

**COMMUNITY COLLEGES**  
**Summary: As Passed by the Senate**  
**HB 4435 (S-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: Senate From FY 2008-09 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0		\$0	0.0
Federal	0	0	97,000,000	0		0	0.0
Local	0	0	0	0		0	0.0
Private	0	0	0	0		0	0.0
Restricted	0	0	0	0		0	0.0
GF/GP	299,360,500	299,360,500	299,360,500	295,880,500		(3,480,000)	(1.2)
Gross	<b>\$299,360,500</b>	<b>\$299,360,500</b>	<b>\$396,360,500</b>	<b>\$295,880,500</b>		<b>(\$3,480,000)</b>	<b>(1.2)</b>
FTEs	0.0	0.0	0.0	0.0		0.0	0.0

Note: FY 2008-09 figures reflect supplementals and Executive Order (EO) actions through June 1, 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.

<b>Major Budget Changes From FY 2008-09 YTD Appropriations</b>		<b>FY 2008-09 YTD</b>	<b>Senate Change From YTD</b>
<b>1. Community College Operations</b>	<b>Gross</b>	<b>\$292,557,800</b>	<b>\$0</b>
Executive maintained FY 2008-09 funding levels for each community college.	GF/GP	\$292,557,800	\$0
House maintained overall FY 2008-09 funding level, but recalibrated individual line items for Indian tuition waiver costs. Senate concurred with Executive.			
<b>2. Renaissance Zone Reimbursements</b>	<b>Gross</b>	<b>\$3,480,000</b>	<b>(\$3,480,000)</b>
Executive maintained FY 2008-09 funding levels for each community college.	GF/GP	\$3,480,000	(\$3,480,000)
Appropriation reimburses college districts for lost property tax revenue due to renaissance zones in district. House concurred with Executive. Senate eliminated funding for renaissance zone reimbursements.			
<b>3. At-Risk Student Success Program</b>	<b>Gross</b>	<b>\$3,322,700</b>	<b>\$0</b>
Executive 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. House concurred. Senate concurred.			
<b>4. ARRA State Fiscal Stabilization Fund - General Government Services</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
House 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. Senate did not include	Federal	N/A	\$0

**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. Senate concurred with House.

**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. Senate concurred with House.

## **Major Boilerplate Changes From FY 2008-09**

### ***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). Senate concurred with House.

### ***Sec. 239. State University Appropriations – DELETED***

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. Senate deleted section.

### ***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. Senate concurred with House.

### ***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. Senate concurred with House.

### ***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, House, and Senate 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, House, and Senate 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. Senate concurred.

### ***Sec. 248. Tuition Restraint Policy - NOT INCLUDED***

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. Senate did not include.

### ***Sec. 249. Consolidation or Dissolution - NEW***

States intent that legislature study the feasibility of developing and enact legislation that would provide rules and guidelines for the consolidation of community college districts or development of intercollege agreements. Executive did not include. House included as new section. Senate replaced section with 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.

### ***Sec. 250. Additional Funding - NEW***

States that if additional funding becomes available for community college operations, that additional funding shall first be allocated to colleges that incurred the highest percentage reduction due to the elimination of renaissance zone reimbursements. As used in this section, percentage reduction is renaissance zone payment as a percentage of state funding for college operations. Senate added as new section.

### ***Sec. 251. Part-Time Faculty - NOT INCLUDED***

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. Senate did not include.

### ***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). Senate concurred with House.

### ***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. Senate concurred.

## **Major Boilerplate Changes From FY 2008-09**

### ***Sec. 404. Renaissance Zone Reimbursements - DELETED***

States distribution schedule for renaissance zone reimbursements. Executive and House retained. Senate deleted section.

### ***Sec. 405. Fiscal Stabilization Funds - NOT INCLUDED***

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

### ***Sec. 506. Indian Tuition Waiver - MAINTAINED***

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. Senate did not include House-added section.

### ***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. Senate concurred with House.

### ***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. Senate concurred with House.

### ***Sec. 514. Unrestricted Assets Data - NOT INCLUDED***

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. Senate did not include.

## Community Colleges FY 2009-10

Community College	FY 2008-09 YTD	EXECUTIVE			FY 2009-10 HOUSE				FY 2009-10 SENATE		
		Total Adjustment	Executive Rec.	Percent Change	Stimulus/ Base Adjustment	Total Adjustment	House Passed	Percent Change	Total Adjustment	Senate Passed	Percent Change
Alpena	5,126,100	0	5,126,100	0.0%	(7,900)	(7,900)	5,118,200	-0.2%	0	5,126,100	0.0%
Bay de Noc	5,178,400	0	5,178,400	0.0%	500	500	5,178,900	0.0%	0	5,178,400	0.0%
Delta	13,751,600	0	13,751,600	0.0%	(49,400)	(49,400)	13,702,200	-0.4%	0	13,751,600	0.0%
Glen Oaks	2,304,800	0	2,304,800	0.0%	(8,700)	(8,700)	2,296,100	-0.4%	0	2,304,800	0.0%
Gogebic	4,275,200	0	4,275,200	0.0%	5,300	5,300	4,280,500	0.1%	0	4,275,200	0.0%
Grand Rapids	17,219,800	0	17,219,800	0.0%	52,300	52,300	17,272,100	0.3%	0	17,219,800	0.0%
Henry Ford	20,898,900	0	20,898,900	0.0%	(64,800)	(64,800)	20,834,100	-0.3%	0	20,898,900	0.0%
Jackson	11,542,300	0	11,542,300	0.0%	(16,300)	(16,300)	11,526,000	-0.1%	0	11,542,300	0.0%
Kalamazoo	11,888,600	0	11,888,600	0.0%	(22,500)	(22,500)	11,866,100	-0.2%	0	11,888,600	0.0%
Kellogg	9,311,800	0	9,311,800	0.0%	(10,900)	(10,900)	9,300,900	-0.1%	0	9,311,800	0.0%
Kirtland	2,842,800	0	2,842,800	0.0%	1,000	1,000	2,843,800	0.0%	0	2,842,800	0.0%
Lake Michigan	5,012,100	0	5,012,100	0.0%	(7,400)	(7,400)	5,004,700	-0.1%	0	5,012,100	0.0%
Lansing	29,762,500	0	29,762,500	0.0%	(7,000)	(7,000)	29,755,500	0.0%	0	29,762,500	0.0%
Macomb	31,773,900	0	31,773,900	0.0%	(106,800)	(106,800)	31,667,100	-0.3%	0	31,773,900	0.0%
Mid Michigan	4,289,200	0	4,289,200	0.0%	127,600	127,600	4,416,800	3.0%	0	4,289,200	0.0%
Monroe	4,142,800	0	4,142,800	0.0%	800	800	4,143,600	0.0%	0	4,142,800	0.0%
Montcalm	2,981,600	0	2,981,600	0.0%	700	700	2,982,300	0.0%	0	2,981,600	0.0%
Mott	15,016,400	0	15,016,400	0.0%	(21,200)	(21,200)	14,995,200	-0.1%	0	15,016,400	0.0%
Muskegon	8,518,600	0	8,518,600	0.0%	15,200	15,200	8,533,800	0.2%	0	8,518,600	0.0%
North Central	2,893,600	0	2,893,600	0.0%	104,900	104,900	2,998,500	3.6%	0	2,893,600	0.0%
Northwestern	8,682,000	0	8,682,000	0.0%	104,600	104,600	8,786,600	1.2%	0	8,682,000	0.0%
Oakland	20,133,700	0	20,133,700	0.0%	(50,200)	(50,200)	20,083,500	-0.2%	0	20,133,700	0.0%
St. Clair	6,729,800	0	6,729,800	0.0%	(2,600)	(2,600)	6,727,200	0.0%	0	6,729,800	0.0%
Schoolcraft	11,767,000	0	11,767,000	0.0%	600	600	11,767,600	0.0%	0	11,767,000	0.0%
Southwestern	6,276,900	0	6,276,900	0.0%	(15,600)	(15,600)	6,261,300	-0.2%	0	6,276,900	0.0%
Washtenaw	12,149,000	0	12,149,000	0.0%	(3,000)	(3,000)	12,146,000	0.0%	0	12,149,000	0.0%
Wayne County	15,889,900	0	15,889,900	0.0%	(41,200)	(41,200)	15,848,700	-0.3%	0	15,889,900	0.0%
West Shore	2,198,500	0	2,198,500	0.0%	22,000	22,000	2,220,500	1.0%	0	2,198,500	0.0%
SUBTOTAL: OPERATIONS*	\$292,557,800	\$0	\$292,557,800	0.0%	\$0	\$0	\$292,557,800	0.0%	0	292,557,800	0.0%
GRANTS: At Risk	3,322,700	0	3,322,700	0.0%	0	0	3,322,700	0.0%	0	3,322,700	0.0%
Renaissance Zone Workforce Development (ARRA)	3,480,000 0	0 0	3,480,000 0	0.0% 0.0%	0 97,000,000	0 97,000,000	3,480,000 97,000,000	0.0% --	(3,480,000)	0	-100.0%
<b>TOTAL</b>	<b>\$299,360,500</b>	<b>\$0</b>	<b>\$299,360,500</b>	<b>0.0%</b>	<b>\$97,000,000</b>	<b>\$97,000,000</b>	<b>\$396,360,500</b>	<b>32.4%</b>	<b>(\$3,480,000)</b>	<b>\$295,880,500</b>	<b>-1.2%</b>
<b>Federal</b>					<b>\$97,000,000</b>	<b>\$97,000,000</b>	<b>\$97,000,000</b>				
<b>GF/GP</b>	<b>\$299,360,500</b>	<b>\$0</b>	<b>\$299,360,500</b>	<b>0.0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$299,360,500</b>	<b>0.0%</b>	<b>(\$3,480,000)</b>	<b>\$295,880,500</b>	<b>-1.2%</b>