

COMMUNITY COLLEGES
Summary: House Substitute
HB 4435 (H-1)



Analyst: Ben Gielczyk

	FY 2008-09 YTD	FY 2009-10 Executive	FY 2009-10 House	FY 2009-10 Senate	FY 2009-10 Enacted	Difference: House Subcommittee From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0			\$0	0.0
Federal	0	0	97,000,000			97,000,000	--
Local	0	0	0			0	0.0
Private	0	0	0			0	0.0
Restricted	0	0	0			0	0.0
GF/GP	299,360,500	299,360,500	299,360,500			0	0.0
Gross	\$299,360,500	\$299,360,500	\$396,360,500			\$97,000,000	32.4
FTEs	0.0	0.0	0.0			0.0	0.0

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through January 31, 2009.

Overview

The Community Colleges budget includes funds for operational support of the state's 28 community colleges, the At-Risk Student Success Program, and 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 2008-09 YTD Appropriations		FY 2008-09 YTD	House Change From YTD
1. Community College Operations	Gross	\$292,557,800	\$0
<u>Executive</u> maintained FY 2008-09 funding levels for each community college.	GF/GP	\$292,557,800	\$0
<u>House</u> maintained overall FY 2008-09 funding level, but recalibrated individual line items for Indian tuition waiver costs.			
2. Renaissance Zone Reimbursements	Gross	\$3,480,000	\$0
<u>Executive</u> maintained FY 2008-09 funding levels for each community college.	GF/GP	\$3,480,000	\$0
Appropriation reimburses college districts for lost property tax revenue due to renaissance zones in district. <u>House</u> concurred with Executive.			
3. At-Risk Student Success Program	Gross	\$3,322,700	\$0
<u>Executive</u> maintained FY 2008-09 funding levels for each community college.	GF/GP	\$3,322,700	\$0
Appropriation amounts to individual colleges were adjusted based on updated at-risk student data. <u>House</u> concurred with Executive.			
4. ARRA State Fiscal Stabilization Fund - General Government Services	Gross	N/A	\$97,000,000
<u>House</u> included \$97,000,000 of the State Fiscal Stabilization Fund - General Government Services (ARRA) portion to fund workforce development, job creation, and job retraining at the community colleges.	Federal	N/A	\$97,000,000

Major Boilerplate Changes From FY 2008-09

Sec. 211. Payment Schedule – MAINTAINED

Specifies payment schedule for appropriations; Executive revised to include 11-month payment schedule for At-Risk Program. House restored current-year distribution schedule.

Sec. 217. Capital Outlay – MAINTAINED

Prohibits appropriations being used for construction or maintenance of self-liquidating project; Executive deleted requirement that colleges comply with current JCOS use and finance policy. House restored current-year language.

Sec. 224. Collaboration with Four-Year Universities - MAINTAINED

Encourages community colleges to explore ways of increasing collaboration and cooperation with universities. Executive modified section to make it a general policy statement and removed subsection (4) which called for a legislative summit on a strategy for meeting the employment needs of the state. House restored current-year legislative intent language and restored subsection (4).

Major Boilerplate Changes From FY 2008-09

Sec. 239. State University Appropriations – MAINTAINED

States intent that any action to increase FY 2007-08 appropriations for state universities be accompanied by similar action for community colleges. Executive deleted section. House restored current-year language.

Sec. 241. Nursing Education Programs and Grants - REVISED

General policy statement encouraging community colleges to expand nursing program offerings and enrollments. Executive added language for new student financial aid program by removing references to Michigan's nursing scholarship program and replacing it with references to Michigan's promise grants and the newly proposed Michigan college access grants. House restored current year nursing scholarship language and revised subsection (1) to encourage community colleges to place students at all levels of nursing and to recruit and hire master's degreed nurses as instructors.

Sec. 242. Payments in Lieu of Taxes – MAINTAINED

States intent for continued discussion regarding payments to college districts with significant portions of nontaxable land. Executive deleted section. House restored current-year language.

Sec. 243. Michigan New Jobs Training Program (MNJTP) - DELETED

States legislative intent to develop and pass legislation that would authorize community colleges to issue debt to fund customized workforce development training. Executive and House deleted.

Sec. 246. Nursing Shortage Workgroup - DELETED

States intent that a workgroup be formed which would include representatives from community colleges, state universities, and the health care community to address and resolve the nursing shortage in the state of Michigan. Executive and House deleted section.

Sec. 247. Community College Automobile Purchases - REVISED

States that community colleges shall purchase automobiles made in the state of Michigan or elsewhere in the United States of America. Executive included leased automobiles and specified that foreign automobiles are those assembled or manufactured outside of the United States. House concurred with Executive.

Sec. 248. Tuition Restraint Policy - NEW

States expectation that community colleges receiving federal stimulus funds not increase tuition and fees charged to Michigan residents for the remainder of 2008-09 and for 2009-10. Executive included new section. House revised by specifying that community colleges receiving federal stimulus funds not raise tuition and fees for in-district students by more than the annual average percentage increase in the United States consumer price index in the immediately preceding tax year plus one-half percent.

Sec. 249. Consolidation or Dissolution - NEW

States intent that legislature develop and enact legislation that would provide rules and guidelines for the consolidation or dissolution of community college districts. Executive did not include. House included as new section.

Sec. 251. Part-Time Faculty - NEW

States intent that a discussion take place regarding the treatment of part-time faculty pay, benefits, and job security; specifically those part-time faculty with the equivalent of a full-time academic workload. Executive did not include. House included as new section.

Sec. 304. Performance Indicator Formula – REVISED

States intent that formula developed by performance indicator task force be used for funding distribution in future years. Executive deleted. House deleted subsection (1) but retained subsection (2).

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

Specifies distribution of at-risk student success grant money. Executive modified the at-risk student success program appropriation amounts to each community college based on new at-risk student data. House concurred with Executive.

Sec. 405. Fiscal Stabilization Funds - NEW

Specifies distribution of and restrictions on general government services ARRA fiscal stabilization funds. Executive did not include. House included as new section.

Sec. 506. Indian Tuition Waiver - REVISED

Specifies that community colleges report the number of North American Indian students enrolled and the number of Indian Tuition Waivers granted for the previous fiscal year. House included new subsection encouraging a discussion on the use of the term "Indian" as a descriptive term for Michigan tribal issues involving community colleges.

Sec. 511. Perkins Act State Plan – MAINTAINED

Requires DELEG to provide Perkins Act state plan to Legislature prior to submission to U.S. Department of Education. Executive deleted section. House restored current-year language.

Sec. 513. Tax Loss Data – MAINTAINED

Requires Department of Treasury to collect data on revenue losses to colleges related to TIFAs and tax abatements. Executive deleted section. House restored current-year language.

Major Boilerplate Changes From FY 2008-09

Sec. 514. Unrestricted Assets Data - NEW

States intent that community colleges with unrestricted assets above 25.7 percent of overall annual operating revenue submit a report outlining intended use or purpose for carrying the unrestricted assets. Executive did not include. House included as new section.

FY 2009-10 House Subcommittee Recommendation
COMMUNITY COLLEGES

	(1)	(2)	(3)	(4)	(5)
	Adjusted FY 2008-09 Year-to-Date	Stimulus/ Base Adjustment	FY 2009-10 House Committee	Change from Adjusted FY09	
				Amount	Percent
OPERATIONS					
Alpena	\$5,126,100	(\$7,900)	\$5,118,200	(\$7,900)	(0.2)
Bay de Noc	5,178,400	500	5,178,900	500	0.0
Delta	13,751,600	(49,400)	13,702,200	(49,400)	(0.4)
Glen Oaks	2,304,800	(8,700)	2,296,100	(8,700)	(0.4)
Gogebic	4,275,200	5,300	4,280,500	5,300	0.1
Grand Rapids	17,219,800	52,300	17,272,100	52,300	0.3
Henry Ford	20,898,900	(64,800)	20,834,100	(64,800)	(0.3)
Jackson	11,542,300	(16,300)	11,526,000	(16,300)	(0.1)
Kalamazoo	11,888,600	(22,500)	11,866,100	(22,500)	(0.2)
Kellogg	9,311,800	(10,900)	9,300,900	(10,900)	(0.1)
Kirtland	2,842,800	1,000	2,843,800	1,000	0.0
Lake Michigan	5,012,100	(7,400)	5,004,700	(7,400)	(0.1)
Lansing	29,762,500	(7,000)	29,755,500	(7,000)	(0.0)
Macomb	31,773,900	(106,800)	31,667,100	(106,800)	(0.3)
Mid Michigan	4,289,200	127,600	4,416,800	127,600	3.0
Monroe	4,142,800	800	4,143,600	800	0.0
Montcalm	2,981,600	700	2,982,300	700	0.0
Mott	15,016,400	(21,200)	14,995,200	(21,200)	(0.1)
Muskegon	8,518,600	15,200	8,533,800	15,200	0.2
North Central	2,893,600	104,900	2,998,500	104,900	3.6
Northwestern	8,682,000	104,600	8,786,600	104,600	1.2
Oakland	20,133,700	(50,200)	20,083,500	(50,200)	(0.2)
St. Clair	6,729,800	(2,600)	6,727,200	(2,600)	(0.0)
Schoolcraft	11,767,000	600	11,767,600	600	0.0
Southwestern	6,276,900	(15,600)	6,261,300	(15,600)	(0.2)
Washtenaw	12,149,000	(3,000)	12,146,000	(3,000)	(0.0)
Wayne County	15,889,900	(41,200)	15,848,700	(41,200)	(0.3)
West Shore	2,198,500	22,000	2,220,500	22,000	1.0
Subtotal - Operations	\$292,557,800	\$0	\$292,557,800	\$0	0.0
State GF/GP	\$292,557,800	\$0	\$292,557,800	\$0	0.0
GRANTS					
At-Risk Student Prog	\$3,322,700	\$0	\$3,322,700	\$0	0.0
Renaiss Zone Reimb	3,480,000	0	3,480,000	0	0.0
Workforce Dev. Grants (ARRA)	0	97,000,000	97,000,000	97,000,000	--
Subtotal - Grants	\$6,802,700	\$97,000,000	\$103,802,700	\$97,000,000	1,425.9
State GF/GP	\$6,802,700	\$0	\$6,802,700	\$0	0.0
Federal - DED - SFSF - gen. gov. services (ARRA)	\$0	\$97,000,000	\$97,000,000	\$97,000,000	--
TOTAL - COMM COLL	\$299,360,500	\$97,000,000	\$396,360,500	\$97,000,000	32.4
TOTAL - GF/GP	\$299,360,500	\$0	\$299,360,500	\$0	0.0