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Senate Bill 134 (S-1 as reported)
Committee: Appropriations

Throughout this document Senate means Subcommittee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE SUBCOMM.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	408,215,500	416,330,200	8,114,700	2.0
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	408,215,500	416,330,200	8,114,700	2.0
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	408,215,500	416,330,200	8,114,700	2.0
Less:				
Other State Restricted Funds	408,215,500	411,496,500	3,281,000	0.8
GENERAL FUND/GENERAL PURPOSE	0	4,833,700	4,833,700	--
PAYMENTS TO LOCALS	408,215,500	416,330,200	8,114,700	2.0

*As of March 5, 2019.

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

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

- | | | |
|---|-------------|-----------|
| <p>1. 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 1.5% increase instead.</p> | 4,833,700 | 4,833,700 |
| <p>2. 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 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>3. 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 Senate concurred with this change.</p> | (2,200,000) | 0 |

- 4. **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 Senate concurred with this change. (300,000) 0
- 5. **Comparison to the Governor's Recommendation.** The Senate is \$4,833,800 Gross and \$8,114,800 GF/GP under the Governor.

Total Changes	\$8,114,700	\$4,833,700
FY 2019-20 Senate Appropriations Subcommittee Recommendation....	\$416,330,200	\$4,833,700

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

- 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 Senate 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 Senate retained this section. (Sec. 208)
- 3. **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 Senate retained this language. (Sec. 209)
- 4. **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 Senate retained this section. (Sec. 210f)
- 5. **Cost Containment.** The Governor removed a section requiring community colleges to pursue various efficiencies in their operations. The Senate retained this section. (Sec. 212)
- 6. **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. (Sec. 217)
- 7. **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 Senate retained this language. (Sec. 225)
- 8. **Purchase of Foreign Automobiles.** The Governor removed a prohibition on the purchase of foreign automobiles using State funds. The Senate retained this section. (Sec. 227)
- 9. **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 Senate retained this section. (Sec. 228)
- 10. **Tuition Restraint.** The Governor 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 did not include this new section. (Sec. 230a)

Date Completed: 4-25-19

Fiscal Analyst: Josh Sefton

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

Table 1: FY 2019-20 Community College Appropriations - Senate

College	FY 2018-19 Year-To-Date	FY 2019-20 Adjustments										FY 2019-20 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	\$5,707,600	\$25,684	\$7,532	\$5,501	\$15,035	\$12,255	\$8,980	\$4,281	\$79,300	\$0	\$79,300	\$5,786,900	1.4%
Bay de Noc	5,624,800	25,311	8,319	6,329	6,750	13,666	7,964	4,219	72,600	0	72,600	5,697,400	1.3
Delta	15,104,300	67,968	18,125	24,657	18,125	61,750	10,479	11,328	212,400	0	212,400	15,316,700	1.4
Glen Oaks	2,620,000	11,790	6,765	2,490	10,892	9,465	1,274	1,965	44,600	0	44,600	2,664,600	1.7
Gogebic	4,844,300	21,799	5,813	3,034	14,464	9,880	5,596	3,633	64,200	0	64,200	4,908,500	1.3
Grand Rapids	18,709,300	84,191	22,451	28,982	22,451	124,694	10,396	14,032	307,200	0	307,200	19,016,500	1.6
Henry Ford	22,463,600	101,085	26,956	22,854	35,697	104,293	9,386	16,847	317,100	0	317,100	22,780,700	1.4
Jackson	12,698,200	57,141	17,642	11,984	15,238	36,049	9,937	9,524	157,500	0	157,500	12,855,700	1.2
Kalamazoo Valley	13,046,600	15,656	15,656	16,801	15,656	62,611	10,526	9,785	189,700	0	189,700	13,236,300	1.5
Kellogg	10,214,400	45,964	12,257	14,498	12,257	36,562	10,859	7,661	140,100	0	140,100	10,354,500	1.4
Kirtland	3,321,600	14,947	14,123	4,986	3,986	13,916	8,964	2,491	63,300	0	63,300	3,384,900	1.9
Lake Michigan	5,672,100	25,524	6,806	6,512	6,806	27,160	5,604	4,254	82,700	0	82,700	5,754,800	1.5
Lansing	32,725,800	147,264	42,390	43,504	39,270	107,446	9,662	24,544	414,100	0	414,100	33,139,900	1.3
Macomb	34,124,000	153,556	40,948	42,703	48,939	167,618	10,731	25,593	490,100	0	490,100	34,614,100	1.4
Mid Michigan	5,112,400	23,005	6,135	10,926	6,135	28,682	7,290	3,834	86,000	0	86,000	5,198,400	1.7
Monroe	4,708,600	21,188	11,757	6,708	5,650	23,829	10,097	3,531	82,800	0	82,800	4,791,400	1.8
Montcalm	3,542,900	15,943	10,066	5,501	4,251	12,966	8,683	2,657	60,100	0	60,100	3,603,000	1.7
Mott	16,381,600	73,716	19,658	28,453	27,357	66,503	9,556	12,286	237,500	0	237,500	16,619,100	1.4
Muskegon	9,264,700	41,691	11,117	8,164	11,117	31,601	10,847	6,948	121,500	0	121,500	9,386,200	1.3
North Central	3,402,600	15,311	4,083	5,126	11,853	16,389	9,353	2,552	64,700	0	64,700	3,467,300	1.9
Northwestern	9,625,400	43,314	18,056	11,881	11,550	31,242	8,336	7,219	131,600	0	131,600	9,757,000	1.4
Oakland	22,093,000	99,417	49,561	45,901	26,511	127,599	10,050	16,570	375,600	0	375,600	22,468,600	1.7
Schoolcraft	13,112,900	59,007	31,345	24,928	24,193	83,261	10,662	9,835	243,200	0	243,200	13,356,100	1.9
Southwestern	6,946,900	31,261	10,695	9,175	15,962	18,072	5,213	5,210	95,600	0	95,600	7,042,500	1.4
St. Clair	7,358,700	33,114	9,996	10,159	16,800	30,639	8,892	5,519	115,100	0	115,100	7,473,800	1.6
Washtenaw	13,764,000	61,937	16,517	44,815	24,547	97,012	10,149	10,323	265,300	0	265,300	14,029,300	1.9
Wayne County	17,487,200	78,691	35,512	33,729	28,788	80,143	8,587	13,115	278,600	0	278,600	17,765,800	1.6
West Shore	2,573,400	11,580	3,088	3,066	3,088	14,806	3,613	1,930	41,200	0	41,200	2,614,600	1.6
Subtotal Operations:	\$322,250,900	\$1,450,110	\$483,370	\$483,370	\$483,370	\$1,450,110	\$241,685	\$241,685	\$4,833,700	\$0	\$4,833,700	\$327,084,600	1.5%
MPERS Normal Cost Offset	\$0									\$12,212,000	\$12,212,000	\$12,212,000	N/A
MPERS Retiree Health Care	1,733,600									0	0	1,733,600	0.0
MPERS 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)
MPERS Normal Cost Hold Harmless (one-time)	6,431,000									(6,431,000)	(6,431,000)	0	(100.0)
Total Appropriations	\$408,215,500	\$1,450,110	\$483,370	\$483,370	\$483,370	\$1,450,110	\$241,685	\$241,685	\$4,833,700	\$3,281,000	\$8,114,700	\$416,330,200	2.0%
State School Aid Fund	408,215,500	0	0	0	0	0	0	0	0	3,281,000	3,281,000	411,496,500	0.8
GF/GP	\$0	\$1,450,110	\$483,370	\$483,370	\$483,370	\$1,450,110	\$241,685	\$241,685	\$4,833,700	\$0	\$4,833,700	\$4,833,700	N/A

Table 2: FY 2019-20 Community College Appropriations: Senate Compared to Governor

College	FY 2018-19 Year-To-Date	FY 2019-20 Governor's Recommendation			FY 2019-20 Senate		
		Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change
Alpena	\$5,707,600	\$158,500	\$5,866,100	2.8%	\$79,300	\$5,786,900	1.4%
Bay de Noc	5,624,800	145,100	5,769,900	2.6%	72,600	5,697,400	1.3%
Delta	15,104,300	424,900	15,529,200	2.8%	212,400	15,316,700	1.4%
Glen Oaks	2,620,000	89,400	2,709,400	3.4%	44,600	2,664,600	1.7%
Gogebic	4,844,300	128,400	4,972,700	2.7%	64,200	4,908,500	1.3%
Grand Rapids	18,709,300	614,400	19,323,700	3.3%	307,200	19,016,500	1.6%
Henry Ford	22,463,600	634,200	23,097,800	2.8%	317,100	22,780,700	1.4%
Jackson	12,698,200	315,000	13,013,200	2.5%	157,500	12,855,700	1.2%
Kalamazoo Valley	13,046,600	379,500	13,426,100	2.9%	189,700	13,236,300	1.5%
Kellogg	10,214,400	280,100	10,494,500	2.7%	140,100	10,354,500	1.4%
Kirtland	3,321,600	126,800	3,448,400	3.8%	63,300	3,384,900	1.9%
Lake Michigan	5,672,100	165,300	5,837,400	2.9%	82,700	5,754,800	1.5%
Lansing	32,725,800	828,200	33,554,000	2.5%	414,100	33,139,900	1.3%
Macomb	34,124,000	980,200	35,104,200	2.9%	490,100	34,614,100	1.4%
Mid Michigan	5,112,400	172,000	5,284,400	3.4%	86,000	5,198,400	1.7%
Monroe	4,708,600	165,500	4,874,100	3.5%	82,800	4,791,400	1.8%
Montcalm	3,542,900	120,200	3,663,100	3.4%	60,100	3,603,000	1.7%
Mott	16,381,600	475,100	16,856,700	2.9%	237,500	16,619,100	1.4%
Muskegon	9,264,700	243,000	9,507,700	2.6%	121,500	9,386,200	1.3%
North Central	3,402,600	129,300	3,531,900	3.8%	64,700	3,467,300	1.9%
Northwestern	9,625,400	263,200	9,888,600	2.7%	131,600	9,757,000	1.4%
Oakland	22,093,000	751,200	22,844,200	3.4%	375,600	22,468,600	1.7%
Schoolcraft	13,112,900	486,500	13,599,400	3.7%	243,200	13,356,100	1.9%
Southwestern	6,946,900	191,200	7,138,100	2.8%	95,600	7,042,500	1.4%
St. Clair	7,358,700	230,200	7,588,900	3.1%	115,100	7,473,800	1.6%
Washtenaw	13,764,000	530,600	14,294,600	3.9%	265,300	14,029,300	1.9%
Wayne County	17,487,200	557,100	18,044,300	3.2%	278,600	17,765,800	1.6%
West Shore	2,573,400	82,400	2,655,800	3.2%	41,200	2,614,600	1.6%
Subtotal Operations:	\$322,250,900	\$9,667,500	\$331,918,400	3.0%	\$4,833,700	\$327,084,600	1.5%
MPERS Normal Cost Offset	\$0	\$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%
MPERS Reform Costs	75,300,000	(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)
MPERS Normal Cost Offset (one-time)	6,431,000	(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%
State School Aid Fund	408,215,500	0	408,215,500	0.0	3,281,000	411,496,500	0.8
GF/GP	\$0	\$12,948,500	\$12,948,500	N/A	\$4,833,700	\$4,833,700	N/A