



Senate Fiscal Agency
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BILL ANALYSIS

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

Items Included by the House and Senate

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| 1. Continuation Budget. The Governor maintained funding for the Community College Budget at the FY 2008-09 levels. | 0 |
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Conference Agreement on Items of Difference

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| 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. The Conference concurred with the Senate. | 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. The Conference concurred with the Senate. | 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. The Conference restored the funding and boilerplate. (Sec. 404) | |

Total Changes.....	
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FY 2009-10 Conference Report Gross Appropriation	\$299,360,500
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2008-09 Year to Date:Items Included by the House and Senate

1. **Nursing Education Programs.** The House and Senate 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)
2. **Purchase of Foreign Automobiles Prohibition.** The Governor, House, and Senate modified this section by including leases along with purchases, and replacing "foreign automobiles" with "vehicle assembled or manufactured outside of the United States." (Sec. 247)
3. **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).

Conference Agreement on Items of Difference

4. **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 community colleges. The House restored this section. The Senate concurred with the Governor. The Conference concurred with the Senate.
5. **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% as a condition of receiving stimulus funds. The Senate did not include either version of the language. The Conference replaced this section with language stating: "It is the intent of the Legislature to acknowledge the community colleges' success at providing an affordable quality education during these tough economic times and to encourage each community college to continue to make every effort possible not to raise in-district tuition and fees charged to Michigan residents in the 2009-2010 academic year by more than the annual average percentage increase in the United State consumer price index in the immediately preceding academic year, plus 0.5%." (Sec. 248)
6. **District Consolidation.** The House added new language stating intent of the Legislature to study the feasibility of legislation that would provide rules and guidelines for a path to consolidation of college districts and the creation of inter-college agreements and also provide for a study of the feasibility of appropriating extra 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. The Conference concurred with the Senate. (Sec. 249)
7. **Additional Funding.** Provides 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. The Conference removed this section.
8. **Part-time Faculty.** The House added language stating intent that interested parties begin a discussion regarding part-time faculty pay, benefits, and job security. The Senate and Conference removed this section.
9. **Federal Stimulus Funds.** The House added language related to the appropriation of Federal stimulus funds. The Senate removed this section. The Conference replaced this section stating that a community college receiving funds under this act shall cooperate with the State to comply with the provisions of the ARRA requiring the establishment of a statewide P-20 Longitudinal Data System. (Sec. 405)
10. **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. The Conference removed this section.
11. **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 and Conference removed this section.

Date Completed: 9-21-09

Fiscal Analyst: Bill Bowerman



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

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

*NAITW: North American Indian Tuition Waiver