

Summary: As Reported by House Committee
COMMUNITY COLLEGES
FY 2004-05 Senate Bill 1062



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	FY 2003-04 YTD				Difference: House Cmte. from FY 2003-04 YTD	
	(as of 2/12/04)	Executive	Senate	House Committee	Enacted	Amount %
IDG/IDT	\$0	\$0	\$0	\$0		\$0 --
Federal	0	0	0	0		0 --
Local	0	0	0	0		0 --
Private	0	0	0	0		0 --
Restricted	0	0	0	0		0 --
GF/GP	276,578,600	285,747,000	285,747,000	285,752,800		\$9,174,200 3.3
Gross	\$276,578,600	\$285,747,000	\$285,747,000	\$285,752,800		\$9,174,200 3.3
FTEs	0.0	0.0	0.0	0.0		0.0 --

Overview

The Community Colleges budget currently includes funds for the operations of the state's 28 community colleges, the At-Risk Student Success Program, and renaissance zone tax reimbursement to the colleges. Funding for operations grants to the colleges makes up 98 percent of the FY 2003-04 budget.

Major Budget Changes from FY 2003-04 YTD Appropriations:		FY 2003-04 YTD (as of 2/12/04)	House Cmte. Change
1. Operations Funding	Gross	\$271,505,900	\$8,518,400
<u>Exec. Rec., Senate, and House Committee:</u> Assumes all 28 colleges comply with tuition restraint provisions. Appropriation for each college is increased by an amount equal to 3.0 percent of the original FY 2003-04 enacted appropriation, but—since compliant colleges would receive identical increase for FY 2003-04 under language enacted in conjunction with Executive Order 2003-23 (or new section 1201)—ultimate result would be a flat appropriation. Appropriations for colleges not adhering to tuition restraint provisions would be reduced by 3.0 percent of the original FY 2003-04 enacted appropriation. (See below for details regarding the boilerplate language governing tuition restraint.)	GF/GP	\$271,505,900	\$8,518,400
2. Renaissance Zone Tax Reimbursement	Gross	\$1,750,000	\$650,000
<u>Exec. Rec., Senate, and House Committee:</u> Increases funding for reimbursement to colleges with renaissance zones in their districts, pursuant to the Michigan Renaissance Zone Act (MCL 125.2692), to reflect projected increases in taxable value in those zones.	GF/GP	\$1,750,000	\$650,000
3. Items of Difference	Gross	NA	\$5,800
<u>House Committee:</u> Includes \$100 item of difference from Senate-passed bill in all line items.	GF/GP	NA	\$5,800

Major Boilerplate Changes from FY 2003-04:

Note: For existing sections, section numbers are from current-year budget bill.

Sec. 207. FY 2004-05 Tuition Restraint – NEW

Provides that a portion of each college's appropriation equal to 6.0 percent of its original FY 2003-04 enacted appropriation only be paid if the college certifies by June 30, 2004 that it did not adopt an increase in its 2003-04 tuition and fee rates after December 1, 2004 and that it will not adopt an increase in its 2004-05 tuition and fee rates exceeding the projected increase in the Detroit Consumer Price Index (CPI) for 2005 from the January 2004 Revenue Estimating Conference (2.3 or 2.4 percent). Includes a clause allowing colleges that have already implemented a 2003-04 tuition increase (adopted after December 1, 2003) to rebate that increase and remain eligible for the appropriation increase. Exec. Rec. adds section. Senate concurs but specifies that provisions apply only to in-district tuition and fee rates, provides that the House and Senate Fiscal Agencies be involved in establishing reporting requirements, and states that the appropriations for compliant colleges will not be reduced in FY 2004-05. House Committee concurs with Senate but sets limit on tuition increases at 3.0 percent, rather than the projected Detroit CPI.

Sec. 208. Entrepreneurship Curriculum – NEW

Requires Department of Labor and Economic Growth to work with community colleges to develop an accelerated entrepreneurship curriculum, including an associate's degree. Exec. Rec. adds section. Senate and House Committee concur.

Sec. 210. Deprived and Depressed Communities – RETAINED

Requires colleges to take reasonable steps to ensure that businesses in deprived and depressed communities compete for and perform contracts. Exec. Rec. deletes. Senate and House Committee retain.

Sec. 211. Payment Schedule – RETAINED

Provides for appropriations payment schedules. Exec. Rec. eliminates provision requiring full payment of the At-Risk Student Success Program funds by November 1; payments would be made on same schedule as operations funding (11 monthly payments). Senate and House Committee retain provision requiring full payment by November 1.

Sec. 216(3). MPSERS Reports – RETAINED

Exec. Rec. eliminates subsection limiting number of reports colleges must submit annually to Michigan Public School Employees Retirement System (MPSERS) to four. Senate and House Committee retain.

Sec. 219. Tax Loss Data – RETAINED

Requires Department of Treasury to compile data on tax losses to colleges resulting from tax increment financing authorities and tax abatements. Exec. Rec. deletes. Senate concurs. House Committee retains.

Sec. 220. Special Maintenance Projects – RETAINED

States legislative intent regarding development of financing alternatives for special maintenance projects at community colleges. Exec. Rec. deletes. Senate concurs. House Committee retains.

Sec. 224. Collaboration with Four-Year Universities – RETAINED

Encourages colleges to explore ways to increase collaboration and cooperation with four-year universities. Exec. Rec. deletes. Senate and House Committee retain.

Sec. 226. Tuition and Fee Reporting – RETAINED

Requires colleges to report information regarding tuition and fee rates. Exec. Rec. retains. Senate adds requirement that cost of attendance based on 30 credit hours be reported. House Committee concurs with Exec. Rec.

Sec. 228. Gast-Mathieu Formula – RETAINED

States legislative intent that Gast-Mathieu Formula be fully funded. Exec. Rec. deletes. Senate and House Committee retain.

Sec. 230. Abortion Services – RETAINED

Prohibits expenditure of state funding for health care coverage for abortion services. Exec. Rec. deletes. Senate and House Committee retain.

Sec. 231. Benefits for Unmarried Partners – RETAINED

States legislative intent that state funding not be used to extend benefits to unmarried partners of employees. Exec. Rec. deletes. Senate and House Committee retain.

Sec. 233. Preventative Contraceptives – DELETED

Encourages inclusion of preventative contraceptives in prescription coverage. Exec. Rec. deletes. Senate and House Committee concur.

Major Boilerplate Changes from FY 2003-04:

Sec. 234. Promotion of Equal Opportunity – RETAINED

States legislative intent that colleges promote equal opportunity and eliminate discrimination. Exec. Rec. deletes. Senate and House Committee retain.

Sec. 235. State University Admission/Enrollment Policies – RETAINED/REVISED

States legislative intent regarding workgroup to evaluate state university admission and enrollment policies. Exec. Rec. deletes. Senate retains and amends language to allow Michigan Community College Association to form workgroup. House Committee concurs with Senate.

Sec. 236. Tuition Reciprocity Agreements – NEW

States legislative intent (1) that tuition reciprocity agreements be submitted for review and approval by the appropriations committees at least once every three years and (2) that, under such agreements, out-of-state students pay the in-state, out-of-district rate at the Michigan community college(s). House Committee adds section.

Sec. 237. Payments in Lieu of Taxes – NEW

States legislative intent that a workgroup be formed to evaluate the possibility of making payments in lieu of taxes to community colleges whose districts contain state-owned land. House Committee adds section.

Sec. 238. Optional Retirement Plan – NEW

States legislative intent that a workgroup be formed to evaluate the impact of expanding eligibility for the Optional Retirement Plan (a defined contribution plan available to full-time community college faculty and administrative staff as an alternative to the MPSERS defined benefit plan) to include part-time faculty. House Committee adds section.

Sec. 402. University Appropriations Increases – RETAINED

States legislative intent that any subsequent proposal to increase appropriations for four-year universities be accompanied by similar action for community colleges. Exec. Rec. deletes. Senate and House Committee retain.

Sec. 403. Economic Development Job Training Grants – RETAINED

States legislative intent that at least 70 percent of Economic Development Job Training Grant funds be awarded to community colleges. Exec. Rec. deletes. Senate and House Committee retain.

Sec. 512. Student and Presidential Housing – NEW/DELETED

Requires report on the condition of and costs associated with both student housing facilities and any housing facilities provided for the college's president or chancellor. Senate adds section. House Committee does not include section.

Sec. 1201. FY 2003-04 Tuition Restraint – NEW

Provides that an amount equal to 3.0 percent of each college's original FY 2003-04 enacted appropriation be paid only if the college certifies by June 30, 2004 that it will comply with the same tuition restraint provisions specified for FY 2004-05 in section 207. (Enacting section 1 would repeal section 251 of 2003 PA 237, which currently governs FY 2003-04 tuition restraint). Senate adds this section and associated enacting section. House Committee concurs with Senate but sets limit on tuition increases at 3.0 percent, rather than the projected Detroit CPI, and creates \$100 points of difference in the dollar amounts allocated to the colleges.

COMMUNITY COLLEGES

FY 2004-05: As Reported by House Appropriations Committee



FY 2003-04		2003 PA 237	Year-to-Date
		*Restoration	as of 2/12/04
		3.0%	with Restoration

FY 2004-05 Exec. Rec./Senate		FY 2004-05 House Committee	
**\$ Amount	w/ Restoration	\$ Change vs. FY 2003-04 YTD	% Change vs. FY 2003-04 YTD

OPERATIONS

Alpena	\$4,714,600	\$147,900	\$4,862,500	\$0	\$4,862,700	\$200	0.0
Bay de Noc	4,558,100	143,000	4,701,100	0	4,701,300	200	0.0
Delta	12,748,100	400,000	13,148,100	0	13,148,300	200	0.0
Glen Oaks	2,138,800	67,100	2,205,900	0	2,206,100	200	0.0
Gogebic	3,899,800	122,400	4,022,200	0	4,022,400	200	0.0
Grand Rapids	16,034,900	503,100	16,538,000	0	16,538,200	200	0.0
Henry Ford	19,541,700	613,100	20,154,800	0	20,155,000	200	0.0
Jackson	10,817,400	339,400	11,156,800	0	11,157,000	200	0.0
Kalamazoo Valley	11,037,300	346,300	11,383,600	0	11,383,800	200	0.0
Kellogg	8,671,700	272,100	8,943,800	0	8,944,000	200	0.0
Kirtland	2,631,900	82,600	2,714,500	0	2,714,700	200	0.0
Lake Michigan	4,667,100	146,400	4,813,500	0	4,813,700	200	0.0
Lansing	27,729,500	870,000	28,599,500	0	28,599,700	200	0.0
Macomb	29,586,500	928,200	30,514,700	0	30,514,900	200	0.0
Mid Michigan	3,946,800	123,800	4,070,600	0	4,070,800	200	0.0
Monroe	3,839,900	120,500	3,960,400	0	3,960,600	200	0.0
Montcalm	2,777,500	87,100	2,864,600	0	2,864,800	200	0.0
Mott	14,019,500	439,900	14,459,400	0	14,459,600	200	0.0
Muskegon	7,978,200	250,300	8,228,500	0	8,228,700	200	0.0
North Central	2,702,300	84,800	2,787,100	0	2,787,300	200	0.0
Northwestern	8,141,000	255,400	8,396,400	0	8,396,600	200	0.0
Oakland	18,663,500	585,600	19,249,100	0	19,249,300	200	0.0
St. Clair	6,251,500	196,100	6,447,600	0	6,447,800	200	0.0
Schoolcraft	10,953,700	343,700	11,297,400	0	11,297,600	200	0.0
Southwestern	5,880,000	184,500	6,064,500	0	6,064,700	200	0.0
Washtenaw	11,133,000	349,300	11,482,300	0	11,482,500	200	0.0
Wayne County	14,391,500	451,500	14,843,000	0	14,843,200	200	0.0
West Shore	2,050,100	64,300	2,114,400	0	2,114,600	200	0.0
Subtotal - Operations	\$271,505,900	\$8,518,400	\$280,024,300	\$0	\$280,029,900	\$5,600	0.0
State GF/GP	\$271,505,900	\$8,518,400	\$280,024,300	\$0	\$280,029,900	\$5,600	0.0
GRANTS							
At-Risk Student Program	\$3,322,700	\$0	\$3,322,700	\$0	\$3,322,800	\$100	0.0
Renaissance Zone Reimb.	1,750,000	0	1,750,000	650,000	2,400,100	650,100	37.1
Subtotal - Grants	\$5,072,700	\$0	\$5,072,700	\$650,000	\$5,722,900	\$650,200	12.8
State GF/GP	\$5,072,700	\$0	\$5,072,700	\$650,000	\$5,722,900	\$650,200	12.8
TOTAL - COMM. COLLEGES	\$276,578,600	\$8,518,400	\$285,097,000	\$650,000	\$285,747,800	\$655,800	0.2
TOTAL - GF/GP	\$276,578,600	\$8,518,400	\$285,097,000	\$650,000	\$285,747,800	\$655,800	0.2

*Contingent on compliance with tuition restraint provisions

**Assumes all 28 colleges comply with tuition restraint provisions