

**Summary: Conference Report
COMMUNITY COLLEGES
FY 2004-05 Senate Bill 1062**



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	FY 2003-04 YTD					Difference: Conf. from FY 2003-04 YTD	
	(as of 2/12/04)*	Executive	Senate	House	Conference	Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
GF/GP	285,097,000	285,747,000	285,747,000	285,752,800	285,747,000	\$650,000	0.2
Gross	\$285,097,000	\$285,747,000	\$285,747,000	\$285,752,800	\$285,747,000	\$650,000	0.2
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

* Includes supplemental appropriations contingent on tuition restraint.

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.

<u>Major Budget Changes from FY 2003-04 YTD Appropriations:</u>		<u>FY 2003-04 YTD (as of 2/12/04)</u>	<u>Conference Change</u>
1. Operations Funding	Gross	\$280,024,300	\$0
<u>Exec. Rec., Senate, House, and Conference:</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 boilerplate section 207.)	GF/GP	\$280,024,300	\$0
2. Renaissance Zone Tax Reimbursement	Gross	\$1,750,000	\$650,000
<u>Exec. Rec., Senate, House, and Conference:</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

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

Major Boilerplate Changes from FY 2003-04:

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 concurs with Senate but sets limit on tuition increases at 3.0 percent, rather than the projected Detroit CPI. Conference concurs with Senate/House but sets limit at 2.8 percent and provides that this limit applies to each semester of academic year 2004-05 compared to academic year 2003-04.

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, House, and Conference 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, House, and Conference 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, House, and Conference 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, House, and Conference 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 retains. Conference concurs with House.

Sec. 220. Special Maintenance Projects –REVISED

States legislative intent regarding development of financing alternatives for special maintenance projects at community colleges. Exec. Rec. deletes. Senate concurs. House retains. Conference concurs with House and includes new language stating legislative intent to restore funding for infrastructure, technology, equipment, and maintenance.

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, House, and Conference retain.

Sec. 226. Tuition and Fee Reporting –REVISED

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 concurs with Exec. Rec. Conference concurs with Senate, with slight rewording of 30-credit hour requirement.

Sec. 228. Gast-Mathieu Formula – RETAINED

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

Sec. 230. Abortion Services – RETAINED

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

Sec. 233. Preventative Contraceptives – DELETED

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

Sec. 234. Promotion of Equal Opportunity – RETAINED

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

Major Boilerplate Changes from FY 2003-04:

Sec. 235. State University Admission/Enrollment Policies – 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 and Conference concur 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 adds section. Conference concurs with House.

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 adds section. Conference concurs with House.

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 adds section. Conference concurs with House.

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, House, and Conference 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, House, and Conference retain.

Sec. 512. Student and Presidential Housing – NOT INCLUDED

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 does not include section. Conference concurs with House.

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 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. Conference concurs with House but sets limit at 2.8 percent, provides that this limit applies to each semester of academic year 2004-05 compared to academic year 2003-04, and shifts appropriations to FY 2004-05 if Northville property is not sold by October 1, 2004, with intent that the funds be paid in full by October 15, 2004.

COMMUNITY COLLEGES

FY 2004-05: Conference Report

	FY 2003-04			FY 2004-05 Conference Report							
	Year-to-Date as of 2/12/04	2003 PA 237		Year-to-Date with Restoration	FY 2004-05 Exec. Rec./ Senate	FY 2004-05 House	\$ Amount	\$ Change from YTD w/ Restoration	% Change from YTD w/ Restoration	\$ Change from Exec. Rec./Senate	\$ Change from House
		Restoration	3.0%								
OPERATIONS											
Alpena	\$4,714,600	\$147,900		\$4,862,500	\$4,862,700	\$4,862,500	0	0.0	0	(200)	
Bay de Noc	4,558,100	143,000		4,701,100	4,701,300	4,701,100	0	0.0	0	(200)	
Delta	12,748,100	400,000		13,148,100	13,148,300	13,148,100	0	0.0	0	(200)	
Glen Oaks	2,138,800	67,100		2,205,900	2,206,100	2,205,900	0	0.0	0	(200)	
Gogebic	3,899,800	122,400		4,022,200	4,022,400	4,022,200	0	0.0	0	(200)	
Grand Rapids	16,034,900	503,100		16,538,000	16,538,200	16,538,000	0	0.0	0	(200)	
Henry Ford	19,541,700	613,100		20,154,800	20,155,000	20,154,800	0	0.0	0	(200)	
Jackson	10,817,400	339,400		11,156,800	11,157,000	11,156,800	0	0.0	0	(200)	
Kalamazoo Valley	11,037,300	346,300		11,383,600	11,383,800	11,383,600	0	0.0	0	(200)	
Kellogg	8,671,700	272,100		8,943,800	8,944,000	8,943,800	0	0.0	0	(200)	
Kirtland	2,631,900	82,600		2,714,500	2,714,700	2,714,500	0	0.0	0	(200)	
Lake Michigan	4,667,100	146,400		4,813,500	4,813,700	4,813,500	0	0.0	0	(200)	
Lansing	27,729,500	870,000		28,599,500	28,599,700	28,599,500	0	0.0	0	(200)	
Macomb	29,586,500	928,200		30,514,700	30,514,900	30,514,700	0	0.0	0	(200)	
Mid Michigan	3,946,800	123,800		4,070,600	4,070,800	4,070,600	0	0.0	0	(200)	
Monroe	3,839,900	120,500		3,960,400	3,960,600	3,960,400	0	0.0	0	(200)	
Montcalm	2,777,500	87,100		2,864,600	2,864,800	2,864,600	0	0.0	0	(200)	
Mott	14,019,500	439,900		14,459,400	14,459,600	14,459,400	0	0.0	0	(200)	
Muskegon	7,978,200	250,300		8,228,500	8,228,700	8,228,500	0	0.0	0	(200)	
North Central	2,702,300	84,800		2,787,100	2,787,300	2,787,100	0	0.0	0	(200)	
Northwestern	8,141,000	255,400		8,396,400	8,396,600	8,396,400	0	0.0	0	(200)	
Oakland	18,663,500	585,600		19,249,100	19,249,300	19,249,100	0	0.0	0	(200)	
St. Clair	6,251,500	196,100		6,447,600	6,447,800	6,447,600	0	0.0	0	(200)	
Schoolcraft	10,953,700	343,700		11,297,400	11,297,600	11,297,400	0	0.0	0	(200)	
Southwestern	5,880,000	184,500		6,064,500	6,064,700	6,064,500	0	0.0	0	(200)	
Washtenaw	11,133,000	349,300		11,482,300	11,482,500	11,482,300	0	0.0	0	(200)	
Wayne County	14,391,500	451,500		14,843,000	14,843,200	14,843,000	0	0.0	0	(200)	
West Shore	2,050,100	64,300		2,114,400	2,114,600	2,114,400	0	0.0	0	(200)	
Subtotal - Operations	\$271,505,900	\$8,518,400	\$280,024,300	\$280,024,300	\$280,029,900	\$280,024,300	\$0	0.0	\$0	(\$5,600)	
State GF/GP	\$271,505,900	\$8,518,400	\$280,024,300	\$280,024,300	\$280,029,900	\$280,024,300	\$0	0.0	\$0	(\$5,600)	
GRANTS											
At-Risk Student Program	\$3,322,700	\$0	\$3,322,700	\$3,322,700	\$3,322,800	3,322,700	0	0.0	0	(100)	
Renaissance Zone Reimb.	1,750,000	0	1,750,000	2,400,000	2,400,100	\$2,400,000	650,000	37.1	0	(100)	
Subtotal - Grants	\$5,072,700	\$0	\$5,072,700	\$5,722,700	\$5,722,900	\$5,722,700	\$650,000	12.8	\$0	(\$200)	
State GF/GP	\$5,072,700	\$0	\$5,072,700	\$5,722,700	\$5,722,900	\$5,722,700	\$650,000	12.8	\$0	(\$200)	
TOTAL - COMM. COLL.	\$276,578,600	\$8,518,400	\$285,097,000	\$285,747,000	\$285,752,800	\$285,747,000	\$650,000	0.2	\$0	(\$5,800)	
TOTAL - GF/GP	\$276,578,600	\$8,518,400	\$285,097,000	\$285,747,000	\$285,752,800	\$285,747,000	\$650,000	0.2	\$0	(\$5,800)	

Note: All columns assume all 28 colleges comply with tuition restraint provisions