



Senate Fiscal Agency
 P.O. Box 30036
 Lansing, Michigan 48909-7536



Telephone: (517) 373-2768
 Fax: (517) 373-1986

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 CONFERENCE	CHANGES FROM FY 2016-17 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	N/A	N/A	0.0	0.0
GROSS	395,925,600	399,326,500	3,400,900	0.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	395,925,600	399,326,500	3,400,900	0.9
Less:				
Federal Funds.....	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	395,925,600	399,326,500	3,400,900	0.9
Less:				
Other State Restricted Funds.....	260,414,800	398,301,500	137,886,700	52.9
GENERAL FUND/GENERAL PURPOSE	135,510,800	1,025,000	(134,485,800)	(99.2)
PAYMENTS TO LOCALS	395,925,600	399,326,500	3,400,900	0.9

FY 2016-17 Year-to-Date Gross Appropriation \$395,925,600

Changes from FY 2016-17 Year-to-Date:

Items Included by the Senate and House

- Funding Shift.** Governor shifted \$133,510,800 from GF/GP to the School Aid Fund (SAF), thereby funding community college current operations and renaissance zone reimbursements entirely from the SAF. Senate and House concurred. 0
- Michigan Public School Employees' Retirement System (MPERS).** Adjustments include an increase of \$6,705,000 SAF related to decreasing the assumed rate of return for the Unfunded Actuarial Accrued Liability (UAAL); a one-time increase of \$3,612,000 SAF due to decreasing the assumed rate of return for the normal cost hold harmless; and a decrease of \$9,100,000 SAF due to investment gains and positive health experience. Senate and House concurred. 1,217,000
- Renaissance Zone Reimbursements.** Governor, Senate, and House reduced the appropriation from \$5.1 million to \$3.1 million based on projected payments. (2,000,000)

Conference Agreement on Items of Difference

- College Operations.** Governor and House did not include a funding increase for college operations. Senate included a \$3,158,900 GF/GP (1.0%) increase; \$1.4 million to adjust for payments in excess of the calculated loss for the PPT, and \$1.8 million distributed through the 2016 Performance Indicators Review Task Force formula. Conference concurred with Senate, but financed the increase from the State School Aid Fund. See attached [Table 1](#) for details. [Table 2](#) provides comparisons between Governor, Senate, House, and Conference. 3,158,900
- Independent Part-Time Student Grants.** Governor included \$2.0 million GF/GP to initiate a revised version of the Independent Part-Time Student Grants program created by Public Act 102 of 1986. The grants were established to foster the pursuit of postsecondary education by part-time students who have financial need. The maximum grant was \$600 per academic year for not 0

more than two 12-month periods at any educational institution. The last year these grants received funding was in FY 2008-09, when grants totaled \$2.6 million. Governor proposed amendments to Public Act 102 to revise the grant program by limiting grants to community college students, removing the \$600 limit and providing the Department of Treasury with the authority to set the grant limit each academic year, and changing the two-year limit on receiving grants to three-years. Senate concurred with Governor on funding for the program. House did not include funding. Conference concurred with House and did not fund the program.

- 6. **Michigan Transfer Network Enhancements.** Governor included \$1,025,000 GF/GP for improvements to the Michigan Transfer Network (MTN). The MTN website helps students, advisers, and the general public, find transfer course equivalencies between Michigan colleges and universities. The MTN is sponsored by the Michigan Association of Collegiate Registrars and Admissions Officers and hosted by Michigan State University. The enhancement funding will provide for a new Michigan Transfer Network website, including a new course equivalency database, information about the Michigan Transfer Agreement, and associate to bachelor's degree transfer pathways that allow a student to maximize coursework at community colleges and universities. Senate concurred with Governor. House did not include funding. Conference concurred with Governor and Senate. 1,025,000
- 7. **FY 2017-18 One-Time Gross Appropriations.** Conference included one-time funding of \$1,025,000 GF/GP for enhancements to the Michigan Transfer Network (Item #6 above), and a one-time increase of \$3,612,000 SAF for MPSERS due to decreasing the assumed rate of return for the normal cost hold harmless (Item #2 above).

Total Changes	\$3,400,900
---------------------	-------------

FY 2017-18 Conference Report Ongoing/One-Time Gross Appropriation	\$399,326,500
---	---------------

Amount Over/(Under) GF/GP Target: \$0

Boilerplate Changes from FY 2016-17 Year-to-Date:

Items Included by the Senate and House

- 1. **Payment Distribution Schedule.** Provides for payment schedule. If the State Budget Director determines that a community college failed to submit Activities Classification Structure (ACS) data to the Center Educational Performance and Information (CEPI) by November 1, or failed to submit its longitudinal data system data set, the State Treasurer shall withhold the monthly installments from that community college until those data are submitted. The State Budget Director is required to notify the community college subcommittee chairs at least 10 days before withholding funds from any community college. Governor included other statutorily required reports to the conditions for receiving monthly payments (college credit opportunity data set, annual independent audit, tuition and fees report, and number and type of degrees and certificates report), and removed the prior notice to subcommittee chairs requirement. Senate and House restored the notice to subcommittee chairs requirement and concurred with other recommended changes. (Sec. 206)
- 2. **Block Transfers.** Requires report from the Michigan Community College Association (MCCA) and the Michigan Association of State Universities (MASU) on the implementation of the Michigan Transfer Agreement (30 block credits). The language requires the report to include clear timelines for establishing transfer pathways. Governor modified current reporting requirements by specifically including alignment of learning outcomes in gateway mathematics courses in the quantitative reasoning, college algebra and statistics pathways and transferability of mathematics gateway courses. Language is also clarified to require not only timelines for "establishment" but also "implementation" of transfer pathways. Senate and House concurred with Governor. (Sec. 210b)
- 3. **Academic Program Partnerships.** Requires the Michigan Community College Association, the Michigan Association of State Universities, and the Michigan Independent Colleges and Universities, on behalf of their member colleges and universities, to submit a comprehensive report detailing the number of academic program partnerships between public community colleges, public universities, and private colleges and universities. The same language was included in the FY 2016-17 Higher Education appropriation (Sec. 286a). Senate removed Sec. 286a in the Higher Education budget. Conference for the community college budget removed Sec. 210e for consistency with the Higher Education budget. (Sec. 210e)

4. **ACS Database.** Requires CEPI to establish, maintain, and coordinate the State community college database. Governor eliminated the provision requiring CEPI to assist community colleges in complying with audits under this section or federal law. Senate and House concurred. (Sec. 217)
5. **Indian Tuition Waiver.** Governor, for reporting purposes, changed the reference from "fiscal" year to "academic" year, included continuing education students in number of waiver students reported, and defined "withdrawal" as any student awarded the waiver who withdraws from the institution at any point during the term, regardless of enrollment in subsequent terms. Senate and House concurred. (Sec. 223)
6. **Restored Provisions. Governor deleted:** Anticipated appropriations for subsequent fiscal year (Sec. 201a); prohibits use of appropriations for construction or maintenance of self-liquidating projects and requires compliance with Section 238 if the Management and Budget Act and Joint Capital Outlay Subcommittee use and finance requirements - includes penalty for noncompliance (Sec. 208); encourages community colleges to achieve efficiencies through cost containment measures and collaborations (Sec. 212); prohibits use of appropriations for purchase or lease of foreign automobiles (Sec. 227); and prohibition on disciplinary action against an employee for communicating with a member of the Legislature or legislative staff (Sec. 228). Senate and House restored all of these sections.

Conference Agreement on Items of Difference

7. **Independent Part-Time Student Grants.** Governor included language stating that the \$2.0 million appropriation is subject to Public Act 102 of 1986. If applicants exceed available funding, funds will be given to persons with the greatest financial need. Includes reporting requirements. Compliance with proposed new reporting requirements is a condition of receiving funds beginning in FY 2018-19. Senate concurred with Governor. House did not include this section, because it did not include funding for the program in its version of the bill. Conference concurred with House. (Sec. 201 (7) & (8) in Senate version of bill)
8. **Michigan Transfer Network Website Enhancements.** Governor and Senate added new language providing that the appropriation is one-time and for the purpose of enhancements to the website to improve the transfer of college credit among Michigan's postsecondary institutions. Requires updates on use of funds to State Budget Director, community college subcommittees, and fiscal agencies upon request. House did not include this section. Conference concurred with Governor and Senate. ((Sec. 201 (7))
9. **Transparency.** Requires community colleges to make available through links on website homepages annual operating budgets, links to the most recent activities classification structure report, current collective bargaining agreements, health care plans, audits and financial reports, projected general fund revenue and expenditures and debt service obligations, estimated costs incurred due to Affordable Health Care Act (ACA), board of trustees resolution regarding compliance with best practices, and opportunities for earning college credit through dual enrollment. Provides that the State Budget Director determines compliance and allows for withholding of State aid payments for noncompliance. Governor eliminated estimated costs of ACA, and the State Budget Director's authority to determine compliance and withhold funds for failure to comply with transparency site requirements. Governor also eliminated the requirement for college governing board resolution on compliance with best practices. Senate and House restored the provision for a governing board resolution on compliance with best practices, and the Budget Director's authority to determine compliance and withhold funds. Senate concurred with eliminating estimated costs of ACA. House maintained the ACA cost reporting requirement. Conference concurred with Senate. (Sec. 209)
10. **Reporting Requirements.** Sections providing for various college reports (audits, tuition and fees, etc.). Governor modified and clarified CEPI responsibilities for collecting information, distributing reports to recipients, and use of the P-20 Longitudinal Data System. The sections are also related to changes in Section 206 regarding compliance with reporting requirements. Senate concurred with Governor. House maintained current year language in Section 222, and maintained the provision in Section 224 that requires colleges to cooperate with CEPI to maintain a systematic approach for accomplishing work. Conference concurred with House on Section 224. Conference concurred with Senate on other sections, but replaced "shall make available" to "shall provide" where applicable related to CEPI distribution requirements. (Sec. 222, Sec. 224, Sec. 225, Sec. 226)

Date Completed: 6-6-17

Fiscal Analyst: Bill Bowerman

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.

Table 1: FY 2017-18 Community College Appropriations - Conference

College	FY 2016-17 Year-To-Date	FY 2017-18 Adjustments										FY 2017-18 Appropriation	Percent Change
		30.0% Sustainability*	10.0% Performance Improvement	10.0% Performance Completion #	10.0% Performance Completion Rate	30.0% Contact Hours	5.0% Administrative Costs	5.0% Local Strategic Value	Total Formula Distribution	Non-Formula Adjustments	Total Adjustments		
Alpena	\$5,544,700	\$9,469	\$6,122	\$1,933	\$4,769	\$4,588	\$2,864	\$1,578	\$31,300	\$51,500	\$82,800	\$5,627,500	1.5%
Bay de Noc	5,560,900	9,497	2,532	2,293	4,808	4,883	2,479	1,583	28,100	0	28,100	5,589,000	0.5%
Delta	14,907,700	25,458	7,847	10,531	6,789	24,225	3,902	4,243	83,000	0	83,000	14,990,700	0.6%
Glen Oaks	2,586,900	4,418	1,178	1,438	3,517	3,040	191	736	14,500	0	14,500	2,601,400	0.6%
Gogebic	4,577,800	7,818	2,085	1,263	4,998	3,573	2,127	1,303	23,200	114,400	137,600	4,715,400	3.0%
Grand Rapids	18,450,500	31,509	9,426	10,044	8,402	37,853	3,814	5,251	106,300	0	106,300	18,556,800	0.6%
Henry Ford	22,176,000	37,871	15,993	8,167	12,698	37,897	4,272	6,312	123,200	0	123,200	22,299,200	0.6%
Jackson	12,397,600	21,172	5,646	5,200	7,986	15,322	3,809	3,529	62,700	129,800	192,500	12,590,100	1.6%
Kalamazoo Valley	12,873,900	21,985	5,863	7,484	8,133	23,507	4,117	3,664	74,800	0	74,800	12,948,700	0.6%
Kellogg	10,087,500	17,227	6,626	4,785	6,946	13,415	4,223	2,871	56,100	0	56,100	10,143,600	0.6%
Kirtland	3,270,000	5,584	1,489	1,880	1,489	4,723	3,268	931	19,400	0	19,400	3,289,400	0.6%
Lake Michigan	5,492,800	9,380	2,501	2,340	2,501	10,445	2,117	1,563	30,800	0	30,800	5,523,600	0.6%
Lansing	31,677,300	54,096	15,362	17,040	16,746	42,842	3,627	9,016	158,600	488,300	646,900	32,324,200	2.0%
Macomb	33,681,800	57,520	15,339	15,950	17,594	62,111	3,718	9,587	181,800	0	181,800	33,863,600	0.5%
Mid Michigan	4,834,100	8,255	2,201	4,002	2,201	10,789	2,653	1,376	31,500	103,300	134,800	4,968,900	2.8%
Monroe	4,636,700	7,918	2,444	2,631	2,112	8,512	3,876	1,320	28,800	0	28,800	4,665,500	0.6%
Montcalm	3,343,100	5,709	1,522	1,985	1,522	3,957	3,911	952	19,600	83,600	103,200	3,446,300	3.1%
Mott	16,115,500	27,521	8,903	10,837	9,621	25,873	3,535	4,587	90,900	51,700	142,600	16,258,100	0.9%
Muskegon	9,150,600	15,627	11,393	2,935	4,167	11,407	4,242	2,604	52,400	0	52,400	9,203,000	0.6%
North Central	3,290,400	5,619	1,498	1,700	3,991	5,708	3,576	937	23,000	39,800	62,800	3,353,200	1.9%
Northwestern	9,318,000	15,913	5,882	4,196	4,243	12,933	3,322	2,652	49,100	141,800	190,900	9,508,900	2.0%
Oakland	21,770,900	37,179	9,914	15,052	9,914	53,114	3,437	6,196	134,800	0	134,800	21,905,700	0.6%
Schoolcraft	12,909,300	22,046	5,879	9,333	8,322	28,626	4,096	3,674	82,000	0	82,000	12,991,300	0.6%
Southwestern	6,732,500	11,497	5,511	2,979	3,066	6,910	1,871	1,916	33,700	94,500	128,200	6,860,700	1.9%
St. Clair	7,259,300	12,397	3,306	3,344	5,800	10,823	3,030	2,066	40,800	0	40,800	7,300,100	0.6%
Washtenaw	13,534,000	23,112	8,839	14,544	8,507	34,798	3,713	3,852	97,400	0	97,400	13,631,400	0.7%
Wayne County	17,234,200	29,431	9,494	14,919	7,848	34,323	3,165	4,905	104,100	0	104,100	17,338,300	0.6%
West Shore	2,478,000	4,232	5,024	1,015	1,128	3,264	952	705	16,300	62,000	78,300	2,556,300	3.2%
Subtotal Operations:	\$315,892,000	\$539,460	\$179,820	\$179,820	\$179,820	\$539,460	\$89,910	\$89,910	\$1,798,200	\$1,360,700	\$3,158,900	\$319,050,900	1.0%
MPSERS Retiree Health Care	1,733,600									0	0	1,733,600	0.0%
MPSERS Reform Costs	73,200,000									(2,395,000)	(2,395,000)	70,805,000	(3.3%)
Renaissance Zone Reimbursements	5,100,000									(2,000,000)	(2,000,000)	3,100,000	(39.2%)
Independent Part-Time Student Grants	0									0	0	0	0.0%
MI Transfer Network Enhancements (one-time)	0									1,025,000	1,025,000	1,025,000	--
MPSERS Normal Cost Offset (one-time)	0									3,612,000	3,612,000	3,612,000	--
Total Appropriations:	\$395,925,600	\$539,460	\$179,820	\$179,820	\$179,820	\$539,460	\$89,910	\$89,910	\$1,798,200	\$1,602,700	\$3,400,900	\$399,326,500	0.9%
State School Aid Fund	260,414,800	0	0	0	0	0	0	0	0	137,886,700	137,886,700	398,301,500	52.9%
GF/GP	\$135,510,800	\$539,460	\$179,820	\$179,820	\$179,820	\$539,460	\$89,910	\$89,910	\$1,798,200	(\$136,284,000)	(\$134,485,800)	\$1,025,000	(99.2%)

Table 2: FY 2017-18 Community College Appropriation

College	FY 2016-17 Year-To-Date	FY 2017-18 Governor's Recommendation			FY 2017-18 Senate			FY 2017-18 House			FY 2017-18 Conference		
		Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change
Alpena	\$5,544,700	\$0	\$5,544,700	0.0%	\$82,800	\$5,627,500	1.5%	\$0	\$5,544,700	0.0%	\$82,800	\$5,627,500	1.5%
Bay de Noc	5,560,900	0	5,560,900	0.0%	28,100	5,589,000	0.5%	0	5,560,900	0.0%	28,100	5,589,000	0.5%
Delta	14,907,700	0	14,907,700	0.0%	83,000	14,990,700	0.6%	0	14,907,700	0.0%	83,000	14,990,700	0.6%
Glen Oaks	2,586,900	0	2,586,900	0.0%	14,500	2,601,400	0.6%	0	2,586,900	0.0%	14,500	2,601,400	0.6%
Gogebic	4,577,800	0	4,577,800	0.0%	137,600	4,715,400	3.0%	0	4,577,800	0.0%	137,600	4,715,400	3.0%
Grand Rapids	18,450,500	0	18,450,500	0.0%	106,300	18,556,800	0.6%	0	18,450,500	0.0%	106,300	18,556,800	0.6%
Henry Ford	22,176,000	0	22,176,000	0.0%	123,200	22,299,200	0.6%	0	22,176,000	0.0%	123,200	22,299,200	0.6%
Jackson	12,397,600	0	12,397,600	0.0%	192,500	12,590,100	1.6%	0	12,397,600	0.0%	192,500	12,590,100	1.6%
Kalamazoo Valley	12,873,900	0	12,873,900	0.0%	74,800	12,948,700	0.6%	0	12,873,900	0.0%	74,800	12,948,700	0.6%
Kellogg	10,087,500	0	10,087,500	0.0%	56,100	10,143,600	0.6%	0	10,087,500	0.0%	56,100	10,143,600	0.6%
Kirtland	3,270,000	0	3,270,000	0.0%	19,400	3,289,400	0.6%	0	3,270,000	0.0%	19,400	3,289,400	0.6%
Lake Michigan	5,492,800	0	5,492,800	0.0%	30,800	5,523,600	0.6%	0	5,492,800	0.0%	30,800	5,523,600	0.6%
Lansing	31,677,300	0	31,677,300	0.0%	646,900	32,324,200	2.0%	0	31,677,300	0.0%	646,900	32,324,200	2.0%
Macomb	33,681,800	0	33,681,800	0.0%	181,800	33,863,600	0.5%	0	33,681,800	0.0%	181,800	33,863,600	0.5%
Mid Michigan	4,834,100	0	4,834,100	0.0%	134,800	4,968,900	2.8%	0	4,834,100	0.0%	134,800	4,968,900	2.8%
Monroe	4,636,700	0	4,636,700	0.0%	28,800	4,665,500	0.6%	0	4,636,700	0.0%	28,800	4,665,500	0.6%
Montcalm	3,343,100	0	3,343,100	0.0%	103,200	3,446,300	3.1%	0	3,343,100	0.0%	103,200	3,446,300	3.1%
Mott	16,115,500	0	16,115,500	0.0%	142,600	16,258,100	0.9%	0	16,115,500	0.0%	142,600	16,258,100	0.9%
Muskegon	9,150,600	0	9,150,600	0.0%	52,400	9,203,000	0.6%	0	9,150,600	0.0%	52,400	9,203,000	0.6%
North Central	3,290,400	0	3,290,400	0.0%	62,800	3,353,200	1.9%	0	3,290,400	0.0%	62,800	3,353,200	1.9%
Northwestern	9,318,000	0	9,318,000	0.0%	190,900	9,508,900	2.0%	0	9,318,000	0.0%	190,900	9,508,900	2.0%
Oakland	21,770,900	0	21,770,900	0.0%	134,800	21,905,700	0.6%	0	21,770,900	0.0%	134,800	21,905,700	0.6%
Schoolcraft	12,909,300	0	12,909,300	0.0%	82,000	12,991,300	0.6%	0	12,909,300	0.0%	82,000	12,991,300	0.6%
Southwestern	6,732,500	0	6,732,500	0.0%	128,200	6,860,700	1.9%	0	6,732,500	0.0%	128,200	6,860,700	1.9%
St. Clair	7,259,300	0	7,259,300	0.0%	40,800	7,300,100	0.6%	0	7,259,300	0.0%	40,800	7,300,100	0.6%
Washtenaw	13,534,000	0	13,534,000	0.0%	97,400	13,631,400	0.7%	0	13,534,000	0.0%	97,400	13,631,400	0.7%
Wayne County	17,234,200	0	17,234,200	0.0%	104,100	17,338,300	0.6%	0	17,234,200	0.0%	104,100	17,338,300	0.6%
West Shore	2,478,000	0	2,478,000	0.0%	78,300	2,556,300	3.2%	0	2,478,000	0.0%	78,300	2,556,300	3.2%
Subtotal Operations:	\$315,892,000	\$0	\$315,892,000	0.0%	\$3,158,900	\$319,050,900	1.0%	\$0	\$315,892,000	0.0%	\$3,158,900	\$319,050,900	1.0%
MPSERS Retiree Health Care	1,733,600	0	1,733,600	0.0%	0	1,733,600	0.0%	0	1,733,600	0.0%	0	1,733,600	0.0%
MPSERS Reform Costs	73,200,000	(2,395,000)	70,805,000	(3.3%)	(2,395,000)	70,805,000	(3.3%)	(2,395,000)	70,805,000	(3.3%)	(2,395,000)	70,805,000	(3.3%)
Renaissance Zone Reimbursements	5,100,000	(2,000,000)	3,100,000	(39.2%)	(2,000,000)	3,100,000	(39.2%)	(2,000,000)	3,100,000	(39.2%)	(2,000,000)	3,100,000	(39.2%)
Independent Part-Time Student Grants	0	2,000,000	2,000,000	----	2,000,000	2,000,000	----	0	0	0.0%	0	0	0.0%
MI Transfer Network Enhancements (one-time)	0	1,025,000	1,025,000	----	1,025,000	1,025,000	----	0	0	0.0%	1,025,000	1,025,000	----
MPSERS Normal Cost Offset (one-time)	0	3,612,000	3,612,000	----	3,612,000	3,612,000	----	3,612,000	3,612,000	----	3,612,000	3,612,000	----
Total Appropriations:	\$395,925,600	\$2,242,000	\$398,167,600	0.6%	\$5,400,900	\$401,326,500	1.4%	(\$783,000)	\$395,142,600	(0.2%)	\$3,400,900	\$399,326,500	0.9%
State School Aid Fund	260,414,800	134,727,800	395,142,600	51.7%	134,727,800	395,142,600	51.7%	134,727,800	395,142,600	51.7%	137,886,700	398,301,500	52.9%
GF/GP	\$135,510,800	(\$132,485,800)	\$3,025,000	(97.8%)	(\$129,326,900)	\$6,183,900	(95.4%)	(\$135,510,800)	\$0	(100.0%)	(\$134,485,800)	\$1,025,000	(99.2%)