



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

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 INITIAL APPROPS.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	408,215,500	414,719,000	6,503,500	1.6
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	408,215,500	414,719,000	6,503,500	1.6
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	408,215,500	414,719,000	6,503,500	1.6
Less:				
Other State Restricted Funds	408,215,500	414,719,000	6,503,500	1.6
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	408,215,500	414,719,000	6,503,500	1.6

*As of September 30, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$408,215,500	\$0

Changes from FY 2018-19 Year-to-Date:

Items Included by the Senate and House

- | | | |
|---|-------------|---|
| <p>1. MPSERS Normal Cost Offset. The Governor moved the \$6.4 million one-time FY19 item for this purpose to an ongoing appropriation and increased the amount by an additional \$5.8 million GF/GP for a total normal cost offset of \$12.2 million. This amount will support the additional costs associated with bringing the assumed rate of return for MPSERS fund from 8% to 7.05%. The House and Senate concurred with this change, but funded the increased amount with School Aid Fund revenue rather than GF/GP.</p> | 5,781,000 | 0 |
| <p>2. MPSERS Unfunded Accrued Liability Stabilization Adjustment. The Governor reduced this item to reflect a reduction in the amount of the State's share of costs above the statutory cap. This reduction would bring total MPSERS UAAL payments to \$74.8 million. The House and Senate concurred with this change.</p> | (2,200,000) | 0 |
| <p>3. Renaissance Zone Reimbursements. The Governor reduced these payments to reflect a reduced estimate for the amount necessary to reimburse community colleges for lost property tax revenue due to renaissance zones. The House and Senate concurred with this change.</p> | (300,000) | 0 |

Conference Agreement on Items of Difference

<p>4. Community College Operations Increase. The Governor included a 3% increase in community college operations. The increase would be distributed through the existing performance funding formula developed by the 2016 Performance Indicators Review Task Force. The formula allocates the money as follows: 30% proportional to FY19 base appropriation, 30% weighted contact hours, 10% performance improvement, 10% performance completion number, 10% performance completion rate, 5% administrative costs, 5% local strategic value. The Senate retained the performance funding formula, but provided a 1.3% increase instead. The House added a new formula metric that provided additional funds to the six community college districts with the lowest taxable values, and provided a 1.0% increase through that formula. The Conference provided a 0.8% increase through the House's revised formula.</p>	<p>2,436,800</p>	<p>0</p>
<p>5. North American Indian Tuition Waiver Shortfall. The Senate and Conference provided additional funds to offset costs incurred by community colleges under Public Act 174 of 1976. The House did not include this item.</p>	<p>785,700</p>	<p>0</p>
<p>Total Changes</p>	<p>\$6,503,500</p>	<p>\$0</p>
<p>FY 2019-20 Initial Ongoing/One-Time Gross Appropriation</p>	<p>\$414,719,000</p>	<p>\$0</p>

Boilerplate Changes from FY 2018-19 Year-to-Date:

Items Included by the Senate and House

1. **Schedule of Payments to Community Colleges.** The Governor removed language requiring the State Budget Director to notify the House and Senate Subcommittees before funds are withheld due to a failure to report certain information as required by statute. The House, Senate, and Conference retained this language. (Sec. 206)
2. **Use and Finance Noncompliance Penalty.** The Governor removed a section that imposes a 1% reduction in State funding to a community college for each violation of certain requirement of the Management and Budget Act. The House, Senate, and Conference retained this section. (Sec. 208)
3. **Cost Containment.** The Governor removed a section requiring community colleges to pursue various efficiencies in their operations. The House, Senate, and Conference retained this section. (Sec. 212)
4. **Tuition and Fees Report.** The Governor removed language requiring community colleges to include the annual cost of tuition and fees based on a full-time course load of 30 credits in their tuition and fees report. The House, Senate, and Conference retained this language. (Sec. 225)
5. **Communications with Legislature.** The Governor removed a section that prohibits disciplinary action against a community college employee for communicating with a member of the Legislature or legislative staff. The House, Senate, and Conference retained this section. (Sec. 228)

Conference Agreement on Items of Difference

6. **Transparency Reporting - Noncompliance Penalty.** The Governor removed language that allows the State Budget Director to withhold monthly payments to community colleges if the colleges do not comply with statutory transparency reporting requirements. The House, Senate and Conference retained this language. The House and Conference also added a requirement that each college provide a map of its district boundaries on its website. (Sec. 209)
7. **Academic Program Partnerships.** The Governor removed a section requiring the Michigan Community College Association, Michigan Independent Colleges and Universities, and the Michigan Association of State Universities to submit a report on academic partnership programs. The House, Senate, and Conference retained this section. The House and Conference additionally changed the frequency of the report from each year to every other year. (Sec. 210f)

8. **Michigan Community College Data Inventory - Advisory Committee Selection.** The Governor removed language requiring the MCCA members selected to serve on the MCCDI Advisory Committee to be from various community college classification groups. The Senate retained this language. The House and Conference modified the criteria to be a 'diverse mix of college sizes', and for the inventory to include metrics supporting the change in the funding formula under Sec. 230. (Sec. 217)
9. **Prisoner Contact Hour Exclusion.** The House and Conference repealed a section prohibiting colleges from including contact hours with prisoners in enrollment data used to determine State aid. (Sec. 218)
10. **Purchase of Foreign Automobiles.** The Governor, House, and Conference removed a prohibition on the purchase of foreign automobiles using State funds. The Senate retained this section. (Sec. 227)
11. **Performance Funding Formula.** The House and Conference included a new metric that allocates 5% of performance funding provided through the formula to the 6 community college districts with the lowest taxable property values. The formula weight assigned to the number of contact hours was decreased from 30% to 25% to facilitate this change. (Sec. 230)
12. **Tuition Restraint.** The Governor and House included a new section that would make the receipt of performance funding contingent upon keeping increases in tuition and fee rates for the 2019-20 academic year less than the greater of 3.2% or \$128. The Senate and Conference did not include this new section. (Sec. 230a)

Date Completed: 10-1-19

Fiscal Analyst: Josh Sefton

Table 1: FY 2019-20 Community College Appropriations: House, Senate, and Initial Appropriations Compared to Governor

College	FY 2018-19 Year-To-Date	FY 2019-20 Governor's Recommendation			FY 2019-20 Senate			FY 2019-20 House			FY 2019-20 Initial Appropriations		
		Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change
Alpena	\$5,707,600	\$158,500	\$5,866,100	2.8%	\$74,900	\$5,782,500	1.3%	\$74,800	\$5,782,400	1.3%	\$65,000	\$5,772,600	1.1%
Bay de Noc	5,624,800	145,100	5,769,900	2.6%	122,500	5,747,300	2.2%	71,800	5,696,600	1.3	115,900	5,740,700	2.1
Delta	15,104,300	424,900	15,529,200	2.8%	173,100	15,277,400	1.1%	134,800	15,239,100	0.9	97,100	15,201,400	0.6
Glen Oaks	2,620,000	89,400	2,709,400	3.4%	35,200	2,655,200	1.3%	45,900	2,665,900	1.8	32,400	2,652,400	1.2
Gogebic	4,844,300	128,400	4,972,700	2.7%	98,200	4,942,500	2.0%	59,500	4,903,800	1.2	89,300	4,933,600	1.8
Grand Rapids	18,709,300	614,400	19,323,700	3.3%	417,100	19,126,400	2.2%	190,900	18,900,200	1.0	304,100	19,013,400	1.6
Henry Ford	22,463,600	634,200	23,097,800	2.8%	225,600	22,689,200	1.0%	199,800	22,663,400	0.9	111,100	22,574,700	0.5
Jackson	12,698,200	315,000	13,013,200	2.5%	160,100	12,858,300	1.3%	101,000	12,799,200	0.8	104,700	12,802,900	0.8
Kalamazoo Valley	13,046,600	379,500	13,426,100	2.9%	177,900	13,224,500	1.4%	119,500	13,166,100	0.9	109,300	13,155,900	0.8
Kellogg	10,214,400	280,100	10,494,500	2.7%	181,900	10,396,300	1.8%	89,300	10,303,700	0.9	132,100	10,346,500	1.3
Kirtland	3,321,600	126,800	3,448,400	3.8%	77,700	3,399,300	2.3%	61,900	3,383,500	1.9	71,400	3,393,000	2.1
Lake Michigan	5,672,100	165,300	5,837,400	2.9%	71,700	5,743,800	1.3%	52,100	5,724,200	0.9	41,900	5,714,000	0.7
Lansing	32,725,800	828,200	33,554,000	2.5%	427,100	33,152,900	1.3%	264,000	32,989,800	0.8	280,100	33,005,900	0.9
Macomb	34,124,000	980,200	35,104,200	2.9%	365,500	34,489,500	1.1%	308,000	34,432,000	0.9	188,100	34,312,100	0.6
Mid Michigan	5,112,400	172,000	5,284,400	3.4%	200,100	5,312,500	3.9%	111,100	5,223,500	2.2	212,100	5,324,500	4.1
Monroe	4,708,600	165,500	4,874,100	3.5%	68,100	4,776,700	1.4%	52,500	4,761,100	1.1	38,500	4,747,100	0.8
Montcalm	3,542,900	120,200	3,663,100	3.4%	54,500	3,597,400	1.5%	38,600	3,581,500	1.1	33,400	3,576,300	0.9
Mott	16,381,600	475,100	16,856,700	2.9%	156,400	16,538,000	1.0%	151,000	16,532,600	0.9	71,800	16,453,400	0.4
Muskegon	9,264,700	243,000	9,507,700	2.6%	144,800	9,409,500	1.6%	77,500	9,342,200	0.8	101,700	9,366,400	1.1
North Central	3,402,600	129,300	3,531,900	3.8%	187,600	3,590,200	5.5%	41,300	3,443,900	1.2	164,600	3,567,200	4.8
Northwestern	9,625,400	263,200	9,888,600	2.7%	234,900	9,860,300	2.4%	84,300	9,709,700	0.9	188,400	9,813,800	2.0
Oakland	22,093,000	751,200	22,844,200	3.4%	278,400	22,371,400	1.3%	236,200	22,329,200	1.1	142,400	22,235,400	0.6
Schoolcraft	13,112,900	486,500	13,599,400	3.7%	238,300	13,351,200	1.8%	152,900	13,265,800	1.2	150,300	13,263,200	1.1
Southwestern	6,946,900	191,200	7,138,100	2.8%	105,500	7,052,400	1.5%	61,700	7,008,600	0.9	72,200	7,019,100	1.0
St. Clair	7,358,700	230,200	7,588,900	3.1%	75,800	7,434,500	1.0%	73,300	7,432,000	1.0	35,000	7,393,700	0.5
Washtenaw	13,764,000	530,600	14,294,600	3.9%	219,500	13,983,500	1.6%	166,100	13,930,100	1.2	122,900	13,886,900	0.9
Wayne County	17,487,200	557,100	18,044,300	3.2%	214,300	17,701,500	1.2%	176,800	17,664,000	1.0	114,700	17,601,900	0.7
West Shore	2,573,400	82,400	2,655,800	3.2%	47,000	2,620,400	1.8%	25,900	2,599,300	1.0	32,000	2,605,400	1.2
Subtotal Operations:	\$322,250,900	\$9,667,500	\$331,918,400	3.0%	\$4,833,700	\$327,084,600	1.5%	\$3,222,500	\$325,473,400	1.0%	\$3,222,500	\$325,473,400	1.0%
MPERS Normal Cost Offset	\$0	\$12,212,000	\$12,212,000	N/A	\$12,212,000	\$12,212,000	N/A	\$12,212,000	\$12,212,000	N/A	\$12,212,000	\$12,212,000	N/A
MPERS 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%
MPERS Reform Costs	75,300,000	(2,200,000)	73,100,000	(2.9)	(2,200,000)	73,100,000	(2.9)	(2,200,000)	73,100,000	(2.9)	(2,200,000)	73,100,000	(2.9)
Renaissance Zone Reimbursements	2,500,000	(300,000)	2,200,000	(12.0)	(300,000)	2,200,000	(12.0)	(300,000)	2,200,000	(12.0)	(300,000)	2,200,000	(12.0)
MPERS Normal Cost Offset (one-time)	6,431,000	(6,431,000)	0	(100.0)	(6,431,000)	0	(100.0)	(6,431,000)	0	(100.0)	(6,431,000)	0	(100.0)
Total Appropriations:	\$408,215,500	\$12,948,500	\$421,164,000	3.2%	\$8,114,700	\$416,330,200	2.0%	\$6,503,500	\$414,719,000	1.6%	\$6,503,500	\$414,719,000	1.6%
State School Aid Fund	408,215,500	0	408,215,500	0.0	3,281,000	411,496,500	0.8	6,503,500	414,719,000	1.6	6,503,500	414,719,000	1.6
GF/GP	\$0	\$12,948,500	\$12,948,500	N/A	\$4,833,700	\$4,833,700	N/A	\$0	\$0	N/A	\$0	\$0	N/A

Table 2: FY 2019-20 Community College Appropriations - Initial Appropriations

College	TOTAL Year-To-Date	FY 2019-20 Adjustments								Total Formula Distribution	ITW/Other Adjustments	Total Adjustments	FY 2019-20 Total Appropriation	Percent Change
		30.0% Sustainability*	10.0% Performance Improvement	10.0% Performance Completion #	10.0% Performance Completion Rate	25.0% Contact Hours	5.0% Administrative Costs	5.0% Local Strategic Value	5.0% Adjustment for Lowest TV					
Alpena	\$5,707,600	\$12,948	\$3,797	\$2,773	\$7,579	\$5,148	\$4,527	\$2,158	\$17,600	\$56,500	\$8,500	\$65,000	\$5,772,600	1.1%
Bay de Noc	5,624,800	12,760	4,194	3,191	3,403	5,741	4,015	2,127	18,800	\$54,200	\$61,700	\$115,900	5,740,700	2.1
Delta	15,104,300	34,265	9,137	12,430	9,137	25,942	5,283	5,711	0	\$101,900	(\$4,800)	\$97,100	15,201,400	0.6
Glen Oaks	2,620,000	5,944	3,410	1,256	5,491	3,976	642	991	12,900	\$34,600	(\$2,200)	\$32,400	2,652,400	1.2
Gogebic	4,844,300	10,990	2,931	1,529	7,292	4,150	2,821	1,832	13,500	\$45,000	\$44,300	\$89,300	4,933,600	1.8
Grand Rapids	18,709,300	42,443	11,318	14,611	11,318	52,385	5,241	7,074	0	\$144,400	\$159,700	\$304,100	19,013,400	1.6
Henry Ford	22,463,600	50,960	13,589	11,522	17,996	43,814	4,732	8,493	0	\$151,100	(\$40,000)	\$111,100	22,574,700	0.5
Jackson	12,698,200	28,806	8,894	6,042	7,682	15,145	5,009	4,801	0	\$76,400	\$28,300	\$104,700	12,802,900	0.8
Kalamazoo Valley	13,046,600	29,597	7,892	8,470	7,892	26,303	5,307	4,933	0	\$90,400	\$18,900	\$109,300	13,155,900	0.8
Kellogg	10,214,400	23,172	6,179	7,309	6,179	15,360	5,474	3,862	0	\$67,500	\$64,600	\$132,100	10,346,500	1.3
Kirtland	3,321,600	7,535	7,120	2,513	2,009	5,846	4,519	1,256	16,000	\$46,800	\$24,600	\$71,400	3,393,000	2.1
Lake Michigan	5,672,100	12,867	3,431	3,283	3,431	11,410	2,825	2,145	0	\$39,400	\$2,500	\$41,900	5,714,000	0.7
Lansing	32,725,800	74,240	21,370	21,932	19,797	45,139	4,871	12,373	0	\$199,700	\$80,400	\$280,100	33,005,900	0.9
Macomb	34,124,000	77,412	20,643	21,528	24,672	70,417	5,410	12,902	0	\$233,000	(\$44,900)	\$188,100	34,312,100	0.6
Mid Michigan	5,112,400	11,598	3,093	5,508	3,093	12,050	3,675	1,933	43,100	\$84,000	\$128,100	\$212,100	5,324,500	4.1
Monroe	4,708,600	10,682	5,927	3,382	2,848	10,011	5,090	1,780	0	\$39,700	(\$1,200)	\$38,500	4,747,100	0.8
Montcalm	3,542,900	8,037	5,075	2,773	2,143	5,447	4,377	1,340	0	\$29,200	\$4,200	\$33,400	3,576,300	0.9
Mott	16,381,600	37,162	9,910	14,344	13,791	27,938	4,817	6,194	0	\$114,200	(\$42,400)	\$71,800	16,453,400	0.4
Muskegon	9,264,700	21,017	5,605	4,116	5,605	13,276	5,468	3,503	0	\$58,600	\$43,100	\$101,700	9,366,400	1.1
North Central	3,402,600	7,719	2,058	2,584	5,975	6,885	4,715	1,286	0	\$31,200	\$133,400	\$164,600	3,567,200	4.8
Northwestern	9,625,400	21,836	9,103	5,990	5,823	13,125	4,202	3,639	0	\$63,700	\$124,700	\$188,400	9,813,800	2.0
Oakland	22,093,000	50,119	24,985	23,140	13,365	53,605	5,067	8,353	0	\$178,600	(\$36,200)	\$142,400	22,235,400	0.6
Schoolcraft	13,112,900	29,747	15,802	12,567	12,196	34,979	5,375	4,958	0	\$115,600	\$34,700	\$150,300	13,263,200	1.1
Southwestern	6,946,900	15,759	5,392	4,626	8,047	7,592	2,628	2,627	0	\$46,700	\$25,500	\$72,200	7,019,100	1.0
St. Clair	7,358,700	16,694	5,039	5,121	8,469	12,872	4,483	2,782	0	\$55,600	(\$20,600)	\$35,000	7,393,700	0.5
Washtenaw	13,764,000	31,224	8,326	22,592	12,375	40,755	5,116	5,204	0	\$125,600	(\$2,700)	\$122,900	13,886,900	0.9
Wayne County	17,487,200	39,670	17,903	17,004	14,513	33,669	4,329	6,612	0	\$133,700	(\$19,000)	\$114,700	17,601,900	0.7
West Shore	2,573,400	5,838	1,557	1,546	1,557	6,220	1,822	973	0	\$19,500	\$12,500	\$32,000	2,605,400	1.2
Subtotal Operations:	\$322,250,900	\$731,040	\$243,680	\$243,680	\$243,680	\$609,200	\$121,840	\$121,840	\$121,900	\$2,436,800	\$785,700	\$3,222,500	\$325,473,400	1.0%
MPSERS Normal Cost Offset	0										\$12,212,000	12,212,000	12,212,000	N/A
MPSERS Retiree Health Care	1,733,600										0	\$0	\$1,733,600	0.0%
MPSERS Reform Costs	75,300,000										(2,200,000)	(2,200,000)	73,100,000	(2.9)
Renaissance Zone Reimbursements	2,500,000										(300,000)	(300,000)	2,200,000	(12.0)
MPSERS Normal Cost Offset (one-time)	6,431,000										(6,431,000)	(6,431,000)	0	(100.0)
Total Appropriations:	\$408,215,500	\$731,040	\$243,680	\$243,680	\$243,680	\$609,200	\$121,840	\$121,840	\$121,900	\$2,436,800	\$4,066,700	\$6,503,500	\$414,719,000	1.6%
State School Aid Fund	408,215,500	731,040	243,680	243,680	243,680	609,200	121,840	121,840	121,900	2,436,800	4,066,700	6,503,500	414,719,000	1.6
GF/GP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A

Table 3: FY 2019-20 Community College Appropriations - North American Indian Tuition Waiver Detail

College	FY 2018-19		FY 2019-20	
	Operations Year-To-Date	ITW Funding Year-To-Date	ITW Adjustments	ITW Amount Included in Budget
Alpena	\$5,696,800	\$10,800	\$8,500	19,300
Bay de Noc	\$5,548,600	76,200	\$61,700	137,900
Delta	\$15,058,600	45,700	(\$4,800)	40,900
Glen Oaks	\$2,616,600	3,400	(\$2,200)	1,200
Gogebic	\$4,828,700	15,600	\$44,300	59,900
Grand Rapids	\$18,628,700	80,600	\$159,700	240,300
Henry Ford	\$22,382,000	81,600	(\$40,000)	41,600
Jackson	\$12,679,800	18,400	\$28,300	46,700
Kalamazoo Valley	\$13,009,500	37,100	\$18,900	56,000
Kellogg	\$10,199,600	14,800	\$64,600	79,400
Kirtland	\$3,311,600	10,000	\$24,600	34,600
Lake Michigan	\$5,663,300	8,800	\$2,500	11,300
Lansing	\$32,652,300	73,500	\$80,400	153,900
Macomb	\$34,043,100	80,900	(\$44,900)	36,000
Mid Michigan	\$5,100,400	12,000	\$128,100	140,100
Monroe	\$4,706,500	2,100	(\$1,200)	900
Montcalm	\$3,541,400	1,500	\$4,200	5,700
Mott	\$16,325,800	55,800	(\$42,400)	13,400
Muskegon	\$9,230,500	34,200	\$43,100	77,300
North Central	\$3,358,100	44,500	\$133,400	177,900
Northwestern	\$9,503,400	122,000	\$124,700	246,700
Oakland	\$22,033,100	59,900	(\$36,200)	23,700
Schoolcraft	\$13,080,600	32,300	\$34,700	67,000
Southwestern	\$6,932,700	14,200	\$25,500	39,700
St. Clair	\$7,329,600	29,100	(\$20,600)	8,500
Washtenaw	\$13,730,300	33,700	(\$2,700)	31,000
Wayne County	\$17,459,700	27,500	(\$19,000)	8,500
West Shore	\$2,566,100	7,300	\$12,500	19,800
Subtotal Operations:	\$321,217,400	\$1,033,500	\$785,700	\$1,819,200

Notes: This table provides detail on how the North American Indian tuition waiver (ITW) amounts identified in the budget were calculated. The fourth column is the most recent data on the cost for each college to provide waivers to students who qualify for the ITW. In FY 1996-97, the Legislature rolled separately-identified ITW amounts for each college into that college's operations line item. Each year, this amount has been tracked and adjusted for across-the-board increases or decreases in college operating appropriations; this amount is shown in the second column. The third column is the amount that must be added or subtracted to the amount already built in to each college's operations appropriation to produce the number in the fourth column. As some colleges have significantly fewer students receiving the waiver than they did in FY 1996-97, their adjustment is negative to reflect that.