

SENATE BILL No. 762

February 11, 2014, Introduced by Senator BOOHER and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 201 and 201a (MCL 388.1801 and 388.1801a), as amended by 2013 PA 60.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 201. (1) Subject to the conditions set forth in this
2 article, the amounts listed in subsections (2), (4), (5), (6), and
3 (7) are appropriated for community colleges for the fiscal year
4 ending September 30, ~~2014, 2015~~, from the funds indicated in this
5 section. The following is a summary of the appropriations in
6 subsections ~~(2), (4), (5), (6), and (7)~~:**THIS SECTION:**

7 (a) The gross appropriation is ~~\$335,977,600.00~~.
8 \$ _____. After deducting total interdepartmental grants

1 and intradepartmental transfers in the amount of \$0.00, the
 2 adjusted gross appropriation is ~~\$335,977,600.00.~~ \$_____.

3 (b) The sources of the adjusted gross appropriation described
 4 in subdivision (a) are as follows:

5 (i) Total federal revenues, \$0.00.

6 (ii) Total local revenues, \$0.00.

7 (iii) Total private revenues, \$0.00.

8 (iv) Total other state restricted revenues,
 9 \$197,614,100.00. \$_____.

10 (v) State general fund/general purpose money,
 11 \$138,363,500.00. \$_____.

12 (2) Subject to subsection (3), the amount appropriated for
 13 community college operations is \$_____. ~~\$298,244,000.00,~~
 14 ~~allocated as follows:~~

15 ~~—— (a) Alpena Community College, \$5,221,100.00.~~

16 ~~—— (b) Bay de Noc Community College, \$5,263,800.00.~~

17 ~~—— (c) Delta College, \$14,022,200.00.~~

18 ~~—— (d) Glen Oaks Community College, \$2,434,300.00.~~

19 ~~—— (e) Gogebic Community College, \$4,317,500.00.~~

20 ~~—— (f) Grand Rapids Community College, \$17,403,500.00.~~

21 ~~—— (g) Henry Ford Community College, \$20,997,900.00.~~

22 ~~—— (h) Jackson Community College, \$11,723,600.00.~~

23 ~~—— (i) Kalamazoo Valley Community College, \$12,086,900.00.~~

24 ~~—— (j) Kellogg Community College, \$9,494,000.00.~~

25 ~~—— (k) Kirtland Community College, \$3,046,800.00.~~

26 ~~—— (l) Lake Michigan College, \$5,162,900.00.~~

27 ~~—— (m) Lansing Community College, \$29,935,300.00.~~

- 1 ~~—— (n) Macomb Community College, \$31,837,200.00.~~
 2 ~~—— (o) Mid Michigan Community College, \$4,504,700.00.~~
 3 ~~—— (p) Monroe County Community College, \$4,329,900.00.~~
 4 ~~—— (q) Montcalm Community College, \$3,112,000.00.~~
 5 ~~—— (r) C.S. Mott Community College, \$15,202,200.00.~~
 6 ~~—— (s) Muskegon Community College, \$8,628,000.00.~~
 7 ~~—— (t) North Central Michigan College, \$3,055,400.00.~~
 8 ~~—— (u) Northwestern Michigan College, \$8,799,300.00.~~
 9 ~~—— (v) Oakland Community College, \$20,422,900.00.~~
 10 ~~—— (w) St. Clair County Community College, \$6,839,900.00.~~
 11 ~~—— (x) Schoolcraft College, \$12,076,700.00.~~
 12 ~~—— (y) Southwestern Michigan College, \$6,385,400.00.~~
 13 ~~—— (z) Washtenaw Community College, \$12,573,900.00.~~
 14 ~~—— (aa) Wayne County Community College, \$16,146,700.00.~~
 15 ~~—— (bb) West Shore Community College, \$2,342,900.00.~~
 16 ~~—— (cc) Local strategic value, \$877,100.00.~~

17 (3) The amount appropriated in subsection (2) for community
 18 college operations is appropriated from the following:

19 (a) State school aid fund, \$195,880,500.00-\$_____.

20 (b) State general fund/general purpose money,
 21 \$102,363,500.00-\$_____.

22 ~~—— (4) From the appropriations described in subsection (1), there~~
 23 ~~is appropriated for fiscal year 2013-2014 an amount not to exceed~~
 24 ~~\$1,733,600.00 for payments to community colleges from the state~~
 25 ~~school aid fund. A community college that receives money under this~~
 26 ~~subsection shall use that money solely for the purpose of~~
 27 ~~offsetting a portion of the retirement contributions owed by the~~

1 ~~college for the fiscal year ending September 30, 2014. The amount~~
2 ~~allocated to each participating community college under this~~
3 ~~section shall be based on each participating college's total~~
4 ~~payroll covered by the retirement system covered payroll for all~~
5 ~~participating colleges for the immediately preceding state fiscal~~
6 ~~year.~~

7 ~~—— (5) From the appropriations described in subsection (1), there~~
8 ~~is appropriated an amount not to exceed \$31,400,000.00 from the~~
9 ~~state general fund for payments to community colleges that are~~
10 ~~participating entities of the retirement system. All of the~~
11 ~~following apply to the appropriations described in this subsection:~~

12 ~~—— (a) The amount of a payment under this subsection shall be the~~
13 ~~difference between the unfunded actuarial accrued liability~~
14 ~~contribution rate as calculated under section 41 of the public~~
15 ~~school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,~~
16 ~~and the maximum employer rate of 20.96% under section 41 of the~~
17 ~~public school employees retirement act of 1979, 1980 PA 300, MCL~~
18 ~~38.1341.~~

19 ~~—— (b) The amount allocated to each community college under this~~
20 ~~subsection shall be based on each community college's percentage of~~
21 ~~the total covered payroll for all community colleges that are~~
22 ~~participating colleges in the immediately preceding fiscal year. A~~
23 ~~community college that receives funds under this subsection shall~~
24 ~~use the funds solely for the purpose of retirement contributions~~
25 ~~under subdivision (c).~~

26 ~~—— (c) Each participating college receiving funds under this~~
27 ~~subsection shall forward an amount equal to the amount allocated~~

1 ~~under subdivision (b) to the retirement system in a form and manner~~
2 ~~determined by the retirement system.~~

3 ~~—— (6) All of the following apply to community colleges described~~
4 ~~in section 12(3) of the Michigan renaissance zone act, MCL~~
5 ~~125.2692.~~

6 ~~—— (a) From the appropriations described in subsection (1), the~~
7 ~~following amount is appropriated for reimbursement to community~~
8 ~~colleges under section 12(3) of the Michigan renaissance zone act,~~
9 ~~MCL 125.2692.~~

10 ~~—— (i) If the amount of tax revenue lost by community colleges as~~
11 ~~a result of the exemption of property under the Michigan~~
12 ~~renaissance zone act in fiscal year 2012-2013 is \$3,500,000.00 or~~
13 ~~more, \$3,500,000.00 from the state general fund.~~

14 ~~—— (ii) If the amount of tax revenue lost by community colleges as~~
15 ~~a result of the exemption of property under the Michigan~~
16 ~~renaissance zone act in fiscal year 2012-2013 is less than~~
17 ~~\$3,500,000.00, the actual amount of tax revenue lost by the~~
18 ~~community colleges.~~

19 ~~—— (b) The amount allocated to each community college under this~~
20 ~~subsection shall be based on that community college's proportion of~~
21 ~~total revenue lost by community colleges in fiscal year 2012-2013~~
22 ~~as a result of the exemption of property under the Michigan~~
23 ~~renaissance zone act.~~

24 ~~—— (c) The appropriations described in this subsection shall be~~
25 ~~made to each eligible community college within 60 days after the~~
26 ~~department of treasury certifies to the state budget director that~~
27 ~~it has received all necessary information to properly determine the~~

1 ~~amounts of tax revenue lost by each eligible community college in~~
2 ~~fiscal year 2012-2013 under section 12 of the Michigan renaissance~~
3 ~~zone act, MCL 125.2692.~~

4 ~~—— (7) From the appropriations described in subsection (1), there~~
5 ~~is appropriated \$1,100,000.00 from the state general fund, for~~
6 ~~fiscal year 2013-2014 only, to the Michigan community college~~
7 ~~association, for the purpose of expanding the Michigan community~~
8 ~~college virtual learning collaborative. The Michigan community~~
9 ~~college association shall provide information on request to the~~
10 ~~house and senate subcommittees on community colleges, the house and~~
11 ~~senate fiscal agencies, and the state budget director on the use of~~
12 ~~these funds until the project is completed.~~

13 ~~—— (8) As used in this section:~~

14 ~~—— (a) "Michigan renaissance zone act" means the Michigan~~
15 ~~renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.~~

16 ~~—— (b) "Participating college" means a community college that is~~
17 ~~a reporting unit of the retirement system and that reports~~
18 ~~employees to the retirement system for the state fiscal year.~~

19 ~~—— (c) "Retirement board" means the board that administers the~~
20 ~~retirement system under the public school employees retirement act~~
21 ~~of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

22 ~~—— (d) "Retirement system" means the Michigan public school~~
23 ~~employees' retirement system under the public school employees~~
24 ~~retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

25 Sec. 201a. It is the intent of the legislature to provide
26 appropriations for the fiscal year ending on September 30, 2015
27 2016 for the items listed in section 201. ~~The fiscal year 2014-2015~~

1 ~~appropriations are anticipated to be the same as those for fiscal~~
2 ~~year 2013-2014, except that the amounts will be adjusted for~~
3 ~~changes in caseload and related costs, federal fund match rates,~~
4 ~~economic factors, and available revenue. These adjustments will be~~
5 ~~determined after the January 2014 consensus revenue estimating~~
6 ~~conference.~~