

COMMUNITY COLLEGES: FY 2010-11
Summary: As Reported from House Committee
Senate Bill 1151 (Substitute H-1)



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	FY 2009-10 Year-to-Date	FY 2010-11 Executive	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Enacted	Difference: Senate From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	N/A	\$0	0.0
Federal	0	0	0	0	N/A	0	0.0
Local	0	0	0	0	N/A	0	0.0
Private	0	0	0	0	N/A	0	0.0
Restricted	0	0	0	0	N/A	0	0.0
GF/GP	299,360,500	299,100,500	289,940,500	299,100,500	N/A	(260,000)	(0.1)
Gross	\$299,360,500	\$299,100,500	\$289,940,500	\$299,100,500	N/A	(260,000)	(0.1)
FTEs	0.0	0.0	0.0	0.0	N/A	0.0	0.0

Note: FY 2009-10 appropriation figures reflect adjustments made by executive order actions, supplementals, and transfers, as of February 11, 2010.

Overview

The Community Colleges budget includes funds for operational support of the state's 28 community colleges, the At-Risk Student Success Program, and the renaissance zone tax reimbursement to the colleges. Community colleges also receive operating revenue from local property taxes and student tuition and fees.

Major Budget Changes From FY 2009-10 YTD Appropriations

1. Community College Operations

Executive: Maintains FY 2010-11 operational funding at FY 2009-10 funding levels for each community college. FY 2009-10 funding was the same as FY 2008-09 funding.

Senate: Reduces FY 2010-11 operational funding by 3.1% (\$9.2 million) for each college.

House: Concurs with the Executive.

	FY 2009-10 YTD (as of 2/11/10)	House Change From YTD
Gross	\$292,557,800	\$0
GF/GP	\$292,557,800	\$0

2. Renaissance Zone Reimbursements

Executive: Reduces funding by \$260,000 for statutorily-required reimbursements. Appropriation reimburses college districts for lost property tax revenue due to renaissance zones within their district. The reduction reflects excess authorization for this line. The actual payments to colleges are not expected to decrease.

Senate: Concurs with the Executive.

House: Concurs with the Executive.

Gross	\$3,480,000	(\$260,000)
GF/GP	\$3,480,000	(\$260,000)

3. At-Risk Student Success Program

Executive: Maintains FY 2010-11 funding at FY 2009-10 funding levels for the program. Appropriation amounts to individual colleges were adjusted based on updated at-risk student data. Overall FY 2009-10 funding was the same as FY 2008-09 funding.

Senate: Concurs with the Executive

House: Concurs with the Executive.

Gross	\$3,322,700	\$0
GF/GP	\$3,322,700	\$0

Major Boilerplate Changes From FY 2009-10

Sec. 211. At Risk Funding Payment Schedule – RETAINED

The **House** and **Senate** retain language that requires that the payments for the At Risk program be paid in full by November 1. The **Executive** deletes this language. Existing language concerning payment of state aid in 11 monthly installments, and the accrual of the July and August state aid payments is retained.

Sec. 217. Compliance with JCOS Policy – RETAINED

Requires the community colleges to comply with the use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital projects. The **Executive** deletes this section. The **House** and **Senate** retain it.

Sec. 224. Legislative Summit on Employment Needs – DELETED

Encourages the colleges to organize and participate in a legislative summit on meeting the employment needs of the state. The **Executive**, **House**, and **Senate** delete language specifying the Legislature encourage participation in a legislative summit. Existing language regarding collaboration and cooperation among the colleges is retained.

Sec. 241. Nursing Education Programs – Revised

Intent language that colleges expand nursing programs and increase program enrollment. Subsection 2 provides that community college nursing students are eligible for the Michigan Nursing Scholarship and assistance to the Michigan Nursing Corps program. The **Executive**, **Senate**, and **House** delete references to the financial aid programs.

Sec. 242. Payment in Lieu of Taxes – RETAINED

Intent language that the legislature, the Michigan Community College Association (MCCA), and other interested parties "continue the discussion regarding payments in lieu of taxes, especially for those community college districts that contain significant portions of nontaxable land. The **Executive** deletes this section. The **House** and **Senate** retain it.

Sec. 248. Tuition Restraint Policy – DELETED

Intent language encouraging community colleges to not raise tuition more than 0.5% above the United States consumer price index in the immediately preceding year. The **Executive**, **House**, and **Senate** delete this section.

Sec. 249. Consolidation or Dissolution – REVISED

Intent language encouraging community colleges to achieve efficiencies through joint ventures, collaborations, adjusting the size and frequency of classes, web-based instruction, consolidation of services, and coordinating and sharing proposed capital outlay improvements. The **Executive**, **House**, and **Senate** delete a reporting requirement imposed on the MCCA.

Sec. 250. Compliance with Prevailing Wage Law – NEW

The **House** adds language stating that funds shall not be used for construction or improvement of community college buildings unless the community college or contractor states in writing that they will not knowingly violate the prevailing wage laws.

Sec. 304. Performance Indicator Formula – RETAINED

Intent language that the formula developed by the performance indicator task force be used for funding distribution in future years. The **Executive** deletes this section. The **House** and **Senate** retains it.

Sec. 401. At-Risk Student Success Program – REVISED

At-risk students are those identified as being enrolled in developmental courses or fail to make satisfactory academic progress, those that are diagnosed as having a learning disability, or those requiring English as a second language (ESL) assistance. Funding is allocated to the colleges by formula using a base award of \$40,000 to each college, and the number of student contact hours in developmental/preparatory education. The **Executive**, **House**, and **Senate** revise the at-risk student success grant amounts, based on updated program data.

Sec. 501. Activities Classification Structure – REVISED

The activities classification structure (ACS) collects data on tuition, enrollment, expenditures, revenue, and other program data. The Department of Energy, Labor, and Economic Growth compiles the data and submits a report. The **Executive**, **House**, and **Senate** deletes the reporting requirement and insert it into the DELEG budget (HB 5884). The requirement that colleges provide ACS data to DELEG remains in this bill.

Sec. 506. North American Indian Tuition Waiver Program Report – REVISED

The NAITW program waives tuition at the colleges for eligible North American Indian students. The **Executive**, **Senate**, and **House** delete the DELEG reporting requirement and insert it into the DELEG budget (HB 5884).

Major Boilerplate Changes From FY 2009-10

Sec. 509. Report on Associate's Degrees and Certificates – DELETED

Current law requires the colleges to submit to DELEG data on the types of associate degrees and other certificates in the prior fiscal year. The **Executive** retains the reporting requirement on the colleges, but deletes the reporting requirement on DELEG, and inserts it into the DELEG budget. The **House, House,** and **Senate** delete this section, and insert it into the DELEG budget (HB 5884).

Sec. 511. Perkins State Plan Report – DELETED

Requires that if the state submits a new Perkins Act state plan, it must also submit a copy of the plan to the legislature at least 30 days before submitting the plan to the U.S. Department of Education. The **Executive, House,** and **Senate** delete this section.

Sec. 513. Tax Increment Financing Authority Report – DELETED

Requires the Department of Treasury to collect data on the tax revenue foregone by community colleges from TIFAs and other tax abatements. The **Executive, House,** and **Senate** delete this section.

Sec. 514. Unrestricted Assets Report – NEW

Requires community colleges with general fund unrestricted net assets above 20 percent of general fund operating and net nonoperating revenue at the close of FY 2009-10 to submit a report by December 1, 2010 outlining intended use or purpose for carrying the unrestricted assets.

**Fiscal Year 2010-2011 Community College Appropriations
Senate Bill 1151 (Substitute H-1)**

Community College	FY 2010 YTD	FY 2011 Executive Recommendation			FY 2011 Senate			FY 2011 House Committee		
		Adjustments	Appropriation	% Change	Adjustments	Appropriation	% Change	Adjustments	Appropriation	% Change
Alpena	\$5,126,100	\$0	\$5,126,100	0.0	(\$160,500)	\$4,965,600	(3.1)	\$0	\$5,126,100	0.0
Bay de Noc	\$5,178,400	\$0	\$5,178,400	0.0	(\$162,100)	\$5,016,300	(3.1)	\$0	\$5,178,400	0.0
Delta	\$13,751,600	\$0	\$13,751,600	0.0	(\$430,600)	\$13,321,000	(3.1)	\$0	\$13,751,600	0.0
Glen Oaks	\$2,304,800	\$0	\$2,304,800	0.0	(\$72,200)	\$2,232,600	(3.1)	\$0	\$2,304,800	0.0
Gogebic	\$4,275,200	\$0	\$4,275,200	0.0	(\$133,900)	\$4,141,300	(3.1)	\$0	\$4,275,200	0.0
Grand Rapids	\$17,219,800	\$0	\$17,219,800	0.0	(\$539,200)	\$16,680,600	(3.1)	\$0	\$17,219,800	0.0
Henry Ford	\$20,898,900	\$0	\$20,898,900	0.0	(\$654,300)	\$20,244,600	(3.1)	\$0	\$20,898,900	0.0
Jackson	\$11,542,300	\$0	\$11,542,300	0.0	(\$361,400)	\$11,180,900	(3.1)	\$0	\$11,542,300	0.0
Kalamazoo	\$11,888,600	\$0	\$11,888,600	0.0	(\$372,200)	\$11,516,400	(3.1)	\$0	\$11,888,600	0.0
Kellogg	\$9,311,800	\$0	\$9,311,800	0.0	(\$291,600)	\$9,020,200	(3.1)	\$0	\$9,311,800	0.0
Kirtland	\$2,842,800	\$0	\$2,842,800	0.0	(\$89,000)	\$2,753,800	(3.1)	\$0	\$2,842,800	0.0
Lake Michigan	\$5,012,100	\$0	\$5,012,100	0.0	(\$156,900)	\$4,855,200	(3.1)	\$0	\$5,012,100	0.0
Lansing	\$29,762,500	\$0	\$29,762,500	0.0	(\$931,900)	\$28,830,600	(3.1)	\$0	\$29,762,500	0.0
Macomb	\$31,773,900	\$0	\$31,773,900	0.0	(\$994,800)	\$30,779,100	(3.1)	\$0	\$31,773,900	0.0
Mid Michigan	\$4,289,200	\$0	\$4,289,200	0.0	(\$134,300)	\$4,154,900	(3.1)	\$0	\$4,289,200	0.0
Monroe	\$4,142,800	\$0	\$4,142,800	0.0	(\$129,700)	\$4,013,100	(3.1)	\$0	\$4,142,800	0.0
Montcalm	\$2,981,600	\$0	\$2,981,600	0.0	(\$93,400)	\$2,888,200	(3.1)	\$0	\$2,981,600	0.0
Mott	\$15,016,400	\$0	\$15,016,400	0.0	(\$470,200)	\$14,546,200	(3.1)	\$0	\$15,016,400	0.0
Muskegon	\$8,518,600	\$0	\$8,518,600	0.0	(\$266,700)	\$8,251,900	(3.1)	\$0	\$8,518,600	0.0
North Central	\$2,893,600	\$0	\$2,893,600	0.0	(\$90,600)	\$2,803,000	(3.1)	\$0	\$2,893,600	0.0
Northwestern	\$8,682,000	\$0	\$8,682,000	0.0	(\$271,800)	\$8,410,200	(3.1)	\$0	\$8,682,000	0.0
Oakland	\$20,133,700	\$0	\$20,133,700	0.0	(\$630,400)	\$19,503,300	(3.1)	\$0	\$20,133,700	0.0
St. Clair	\$6,729,800	\$0	\$6,729,800	0.0	(\$210,700)	\$6,519,100	(3.1)	\$0	\$6,729,800	0.0
Schoolcraft	\$11,767,000	\$0	\$11,767,000	0.0	(\$368,400)	\$11,398,600	(3.1)	\$0	\$11,767,000	0.0
Southwestern	\$6,276,900	\$0	\$6,276,900	0.0	(\$196,500)	\$6,080,400	(3.1)	\$0	\$6,276,900	0.0
Washtenaw	\$12,149,000	\$0	\$12,149,000	0.0	(\$380,400)	\$11,768,600	(3.1)	\$0	\$12,149,000	0.0
Wayne County	\$15,889,900	\$0	\$15,889,900	0.0	(\$497,500)	\$15,392,400	(3.1)	\$0	\$15,889,900	0.0
West Shore	\$2,198,500	\$0	\$2,198,500	0.0	(\$68,800)	\$2,129,700	(3.1)	\$0	\$2,198,500	0.0
Operations Subtotal	\$292,557,800	\$0	\$292,557,800	0.0	(\$9,160,000)	\$283,397,800	(3.1)	\$0	\$292,557,800	0.0
At Risk Funding	\$3,322,700	\$0	\$3,322,700	0.0	\$0	\$3,322,700	0.0	\$0	\$3,322,700	0.0
Renaissance Zones	\$3,480,000	(\$260,000)	\$3,220,000	(7.5)	(\$260,000)	\$3,220,000	(7.5)	(\$260,000)	\$3,220,000	(7.5)
Total Appropriation	\$299,360,500	(\$260,000)	\$299,100,500	(0.1)	(\$9,420,000)	\$289,940,500	(3.1)	(\$260,000)	\$299,100,500	(0.1)
GF/GP Appropriation	\$299,360,500	(\$260,000)	\$299,100,500	(0.1)	(\$9,420,000)	\$289,940,500	(3.1)	(\$260,000)	\$299,100,500	(0.1)