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House Bill 4435 (S-1 as reported)
Committee: Appropriations

Throughout this document Senate means Appropriations Committee

FY 2008-09 Year-to-Date Gross Appropriation \$299,360,500

Changes from FY 2008-09 Year-to-Date:

1. **Continuation Budget.** The Governor maintained funding for the Community College Budget at the FY 2008-09 level. 0
2. **North American Indian Tuition Waiver.** Public Act 174 of 1976 requires a Michigan public community college or public university to waive tuition for any North American Indian who meets certain qualification requirements. The Act also requires the State to annually reimburse each institution for the total amount of tuition waived during the prior fiscal year. Until FY 1996-97, reimbursement was funded in the Higher Education Appropriation Budget Bill. In FY 1996-97, funding (\$936,500) for the tuition waiver reimbursement was rolled into the line item appropriation of each university and community college based on a three-year payment average with 6% added for inflation. However, since that point in time, no specific appropriation adjustment has been made to the community college budget to fund the actual cost of the North American Indian Tuition Waiver. The House estimated that an additional \$802,600 was needed to fully fund the actual cost of waivers in FY 2009-10. No additional funds were added by the House, but the \$936,500 was redistributed to colleges based on a recent three-year average of tuition waivers granted. This redistribution resulted in increases for 12 colleges and decreases for 16 colleges. The Senate did not include the House changes. See attached table for details. 0
3. **Federal Stimulus Funds.** The House added \$97 million in State Fiscal Stabilization funding to be distributed pursuant to the Performance Indicators Task Force Formula and used for workforce development, job creation, and worker retraining. The Senate did not include this item. 0
4. **Renaissance Zone Reimbursements.** The Governor and the House included funding for renaissance zone reimbursements pursuant to 1996 PA 376 at the FY 2008-09 level of \$3,480,000. The Senate removed funding and the related boilerplate (Sec. 404). The following table lists community college estimated renaissance zone reimbursements for FY 2008-09. (3,480,000)

FY 2008-09 Estimated Renaissance Zone Reimbursements			
College	Reimbursement	College	Reimbursement
Alpena	\$4,956	Mid-Michigan	\$7,046
Bay de Noc	2,656	Monroe	1,068
Delta	180,481	Montcalm	290,180
Glen Oaks	4,309	Mott	177,376
Gogebic	7,015	Muskegon	58,640
Grand Rapids	558,919	Northwestern	19,703
Jackson	135,304	Oakland	29,382
Kalamazoo Valley	40,935	Southwestern	341
Kellogg	148,063	St. Clair	36,891
Lake Michigan	415,158	Wayne County	726,953
Lansing	23,944	West Shore	77,993
Macomb	187,997		
Statewide Estimated Reimbursement			\$3,135,310

5. **Comparison to Governor's Recommendation.** The Senate is \$3,480,000 below the Governor's recommendation for both Gross and GF/GP.

Total Changes..... (\$3,480,000)

FY 2009-10 Senate Appropriations Committee Gross Appropriation \$295,880,500

Changes from FY 2008-09 Year to Date:

1. **Parity to Higher Education Budget.** The Governor eliminated a section stating legislative intent that increases to State-supported 4-year universities will be accompanied by similar increases for State-supported community colleges. The House restored this section. The Senate concurred with the Governor.
2. **Nursing Education Programs.** The Governor modified current year language to reflect her proposal to financial aid for higher education (Michigan College Access Grants). The House and Senate did not concur with the Governor, restored current year language and added language encouraging programs that assist in placing students at all levels of nursing, recruiting and hiring more individuals with masters degrees in nursing as instructors. (Sec. 241)
3. **Purchase of Foreign Automobiles Prohibition.** Funds appropriated in Part 1 shall not be used for the purchase of foreign automobiles if competitively priced and of comparable quality automobiles made in the State of Michigan or elsewhere in the United States of America are available. The Governor modified the language by including leases along with purchases and replacing "foreign automobiles" with "vehicle assembled or manufactured outside of the United States." The House and Senate concurred with the Governor. (Sec. 247)
4. **Tuition Restraint.** The Governor included new language stating: "It is expected that a public university or community college receiving federal stimulus funds will not raise tuition and fees charged to Michigan residents for the remainder of 2008-2009 and for 2009-2010." The House changed that language by stating legislative intent that in-district tuition and fees will not be raised by more than the percentage increase in the US CPI plus 0.5 percent as a condition of receiving stimulus funds. The Senate did not include either version of the language.
5. **District Consolidation.** The House added new language stating that it was the intent of the Legislature to study the feasibility of legislation that would provide rules and guidelines for a path to consolidation of community college districts and the creation of inter-college agreements pursuant to Section 28 of article VII of the State Constitution of 1963. The Legislature also intends to study the feasibility of appropriating additional funds to districts that have a local property tax to provided incentives to enter into those agreements. The Senate replaced this section with language that encourages 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. 249)
6. **Part-time Faculty.** The House added language stating that It was the intent of the Legislature that the Michigan Community College Association, the Legislature, and other interested parties begin a discussion regarding part-time faculty pay, benefits, and job security. Specific attention should be paid to part-time faculty instructing at multiple institutions having the equivalent of a full-time academic workload. The Senate removed this section.
7. **Federal Stimulus Funds.** The House added language stating that the \$97 million in State fiscal stabilization funding shall be distributed pursuant to the Performance Indicators Task Force Formula and used for workforce development, job creation, and worker retraining. Sets criteria and provides for report. The Senate removed this section.
8. **Indian Tuition Waivers.** The House added language encouraging colleges to consider whether the use of the term "Indian" as a descriptive term for Michigan tribal issues involving community colleges is appropriate. The Senate removed this subsection.
9. **Community College Unrestricted Assets.** The House added new language that requires community colleges with unrestricted assets equal to or more than 25.7% of overall annual operating revenue to prepare a report outlining the college's intended purpose for carrying the unrestricted assets. The Senate removed this section.
10. **Other Changes.** The Governor eliminated sections one-time sections related to the Michigan New Jobs Training Program, and a nursing workgroup study that has been completed. The House and Senate concurred with the Governor. The House and Senate restored the following language removed by the Governor; requires the At-risk categorical grant to be paid in full to colleges by November 1. (Sec. 211), a provision requiring community colleges to comply with current Joint Capital Outlay Subcommittee (Sec. 217), language encouraging community colleges to organize and participate in a legislative summit on a strategy for meeting the employment needs of the entire State (Sec. 224), intent language on payments in lieu of taxes (Sec. 242), performance task force indicators formula (Sec. 304), Perkins Act (Sec. 511), and a report on the impact of TIFAs and tax abatement programs (Sec. 513).

Date Completed: 6-18-09

Fiscal Analyst: Bill Bowerman



House Bill 4435: FY 2009-10 Community College Appropriation Bill

College	FY 2008-09 Year-To-Date	FY 2009-10 Governor			FY 2009-10 House				FY 2009-10 Senate			
		Total Increase	Governor's Rec.	Percent Change	NAITW*/ Stimulus	Total Change	House Passed	Percent Change	Adjustments	Total Change	Senate Subcommittee	Percent Change
Alpena	5,126,100	0	5,126,100	0.0%	(7,900)	(7,900)	5,118,200	-0.2%	0	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	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	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	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	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	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	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	0	11,542,300	0.0%
Kalamazoo Valley	11,888,600	0	11,888,600	0.0%	(22,500)	(22,500)	11,866,100	-0.2%	0	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	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	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	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	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	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	0	4,289,200	0.0%
Monroe	4,142,800	0	4,142,800	0.0%	800	800	4,143,600	0.0%	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	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	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	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	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	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	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	0	6,729,800	0.0%
Schoolcraft	11,767,000	0	11,767,000	0.0%	600	600	11,767,600	0.0%	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	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	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	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	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	\$0	\$292,557,800	0.0%
At Risk	3,322,700	0	3,322,700	0.0%	0	0	3,322,700	0.0%	0	0	3,322,700	0.0%
Renaissance Zone	3,480,000	0	3,480,000	0.0%		0	3,480,000	0.0%	(3,480,000)	(3,480,000)	0	-100.0%
Workforce Development Grants (ARRA)	0	0	0	0.0%	97,000,000	97,000,000	97,000,000	--	0	0	0	--
TOTAL APPROPRIATION:	\$299,360,500	\$0	\$299,360,500	0.0%	\$97,000,000	\$97,000,000	\$396,360,500	32.4%	(\$3,480,000)	(\$3,480,000)	\$295,880,500	-1.2%
Federal Stimulus Funds (ARRA)	0	0	0	0.0%	97,000,000	97,000,000	97,000,000	--	0	0		0.0%
GF/GP	\$299,360,500	\$0	\$299,360,500	0.0%	0	\$0	\$299,360,500	0.0%	(\$3,480,000)	(\$3,480,000)	\$295,880,500	-1.2%

*NAITW: North American Indian Tuition Waiver