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			CHANGES FROM FY 2014-15 YEAR-TO-DATE			
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 CONFERENCE	AMOUNT	PERCENT		
FTE Positions	N/A	N/A	0.0			
GROSS	364,724,900	387,825,600	23,100,700	6.3		
Less:						
Interdepartmental Grants Received	0	0	0			
ADJUSTED GROSS	364,724,900	387,825,600	23,100,700	6.3		
Less:						
Federal Funds	0	0	0			
Local and Private	0	0	0			
TOTAL STATE SPENDING	364,724,900	387,825,600	23,100,700	6.3		
Less:						
Other State Restricted Funds	364,724,900	256,714,800	(108,010,100)	(29.6)		
GENERAL FUND/GENERAL PURPOSE	0	131,110,800	131,110,800			
PAYMENTS TO LOCALS	364,724,900	387,825,600	23,100,700	6.3		

FY 2014-15 Year-to-Date Gross Appropriation	\$364,724,900
Changes from FY 2014-15 Year-to-Date:	
Items Included by the Senate and House	
1. Michigan Public School Employees Retirement System (MPSERS) Rate Cap. The Governor, Senate, and House included an additional \$17.2 million to continue funding the difference between the employer's capped contribution rate for unfunded accrued liabilities (20.96%) and the actual unfunded actuarial accrued liability contributions rate. MPSERS reform legislation requires the State to pay the difference between these amounts. The FY 2015-16 State payment totals \$69.5 million.	17,200,000
2. Renaissance Zone Reimbursements. Payments are made pursuant to Public Act 376 of 1996. The Act requires the State to reimburse a community college district each year for all tax revenue lost as a result of the exemption of property under the Act. The Governor, Senate, and House increased funding from \$3.5 million to \$5.1 million based on current projections.	1,600,000
Conference Agreement on Items of Difference	
3. Part-Time Independent Student Grants. The Governor and Senate included \$6.0 million to initiate a revised version of the Part-Time Independent Student Grants created by Public Act 102 of 1986. The grants were established to foster the pursuit of postsecondary education by part-time students who have financial need. The House reduced funding for the grants to \$2,928,100. The Conference did not include funding for the grants. The language section associated with this program (Sec. 215) was also removed.	0

4. Performance Funding. The Governor included a \$4.3 million SAF (1.4%) increase for community college operations distributed through a modified version of the Performance Indicators Task Force Formula that has been used in recent years. The Governor eliminated the Local Strategic Value portion of the formula which was previously used to distribute 15.0% of the formula allocations. The Governor transferred the 15.0% to the Weighted Degree portion of the formula, increasing that distribution from 17.5% of the formula to 32.5%. The Senate and House maintained the Local Strategic Value portion of the formula and did not concur with the Governor's changes. The Senate concurred with the amount of the Governor's funding increase (\$4.3 million). The House increased funding to \$6.1 million (2.0% increase). The Conference concurred with the Senate. Table 1 and Table 2 include details of allocations by college.

4,300,700

5. Funding Shift. The FY 2014-15 supplemental (2015 PA 5) shifted \$167.1 million from the State General Fund to the School Aid Fund (SAF), resulting in the entire FY 2014-15 Community College budget being funded from the SAF. The Governor's FY 2015-16 recommendation for community colleges shifted \$137.1 million back to the State General Fund, leaving \$256.7 million supported by the SAF. The SAF was used to support all of the funding increases recommended by the Governor, and fund a share of base costs. The House concurred with the Governor's recommended level of funding from SAF. The Senate shifted an additional \$14.4 million from the State General Fund to the SAF, resulting in FY 2015-16 funding of \$271.1 million from the SAF. The Conference concurred with the Governor and House (\$256.7 million SAF).

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FY 2015-16 Conference Report Ongoing/One-Time Gross Appropriation .....

\$387,825,600

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

## **Boilerplate Changes from FY 2014-15 Year-to-Date:**

## Items Included by the Senate and House

- 1. **Transparency.** Requires each community college to make available through links on its website homepage its annual operating budget, links to the most recent activities classification structure report, current collective bargaining agreements, health care plans, audits and financial reports, projected General Fund revenue and expenditures and debt service obligations, estimated costs incurred due to Affordable Health Care Act (ACA), opportunities for earning college credit through dual enrollment and compliance with best practices. Includes certain format requirements consistent with K-12 reporting. Provides that the State Budget Director determines compliance and allows for withholding of State aid payments for noncompliance. The Governor eliminated estimated costs of ACA, Board of Trustees resolution regarding compliance with best practices, the State Budget Director's authority to withhold funds for failure to comply with transparency site requirements, and dual enrollment reporting requirements. The Senate and House did not concur with the Governor and maintained current-year language. (Sec. 209)
- 2. Block Transfers. (1) It is the intent of the Legislature that the Michigan Association of Collegiate Registrars and Admission Officers implement any agreement or agreements among the community colleges and universities concerning the transferability of college courses resulting from the recommendations of the committee created under former section 210a. (2) It is the intent of the Legislature that the Michigan Association of Collegiate Registrars and Admissions Officers, the Michigan Community College Association, and the Presidents Council, State universities of Michigan shall together submit an implementation update report to the Senate and House Appropriations Subcommittees on Community Colleges and Higher Education, the Senate and House Fiscal Agencies, and the State Budget Director by March 1, 2015. The Governor removed the implementation update report and transferred the implementation requirement in (1) to a new Sec. 213 (2). The Senate and House maintained the implementation update report and included a new section providing for a workgroup to reach agreement on a 60-credit block that would transfer to universities. (Secs. 210b and 210c)
- 3. Independent Part-Time Student Grants. The Governor, Senate, and House included new language encouraging colleges to prioritize Independent Part-Time Student grants for aid to students who have enrolled in an academic program after not being enrolled for more than a semester or term, who have previously earned credits in an academic program, and who have not yet earned a certificate or degree. The Senate and House added two subsections that outline Department of Treasury responsibilities regarding payment schedules and needs analysis criteria. The Conference eliminated funding for the program and therefore removed this section. (Sec. 215)

- 4. **Deleted Section.** The Governor, Senate, and House deleted one-time reporting requirement for ACS advisory committee. (Sec. 217) (4)
- 5. **Associate Degree Report.** Requires community colleges to report to the Workforce Development Agency (WDA) the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The Governor, Senate, and House added a sentence stating colleges shall work with the WDA and Center for Educational Performance and Information (CEPI) to develop a systematic approach for accomplishing this task. (Sec. 226)
- 6. Restored Sections. The Senate and House restored the following sections that were deleted by the Governor: Anticipated appropriations for subsequent fiscal year (Sec. 201a); prohibits use of appropriations for construction or maintenance of self-liquidating projects and requires compliance with Section 238 if the Management and Budget Act and Joint Capital Outlay Subcommittee use and finance requirements -- includes penalty for noncompliance (Sec. 208); encourages community colleges to achieve efficiencies through collaborations (Sec. 212); prohibition on use of appropriations for purchase or lease of foreign automobiles (Sec. 227); and prohibition on disciplinary action against an employee for communicating with a member of the Legislature or legislative staff (Sec. 228).

## Conference Agreement on Items of Difference

- 7. **Legislative Intent.** Legislative intent references in sections 210, 213, 222, and 229 were eliminated by the Governor and the House. The Conference concurred with the House.
- 8. **Performance Indicators Task Force.** Delineates formula used for FY 2014-15 based on 2006 recommendations of the Performance Indicators Task Force. Sets criteria for Local Strategic Value component of the formula and requires certification of compliance by each college through a board of trustees' resolution. The Governor eliminated the Local Strategic Value portion of formula and increased weighted degrees to 32.5% of formula distribution. The Senate, House, and Conference did not concur with eliminating the Local Strategic Value portion of the formula.
  - **The Governor** added a new prerequisite requiring colleges to actively participate in, and submit timely updates to, the Michigan Transfer Network in order to receive performance funding. The Senate and House concurred with the new prerequisite. The Senate clarified "active participation" as submitting timely updates, including updated course equivalencies at least every six months. The Conference concurred with the Senate clarification regarding "active participation." (Sec. 230)
- 9. **Performance Metrics Review.** The Senate included a new section creating a task force to review, evaluate, discuss, and make recommendations regarding performance indicators established under the authority of Section 242 of Public Act 154 of 2005. The task force shall review whether the current metrics are the most appropriate and reliable performance indicators available and the most efficient methodology for connecting state funding to those indicators. Provides for report with recommendations. The Conference concurred with the Senate. (Sec. 230a)

Date Completed: 5-22-15 Fiscal Analyst: Bill Bowerman

Table 1: FY 2015-16 Community College Appropriations: Conference Report

		FY 2015-16 Conference Adjustments									
	FY 2014-15	50% Proportionate	17.5% Weighted	10.0% Student	7.5% Administrative	15.0% Local	Total	Non-Formula		Percent	
College	Year-To-Date	To Base	Degree Formula	Contact Hours	Costs	Strategic Value	Formula Distribution	Adjustments*	Appropriation	Change	
Alpena	\$5,390,700	37,735	\$10,402	3,454	10,830	11,321	73,700		\$5,464,400	1.4%	
Bay de Noc	5,419,500	37,937	\$11,024	4,477	5,865	11,381	70,700		5,490,200	1.3%	
Delta	14,498,900	101,493	\$38,684	19,550	14,879	30,448	205,100		14,704,000	1.4%	
Glen Oaks	2,516,100	17,613	\$8,807	2,404	917	5,284	35,000		2,551,100	1.4%	
Gogebic	4,451,400	31,160	\$6,810	2,456	8,709	9,348	58,500		4,509,900	1.3%	
Grand Rapids	17,947,500	125,633	\$31,482	30,047	14,905	37,690			18,187,300	1.3%	
Henry Ford	21,623,800	151,367	\$33,714	28,941	10,023	45,410			21,893,300	1.2%	
Jackson	12,087,300	84,612	\$26,364	10,885	10,763	25,383	158,000		12,245,300	1.3%	
Kalamazoo Valley	12,503,100	87,522	\$37,094	19,277	16,131	26,257	186,300		12,689,400	1.5%	
Kellogg	9,813,500	68,695	\$20,679	11,296	15,369	20,608	136,600		9,950,100	1.4%	
Kirtland	3,167,700	22,174	\$10,960	3,442	10,591	6,652			3,221,500	1.7%	
Lake Michigan	5,342,900	37,400	\$9,632	7,802	8,794	11,220			5,417,700	1.4%	
Lansing	30,877,600	216,144	\$77,783	33,686	18,144	64,843			31,288,200	1.3%	
Macomb	32,816,600	229,717	\$60,465	47,070	16,683	68,915			33,239,500	1.3%	
Mid Michigan	4,682,000	32,774	\$15,893	7,758	9,420	9,832			4,757,700	1.6%	
Monroe	4,492,900	31,450	\$10,319	6,832	14,709	9,435			4,565,600	1.6%	
Montcalm	3,226,700	22,587	\$9,328	3,258	11,925	6,776			3,280,600	1.7%	
Mott	15,686,100	109,803	\$37,541	20,632	14,696	32,941	215,600		15,901,700	1.4%	
Muskegon	8,901,000	62,307	\$13,781	9,129	15,768	18,692	119,700		9,020,700	1.3%	
North Central	3,172,400	22,207	\$5,998	4,429	13,138	6,662	52,400		3,224,800	1.7%	
Northwestern	9,078,800	63,552	\$15,963	9,707	13,385	19,066			9,200,500	1.3%	
Oakland	21,123,300	147,864	\$53,434	49,697	10,744	44,359	306,100		21,429,400	1.4%	
St. Clair	7,061,600	49,431	\$13,362	8,154	10,630	14,829	96,400		7,158,000	1.4%	
Schoolcraft	12,513,700	87,596	\$41,999	24,980	11,844	26,279	192,700		12,706,400	1.5%	
Southwestern	6,576,400	46,035	\$10,679	5,506	5,210	13,811	81,200		6,657,600	1.2%	
Washtenaw	13,077,300	91,542	\$65,754	24,612	14,435	27,462	223,800		13,301,100	1.7%	
Wayne County	16,727,600	117,094	\$70,277	27,962	11,742	35,128	262,200		16,989,800	1.6%	
West Shore	2,414,900	16,904	\$4,394	2,630	2,303	5,071	31,300		2,446,200	1.3%	
Subtotal Operations:	\$307,191,300	\$2,150,348	\$752,623	\$430,073	\$322,552	\$645,103	\$4,300,700	\$0	\$311,492,000	1.4%	
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Independent Part-Time Student Grants	\$0							\$0	0	0.0%	
MPSERS Retiree Health Care	1,733,600							0	1,733,600	0.0%	
MPSERS Reform Costs	52,300,000							17,200,000	69,500,000	32.9%	
Renaissance Zone Reimbursements	3,500,000							1,600,000	5,100,000	45.7%	
Total Appropriations:	\$364,724,900	\$2,150,348	\$752,623	\$430,073	\$322,552	\$645,103	\$4,300,700	\$18,800,000	\$387,825,600	6.3%	
State School Aid Fund	364,724,900	2,150,348	752,623	430,073	322,552	645,103		(112,310,800)	\$256,714,800	-29.6%	
GF/GP	\$0	\$0	\$0	\$0		\$0		\$131,110,800	\$131,110,800		

<sup>\*</sup> Non-Formula Adjustments include cost increases for MPSERS Reform and Renaissance Zone Reimbursements; and funding adjustments between the State General Fund and the School Aid Fund. The FY 2014-15 Year-To-Date column includes the funding shift contained in 2015 PA 5 that shifted \$167.1 million from GF/GP to the School Aid Fund, resulting in the entire FY 2014-15 Community College budget being funded from the School Aid Fund.

Table 2: FY 2015-16 Community College Appropriation

		FY 2015-16 Governor's Recommendation			FY 2015-16 Senate			FY 2015-16 House			FY 2015-16 Conference		
	FY 2014-15			Percent			Percent			Percent			Percent
College	Year-To-Date	Adjustments	Appropriation	Change	Adjustments	Appropriation	Change	Adjustments	Appropriation	Change	Adjustments	Appropriation	Change
Almana	#F 000 700	74 000	ØF 400 000	4.00/	70 700	<b>05 404 400</b>	4.40/	0405 400	ØF 400 400	0.00/	70 700	ØF 404 400	4 40/
Alpena	\$5,390,700	71,300	\$5,462,000	1.3%	73,700	\$5,464,400	1.4%	\$105,400	\$5,496,100	2.0%	73,700	\$5,464,400	1.4%
Bay de Noc	5,419,500	68,800	5,488,300	1.3%	70,700	5,490,200	1.3%	101,000	5,520,500	1.9%	70,700	5,490,200	1.3%
Delta	14,498,900	207,800	14,706,700	1.4%	205,100	14,704,000	1.4%	292,900	14,791,800	2.0%	205,100	14,704,000	1.4%
Glen Oaks	2,516,100	37,300	2,553,400	1.5%	35,000	2,551,100	1.4%	50,000	2,566,100	2.0%	35,000	2,551,100	1.4%
Gogebic	4,451,400	55,000	4,506,400	1.2%	58,500	4,509,900	1.3%	83,600	4,535,000	1.9%	58,500	4,509,900	1.3%
Grand Rapids	17,947,500	229,100	18,176,600	1.3%	239,800	18,187,300	1.3%	342,500	18,290,000	1.9%	239,800	18,187,300	1.3%
Henry Ford	21,623,800	252,900	21,876,700	1.2%	269,500	21,893,300	1.2%	385,000	22,008,800	1.8%	269,500	21,893,300	1.2%
Jackson	12,087,300	155,200	12,242,500	1.3%	158,000	12,245,300	1.3%	225,800	12,313,100	1.9%	158,000	12,245,300	1.3%
Kalamazoo Valley	12,503,100	191,800	12,694,900	1.5%	186,300	12,689,400	1.5%	266,100	12,769,200	2.1%	186,300	12,689,400	1.5%
Kellogg	9,813,500	133,800	9,947,300	1.4%	136,600	9,950,100	1.4%	195,200	10,008,700	2.0%	136,600	9,950,100	1.4%
Kirtland	3,167,700	56,600	3,224,300	1.8%	53,800	3,221,500	1.7%	76,900	3,244,600	2.4%	53,800	3,221,500	1.7%
Lake Michigan	5,342,900	71,900	5,414,800	1.3%	74,800	5,417,700	1.4%	106,900	5,449,800	2.0%	74,800	5,417,700	1.4%
Lansing	30,877,600	412,300	31,289,900	1.3%	410,600	31,288,200	1.3%	586,500	31,464,100	1.9%	410,600	31,288,200	1.3%
Macomb	32,816,600	405,800	33,222,400	1.2%	422,900	33,239,500	1.3%	604,000	33,420,600	1.8%	422,900	33,239,500	1.3%
Mid Michigan	4,682,000	79,500	4,761,500	1.7%	75,700	4,757,700	1.6%	108,100	4,790,100	2.3%	75,700	4,757,700	1.6%
Monroe	4,492,900	72,200	4,565,100	1.6%	72,700	4,565,600	1.6%	103,900	4,596,800	2.3%	72,700	4,565,600	1.6%
Montcalm	3,226,700	55,100	3,281,800	1.7%	53,900	3,280,600	1.7%	77,000	3,303,700	2.4%	53,900	3,280,600	1.7%
Mott	15,686,100	214,800	15,900,900	1.4%	215,600	15,901,700	1.4%	308,100	15,994,200	2.0%	215,600	15,901,700	1.4%
Muskegon	8,901,000	112,800	9,013,800	1.3%	119,700	9,020,700	1.3%	171,000	9,072,000	1.9%	119,700	9,020,700	1.3%
North Central	3,172,400	50,900	3,223,300	1.6%	52,400	3,224,800	1.7%	74,900	3,247,300	2.4%	52,400	3,224,800	1.7%
Northwestern	9,078,800	116,300	9,195,100	1.3%	121,700	9,200,500	1.3%	173,800	9,252,600	1.9%	121,700	9,200,500	1.3%
Oakland	21,123,300	307,500	21,430,800	1.5%	306,100	21,429,400	1.4%	437,300	21,560,600	2.1%	306,100	21,429,400	1.4%
St. Clair	7,061,600	93,000	7,154,600	1.3%	96,400	7,158,000	1.4%	137,700	7,199,300	1.9%	96,400	7,158,000	1.4%
Schoolcraft	12,513,700	202,400	12,716,100	1.6%	192,700	12,706,400	1.5%	275,200	12,788,900	2.2%	192,700	12,706,400	1.5%
Southwestern	6,576,400	76,600	6.653.000	1.2%	81,200	6,657,600	1.2%	116,000	6,692,400	1.8%	81,200	6,657,600	1.2%
Washtenaw	13,077,300	252,700	13,330,000	1.9%	223,800	13,301,100	1.7%	319,700	13,397,000	2.4%	223,800	13,301,100	1.7%
Wayne County	16,727,600	287,300	17,014,900	1.7%	262,200	16,989,800	1.6%	374,600	17,102,200	2.2%	262,200	16,989,800	1.6%
West Shore	2,414,900	30,000	2,444,900	1.2%	31,300	2,446,200	1.3%	44,700	2,459,600	1.9%	31,300	2,446,200	1.3%
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Subtotal Operations:	\$307,191,300	\$4,300,700	\$311,492,000	1.4%	\$4,300,700	\$311,492,000	1.4%	\$6,143,800	\$313,335,100	2.0%	\$4,300,700	\$311,492,000	1.4%
Independent Part-Time Student Grants	\$0	\$6,000,000	\$6,000,000		\$6,000,000	\$6,000,000		\$2,928,100	\$2,928,100		\$0	\$0	0.0%
MPSERS Retiree Health Care	1.733.600	0	1,733,600	0.0%	0	1,733,600	0.0%	φ2,020,100	1,733,600	0.0%	0	1,733,600	0.0%
MPSERS Reform Costs	52,300,000	17,200,000	69,500,000	32.9%	17.200.000	69,500,000	32.9%	17,200,000	69,500,000	32.9%	17,200,000	69,500,000	32.9%
Renaissance Zone Reimbursements	3,500,000	1,600,000	5,100,000	45.7%	1,600,000	5,100,000	45.7%	1,600,000	5,100,000	45.7%	1,600,000	5,100,000	45.7%
TOTALISSAINS ZONE INSTITUTIONIS	3,300,000	1,000,000	3, 100,000	75.1 /0	1,000,000	3,100,000	75.770	1,000,000	3,100,000	75.770	1,000,000	3,100,000	75.1 /0
Total Appropriations:	\$364,724,900	\$29,100,700	\$393,825,600	8.0%	\$29,100,700	\$393,825,600	8.0%	\$27,871,900	\$392,596,800	7.6%	\$23,100,700	\$387,825,600	6.3%
State School Aid Fund	364,724,900	(108,010,100)	256,714,800	-29.6%	(93,610,100)	271,114,800	-25.7%	(\$108,010,100)	256,714,800	-29.6%	(108,010,100)	256,714,800	-29.6%
GF/GP	\$0	\$137,110,800	\$137,110,800		\$122,710,800	\$122,710,800		\$135,882,000	\$135,882,000		\$131,110,800	\$131,110,800	