appropriation line items in the bill, creating points of difference on every line.

Conference Agreement on Items of Difference

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| 2. Executive Order 2007-3 – Retirement Savings. A portion of Executive Order 2007-3 was based on credits that community colleges would receive by reducing defined benefit contributions to the Michigan Public School Employees' Retirement System through revaluation of the system's assets and a one-year deferral of payments toward the system's unfunded liabilities. This adjustment restores funding related to the one-time reduction. | 16,274,100 |
| 3. Executive Order 2007-3 & 2007 PA 17 – Payment Delays. Executive Order 2007-3 and 2007 PA 17 contained State payment delays for community college operations equal to the August 2007 payment (25,759,800). This adjustment restores funding to the FY 2007-08 base and provides for reimbursement of the FY 2006-07 delayed payment. | 51,519,600 |
| 4. Wayne County Community College. Adjustment related to a \$450,000 reduction incurred in FY 2003-04. Public Act 153 of 2006 restored \$225,000 in FY 2005-06. | 225,000 |
| 5. Renaissance Zones Tax Reimbursements. Funding is decreased from \$3,200,000 to \$3,025,000 based on projected payments pursuant to Public Act 376 of 1996. | (175,000) |
| 6. Inflationary Adjustment. The Governor included a 2.5% General Fund across-the-board increase for community college operations. The House maintained the increase, but distributed the funding through the Performance Indicators Task Force Formula. Based on the Leadership Target Agreement, the Conference Report included a 1.0 % increase allocated pursuant to the Task Force Formula. | 2,889,600 |
| 7. Nursing Program. The House included \$7.0 million for nursing program grants that would be distributed based on FY 2007-08 increases in nursing student enrollments and the number of A.D.N./R.N. awards conferred in 2005-2006. Based on the Leadership Target, the Conference Report did not include funding for this program. | 0 |
| 8. Parity Payment. The House included \$3.2 million based on an equity argument that community colleges did not receive the percentage increase that Higher Education received in FY 2005-06. The Conference Report did not include this item. | 0 |
| 9. 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 with property tax bases of less than \$1.4 billion and assess at least 2.5 mills. The Conference Report included adjustments to four community colleges (Alpena \$85,000; Bay de Noc \$85,000; Gogebic, \$130,000; Mid Michigan, \$50,000) based on property tax bases of less than \$1.8 billion and a taxable value per Fiscal-Year-Equated Student below \$900. | 350,000 |

Total Changes.....	\$71,083,300
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FY 2007-08 Conference Report Gross Appropriation	\$318,928,800
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Amount Over/(Under) GF/GP Target: \$0

Note: Of the total \$71,083,300 increase, \$67,793,700 is due to the restoration of one-time retirement adjustments and funding related to the delayed August 2007 payment (Items 2 and 3 above), leaving a net increase of \$3,289,600.

Changes from FY 2006-07 Year to Date:Items Included by the House and Senate

1. The Senate passed version of HB 4360 adjusted boilerplate to create points of difference on most of the sections contained in the bill.

Conference Agreement on Items of Difference

2. **Payment Distribution of Appropriation.** The Governor modified this section by eliminating the provision requiring At-risk funding to be paid in full by November 1. The House and Conference Report maintained current year language. The House and Conference Report concurred with the Governor's revised recommendation to provide for a one-time supplemental payment on October 16, 2007 to repay the FY 2006-07 delayed payments. (Sec. 211)
3. **Abortion Services/ Employee Benefits to Unmarried Partners.** The Governor eliminated language that prohibited colleges from using funds appropriated in this Act to provide health insurance coverage for abortion services and language stating legislative intent that funds shall not be used to extend employee benefits to unmarried partners of college employees, except for pre and post natal costs. The House concurred with the Governor. The Senate restored both sections. The Conference Report concurred with the House.
4. **University Admissions Workgroup.** Provides that the Michigan Community College Association may create a workgroup to make recommendations regarding university admission and enrollment policies that specifically address the acceptance of college credits earned through the Postsecondary Enrollment Options Act. The Governor eliminated this section. The House and Conference Report restored it. (Sec. 235)
5. **Parity to Higher Education Budget.** States legislative intent that any executive or legislative proposal to increase appropriations to universities in will be accompanied by a similar proposal for state-supported community colleges. The Governor eliminated this section. The House and Conference Report restored it. (Sec. 239)
6. **Economic Job Development Training Grants.** A "set-aside" provision for community colleges is also included in the Michigan Strategic Fund Bill, which includes the actual appropriation and controls the allocation of these funds. The Governor eliminated this section. The House restored it. The Conference Report removed 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 districts that contain significant portions of nontaxable land. The Governor eliminated this section. The House and Conference Report included this item. (Sec. 242)
8. **Performance Indicators Task Force.** States intent that the performance indicators task force formula be used for funding distributions and that Gast-Mathieu formula data continue to be collected and maintained. The Governor eliminated this section. The House restored it. The Conference Report modified this section referencing the Activities Classification Structure Book instead of funding formula for data collection purposes. (Sec. 304)
9. **At Risk Student Success Program.** The Governor modified this section by requiring that equipment or information technology hardware or software purchased under this section must be associated with the operation of a program designed to address the needs of at-risk students. The House and Conference Report concurred. (Sec. 401)
10. **Nursing Program Grants.** The House added language that delineates a new grant for nursing programs. The Conference Report does not provide funding for the new program, however, legislative intent language was included in the event that funds become available. (Sec. 405)
11. **Audit of ACS Data.** Provides for audits of ACS data for seven randomly selected community colleges and that the Auditor General may conduct performance audits of community colleges as the Auditor General considers necessary. Requires report on plans to comply with audit findings. The House eliminated the provision requiring audits of ACS data and maintained provisions related to performance audits. The Conference Report concurred with the House. (Sec. 502) (Note: Section 503 was removed based on this change.)
12. **Duplication of Audit and Reporting Requirements.** Provides that it is the intent of the legislature that the frequency and scope of on-site visits, evaluations, audits, and similar activities be limited to that which is reasonably necessary and requires notice regarding Perkins Act state plans. The Governor eliminated this section. The House restored it. The Conference Report modified this section by eliminating provisions limiting audits and evaluations. Provisions regarding 30 days notice for new plans submitted regarding the Perkins Act are maintained. (Sec. 511)

Date Completed: 10-29-07

Fiscal Analyst: Bill Bowerman

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.



House Bill 4360: FY 2007-08 Community College Appropriation Bill

College	FY 2006-07 Year-To-Date*	FY 2007-08 GOV REC		FY 2007-08 House Passed					FY 2007-08 Conference			
		Increase	Percent Change	Task Force Formula	Parity Adjustment	Other Adjustments	Total Increase	Percent Change	Adjustments	Task Force Formula	Total Increase	Percent Change
Alpena	4,904,800	122,600	2.5%	110,400	55,700	125,700	291,800	5.9%	85,000	45,000	130,000	2.7%
Bay de Noc	4,949,900	123,700	2.5%	121,300	53,800	121,400	296,500	6.0%	85,000	49,500	134,500	2.7%
Delta	13,309,200	332,700	2.5%	366,400	150,500		516,900	3.9%		149,200	149,200	1.1%
Glen Oaks	2,235,500	55,900	2.5%	57,900	25,200		83,100	3.7%		23,600	23,600	1.1%
Gogebic	4,044,400	101,100	2.5%	81,800	46,000	258,500	386,300	9.6%	130,000	33,300	163,300	4.0%
Grand Rapids	16,707,300	417,700	2.5%	421,700	189,300		611,000	3.7%		171,700	171,700	1.0%
Henry Ford	20,330,000	508,300	2.5%	476,400	230,700		707,100	3.5%		194,100	194,100	1.0%
Jackson	11,235,100	280,900	2.5%	253,700	127,700		381,400	3.4%		103,400	103,400	0.9%
Kalamazoo Valley	11,518,600	288,000	2.5%	305,900	130,300		436,200	3.8%		124,700	124,700	1.1%
Kellogg	9,037,500	225,900	2.5%	226,300	102,400		328,700	3.6%		92,100	92,100	1.0%
Kirtland	2,749,100	68,700	2.5%	78,500	31,100		109,600	4.0%		31,900	31,900	1.2%
Lake Michigan	4,872,600	121,800	2.5%	115,900	55,100		171,000	3.5%		47,200	47,200	1.0%
Lansing	28,890,800	722,300	2.5%	719,100	327,400		1,046,500	3.6%		293,000	293,000	1.0%
Macomb	30,847,300	771,200	2.5%	764,300	349,300		1,113,600	3.6%		311,300	311,300	1.0%
Mid Michigan	4,110,400	102,800	2.5%	102,600	46,600		149,200	3.6%	50,000	41,800	91,800	2.2%
Monroe	4,009,800	100,200	2.5%	109,500	45,300		154,800	3.9%		44,500	44,500	1.1%
Montcalm	2,890,000	72,300	2.5%	72,300	32,800		105,100	3.6%		29,500	29,500	1.0%
Mott	14,587,500	364,700	2.5%	350,200	165,500		515,700	3.5%		142,700	142,700	1.0%
Muskegon	8,292,400	207,300	2.5%	188,000	94,200		282,200	3.4%		76,600	76,600	0.9%
North Central	2,810,400	70,300	2.5%	67,800	31,900		99,700	3.5%		27,600	27,600	1.0%
Northwestern	8,455,700	211,400	2.5%	187,100	96,100		283,200	3.3%		76,200	76,200	0.9%
Oakland	19,485,000	487,100	2.5%	523,300	220,300		743,600	3.8%		213,200	213,200	1.1%
St. Clair	6,534,700	163,400	2.5%	161,300	73,800		235,100	3.6%		65,700	65,700	1.0%
Schoolcraft	11,393,400	284,800	2.5%	301,600	129,300		430,900	3.8%		122,900	122,900	1.1%
Southwestern	6,121,100	153,000	2.5%	129,900	69,400		199,300	3.3%		52,900	52,900	0.9%
Washtenaw	11,689,400	292,200	2.5%	373,800	131,400		505,200	4.3%		152,400	152,400	1.3%
Wayne County**	15,209,100	610,900	4.0%	370,700	169,900	225,000	765,600	5.0%	225,000	152,400	377,400	2.5%
West Shore	2,135,700	53,400	2.5%	51,900	24,200		76,100	3.6%		21,200	21,200	1.0%

SUBTOTAL OPERATIONS:	\$283,356,700	\$7,314,600	2.6%	\$7,089,600	\$3,205,200	\$730,600	\$11,025,400	3.9%	\$575,000	\$2,889,600	\$3,464,600	1.2%
At Risk	3,322,700	0	0.0%				0	0.0%			0	0.0%
Renaissance Zone	3,200,000	175,000	5.5%			175,000	175,000	5.5%	(175,000)		(175,000)	-5.5%
Nursing Programs	0	0	0.0%			7,000,000	7,000,000	---		0	0	0.0%
TOTAL APPROPRIATION:	\$289,879,400	\$7,489,600	2.6%	\$7,089,600	\$3,205,200	\$7,905,600	\$18,200,400	6.3%	\$400,000	\$2,889,600	\$3,289,600	1.1%
									0	0	0	0.0%
GF/GP	\$289,879,400	\$7,489,600	2.6%	\$7,089,600	\$3,205,200	\$7,905,600	\$18,200,400	6.3%	\$400,000	\$2,889,600	\$3,289,600	1.1%

Notes:

* The FY 2006-07 Year-To-Date amount reflects the restoration of retirement savings and delayed payments (Executive Order 2007-3 and 2007 PA 17).

**The Governor's recommendation for Wayne County Community College includes an adjustment of \$225,000 to fully restore a \$450,000 FY 2003-04 reduction and a \$385,900 (2.5%) increase.

Due to the Senate passing a bill with \$100 placeholders for each line item, no column is included for the Senate Passed version of the budget.