

COMMUNITY COLLEGES: FY 2010-11
Summary: Conference Committee Report
Senate Bill 1151 (S-1) CR-1



Analyst: Mark Wolf

	FY 2009-10 Year-to-Date	FY 2010-11 Executive	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Conference	Difference: Conference From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	299,360,500	299,100,500	289,940,500	299,100,500	295,880,500	(3,480,000)	(1.2)
Gross	\$299,360,500	\$299,100,500	\$289,940,500	\$299,100,500	\$295,880,500	(\$3,480,000)	(1.2)
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: FY 2009-10 appropriation figures reflect adjustments made by executive order actions, supplementals, and transfers, as of February 11, 2010.

Overview

The Community Colleges budget includes funds for operational support of the state's 28 community colleges, the At-Risk Student Success Program, and the 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 2009-10 YTD Appropriations

1. Community College Operations

Conference: Maintains FY 2010-11 operations funding at FY 2009-10 funding levels for each community college. FY 2009-10 funding was the same as FY 2008-09 funding.

	FY 2009-10 YTD (as of 2/11/10)	Conference Change From YTD
Gross	\$292,557,800	\$0
GF/GP	\$292,557,800	0

The **Executive** and **House** maintained FY 2010-11 operational funding at FY 2009-10 funding levels for each community college. The **Senate** reduced FY 2010-11 operational funding by 3.1% for each college.

2. Renaissance Zone Reimbursements

Conference: Eliminates all funding for renaissance zone reimbursements. Based on Department of Treasury estimates, the actual payments were estimated to total \$2,868,959.11, payable to 23 of the 28 colleges. The actual amounts of the reimbursement payments vary from as low as \$347.91 (SMC) to \$679,923.78 (WCCCD).

Gross	\$3,480,000	(\$3,480,000)
GF/GP	\$3,480,000	(\$3,480,000)

The chart on the last page shows a 10-year history of renaissance zone reimbursements, and includes the distribution for FY 2011, if the payments were made.

The Executive, Senate, and House all the reduced spending authorization by \$260,000, based on earlier estimate of reimbursement payments. The actual payments to colleges were not expected to decrease.

3. At-Risk Student Success Program

Conference: Maintains FY 2010-11 funding at FY 2009-10 funding levels for the program. Appropriation amounts to individual colleges were adjusted based on updated at-risk student data. Overall FY 2009-10 funding was the same as FY 2008-09 funding. The Conference Committee made no adjustment to the amount proposed by the Executive, Senate, or House.

Gross	\$3,322,700	\$0
GF/GP	\$3,322,700	\$0

Major Boilerplate Changes From FY 2009-10

Sec. 211. At Risk Funding Payment Schedule – RETAINED

Requires that the payments for the At Risk program be paid in full by November 1, which the Executive had recommended for deletion. Existing language concerning payment of state aid in 11 monthly installments, and the accrual of the July and August state aid payments is also retained.

Sec. 217. Compliance with JCOS Policy – DELETED

Requires community colleges to comply with the use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital projects.

Sec. 224. Legislative Summit on Employment Needs – DELETED

Deletes language that encourages the colleges to organize and participate in a legislative summit on meeting the employment needs of the state.

Sec. 241. Nursing Education Programs – MODIFIED

Intent language that colleges expand nursing programs and increase program enrollment. Subsection 2 provides that community college nursing students are eligible for the Michigan Nursing Scholarship and assistance from the Michigan Nursing Corps program. The **Conference Committee** deletes reference to the financial aid programs.

Sec. 242. Payment in Lieu of Taxes – RETAINED

Intent language that the legislature, the Michigan Community College Association (MCCA), and other interested parties "continue the discussion regarding payments in lieu of taxes, especially for those community college districts that contain significant portions of nontaxable land."

Sec. 248. Tuition Restraint Policy – DELETED

Intent language encouraging community colleges to not raise tuition more than 0.5% above the United States consumer price index in the immediately preceding year.

Sec. 249. Consolidation or Dissolution – MODIFIED

Intent language encouraging community colleges to achieve efficiencies through joint ventures, collaborations, adjusting the size and frequency of classes, web-based instruction, consolidation of services, and coordinating and sharing proposed capital outlay improvements. The **Conference Committee** deletes a reporting requirement imposed on the MCCA.

Sec. 250. Compliance with Prevailing Wage Law – NOT INCLUDED

States that funds shall not be used for construction or improvement of community college buildings unless the college or contractor states in writing that they will not knowingly violate the prevailing wage law. The **Conference Committee** does not include this section, which was proposed by the **House**.

Sec. 254. Transparency Website – NOT INCLUDED

Intent language require the colleges to maintain a publicly accessible website listing all expenditures made by the college in the fiscal year, and a description of the purpose of each expenditure made. The **Conference Committee** does not include this section, which was proposed by the **House**.

Sec. 304. Performance Indicator Formula – RETAINED

Intent language that the formula developed by performance indicator task force be used for funding distribution in future years.

Sec. 401. At-Risk Student Success Program – REVISED

At-risk students are those identified as being enrolled in developmental courses or fail to make satisfactory academic progress, those that are diagnosed as having a learning disability, or those requiring English as a second language (ESL) assistance. Funding is allocated to the colleges by formula using a base award of \$40,000 to each college, and the number of student contact hours in developmental/preparatory education. The **Conference Committee** alters the distribution of at-risk student success grant funds, based on updated program data.

Sec. 404. Renaissance Zone Reimbursements – DELETED

Requires that the renaissance zone reimbursement payments be made within 60 days after the Department of Treasury certifies to the State Budget Office that it has all the necessary information requirement to make the payments.

Sec. 405. P-20 Longitudinal Data System – RETAINED

Requires community colleges to cooperate with the state to comply with the provisions of the American Recovery and Reinvestment Act requiring the establishment of a statewide P-20 longitudinal data system.

Sec. 501. Activities Classification Structure – DELETED

The activities classification structure (ACS) collects data on tuition, enrollment, expenditures, revenue, and other program data. The Department of Energy, Labor, and Economic Growth compiles the data and submits a report. This section is moved to the DELEG budget.

Major Boilerplate Changes From FY 2009-10

Sec. 506. North American Indian Tuition Waiver Program Report – DELETED

The NAITW program waives tuition at the colleges for eligible North American Indian students. This section is moved to the DELEG budget.

Sec. 509. Report on Associate's Degrees and Certificates – DELETED

Current law requires the colleges to submit to DELEG data on the types of associate degrees and other certificates in the prior fiscal year. The **Conference Committee** retains the reporting requirement on the colleges. The provision imposing a reporting requirement on DELEG is moved to the DELEG budget.

Sec. 511. Perkins State Plan Report – DELETED

Requires that if the state submits a new Perkins Act state plan, it must also submit a copy of the plan to the legislature at least 30 days before submitting the plan to the U.S. Department of Education.

Sec. 513. Tax Increment Financing Authority Report – DELETED

Requires the Department of Treasury to collect data on the tax revenue foregone by community colleges from TIFAs and other tax abatements.

Sec. 514. Unrestricted Assets Report – NOT INCLUDED

Requires colleges with general fund unrestricted net assets above 20 percent of general funding operating and net nonoperating revenue at the close of FY 2010 to submit a report by December 1, 2010 outlining the intended use or purpose for carrying the unrestricted assets. The **Conference Committee** does not include this section, which was proposed by the **House**.

**Fiscal Year 2010-2011 Community College Appropriations
Senate Bill 1151 (Substitute S-1) CR-1, Conference Report**

Community College	FY 2010 YTD	FY 2011 Executive			FY 2011 Senate			FY 2011 House			FY 2011 Conference		
		Adjustments	Appropriation	% Change	Adjustments	Appropriation	% Change	Adjustments	Appropriation	% Change	Adjustments	Appropriation	% Change
Alpena	\$5,126,100	\$0	\$5,126,100	0.0	(\$160,500)	\$4,965,600	(3.1)	\$0	\$5,126,100	0.0	\$0	\$5,126,100	0.0
Bay de Noc	\$5,178,400	\$0	\$5,178,400	0.0	(\$162,100)	\$5,016,300	(3.1)	\$0	\$5,178,400	0.0	\$0	\$5,178,400	0.0
Delta	\$13,751,600	\$0	\$13,751,600	0.0	(\$430,600)	\$13,321,000	(3.1)	\$0	\$13,751,600	0.0	\$0	\$13,751,600	0.0
Glen Oaks	\$2,304,800	\$0	\$2,304,800	0.0	(\$72,200)	\$2,232,600	(3.1)	\$0	\$2,304,800	0.0	\$0	\$2,304,800	0.0
Gogebic	\$4,275,200	\$0	\$4,275,200	0.0	(\$133,900)	\$4,141,300	(3.1)	\$0	\$4,275,200	0.0	\$0	\$4,275,200	0.0
Grand Rapids	\$17,219,800	\$0	\$17,219,800	0.0	(\$539,200)	\$16,680,600	(3.1)	\$0	\$17,219,800	0.0	\$0	\$17,219,800	0.0
Henry Ford	\$20,898,900	\$0	\$20,898,900	0.0	(\$654,300)	\$20,244,600	(3.1)	\$0	\$20,898,900	0.0	\$0	\$20,898,900	0.0
Jackson	\$11,542,300	\$0	\$11,542,300	0.0	(\$361,400)	\$11,180,900	(3.1)	\$0	\$11,542,300	0.0	\$0	\$11,542,300	0.0
Kalamazoo	\$11,888,600	\$0	\$11,888,600	0.0	(\$372,200)	\$11,516,400	(3.1)	\$0	\$11,888,600	0.0	\$0	\$11,888,600	0.0
Kellogg	\$9,311,800	\$0	\$9,311,800	0.0	(\$291,600)	\$9,020,200	(3.1)	\$0	\$9,311,800	0.0	\$0	\$9,311,800	0.0
Kirtland	\$2,842,800	\$0	\$2,842,800	0.0	(\$89,000)	\$2,753,800	(3.1)	\$0	\$2,842,800	0.0	\$0	\$2,842,800	0.0
Lake Michigan	\$5,012,100	\$0	\$5,012,100	0.0	(\$156,900)	\$4,855,200	(3.1)	\$0	\$5,012,100	0.0	\$0	\$5,012,100	0.0
Lansing	\$29,762,500	\$0	\$29,762,500	0.0	(\$931,900)	\$28,830,600	(3.1)	\$0	\$29,762,500	0.0	\$0	\$29,762,500	0.0
Macomb	\$31,773,900	\$0	\$31,773,900	0.0	(\$994,800)	\$30,779,100	(3.1)	\$0	\$31,773,900	0.0	\$0	\$31,773,900	0.0
Mid Michigan	\$4,289,200	\$0	\$4,289,200	0.0	(\$134,300)	\$4,154,900	(3.1)	\$0	\$4,289,200	0.0	\$0	\$4,289,200	0.0
Monroe	\$4,142,800	\$0	\$4,142,800	0.0	(\$129,700)	\$4,013,100	(3.1)	\$0	\$4,142,800	0.0	\$0	\$4,142,800	0.0
Montcalm	\$2,981,600	\$0	\$2,981,600	0.0	(\$93,400)	\$2,888,200	(3.1)	\$0	\$2,981,600	0.0	\$0	\$2,981,600	0.0
Mott	\$15,016,400	\$0	\$15,016,400	0.0	(\$470,200)	\$14,546,200	(3.1)	\$0	\$15,016,400	0.0	\$0	\$15,016,400	0.0
Muskegon	\$8,518,600	\$0	\$8,518,600	0.0	(\$266,700)	\$8,251,900	(3.1)	\$0	\$8,518,600	0.0	\$0	\$8,518,600	0.0
North Central	\$2,893,600	\$0	\$2,893,600	0.0	(\$90,600)	\$2,803,000	(3.1)	\$0	\$2,893,600	0.0	\$0	\$2,893,600	0.0
Northwestern	\$8,682,000	\$0	\$8,682,000	0.0	(\$271,800)	\$8,410,200	(3.1)	\$0	\$8,682,000	0.0	\$0	\$8,682,000	0.0
Oakland	\$20,133,700	\$0	\$20,133,700	0.0	(\$630,400)	\$19,503,300	(3.1)	\$0	\$20,133,700	0.0	\$0	\$20,133,700	0.0
St. Clair	\$6,729,800	\$0	\$6,729,800	0.0	(\$210,700)	\$6,519,100	(3.1)	\$0	\$6,729,800	0.0	\$0	\$6,729,800	0.0
Schoolcraft	\$11,767,000	\$0	\$11,767,000	0.0	(\$368,400)	\$11,398,600	(3.1)	\$0	\$11,767,000	0.0	\$0	\$11,767,000	0.0
Southwestern	\$6,276,900	\$0	\$6,276,900	0.0	(\$196,500)	\$6,080,400	(3.1)	\$0	\$6,276,900	0.0	\$0	\$6,276,900	0.0
Washtenaw	\$12,149,000	\$0	\$12,149,000	0.0	(\$380,400)	\$11,768,600	(3.1)	\$0	\$12,149,000	0.0	\$0	\$12,149,000	0.0
Wayne County	\$15,889,900	\$0	\$15,889,900	0.0	(\$497,500)	\$15,392,400	(3.1)	\$0	\$15,889,900	0.0	\$0	\$15,889,900	0.0
West Shore	\$2,198,500	\$0	\$2,198,500	\$0	(\$68,800)	\$2,129,700	(\$3)	\$0	\$2,198,500	\$0	\$0	\$2,198,500	\$0
Operations Subtotal	\$292,557,800	\$0	\$292,557,800	\$0	(\$9,160,000)	\$283,397,800	(\$3)	\$0	\$292,557,800	\$0	\$0	\$292,557,800	\$0
At Risk Funding	\$3,322,700	\$0	\$3,322,700	0.0	\$0	\$3,322,700	0.0	\$0	\$3,322,700	0.0	\$0	\$3,322,700	0.0
Renaissance Zones	\$3,480,000	(\$260,000)	\$3,220,000	(7.5)	(\$260,000)	\$3,220,000	(7.5)	(\$260,000)	\$3,220,000	(7.5)	(\$3,480,000)	\$0	(100.0)
Total Appropriation	\$299,360,500	(\$260,000)	\$299,100,500	(0.1)	(\$9,420,000)	\$289,940,500	(3.1)	(\$260,000)	\$299,100,500	(0.1)	(\$3,480,000)	\$295,880,500	(1.2)
GF/GP Appropriation	\$299,360,500	(\$260,000)	\$299,100,500	(0.1)	(\$9,420,000)	\$289,940,500	(3.1)	(\$260,000)	\$299,100,500	(0.1)	(\$3,480,000)	\$295,880,500	(1.2)

Renaissance Zone Reimbursement Payments to Community Colleges

College	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07**	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Alpena		\$195	\$240	\$318	\$332	\$534	\$4,310	\$4,956	\$6,946	\$7,782
Bay de Noc						\$2,634	\$2,634	\$2,656	\$2,656	\$2,187
Delta*	\$35,965	\$86,303	\$109,556	\$96,502	\$116,109	\$97,629	\$173,880	\$180,481	\$197,471	\$190,607
Glen Oaks					\$1,873	\$4,123	\$4,104	\$4,309	\$4,551	\$4,777
Gogebic	\$822	\$865	\$1,134	\$615	\$1,860	\$5,102	\$4,734	\$7,015	\$5,947	\$5,047
Grand Rapids	\$152,300	\$176,957	\$248,976	\$293,642	\$347,127	\$417,291	\$502,786	\$558,919	\$477,993	\$418,018
Jackson	\$4,025	\$50,301	\$150,664	\$150,113	\$139,261	\$136,520	\$133,453	\$135,304	\$138,194	\$134,446
Kalamazoo Valley	\$17,132	\$19,519	\$15,957	\$21,623	\$22,971	\$37,468	\$39,002	\$40,935	\$95,726	\$125,842
Kellogg	\$24,008	\$31,942	\$27,722	\$29,864	\$378,940	\$389,764	\$169,900	\$148,063	\$253,938	\$260,993
Lake Michigan	\$48,081	\$123,003	\$323,436	\$540,320	\$549,854	\$578,850	\$544,841	\$415,481	\$315,415	\$178,792
Lansing	\$9,703	\$11,120	\$12,822	\$15,030	\$16,974	\$14,004	\$22,205	\$23,944	\$24,303	\$52,195
Macomb	\$31,825	\$49,296	\$99,638	\$108,989	\$145,170	\$155,656	\$171,367	\$187,997	\$189,150	\$180,031
Mid-Michigan	\$412	\$808	\$1,513	\$2,643	\$6,858	\$8,282	\$8,888	\$7,046	\$6,502	\$5,981
Monroe									\$1,081	\$1,068
Montcalm	\$40,979	\$298,604	\$309,753	\$299,688	\$274,228	\$192,047	\$207,845	\$290,180	\$351,293	\$341,039
Mott	\$128,354	\$108,627	\$109,641	\$110,726	\$68,252	\$121,525	\$145,878	\$177,376	\$105,480	\$53,355
Muskegon	\$3,449	\$5,889	\$17,858	\$16,793	\$22,113	\$31,428	\$50,707	\$58,640	\$68,205	\$68,459
Northwestern Michigan		\$47	\$777	\$923	\$943	\$7,559	\$18,446	\$19,703	\$28,178	\$26,924
Oakland						\$3,075	\$15,345	\$29,382	\$35,175	\$53,923
St. Clair						\$521	\$541	\$36,891	\$28,873	\$19,524
Southwestern Michigan						\$218	\$353	\$341	\$350	\$348
Wayne County	\$171,009	\$193,798	\$518,420	\$547,296	\$470,572	\$780,508	\$761,875	\$726,953	\$704,439	\$679,624
West Shore	\$3,018	\$3,217	\$3,244	\$2,566	\$14,538	\$34,942	\$50,489	\$77,993	\$72,743	\$57,997
TOTAL	\$671,080	\$1,160,491	\$1,951,352	\$2,237,651	\$2,577,975	\$3,019,681	\$3,033,585	\$3,134,565	\$3,114,609	\$2,868,959
Percent Change	99.4	72.9	68.1	14.7	15.2	17.1	0.5	3.3	-0.6	-7.9

Source: Department of Treasury/State Budget Office

Note: Five colleges currently do not receive any reimbursement payments: Henry Ford, Kirtland, Schoolcraft, Washtenaw, and North Central

Note: Under the FY 2011 target agreement, the Renaissance Zone Reimbursement line item would be eliminated.