

FY 2018-19: COMMUNITY COLLEGES

Summary: As Passed by the Senate

Senate Bill 851 (S-1)



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	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Senate From FY 2017-18 YTD Amount	%
IDG/IDT	\$0	\$0	\$0	\$0		\$0	--
Federal	0	0	0	0		0	--
Local	0	0	0	0		0	--
Private	0	0	0	0		0	--
Restricted	398,301,500	405,015,500	408,215,500	405,015,500		6,714,000	1.7
GF/GP	1,025,000	0	0	3,190,500		2,165,500	211.3
Gross	\$399,326,500	\$405,015,500	\$408,215,500	\$408,206,000		\$8,879,500	2.2

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5579 as passed by the House.

Overview

The Community Colleges budget supports the 28 public community colleges located throughout the state. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associates' degrees, career and technical education, developmental and remedial education, continuing education, and baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
Major Budget Changes From FY 2017-18 YTD Appropriations			
1. Michigan Public School Employee Retirement System (MPERS)			
<p><u>Executive</u> increases funding by \$4.5 million SAF for MPERS. This includes a reduction of \$3.2 million SAF for the state's share of colleges' unfunded liability to MPERS and a \$7.7 million SAF increase to cover the second year of a two-year phase in to reduce the assumed rate of return for MPERS from 8% to 7.5%. The state's share is the difference between the actuarial accrued liability to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement act (MCL 38.1341). Total funding for the state share of MPERS would be \$75.3 million SAF. <u>House</u> concurs. <u>Senate</u> concurs.</p>	Gross	\$70,805,000	\$4,495,000
	Restricted	70,805,000	4,495,000
	GF/GP	\$0	\$0
2. Community College Operations Grants			
<p><u>House</u> increases funding by \$3.2 million SAF, a 1.0% increase, distributed using the Performance Funding Formula. Funding for Operations grants would total \$322.3 million SAF.</p> <p><u>Senate</u> increases funding by \$3.2 million GF/GP, a 1.0% increase. \$1.7 million of the increase is allocated to colleges that received less than 3.0% of FY 2017-18 PPT payments. \$1.5 million is distributed using the Performance Funding Formula. Funding for Operations grants would total \$322.2 million (\$3.2 million GF/GP).</p>	Gross	\$319,050,900	\$3,190,500
	Restricted	319,050,900	0
	GF/GP	\$0	\$3,190,500
3. MPERS Normal Cost Offset			
<p><u>Executive</u> increases funding by \$2.8 million SAF to reimburse community colleges for their normal cost portion for the second year of a two-year phase in to reduce the assumed rate of return for MPERS from 8% to 7.5%. The total funding for MPERS normal cost offset would be \$6.4 million.</p> <p><u>House</u> concurs. <u>Senate</u> concurs.</p>	Gross	\$3,612,000	\$2,819,000
	Restricted	3,612,000	2,819,000
	GF/GP	\$0	\$0

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Senate Change
4. Renaissance Zone Reimbursement Costs		Gross	\$3,100,000 (\$600,000)
<u>Executive</u> reduces funding for Renaissance Zone reimbursements to community colleges by \$600,000 SAF. Estimated reimbursement payments required by statute have decreased due to Personal Property Tax reforms. Total funding for reimbursements would be \$2.5 million SAF. <u>House</u> concurs. <u>Senate</u> concurs.	Restricted	3,100,000	(600,000)
	GF/GP	\$0	\$0
5. Removal of One-Time Funding		Gross	\$1,025,000 (\$1,025,000)
<u>Executive</u> eliminates \$1.0 million GF/GP of one-time funding for the Michigan Transfer Network. <u>House</u> concurs. <u>Senate</u> concurs.		GF/GP	\$1,025,000 (\$1,025,000)

Major Boilerplate Changes From FY 2017-18

Sec. 206. Community Colleges Activities Classification Structure (ACS) Data – REVISED

Executive changes name of data collection entity from Activities Classification Structure to the Michigan Community Colleges Data Inventory. Deletes requirement that the State Budget Director notify the legislature before withholding funds from community colleges that fail to comply with requirements. House concurs with name change but retains State Budget Director notification requirement. Senate concurs with House.

Sec. 208. Self-Liquidating Projects – RETAINED

Executive deletes language that prohibits colleges from using state funds for construction or maintenance of self-liquidating projects. Requires colleges to comply with Joint Capital Outlay Subcommittee (JCOS) use and finance policy for any capital outlay project. Subjects colleges that fail to comply with a penalty of 1% of the operations funding for each violation. House retains. Senate retains.

Sec. 209. Community College Transparency – REVISED

Executive changes formal name of community colleges database to Michigan Community College Data Inventory. Deletes a provision authorizing State Budget Director to withhold payment from a college that failed to comply with the reporting requirements. House concurs with name change but retains subsection on withholding payment. Senate concurs with House.

Sec. 209a. Campus Safety Information and Resources – NEW

Senate adds language requiring community colleges to develop a “campus safety information and resources” link, which must be displayed on its website. The section must require various safety information and policies, and schools must certify compliance to the State Budget Director or have monthly state payments withheld.

Sec. 210e. Articulation Agreements and Academic Partnerships Reporting – NOT INCLUDED

Executive adds language that requires the Michigan Community College Association (MCCA), the Michigan Association of State Universities (MASU), and the Michigan Independent Colleges and Universities (MICU) to report on the names and number of baccalaureate degree programs offered on community college campuses, the names of articulation agreements between universities and community colleges, and the number of students enrolled and degrees awarded through articulation agreements and on-campus baccalaureate programs. House concurs but relabels as Sec. 210f. Senate does not include.

Sec. 212. Cost Containment Initiatives – RETAINED

Executive deletes language that encourages colleges to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, increasing web-based instruction, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance and group purchasing. House retains. Senate retains.

Sec. 215. Annual Sexual Assault Reports – NOT INCLUDED

House adds language requiring that community colleges must submit a Title IX annual report on sexual assault incidents, as required under the Campus Save Act of 2013, to the House and Senate subcommittees on Community Colleges, the House and Senate fiscal agencies, and the State Budget Director. Senate does not include.

Sec. 217. Activities Classification Structure Data – REVISED

Executive changes name of data collection entity from Activities Classification Structure to the Michigan Community Colleges Data Inventory and removes MCCA appointment restrictions for advisory committee. House concurs and also adds language that the Center for Educational Performance and Information (CEPI) publishes the Demographic Enrollment Profile with support from the Talent Investment Agency. Senate mostly concurs with House but states that CEPI compile and publish the Demographic Enrollment Profile. Retains MCCA appointment restrictions with new name of database.

Sec. 225. Tuition Rate Reports – REVISED

Executive deletes language that requires community colleges to include the annual cost of attendance based on 30 credits. House concurs but adds requirement that colleges must specify the total increase of tuition and fees from the prior academic year. Senate revises language that community colleges must include the annual cost of tuition and fees based on 30 credits.

Major Boilerplate Changes From FY 2017-18

Sec. 226. Degrees Awarded by Colleges – REVISED

Executive changes reporting deadline from November 15 to October 15. House concurs. Senate concurs.

Sec. 227. Community College Automobile Purchases – RETAINED

Executive deletes language that forbids lease or purchase of foreign-made vehicles if vehicles made in Michigan or elsewhere in the U.S. are competitively priced and of comparable quality. House retains. Senate retains.

Sec. 228. Communication with the Legislature – RETAINED

Executive deletes language that forbids a community college from taking disciplinary action against an employee for communicating with the legislature. House retains. Senate retains.

**FY 2018-19 Community Colleges Operations Appropriations
As Passed by the Senate**

	30%	10%	10%	10%	30%	5%	5%	100%					
	FY 2017-18 Base	Sustainability	Performance- Improvement	Performance- Completion Number	Performance- Completion Rate	Contact Hours	Administrative	Local Strategic Value	Total Formula Distribution	PPT Related Adjustments	Total Adjustments	% Change	FY 2018-19 Appropriation
Alpena	5,627,500	7,794	2,078	1,728	5,402	3,997	2,619	1,299	24,900	94,600	119,500	2.1%	\$5,747,000
Bay de Noc	5,589,000	7,741	2,073	1,978	2,064	4,041	2,188	1,290	21,400	0	21,400	0.4%	\$5,610,400
Delta	14,990,700	20,763	7,013	8,109	5,537	19,713	3,285	3,460	67,900	0	67,900	0.5%	\$15,058,600
Glen Oaks	2,601,400	3,603	2,361	869	961	2,654	90	601	11,100	0	11,100	0.4%	\$2,612,500
Gogebic	4,715,400	6,531	1,742	984	5,559	3,071	1,674	1,089	20,600	141,500	162,100	3.4%	\$4,877,500
Grand Rapids	18,556,800	25,702	6,854	8,569	6,854	35,730	3,136	4,284	91,100	0	91,100	0.5%	\$18,647,900
Henry Ford	22,299,200	30,885	8,236	6,892	11,620	31,988	3,518	5,148	98,300	0	98,300	0.4%	\$22,397,500
Jackson	12,590,100	17,438	4,650	3,852	4,650	11,732	3,167	2,906	48,400	153,000	201,400	1.6%	\$12,791,500
Kalamazoo Valley	12,948,700	17,935	4,783	5,677	4,783	19,111	3,214	2,989	58,500	0	58,500	0.5%	\$13,007,200
Kellogg	10,143,600	14,049	3,746	4,090	3,746	10,887	3,441	2,342	42,300	0	42,300	0.4%	\$10,185,900
Kirtland	3,289,400	4,556	4,477	1,606	1,215	3,997	2,658	759	19,300	0	19,300	0.6%	\$3,308,700
Lake Michigan	5,523,600	7,650	2,065	1,868	2,040	8,159	1,516	1,275	24,600	162,600	187,200	3.4%	\$5,710,800
Lansing	32,324,200	44,770	11,939	13,598	11,939	33,236	2,793	7,462	125,700	514,500	640,200	2.0%	\$32,964,400
Macomb	33,863,600	46,903	17,411	12,990	15,601	51,711	3,257	7,817	155,700	0	155,700	0.5%	\$34,019,300
Mid-Michigan	4,968,900	6,882	1,835	3,311	1,835	8,943	2,378	1,147	26,300	149,100	175,400	3.5%	\$5,144,300
Monroe County	4,665,500	6,462	3,758	2,110	1,723	7,459	3,164	1,077	25,800	0	25,800	0.6%	\$4,691,300
Montcalm	3,446,300	4,773	1,273	1,757	1,273	3,464	3,193	796	16,500	103,400	119,900	3.5%	\$3,566,200
Mott	16,258,100	22,518	6,005	9,779	9,061	20,036	2,663	3,753	73,800	93,000	166,800	1.0%	\$16,424,900
Muskegon	9,203,000	12,747	3,399	2,319	3,399	9,409	3,468	2,124	36,900	0	36,900	0.4%	\$9,239,900
North Central	3,353,200	4,644	1,238	1,474	4,462	4,892	2,931	774	20,400	48,700	69,100	2.1%	\$3,422,300
Northwestern	9,508,900	13,170	3,512	3,524	3,512	10,643	2,701	2,195	39,300	145,900	185,200	1.9%	\$9,694,100
Oakland	21,905,700	30,340	15,531	12,505	8,091	37,456	3,009	5,057	112,000	0	112,000	0.5%	\$22,017,700
Schoolcraft	12,991,300	17,994	6,336	7,431	8,023	26,784	3,122	2,999	72,700	0	72,700	0.6%	\$13,064,000
Southwestern	6,860,700	9,502	2,534	2,742	2,534	5,592	1,564	1,584	26,100	111,200	137,300	2.0%	\$6,998,000
St. Clair	7,300,100	10,111	2,696	2,890	5,861	9,158	2,613	1,685	35,000	0	35,000	0.5%	\$7,335,100
Washtenaw	13,631,400	18,880	5,035	12,408	8,207	28,468	3,092	3,147	79,200	0	79,200	0.6%	\$13,710,600
Wayne County	17,338,300	24,014	13,775	11,304	6,404	26,796	2,690	4,002	89,000	0	89,000	0.5%	\$17,427,300
West Shore	2,556,300	3,541	944	935	944	2,774	505	590	10,200	0	10,200	0.4%	\$2,566,500
	319,050,900	441,900	147,300	147,300	147,300	441,900	73,650	73,650	1,473,000	1,717,500	3,190,500	1.0%	\$322,241,400