

COMMUNITY COLLEGES
Summary of FY 2007-08 Enacted Appropriations
House Bill 4360; Public Act 120 of 2007



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	FY 2006-07 YTD	FY 2007-08 Executive	FY 2007-08 House	FY 2007-08 Senate	FY 2007-08 Enacted	Difference: Enacted From FY 2006-07 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	247,845,500	323,128,800	333,839,600	3,200	318,928,800	71,083,300	28.7
Gross	\$247,845,500	\$323,128,800	\$333,839,600	\$3,200	\$318,928,800	\$71,083,300	28.7
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: FY 2006-07 figures include the results of supplementals and Executive Order actions through October 31, 2007.

Large increase shown in Enacted appropriations is based upon YTD funding being reduced by August 2007 payment delay of \$25.8 million and Enacted funding being increased by \$51.5 million: \$25.8 million payment of August 2007 payment delay and \$25.8 million base restoration.

Overview

The Community Colleges budget includes funds for the operations of the state's 28 community colleges, the At-Risk Student Success Program, and renaissance zone tax reimbursement to the colleges. Community colleges also receive operating revenue from local property tax revenue and student tuition and fees.

Major Budget Changes From FY 2006-07 YTD Appropriations	FY 2006-07 YTD	Enacted Change From YTD
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1. Community College Operations Funding

Provides an overall increase from YTD appropriations of \$71.3 million based upon the following five adjustments:

Gross	\$241,322,800	\$71,258,300
GF/GP	\$241,322,800	\$71,258,300

- 1.0% Operations increase - \$2.9 million GF/GP allocated using the Performance Indicator Task Force Formula.
- Wayne County Community College (WCCC) - \$225,000 GF/GP to WCCC to complete the restoration of the \$450,000 reduction taken in FY 2003-04 which was allocated to 3 other colleges that year. (PA 153 of 2006 restored \$225,000 of this reduction previously.)
- Low Tax Base Adjustment - \$350,000 GF/GP distributed to four colleges to address low tax base disparity. Adjustment given to colleges that have property tax bases less than \$1.8 billion and a taxable value per FYES below \$900 (Alpena, Bay de Noc, Gogebic, Mid Michigan).
- Delayed Payment Restoration - Executive Order 2007-3 and PA 17 of 2007 delayed the August 2007 state aid payment to community colleges (\$25.8 million). Funding adjustment includes \$51.5 million GF/GP to provide reimbursement for the delayed August state aid payment for FY 2006-07 and to restore funding to the FY 2007-08 base.
- Retirement Savings Adjustment - Executive Order 2007-3 reduced operations funding by \$16.3 million GF/GP based upon Michigan Public School Employees' Retirement System

<u>Major Budget Changes From FY 2006-07 YTD Appropriations</u>		<u>FY 2006-07</u>	<u>Enacted Change</u>
		<u>YTD</u>	<u>From YTD</u>
(MPERS) payment credits that colleges would receive through the revaluation of MPERS assets and deferral of unfunded liabilities payments. Adjustment restores funding for this one-time reduction.			
2. Renaissance Zone Tax Reimbursement	Gross	\$3,200,000	(\$175,000)
Reduces funding for statutorily-required reimbursement to colleges with renaissance zones in their districts by \$175,000 GF/GP to reflect revised estimates of funding needed for reimbursements.	GF/GP	\$3,200,000	(\$175,000)

Major Boilerplate Changes From FY 2006-07

Sec. 209. Foreign Goods and Services – REVISED

Prohibits use of funds to purchase foreign goods or services if competitively priced similar American products are available; states preference for Michigan goods and services; adds language that gives preference for goods by Michigan businesses owned and operated by veterans.

Sec. 211. Payment of Appropriations – REVISED

Provides payment schedule for appropriation payments; adds requirement that the one-time supplemental payment to restore the last FY 2007 payment delayed through E.O. 2007-3 and P.A. 17 of 2007 be paid by October 16th.

Sec. 217. Capital Outlay Funding – REVISED

Modifies language to require that colleges comply with the current Joint Capital Outlay Subcommittee (JCOS) use and finance policy.

Sec. 230. Abortion Services – DELETED

Deletes language that prohibits use of state funds by colleges for provision of health care coverage to employees or their dependents for abortion services, with certain exceptions.

Sec. 231. Benefits to Unmarried Partners – DELETED

Deletes language that states legislative intent that colleges not extend employee benefits to unmarried partners of employees, except for pre- and post-natal costs.

Sec. 240. Economic Development Job Training (EDJT) Grants – DELETED

Deletes language that states legislative intent that at least 70% of EDJT funds appropriated in the DLEG budget be awarded to community colleges.

Sec. 303. Return of Excess Funds – DELETED

Deletes requirement that colleges return excess appropriated funds if audited data is significantly different than data used to determine state aid.

Sec. 401. At-Risk Student Success Program – REVISED

Specifies methodology used to distribute at-risk funds; adds requirement that equipment or information technology hardware purchased using at-risk funds must be associated with a program to address the needs of at-risk students.

Sec. 405. Nursing Program Grant – NEW

States legislative intent that the legislature appropriate funding for nursing grants; if funding occurs, allocations shall be distributed proportionately based on the number of ADN/RN nursing program awards conferred in 2005-06.

Sec. 502. Audit Requirements – REVISED

Eliminates requirement for audits of data from seven randomly-selected colleges; retains language allowing performance audits by the Auditor General and responses to audits by colleges.

Sec. 503. Taxonomy Review – DELETED

Requires DLEG to review the taxonomy of the seven colleges randomly selected for audit pursuant to section 502.

Sec. 511. On-Site Visits and Audits – REVISED

Deletes language stating legislative intent that the frequency of on-site visits, evaluations, and audits of community colleges be limited; retains language requiring DLEG to provide a state plan under federal Perkins Act to the Legislature prior to submission to U.S. Department of Education.