

COMMUNITY COLLEGES

Summary: Conference Report

FY 2007-08 HB 4360



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	FY 2006-07 Originally Enacted*	FY 2007-08 Revised Executive**	FY 2007-08 House	FY 2007-08 Senate***	FY 2007-08 Conference	Difference: Conference From FY 2006-07 Originally Enacted****	
						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	289,879,400	323,128,800	\$333,839,600	\$3,200	\$318,928,800	29,049,400	10.0
Gross	\$289,879,400	\$323,128,800	\$333,839,600	\$3,200	\$318,928,800	29,049,400	10.0
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

* FY 2006-07 Originally Enacted figures do not include the results of supplementals and Executive Order (EO) actions after January 31, 2007 -- does **not** include E.O. 2007-3 reduction of \$12.9 million and SB 436 reduction of \$12.9 million. (Also does not include E.O. 2007-3 one-time retirement revaluation reduction of \$16.3 million.)

**Revised Executive Recommendation includes the restoration of \$25.8 million reduction taken in E.O. 2007-3 and SB 436.

***Senate included \$100 placeholders for each line item in appropriation budget bill.

****Total for House Difference from FY 2006-07 Originally Enacted includes the restoration of \$25.8 million reduction taken in E.O. 2007-3 and PA 17 of 07.

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Major Budget Changes From FY 2006-07		Originally Enacted FY 2006-07	Revised Executive Change	House Change	Senate Change	Conference Change
Originally Enacted	Appropriations					
1. Operations Funding	Gross	\$283,356,700	\$33,074,400	\$36,785,200	N/A	\$29,224,400
House and Executive include \$7.1 million operational increase. House distributes funding through the Task Force formula. Executive distributes same increase across the board. Senate includes a \$100 placeholder for each operations line item. Conference Committee includes a \$2.9 million increase and distributes funding through the Task Force formula.	Restricted	0	0	0	N/A	0
	GF/GP	\$283,356,700	\$33,074,400	\$36,785,200	N/A	\$29,224,400

House includes \$3.2 million funding to address parity with Higher Education increase in FY 2005-06. Funding distributed across the board in proportion to FY 2005-06 appropriations.

House appropriates \$505,600 to be distributed to three colleges to address low tax base disparity. This

Major Budget Changes From FY 2006-07
Originally Enacted Appropriations

**Originally
Enacted
FY 2006-07**

**Revised
Executive
Change**

**House
Change**

**Senate
Change**

**Conference
Change**

adjustment given to colleges that have property tax bases less than \$1.4 billion and assess at least 2.5 mills of property tax effort (Alpena, Bay de Noc, Gogebic). **Conference Committee** includes \$350,000 funding to address low tax base disparity to 4 colleges based upon low taxable value and tax value per FYES (Alpena, Bay de Noc, Gogebic, and Mid Michigan).

House, Executive, and Conference Committee appropriate \$225,000 to Wayne County Community College to complete the restoration of the \$450,000 reduction made in FY 2003-04 which was allocated to 3 other colleges that year. (PA 153 of 2006 restored \$225,000 of this reduction previously.)

House, Executive, and Conference Committee include \$12.9 million funding to restore E.O 2007-3 reduction of one-half of last monthly state aid payment in FY 2007 and an additional \$12.9 million funding to restore PA 17 of 07 reduction of second-half of last monthly state aid payment in FY 2007.

2. Renaissance Zone Tax Reimbursement

Gross	\$3,200,000	\$175,000	\$175,000	N/A	(\$175,000)
GF/GP	\$3,200,000	\$175,000	\$175,000	N/A	(\$175,000)

House and Executive increase funds for statutorily-required reimbursement to colleges with renaissance zones in their districts by 5.5% to reflect expected increases in taxable value in those zones. **Senate** includes a \$100 placeholder for each line item. **Conference Committee** reduces line item by \$175,000 to reflect revised estimates of funding needed for reimbursements.

<u>Major Budget Changes From FY 2006-07</u>		<u>Originally Enacted FY 2006-07</u>	<u>Revised Executive Change</u>	<u>House Change</u>	<u>Senate Change</u>	<u>Conference Change</u>
<u>Originally Enacted Appropriations</u>						
3. Nursing Program Grants	Gross	\$0	\$0	\$7,000,000	\$100	\$0
House includes \$7.0 million funding for nursing program grants. Up to half of funding, \$3.5 million, to be distributed to colleges based upon number of new nursing students in 2007-08 compared to 2006-07. Colleges would receive \$2,000 for each eligible newly enrolled nursing student. The remainder of funding would be distributed to colleges for existing nursing programs based on nursing ADN/RN awards in FY 2005-06. Funding intended to increase nursing program enrollments and expand nursing programs. Senate includes a \$100 placeholder for each line item. Conference Committee does not include funding for program.		GF/GP	\$0	\$7,000,000	\$100	\$0

Major Boilerplate Changes From FY 2006-07

Note: To create items of difference, the Senate only included the following 5 sections of Boilerplate: Sections 201, 202, 209, 230, and 231.

Sec. 208. Entrepreneur Curriculum – MODIFIED

Requires DLEG to work with community colleges to develop an accelerated entrepreneurship curriculum; requires report. **House** retains current-year language. **Executive** and **Conference Committee** modify language and delete report requirement.

Sec. 209. Foreign Goods and Services – MODIFIED

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. **Executive** and **House** retain current-year language. **Senate** and **Conference Committee** include language that gives preference for goods by Michigan businesses owned and operated by veterans.

Sec. 211. Payment of Appropriations– MODIFIED

(House renumbers as Sec. 223)

Provides a payment schedule for appropriation payments. **Executive** deletes the requirement that the At-Risk Student Success Program grant funds shall be paid in full by November 1st. **House** and **Conference Committee** retain requirement that At-Risk Student funds be paid by November 1st. **Executive, House, and Conference Committee** also require the one-time supplemental payment to restore the last FY 2007 payment that was delayed through E.O. 2007-3 and P.A. 17 of 2007 be paid to colleges by October 16th.

Sec. 217. Capital Outlay Funding – MODIFIED

Prohibits colleges from using state funds to pay for the construction or maintenance of a self-liquidating project. **Executive** and **House** retains current-year language. **Conference Committee** modifies the language and requires that colleges comply with the current Joint Capital Outlay Subcommittee (JCOS) use and finance policy.

Sec. 220. Infrastructure, Technology, Equipment, and Maintenance (ITEM) Funding – RETAINED

(House renumbers as Sec. 226)

States legislative intent for restoration of ITEM funds and development of proposals and financing alternatives for special maintenance projects. **Executive** deletes language; **House** and **Conference Committee** retain current-year language.

Major Boilerplate Changes From FY 2006-07

Sec. 230. Abortion Services – DELETED

Prohibits use of state funds by colleges for provision of health care coverage to employees or their dependents for abortion services, with certain exceptions. **Senate** retains current-year language. **Executive, House, and Conference Committee** delete language.

Sec. 231. Benefits to Unmarried Partners – DELETED

States legislative intent that colleges not extend employee benefits to unmarried partners of employees, except for pre- and post-natal costs. **Senate** retains current-year language. **Executive, House, and Conference Committee** delete language.

Sec. 239. University Appropriation Increases – RETAINED

(House renumbers as Sec. 230)

States legislative intent that any subsequent proposal to increase appropriations for four-year universities be accompanied by similar action for community colleges. **Executive** deletes language; **House** and **Conference Committee** retain current-year language.

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

States legislative intent that at least 70% of EDJT funds appropriated in the DLEG budget be awarded to community colleges. **House** retains current-year language. **Executive** and **Conference Committee** delete language.

Sec. 303. Return of Excess Funds – DELETED

Requires colleges to return excess funds appropriated if audited data is significantly different than data used to determine state aid. **Executive** and **House** retain current-year language. **Conference Committee** deletes language.

Sec. 304. Gast-Mathieu Formula/Performance Indicator Task Force – MODIFIED

(House renumbers as Sec. 244)

Recommends that Gast-Mathieu data continue to be collected and the Performance Indicators Task Force funding formula be used for future funding distribution. States legislative intent that performance measures recommended in Task Force Report be reviewed and more fully implemented in the future. **Executive** deletes language; **House** retains current-year language as two separate boilerplate sections. **Conference Committee** revises language to refer to activities classification structure databook data.

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

(House renumbers as Sec. 301)

Specifies methodology used to distribute at-risk funds, lists amounts allocated for each college, and allows funds to be used for special needs of at-risk students or the acquisition or upgrade of technology-related equipment and software. **Executive, House, and Conference Committee** modify language and require that equipment or information technology hardware or software purchased using at-risk funds must be associated with the operation of a program designed to address the needs of at-risk students.

Sec. 405. Nursing Program Grant – NEW

(House renumbers as Sec. 303)

House includes language requiring that the remaining funding of the nursing program grant appropriation after allocations that are permitted under section 406 shall be distributed proportionately based on the number of ADN/RN nursing program awards conferred in 2005-06. Funding may be used to fund program expansion, sustain current programs, reduce attrition, purchase equipment, or retain and acquire faculty; report required. **Conference Committee** revises House language stating legislative intent that the legislature appropriate funding for nursing grants and retains language concerning funding distribution and use and report requirement.

Sec. 406. Nursing Program Grant Funding Allocation – NOT INCLUDED

(House renumbers as Sec. 305)

House includes language allocating up to \$3.5 million of the nursing program grant funding to be distributed to community colleges based upon the number of new nursing students in 2007-08 school year compared to 2006-07 school year. Colleges would receive up to \$2,000 for each new full-time equivalent undergraduate nursing student. Students must be currently enrolled in an A.D.N. or R.N. nursing degree program, be completing nursing coursework, and currently working towards an A.D.N. or R.N. degree. House includes language requiring community colleges to report to the Department of Labor and Economic Growth (DLEG) the number of full-time equivalent enrolled nursing students and the methodology used to compile that number. DLEG is authorized to establish procedures and deadlines as needed. **Conference Committee** does not include language.

Major Boilerplate Changes From FY 2006-07

Sec. 502. Audit Requirements – MODIFIED

(House renumbers as Sec. 205)

Provides for audits of data from seven randomly-selected colleges, performance audits by the Auditor General, and responses to audits by colleges. **Executive** retains current-year language; **House** and **Conference Committee** delete language requiring audits of seven colleges and retain language providing performance audits and responses.

Sec. 503. Audit Requirements –DELETED

Provides for audits of seven randomly-selected colleges, performance audits by the auditory general, and responses to audits by colleges. **Executive** and **House** retain current-year language; **Conference Committee** deletes language.

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

(House renumbers as Sec. 214)

States legislative intent that the frequency of on-site visits, evaluations, and audits of community colleges be limited and requires DLEG to provide a state plan under federal Perkins Act to the Legislature prior to submission to U.S. Department of Education. **Executive** deletes language; **House** retains current-year language. **Conference Committee** deletes subsections (1) and (2) requiring that the frequency of visits, evaluations, and audits be limited and that DLEG consult with colleges and auditors to encourage coordination and retains remaining sections concerning the state plan for complying with the Perkins Act.

Community Colleges Conference Items of Difference FY 2007-08

Community College	FY 2006-07 Y-T-D*	EXECUTIVE		FY 2007-08 HOUSE PASSED					FY 2007-08 CONFERENCE			
		Increase	Percent Change	Task Force Formula	Parity (FY 2005-06)	Other Adjustments	Total Increase	Percent Change	Adjustments**	Task Force Formula Increase	Total Appropriation	Percent Change
Alpena	4,904,800	122,600	2.5%	110,400	55,700	125,700	291,800	5.9%	85,000	45,000	5,034,800	2.7%
Bay de Noc	4,949,900	123,700	2.5%	121,300	53,800	121,400	296,500	6.0%	85,000	49,500	5,084,400	2.7%
Delta	13,309,200	332,700	2.5%	366,400	150,500		516,900	3.9%		149,200	13,458,400	1.1%
Glen Oaks	2,235,500	55,900	2.5%	57,900	25,200		83,100	3.7%		23,600	2,259,100	1.1%
Gogebic	4,044,400	101,100	2.5%	81,800	46,000	258,500	386,300	9.6%	130,000	33,300	4,207,700	4.0%
Grand Rapids	16,707,300	417,700	2.5%	421,700	189,300		611,000	3.7%		171,700	16,879,000	1.0%
Henry Ford	20,330,000	508,300	2.5%	476,400	230,700		707,100	3.5%		194,100	20,524,100	1.0%
Jackson	11,235,100	280,900	2.5%	253,700	127,700		381,400	3.4%		103,400	11,338,500	0.9%
Kalamazoo	11,518,600	288,000	2.5%	305,900	130,300		436,200	3.8%		124,700	11,643,300	1.1%
Kellogg	9,037,500	225,900	2.5%	226,300	102,400		328,700	3.6%		92,100	9,129,600	1.0%
Kirtland	2,749,100	68,700	2.5%	78,500	31,100		109,600	4.0%		31,900	2,781,000	1.2%
Lake Michigan	4,872,600	121,800	2.5%	115,900	55,100		171,000	3.5%		47,200	4,919,800	1.0%
Lansing	28,890,800	722,300	2.5%	719,100	327,400		1,046,500	3.6%		293,000	29,183,800	1.0%
Macomb	30,847,300	771,200	2.5%	764,300	349,300		1,113,600	3.6%		311,300	31,158,600	1.0%
Mid Michigan	4,110,400	102,800	2.5%	102,600	46,600		149,200	3.6%	50,000	41,800	4,202,200	2.2%
Monroe	4,009,800	100,200	2.5%	109,500	45,300		154,800	3.9%		44,500	4,054,300	1.1%
Montcalm	2,890,000	72,300	2.5%	72,300	32,800		105,100	3.6%		29,500	2,919,500	1.0%
Mott	14,587,500	364,700	2.5%	350,200	165,500		515,700	3.5%		142,700	14,730,200	1.0%
Muskegon	8,292,400	207,300	2.5%	188,000	94,200		282,200	3.4%		76,600	8,369,000	0.9%
North Central	2,810,400	70,300	2.5%	67,800	31,900		99,700	3.5%		27,600	2,838,000	1.0%
Northwestern	8,455,700	211,400	2.5%	187,100	96,100		283,200	3.3%		76,200	8,531,900	0.9%
Oakland	19,485,000	487,100	2.5%	523,300	220,300		743,600	3.8%		213,200	19,698,200	1.1%
St. Clair	6,534,700	163,400	2.5%	161,300	73,800		235,100	3.6%		65,700	6,600,400	1.0%
Schoolcraft	11,393,400	284,800	2.5%	301,600	129,300		430,900	3.8%		122,900	11,516,300	1.1%
Southwestern	6,121,100	153,000	2.5%	129,900	69,400		199,300	3.3%		52,900	6,174,000	0.9%
Washtenaw	11,689,400	292,200	2.5%	373,800	131,400		505,200	4.3%		152,400	11,841,800	1.3%
Wayne County	15,209,100	610,900	4.0%	370,700	169,900	225,000	765,600	5.0%	225,000	152,400	15,586,500	2.5%
West Shore	2,135,700	53,400	2.5%	51,900	24,200		76,100	3.6%		21,200	2,156,900	1.0%
SUBTOTAL: OPERATIONS	\$283,356,700	\$7,314,600	2.6%	\$7,089,600	\$3,205,200	\$730,600	\$11,025,400	3.9%	575,000	\$2,889,600	\$286,821,300	1.2%
GRANTS:												
At Risk	3,322,700	0	0.0%				0	0.0%		0	3,322,700	0.0%
Renaissance Zone	3,200,000	175,000	5.5%			175,000	175,000	5.5%	(175,000)		3,025,000	-5.5%
Nursing Programs	0	0	0.0%			7,000,000	7,000,000	--		0	0	--
TOTAL	\$289,879,400	\$7,489,600	2.6%	\$7,089,600	\$3,205,200	\$7,905,600	\$18,200,400	6.3%	400,000	\$2,889,600	\$293,169,000	1.1%
Delayed Payment	--	--	--	--	--	--	--	--		--	25,759,800	--
GF/GP	\$289,879,400	\$7,489,600	2.6%	\$7,089,600	\$3,205,200	\$7,905,600	\$18,200,400	6.3%	\$400,000	\$2,889,600	\$318,928,800	--

*The FY 2006-07 Year-to-Date appropriation reflects the restoration of the \$16.3 million retirement savings and the \$25.7 million delayed payments (E.O. 2007-3 and 2007 PA 17).

**Conference Adjustments include the \$225,000 restoration to WCCC for a FY 2003-04 reduction and low tax base adjustment to four colleges which total \$350,000 (awarded to colleges with a taxable value base below \$1.8 billion and a taxable value per FYES below \$900 in FY 2005-06).

NOTE: Because the Senate passed a bill with \$100 placeholders for each line item, there is no column depicting the Senate Passed bill appropriations.