

# FY 2018-19: COMMUNITY COLLEGES

## Summary: Conference Report

### Senate Bill 851 (S-1) CR-1



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IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Conference	Difference: Conference From FY 2017-18 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	398,301,500	405,015,500	408,215,500	405,015,500	408,215,500	9,914,000	2.5
<b>GF/GP</b>	1,025,000	0	0	3,190,500	0	(1,025,000)	(100)
<b>Gross</b>	<b>\$399,326,500</b>	<b>\$405,015,500</b>	<b>\$408,215,500</b>	<b>\$408,206,000</b>	<b>\$408,215,500</b>	<b>\$8,889,000</b>	<b>2.2</b>

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5579 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 851 as passed by the Senate.

#### Overview

The Community Colleges budget supports the 28 public community colleges located throughout the state. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associates' degrees, career and technical education, developmental and remedial education, continuing education, and baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

#### Major Budget Changes From FY 2017-18 YTD Appropriations

##### 1. Michigan Public School Employee Retirement System (MPERS)

Executive increases funding by \$4.5 million SAF for MPERS. This includes a reduction of \$3.2 million SAF for the state's share of colleges' unfunded liability to MPERS and a \$7.7 million SAF increase to cover the second year of a two-year phase in to reduce the assumed rate of return for MPERS from 8% to 7.5%. The state's share is the difference between the actuarial accrued liability to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement act (MCL 38.1341). Total funding for the state share of MPERS would be \$75.3 million SAF. House concurs. Senate concurs. Conference concurs.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$70,805,000</b>	<b>\$4,495,000</b>
Restricted	70,805,000	4,495,000
GF/GP	\$0	\$0

##### 2. Community College Operations Grants

House increases funding by \$3.2 million SAF, a 1.0% increase, distributed using the Performance Funding Formula. Funding for Operations grants would total \$322.3 million SAF.

Senate increases funding by \$3.2 million GF/GP, a 1.0% increase. \$1.7 million of the increase is allocated to colleges that received less than 3.0% of FY 2017-18 PPT payments. \$1.5 million is distributed using the Performance Funding Formula. Funding for Operations grants would total \$322.2 million (\$3.2 million GF/GP).

Conference increases funding by \$3.2 million SAF, a 1.0% increase. \$735,400 of the increase is allocated to colleges that received less than 2.0% of FY 2017-18 PPT payments. \$2.5 million is distributed using the Performance Funding Formula. Funding for Operations grants would total \$322.3 million SAF.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$319,050,900</b>	<b>\$3,200,000</b>
Restricted	319,050,900	3,200,000
GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>	
<b>3. MPERS Normal Cost Offset</b>		<b>Gross</b>	<b>\$3,612,000</b>	<b>\$2,819,000</b>
<u>Executive</u> increases funding by \$2.8 million SAF to reimburse community colleges for their normal cost portion for the second year of a two-year phase in to reduce the assumed rate of return for MPERS from 8% to 7.5%. The total funding for MPERS normal cost offset would be \$6.4 million.		Restricted	3,612,000	2,819,000
<u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.		GF/GP	\$0	\$0
<b>4. Renaissance Zone Reimbursement Costs</b>		<b>Gross</b>	<b>\$3,100,000</b>	<b>(\$600,000)</b>
<u>Executive</u> reduces funding for Renaissance Zone reimbursements to community colleges by \$600,000 SAF. Estimated reimbursement payments required by statute have decreased due to Personal Property Tax reforms. Total funding for reimbursements would be \$2.5 million SAF. <u>House</u> concurs.		Restricted	3,100,000	(600,000)
<u>Senate</u> concurs. <u>Conference</u> concurs.		GF/GP	\$0	\$0
<b>5. Removal of One-Time Funding</b>		<b>Gross</b>	<b>\$1,025,000</b>	<b>(\$1,025,000)</b>
<u>Executive</u> eliminates \$1.0 million GF/GP of one-time funding for the Michigan Transfer Network. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.		GF/GP	\$1,025,000	(\$1,025,000)

#### **Major Boilerplate Changes From FY 2017-18**

##### **Sec. 206. Community Colleges Activities Classification Structure (ACS) Data – REVISED**

Executive changes name of data collection entity from Activities Classification Structure to the Michigan Community Colleges Data Inventory. Deletes requirement that the State Budget Director notify the legislature before withholding funds from community colleges that fail to comply with requirements. House concurs with name change but retains State Budget Director notification requirement. Senate concurs with House. Conference concurs with House.

##### **Sec. 208. Self-Liquidating Projects – RETAINED**

Executive deletes language that prohibits colleges from using state funds for construction or maintenance of self-liquidating projects. Requires colleges to comply with Joint Capital Outlay Subcommittee (JCOS) use and finance policy for any capital outlay project. Subjects colleges that fail to comply with a penalty of 1% of the operations funding for each violation. House retains. Senate retains. Conference retains.

##### **Sec. 209. Community College Transparency – REVISED**

Executive changes formal name of community colleges database to Michigan Community College Data Inventory. Deletes a provision authorizing State Budget Director to withhold payment from a college that failed to comply with the reporting requirements. House concurs with name change but retains subsection on withholding payment. Senate concurs with House. Conference concurs with House.

##### **Sec. 209a. Campus Safety Information and Resources – NEW**

Senate adds language requiring community colleges to develop a “campus safety information and resources” link, which must be displayed on its website. The section must require various safety information and policies, and schools must certify compliance to the State Budget Director or have monthly state payments withheld. Conference concurs with Senate but directs schools to submit certification of compliance to the State Budget Director by August 31, 2018.

##### **Sec. 210f. Articulation Agreements and Academic Partnerships Reporting – NEW**

Executive adds language that requires the Michigan Community College Association (MCCA), the Michigan Association of State Universities (MASU), and the Michigan Independent Colleges and Universities (MICU) to report on the names and number of baccalaureate degree programs offered on community college campuses, the names of articulation agreements between universities and community colleges, and the number of students enrolled and degrees awarded through articulation agreements and on-campus baccalaureate programs. House concurs but relabels as Sec. 210f. Senate does not include. Conference concurs with House.

##### **Sec. 212. Cost Containment Initiatives – RETAINED**

Executive deletes language that encourages colleges to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, increasing web-based instruction, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance and group purchasing. House retains. Senate retains. Conference retains.

##### **Sec. 215. Annual Sexual Assault Reports – NEW**

House adds language requiring that community colleges must submit a Title IX annual report on sexual assault incidents, as required under the Campus Save Act of 2013, to the House and Senate subcommittees on Community Colleges, the House and Senate fiscal agencies, and the State Budget Director. Senate does not include. Conference concurs with House.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 217. Activities Classification Structure Data – REVISED***

Executive changes name of data collection entity from Activities Classification Structure to the Michigan Community Colleges Data Inventory and removes MCCA appointment restrictions for advisory committee.

House concurs and also adds language that the Center for Educational Performance and Information (CEPI) publishes the Demographic Enrollment Profile with support from the Talent Investment Agency.

Senate mostly concurs with House but states that CEPI compile and publish the Demographic Enrollment Profile. Retains MCCA appointment restrictions with new name of database.

Conference concurs with House on Demographic Enrollment Profile and concurs with Senate on MCCA appointment restrictions.

### ***Sec. 225. Tuition Rate Reports – REVISED***

Executive deletes language that requires community colleges to include the annual cost of attendance based on 30 credits.

House concurs but adds requirement that colleges must specify the total increase of tuition and fees from the prior academic year.

Senate revises language that community colleges must include the annual cost of tuition and fees based on 30 credits.

Conference concurs with House on specifying total increase of tuition and fees and concurs with Senate on annual cost of tuition and fees based on 30 credits.

### ***Sec. 226. Degrees Awarded by Colleges – REVISED***

Executive changes reporting deadline from November 15 to October 15. House concurs. Senate concurs. Conference concurs.

### ***Sec. 227. Community College Automobile Purchases – RETAINED***

Executive deletes language that forbids lease or purchase of foreign-made vehicles if vehicles made in Michigan or elsewhere in the U.S. are competitively priced and of comparable quality. House retains. Senate retains. Conference retains.

### ***Sec. 228. Communication with the Legislature – RETAINED***

Executive deletes language that forbids a community college from taking disciplinary action against an employee for communicating with the legislature. House retains. Senate retains. Conference retains.

**FY 2018-19 Community Colleges Operations Appropriations  
Conference Report**

	30%	10%	10%	10%	30%	5%	5%	100%					
	FY 2017-18 Base	Sustainability	Performance- Improvement	Performance- Completion Number	Performance- Completion Rate	Contact Hours	Administrative	Local Strategic Value	Total Formula Distribution	PPT Related Adjustments	Total Adjustments	% Change	FY 2018-19 Appropriation
Alpena	5,627,500	13,041	3,478	2,892	9,038	6,687	4,382	2,174	41,700	38,400	80,100	1.4%	\$5,707,600
Bay de Noc	5,589,000	12,952	3,468	3,310	3,454	6,762	3,662	2,159	35,800	0	35,800	0.6%	\$5,624,800
Delta	14,990,700	34,740	11,734	13,568	9,264	32,983	5,497	5,790	113,600	0	113,600	0.8%	\$15,104,300
Glen Oaks	2,601,400	6,029	3,950	1,454	1,608	4,440	151	1,005	18,600	0	18,600	0.7%	\$2,620,000
Gogebic	4,715,400	10,928	2,914	1,647	9,301	5,139	2,801	1,821	34,600	94,300	128,900	2.7%	\$4,844,300
Grand Rapids	18,556,800	43,004	11,468	14,338	11,468	59,783	5,246	7,167	152,500	0	152,500	0.8%	\$18,709,300
Henry Ford	22,299,200	51,677	13,781	11,531	19,443	53,521	5,886	8,613	164,400	0	164,400	0.7%	\$22,463,600
Jackson	12,590,100	29,177	7,780	6,445	7,780	19,629	5,299	4,863	81,000	27,100	108,100	0.9%	\$12,698,200
Kalamazoo Valley	12,948,700	30,008	8,002	9,498	8,002	31,977	5,378	5,001	97,900	0	97,900	0.8%	\$13,046,600
Kellogg	10,143,600	23,507	6,269	6,843	6,269	18,216	5,758	3,918	70,800	0	70,800	0.7%	\$10,214,400
Kirtland	3,289,400	7,623	7,490	2,688	2,033	6,688	4,448	1,270	32,200	0	32,200	1.0%	\$3,321,600
Lake Michigan	5,523,600	12,801	3,456	3,126	3,413	13,652	2,537	2,133	41,100	107,400	148,500	2.7%	\$5,672,100
Lansing	32,324,200	74,909	19,976	22,752	19,976	55,610	4,673	12,485	210,300	191,300	401,600	1.2%	\$32,725,800
Macomb	33,863,600	78,477	29,132	21,734	26,103	86,522	5,449	13,079	260,400	0	260,400	0.8%	\$34,124,000
Mid-Michigan	4,968,900	11,515	3,071	5,540	3,071	14,963	3,979	1,919	44,100	99,400	143,500	2.9%	\$5,112,400
Monroe County	4,665,500	10,812	6,289	3,531	2,883	12,480	5,294	1,802	43,100	0	43,100	0.9%	\$4,708,600
Montcalm	3,446,300	7,987	2,130	2,940	2,130	5,796	5,342	1,331	27,700	68,900	96,600	2.8%	\$3,542,900
Mott	16,258,100	37,677	10,047	16,362	15,160	33,524	4,456	6,280	123,500	0	123,500	0.8%	\$16,381,600
Muskegon	9,203,000	21,327	5,687	3,880	5,687	15,742	5,803	3,555	61,700	0	61,700	0.7%	\$9,264,700
North Central	3,353,200	7,771	2,072	2,467	7,466	8,185	4,904	1,295	34,200	15,200	49,400	1.5%	\$3,402,600
Northwestern	9,508,900	22,036	5,876	5,896	5,876	17,809	4,519	3,673	65,700	50,800	116,500	1.2%	\$9,625,400
Oakland	21,905,700	50,765	25,985	20,923	13,537	62,671	5,034	8,461	187,300	0	187,300	0.9%	\$22,093,000
Schoolcraft	12,991,300	30,107	10,601	12,434	13,424	44,814	5,223	5,018	121,600	0	121,600	0.9%	\$13,112,900
Southwestern	6,860,700	15,899	4,240	4,587	4,240	9,356	2,616	2,650	43,600	42,600	86,200	1.3%	\$6,946,900
St. Clair	7,300,100	16,918	4,511	4,835	9,807	15,322	4,372	2,820	58,600	0	58,600	0.8%	\$7,358,700
Washtenaw	13,631,400	31,590	8,424	20,760	13,732	47,632	5,174	5,265	132,600	0	132,600	1.0%	\$13,764,000
Wayne County	17,338,300	40,180	23,049	18,914	10,715	44,835	4,501	6,697	148,900	0	148,900	0.9%	\$17,487,200
West Shore	2,556,300	5,924	1,580	1,564	1,580	4,641	846	987	17,100	0	17,100	0.7%	\$2,573,400
	<b>319,050,900</b>	<b>739,380</b>	<b>246,460</b>	<b>246,460</b>	<b>246,460</b>	<b>739,380</b>	<b>123,230</b>	<b>123,230</b>	<b>2,464,600</b>	<b>735,400</b>	<b>3,200,000</b>	<b>1.0%</b>	<b>\$322,250,900</b>