



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 851 (S-1, Draft 2 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 SENATE SUBCOMM.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	N/A	N/A	N/A	N/A
GROSS	399,326,500	408,206,000	8,879,500	2.2
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	399,326,500	408,206,000	8,879,500	2.2
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	399,326,500	408,206,000	8,879,500	2.2
Less:				
Other State Restricted Funds	398,301,500	405,015,500	6,714,000	1.7
GENERAL FUND/GENERAL PURPOSE	1,025,000	3,190,500	2,165,500	211.3
PAYMENTS TO LOCALS	399,326,500	408,206,000	8,879,500	2.2

*As of February 7, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$399,326,500
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Changes from FY 2017-18 Year-to-Date:

- College Operations.** Governor did not include a funding increase for community college operations, based on additional funding that colleges receive due to changes in the personal property tax (PPT) law. Governor is recommending that the distribution of excess PPT funds (payments in excess of 100% of the calculated loss) be changed so that there is a more equitable allocation of funding. 3,190,500

 Senate included a \$3,190,500 GF/GP (1.0%) increase. Of the increase, \$1.7 million is allocated to adjust for PPT payments received by colleges in November of 2017. Colleges that received PPT excess payments that equaled less than 3.0% of the colleges FY 2017-18 State operations appropriation receive a portion of the \$1.7 million distribution. The balance of the funding (\$1.5 million) is distributed based on the 2016 Performance Indicators Review Task Force formula.

 See attached [Table 1](#) and [Table 2](#) for details.
- Michigan Public School Employees' Retirement System (MPERS).** Adjustments include an increase of \$7,662,000 School Aid Fund (SAF) related to decreasing the assumed rate of return for the Unfunded Actuarial Accrued Liability (UAAL); a one-time increase of \$2,819,000 SAF due to decreasing the assumed rate of return for the normal cost hold harmless; and a decrease of \$3,167,000 SAF for the State's rate cap obligation. Senate concurred with Governor. 7,314,000
- Renaissance Zone Reimbursements.** The appropriation is reduced from \$3.1 million to \$2.5 million SAF based on projected payments and the impact of personal property tax reforms. Senate concurred with Governor. (600,000)

4. **Michigan Transfer Network Enhancements.** Governor and Senate eliminated the FY 2017-18 one-time \$1,025,000 GF/GP appropriation for improvements to the Michigan Transfer Network (MTN). The MTN website helps students, advisers, and the general public, find transfer course equivalencies between Michigan colleges and universities. The enhancement funding provided for a new MTN website, including a new course equivalency database, information about the Michigan Transfer Agreement, and associate to bachelor's degree transfer pathways that allow a student to maximize coursework at community colleges and universities. (1,025,000)
5. **Comparison to Governor's Recommendation.** The Senate is \$3,190,500 Gross (all GF/GP) over the Governor.

Total Changes	\$8,879,500
FY 2018-19 Senate Appropriations Subcommittee Gross Recommendation	\$408,206,000

Boilerplate Changes from FY 2017-18 Year-to-Date:

1. **Michigan Transfer Network Website Enhancements.** Governor and Senate removed language that provided criteria for the one-time FY 2017-18 \$1,025,000 appropriation for enhancements to the MTN. (Sec. 201 (7))
2. **Payment Distribution Schedule.** Provides for payment schedule. If the State Budget Director determines that a community college failed to submit Activities Classification Structure (ACS) data to the Center Educational Performance and Information (CEPI) by November 1, or failed to submit its longitudinal data system data set, the State Treasurer shall withhold the monthly installments from that community college until those data are submitted. The State Budget Director is required to notify the community college subcommittee chairs at least 10 days before withholding funds from any community college. Governor changed the reference from "Activities Classification Structure" (ACS) to the Michigan Community College Data Inventory (MCCDI), removed prior notice to the Legislature requirement regarding withholding funds, and updated date references. Senate concurred with updating the reference for the MCCDI and dates, but maintained the prior notice to the Legislature requirement regarding withholding funds. (Sec. 206)
3. **Transparency.** Requires community colleges to make available through links on website homepages annual operating budgets, 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, board of trustees resolution regarding compliance with best practices, and opportunities for earning college credit through dual enrollment. Provides that the State Budget Director determines compliance and authorizes withholding of State aid payments for noncompliance, contingent on ten days prior notice to the community college subcommittees. Governor removed the State Budget Director's authority to determine compliance and withhold funds for failure to comply with transparency site requirements. Governor also changed the reference from the ACS to the MCCDI. Senate concurred with the MCCDI change, but maintained the Budget Director's authority to determine compliance and withhold funds for failure to comply with transparency site requirements. (Sec. 209)
4. **Campus Safety Information and Resources.** Senate added new language requiring public community colleges to develop, maintain, and update a "campus safety information and resources" link, prominently displayed on the homepage of its website. Information required to be included on the "campus safety information and resources" section of each public community college's website shall include, but not be limited to, all of the following information:
 - Emergency contact numbers for police, fire, health, and other services.
 - Hours, locations, phone numbers, and electronic mail contacts for campus public safety offices and Title IX offices.
 - A listing of safety and security services provided by the college, including transportation, escort services, building surveillance, anonymous tip lines, and other available security services.
 - A public community college's policies applicable to minors on college property.
 - A directory of resources available at the college or surrounding community for students or employees who are survivors of sexual assault or sexual abuse.
 - An electronic copy of "A Resource Handbook for Campus Sexual Assault Survivors, Friends and Family," published in 2018 by the office of the governor in conjunction with the first lady of Michigan.
 - Campus security policies and crime statistics pursuant to the Student Right-to-Know and Campus Security Act, public law 101-542, 104 stat 2381.

The State Budget Director shall determine whether a public community college has complied with this section and may withhold a public community college's monthly State aid payments until the public community college complies with this section. (Sec. 209a)

5. **Academic Program Partnerships.** Governor added language requiring the Michigan Community College Association, the Michigan Association of State Universities, and the Michigan Independent Colleges and Universities, on behalf of their member colleges and universities, to submit a comprehensive report detailing the number of academic program partnerships between public community colleges, public universities, and private colleges and universities. This language was first included with the FY 2016-17 appropriation. It was removed in FY 2017-18. Governor recommended that it be restored in FY 2018-19. Senate did not concur. (formerly Sec. 210e)
6. **Community College Database.** Requires the Center for Educational Performance and Information (CEPI) to establish, maintain, and coordinate the State community college database. The Governor changed references from ACS to MCCDI, and eliminated the requirement that appointments by the Michigan Community College Association (MCCA) to the MCCDI advisory group include one representative for each category of college based on the four groupings of colleges designated in the ACS annual report (now MCCDI). Senate concurred with updated references to the name of the college database, but maintained the requirement that the MCCA appoint members to the database workgroup from each of the four categories of community colleges. Senate added the requirement that CEPI annually compile and publish the Demographic Enrollment Profile. (Sec. 217)
7. **Tuition and Mandatory Fees Report.** Each community college shall report to the center by August 31 of each year the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the current academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported current academic year tuition and mandatory fees adopted by the college governing board to the center within 15 days of being adopted. The center shall provide this information and any revisions to the house and senate fiscal agencies and the state budget director. Governor eliminated: "This report should also include the annual cost of attendance based on a full-time course load of 30 credits." Senate maintained the requirement, and clarified that the annual cost is specific to "tuition and fees." (Sec. 225)
8. **Associate Degree Report.** Each community college shall report to the center the numbers and type of associate degrees and other certificates awarded by the community college during the previous fiscal year. The report shall be made not later than November 15 of each year. Community colleges shall work with the center to develop a systematic approach for meeting this requirement using the P-20 longitudinal data system. Governor and Senate modified this language by requiring colleges to report to CEPI by October 15 of each year, and adjusting language to reflect the current status of the development of the approach to submit data, using the P-20 Longitudinal Data System. (Sec. 226)
9. **Restored Provisions.** Senate restored the following sections that were deleted by 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 cost containment measures and collaborations (Sec. 212); prohibits use of appropriations for purchase or lease of foreign automobiles (Sec. 227); and prohibits disciplinary action against an employee for communicating with a member of the Legislature or legislative staff. (Sec. 228)

Date Completed: 4-11-18

Fiscal Analyst: Bill Bowerman

Table 1: FY 2018-19 Community College Appropriations - Senate

College	FY 2017-18 Year-To-Date	FY 2018-19 Adjustments											
		30.0% Sustainability*	10.0% Performance Improvement	10.0% Performance Completion #	10.0% Performance Completion Rate	30.0% Contact Hours	5.0% Administrative Costs	5.0% Local Strategic Value	Total Formula Distribution	Non-Formula Adjustments	Total Adjustments	FY 2018-19 Appropriation	Percent Change
Alpena	\$5,627,500	\$7,794	\$2,078	\$1,728	\$5,402	\$3,997	\$2,619	\$1,299	\$24,900	\$94,600	\$119,500	\$5,747,000	2.1%
Bay de Noc	5,589,000	7,741	2,073	1,978	2,064	4,041	2,188	1,290	21,400	0	21,400	5,610,400	0.4
Delta	14,990,700	20,763	7,013	8,109	5,537	19,713	3,285	3,460	67,900	0	67,900	15,058,600	0.5
Glen Oaks	2,601,400	3,603	2,361	869	961	2,654	90	601	11,100	0	11,100	2,612,500	0.4
Gogebic	4,715,400	6,531	1,742	984	5,559	3,071	1,674	1,089	20,600	141,500	162,100	4,877,500	3.4
Grand Rapids	18,556,800	25,702	6,854	8,569	6,854	35,730	3,136	4,284	91,100	0	91,100	18,647,900	0.5
Henry Ford	22,299,200	30,885	8,236	6,892	11,620	31,988	3,518	5,148	98,300	0	98,300	22,397,500	0.4
Jackson	12,590,100	17,438	4,650	3,852	4,650	11,732	3,167	2,906	48,400	153,000	201,400	12,791,500	1.6
Kalamazoo Valley	12,948,700	17,935	4,783	5,677	4,783	19,111	3,214	2,989	58,500	0	58,500	13,007,200	0.5
Kellogg	10,143,600	14,049	3,746	4,090	3,746	10,887	3,441	2,342	42,300	0	42,300	10,185,900	0.4
Kirtland	3,289,400	4,556	4,477	1,606	1,215	3,997	2,658	759	19,300	0	19,300	3,308,700	0.6
Lake Michigan	5,523,600	7,650	2,065	1,868	2,040	8,159	1,516	1,275	24,600	162,600	187,200	5,710,800	3.4
Lansing	32,324,200	44,770	11,939	13,598	11,939	33,236	2,793	7,462	125,700	514,500	640,200	32,964,400	2.0
Macomb	33,863,600	46,903	17,411	12,990	15,601	51,711	3,257	7,817	155,700	0	155,700	34,019,300	0.5
Mid Michigan	4,968,900	6,882	1,835	3,311	1,835	8,943	2,378	1,147	26,300	149,100	175,400	5,144,300	3.5
Monroe	4,665,500	6,462	3,758	2,110	1,723	7,459	3,164	1,077	25,800	0	25,800	4,691,300	0.6
Montcalm	3,446,300	4,773	1,273	1,757	1,273	3,464	3,193	796	16,500	103,400	119,900	3,566,200	3.5
Mott	16,258,100	22,518	6,005	9,779	9,061	20,036	2,663	3,753	73,800	93,000	166,800	16,424,900	1.0
Muskegon	9,203,000	12,747	3,399	2,319	3,399	9,409	3,468	2,124	36,900	0	36,900	9,239,900	0.4
North Central	3,353,200	4,644	1,238	1,474	4,462	4,892	2,931	774	20,400	48,700	69,100	3,422,300	2.1
Northwestern	9,508,900	13,170	3,512	3,524	3,512	10,643	2,701	2,195	39,300	145,900	185,200	9,694,100	1.9
Oakland	21,905,700	30,340	15,531	12,505	8,091	37,456	3,009	5,057	112,000	0	112,000	22,017,700	0.5
Schoolcraft	12,991,300	17,994	6,336	7,431	8,023	26,784	3,122	2,999	72,700	0	72,700	13,064,000	0.6
Southwestern	6,860,700	9,502	2,534	2,742	2,534	5,592	1,564	1,584	26,100	111,200	137,300	6,998,000	2.0
St. Clair	7,300,100	10,111	2,696	2,890	5,861	9,158	2,613	1,685	35,000	0	35,000	7,335,100	0.5
Washtenaw	13,631,400	18,880	5,035	12,408	8,207	28,468	3,092	3,147	79,200	0	79,200	13,710,600	0.6
Wayne County	17,338,300	24,014	13,775	11,304	6,404	26,796	2,690	4,002	89,000	0	89,000	17,427,300	0.5
West Shore	2,556,300	3,541	944	935	944	2,774	505	590	10,200	0	10,200	2,566,500	0.4
Subtotal Operations:	\$319,050,900	\$441,900	\$147,300	\$147,300	\$147,300	\$441,900	\$73,650	\$73,650	\$1,473,000	\$1,717,500	\$3,190,500	\$322,241,400	100.0%
MPSERS Retiree Health Care	1,733,600									0	0	1,733,600	0.0%
MPSERS Reform Costs	70,805,000									4,495,000	4,495,000	75,300,000	6.3
Renaissance Zone Reimbursements	3,100,000									(600,000)	(600,000)	2,500,000	(19.4)
MI Transfer Network Enhancements (one-time)	1,025,000									(1,025,000)	(1,025,000)	0	(100.0)
MPSERS Normal Cost Offset (one-time)	3,612,000									2,819,000	2,819,000	6,431,000	78.0
Total Appropriations	\$399,326,500	\$441,900	\$147,300	\$147,300	\$147,300	\$441,900	\$73,650	\$73,650	\$1,473,000	\$7,406,500	\$8,879,500	\$408,206,000	2.2%
State School Aid Fund	398,301,500	0	0	0	0	0	0	0	0	6,714,000	6,714,000	405,015,500	1.7
GF/GP	\$1,025,000	\$441,900	\$147,300	\$147,300	\$147,300	\$441,900	\$73,650	\$73,650	\$1,473,000	\$692,500	\$2,165,500	\$3,190,500	211.3%

Table 2: FY 2018-19 Community College Appropriations: Senate Compared to Governor

College	FY 2017-18 Year-To-Date	FY 2018-19 Governor's Recommendation			FY 2018-19 Senate		
		Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change
Alpena	\$5,627,500	\$0	\$5,627,500	0.0%	\$119,500	\$5,747,000	2.1%
Bay de Noc	5,589,000	0	5,589,000	0.0	21,400	5,610,400	0.4
Delta	14,990,700	0	14,990,700	0.0	67,900	15,058,600	0.5
Glen Oaks	2,601,400	0	2,601,400	0.0	11,100	2,612,500	0.4
Gogebic	4,715,400	0	4,715,400	0.0	162,100	4,877,500	3.4
Grand Rapids	18,556,800	0	18,556,800	0.0	91,100	18,647,900	0.5
Henry Ford	22,299,200	0	22,299,200	0.0	98,300	22,397,500	0.4
Jackson	12,590,100	0	12,590,100	0.0	201,400	12,791,500	1.6
Kalamazoo Valley	12,948,700	0	12,948,700	0.0	58,500	13,007,200	0.5
Kellogg	10,143,600	0	10,143,600	0.0	42,300	10,185,900	0.4
Kirtland	3,289,400	0	3,289,400	0.0	19,300	3,308,700	0.6
Lake Michigan	5,523,600	0	5,523,600	0.0	187,200	5,710,800	3.4
Lansing	32,324,200	0	32,324,200	0.0	640,200	32,964,400	2.0
Macomb	33,863,600	0	33,863,600	0.0	155,700	34,019,300	0.5
Mid Michigan	4,968,900	0	4,968,900	0.0	175,400	5,144,300	3.5
Monroe	4,665,500	0	4,665,500	0.0	25,800	4,691,300	0.6
Montcalm	3,446,300	0	3,446,300	0.0	119,900	3,566,200	3.5
Mott	16,258,100	0	16,258,100	0.0	166,800	16,424,900	1.0
Muskegon	9,203,000	0	9,203,000	0.0	36,900	9,239,900	0.4
North Central	3,353,200	0	3,353,200	0.0	69,100	3,422,300	2.1
Northwestern	9,508,900	0	9,508,900	0.0	185,200	9,694,100	1.9
Oakland	21,905,700	0	21,905,700	0.0	112,000	22,017,700	0.5
Schoolcraft	12,991,300	0	12,991,300	0.0	72,700	13,064,000	0.6
Southwestern	6,860,700	0	6,860,700	0.0	137,300	6,998,000	2.0
St. Clair	7,300,100	0	7,300,100	0.0	35,000	7,335,100	0.5
Washtenaw	13,631,400	0	13,631,400	0.0	79,200	13,710,600	0.6
Wayne County	17,338,300	0	17,338,300	0.0	89,000	17,427,300	0.5
West Shore	2,556,300	0	2,556,300	0.0	10,200	2,566,500	0.4
Subtotal Operations:	\$319,050,900	\$0	\$319,050,900	0.0%	\$3,190,500	\$322,241,400	1.0%
MPERS Retiree Health Care	\$1,733,600	\$0	\$1,733,600	0.0%	\$0	\$1,733,600	0.0%
MPERS Reform Costs	70,805,000	4,495,000	75,300,000	6.3	4,495,000	75,300,000	6.3
Renaissance Zone Reimbursements	3,100,000	(600,000)	2,500,000	(19.4)	(600,000)	2,500,000	(19.4)
MI Transfer Network Enhancements (one-time)	1,025,000	(1,025,000)	0	(100.0)	(1,025,000)	0	(100.0)
MPERS Normal Cost Offset (one-time)	3,612,000	2,819,000	6,431,000	78.0	2,819,000	6,431,000	78.0
Total Appropriations:	\$399,326,500	\$5,689,000	\$405,015,500	1.4%	\$8,879,500	\$408,206,000	2.2%
State School Aid Fund	398,301,500	6,714,000	405,015,500	1.7	6,714,000	405,015,500	1.7
GF/GP	\$1,025,000	(\$1,025,000)	\$0	(100.0%)	\$2,165,500	\$3,190,500	211.3%