

FY 2017-18: COMMUNITY COLLEGES
Summary: As Passed by the Senate
Senate Bill 134 (S-1)



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IDG/IDT	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Enacted	Difference: Senate From FY 2016-17 YTD	
						Amount	%
	\$0	\$0	\$0	\$0		\$0	--
Federal	0	0	0	0		0	--
Local	0	0	0	0		0	--
Private	0	0	0	0		0	--
Restricted	260,414,800	395,142,600	395,142,600	395,142,600		134,727,800	51.7
GF/GP	135,510,800	3,025,000	0	6,183,900		(129,326,900)	(95.4)
Gross	\$395,925,600	\$398,167,600	\$395,142,600	\$401,326,500		\$5,400,900	1.4

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Community Colleges budget supports the 28 public community colleges located throughout the state. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associates' degrees, career and technical education, developmental and remedial education, continuing education, and, after 2012, baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

NOTE: Information on House budget action in this document is based on House Bill 4313 as passed by the House.

		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
Major Budget Changes From FY 2016-17 YTD Appropriations			
1. Community College Operations Grants			
<u>Executive</u> shifts funding by \$130.4 million from GF/GP to School Aid Fund (SAF), as the entirety of operations grants are funded through SAF. Maintains current FY 2016-17 funding levels for community colleges operations grants of \$315.9 million. <u>House concurs.</u> <u>Senate</u> concurs with funding shift and increases funding by \$3.2 million GF/GP, a 1.0% increase. This includes \$1.8 million GF/GP for performance formula funding, and \$1.4 million GF/GP for Personal Property Tax (PPT) related adjustments.	Gross	\$315,892,000	\$3,158,900
	Restricted	185,481,200	130,410,800
	GF/GP	\$130,410,800	(\$127,251,900)
2. Michigan Public School Employee Retirement System (MPERS)			
<u>Executive</u> reduces funding by \$2.4 million SAF for MPERS. This includes a reduction of \$9.1 million SAF for the state's share of colleges' unfunded liability to MPERS and a \$6.7 million SAF increase to cover the reduction in the assumed rate of return for MPERS from 8% to 7.5%. The state's share is the difference between the actuarial accrued liability to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement act (MCL 38.1341). Total funding for the state share of MPERS would be \$70.8 million SAF. <u>House concurs.</u> <u>Senate concurs.</u>	Gross	\$73,200,000	(\$2,395,000)
	Restricted	73,200,000	(2,395,000)
	GF/GP	\$0	\$0
3. MPERS Normal Cost Offset			
<u>Executive</u> includes \$3.6 million SAF to reimburse community colleges for their normal cost portion to reduce the assumed rate of return for MPERS from 8% to 7.5%. <u>House concurs.</u> <u>Senate concurs.</u>	Gross	\$0	\$3,612,000
	Restricted	0	3,612,000
	GF/GP	\$0	\$0

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Senate Change
4. Renaissance Zone Reimbursements	Gross	\$5,100,000	(\$2,000,000)
<u>Executive</u> reduces funding by \$2.0 million GF/GP for Renaissance Zone reimbursements to community colleges. Estimated reimbursement payments required by statute have decreased due to recent Personal Property Tax reforms. Also includes funding shift of \$3.1 million from GF/GP to SAF, bringing total funding to \$3.1 million SAF.	Restricted	0	3,100,000
<u>House</u> concurs. <u>Senate</u> concurs.	GF/GP	\$5,100,000	(\$5,100,000)
5. Independent Part-Time Student Grant	Gross	\$0	\$2,000,000
<u>Executive</u> includes \$2.0 million GF/GP for a pilot program that provides financial support to part-time adult students who have earned 15 credits or more. The grants are limited to students enrolled at community colleges who are near the completion of a degree or certificate.	GF/GP	\$0	\$2,000,000
<u>House</u> does not include. <u>Senate</u> concurs with Executive.			
6. Michigan Transfer Network	Gross	\$0	\$1,025,000
<u>Executive</u> includes \$1.0 million GF/GP in one-time funds to support the enhancement of the Michigan Transfer Network website. The new site will better assist students in transferring credits between different institutions of Higher Education within the state.	GF/GP	\$0	\$1,025,000
<u>House</u> does not include. <u>Senate</u> concurs with Executive.			

Major Boilerplate Changes From FY 2016-17

Sec. 201(7). Independent Part-Time Student Grants – NEW

Executive specifies that priority for grants will be given to students with greatest financial need as determined by each institution if applicants exceed anticipated numbers. Also requires report in FY 2018-19 from community colleges on number of students who received a grant and number of students who received a grant and completed a degree or certificate program. House does not include. Senate concurs with Executive.

Sec. 201(8). Independent Part-Time Student Grants – NEW

Executive states that community colleges that fail to submit the report specified in 201(7), shall not receive further Independent Part-Time Student Grants. Adds that Department of Treasury will report information by November 1. House does not include. Senate concurs with Executive.

Sec. 201(9). Michigan Transfer Network – NEW

Executive specifies that the \$1,025,000 appropriation to the Michigan Community College Association (MCCA) is to enhance the transfer network website. Requires MCCA to update appropriations committees, fiscal agencies and State Budget Office on project status until completion. House does not include. Senate concurs with Executive.

Sec. 206. Community Colleges Activities Classification Structure (ACS) Data – REVISED

Executive specifies required information and datasets that community colleges must report to the Center of Educational Performance and Information (CEPI) by November 1. House concurs. Senate concurs.

Sec. 208. Self-Liquidating Projects – RETAINED

Executive deletes language that prohibits colleges from using state funds for construction or maintenance of self-liquidating projects. Requires colleges to comply with Joint Capital Outlay Subcommittee (JCOS) use and finance policy for any capital outlay project. Subjects colleges that fail to comply with a penalty of 1% of the operations funding for each violation. House retains. Senate retains.

Sec. 209. Community College Transparency – REVISED

Executive deletes from college transparency reporting requirements a requirement to post the estimated cost resulting from the Affordable Care Act. Deletes requirement that each college's board of trustees post a resolution of compliance with best practices for the local strategic value component. Also deletes a provision authorizing state budget director to withhold payment from a college that failed to comply with the reporting requirements. House retains deleted sections and concurs with minor technical changes. Senate concurs with House but does delete one subsection House retained.

Sec. 210b. Colleges and Universities Transfer Agreement – REVISED

Executive revises language around reporting requirements for the Michigan Community College Association and the Michigan Association of State Universities on course transfer agreements between community colleges and state universities. House concurs. Senate concurs.

Major Boilerplate Changes From FY 2016-17

Sec. 212. Cost Containment Initiatives – RETAINED

Executive deletes language that encourages colleges to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, increasing web-based instruction, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance and group purchasing. House retains. Senate retains.

Sec. 217. Activities Classification Structure (ACS) Data – REVISED

Executive deletes language requiring CEPI to assist community colleges in complying with state and federal audits. House concurs. Senate concurs.

Sec. 222. Financial Statements – REVISED

Executive revises language requiring community colleges to submit annual audits to CEPI by November 15 and states that CEPI will make audits available to the House and Senate subcommittees on Community Colleges, the House and Senate fiscal agencies and the State Budget Director. House retains. Senate concurs with Executive.

Sec. 223. North American Indian Tuition Waiver – REVISED

Executive changes reporting requirement for community colleges from prior fiscal year to prior academic year. House concurs. Senate concurs.

Sec. 224. Aggregate Academic Status – REVISED

Executive specifies that CEPI will use reported community college data in its P-20 longitudinal data system to inform high schools and the public of the aggregate academic status of each institution's students for the previous academic year. House concurs but does retain language stating that community colleges shall cooperate with CEPI. Senate concurs with Executive.

Sec. 225. Tuition Rate Reports – REVISED

Executive revises language that indicates community colleges will submit tuition and fee reports to CEPI by August 31 and CEPI will make information available to the fiscal agencies and State Budget Office. House concurs but revises language to require CEPI to provide information to the fiscal agencies and State Budget Office. Senate concurs with Executive.

Sec. 227. Community College Automobile Purchases – RETAINED

Executive deletes language that forbids lease or purchase of foreign-made vehicles if vehicles made in Michigan or elsewhere in the U.S. are competitively priced and of comparable quality. House retains. Senate retains.

Sec. 228. Communication with the Legislature – RETAINED

Executive deletes language that forbids a community college from taking disciplinary action against an employee for communicating with the legislature. House retains. Senate retains.

FY 2017-18 Community Colleges Operations Appropriations

As Passed by the Senate

30% 10% 10% 10% 30% 5% 5% 100%

	FY 2016-17 Base	Sustainability	Performance-Improvement	Performance-Completion Number	Performance-Completion Rate	Contact Hours	Administrative	Local Strategic Value	Total Formula Distribution	PPT Related Adjustments	Total Adjustments	% Change	FY 2017-18 Appropriation
Alpena	5,544,700	9,469	6,122	1,933	4,769	4,588	2,864	1,578	31,300	51,500	82,800	1.5%	\$5,627,500
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	0.5%	5,589,000
Delta	14,907,700	25,458	7,847	10,531	6,789	24,225	3,902	4,243	83,000	0	83,000	0.6%	14,990,700
Glen Oaks	2,586,900	4,418	1,178	1,438	3,517	3,040	191	736	14,500	0	14,500	0.6%	2,601,400
Gogebic	4,577,800	7,818	2,085	1,263	4,998	3,573	2,127	1,303	23,200	114,400	137,600	3.0%	4,715,400
Grand Rapids	18,450,500	31,509	9,426	10,044	8,402	37,853	3,814	5,251	106,300	0	106,300	0.6%	18,556,800
Henry Ford	22,176,000	37,871	15,993	8,167	12,698	37,897	4,272	6,312	123,200	0	123,200	0.6%	22,299,200
Jackson	12,397,600	21,172	5,646	5,200	7,986	15,322	3,809	3,529	62,700	129,800	192,500	1.6%	12,590,100
Kalamazoo Valley	12,873,900	21,985	5,863	7,484	8,133	23,507	4,117	3,664	74,800	0	74,800	0.6%	12,948,700
Kellogg	10,087,500	17,227	6,626	4,785	6,946	13,415	4,223	2,871	56,100	0	56,100	0.6%	10,143,600
Kirtland	3,270,000	5,584	1,489	1,880	1,489	4,723	3,268	931	19,400	0	19,400	0.6%	3,289,400
Lake Michigan	5,492,800	9,380	2,501	2,340	2,501	10,445	2,117	1,563	30,800	0	30,800	0.6%	5,523,600
Lansing	31,677,300	54,096	15,362	17,040	16,746	42,842	3,627	9,016	158,600	488,300	646,900	2.0%	32,324,200
Macomb	33,681,800	57,520	15,339	15,950	17,594	62,111	3,718	9,587	181,800	0	181,800	0.5%	33,863,600
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	2.8%	4,968,900
Monroe County	4,636,700	7,918	2,444	2,631	2,112	8,512	3,876	1,320	28,800	0	28,800	0.6%	4,665,500
Montcalm	3,343,100	5,709	1,522	1,985	1,522	3,957	3,911	952	19,600	83,600	103,200	3.1%	3,446,300
Mott	16,115,500	27,521	8,903	10,837	9,621	25,873	3,535	4,587	90,900	51,700	142,600	0.9%	16,258,100
Muskegon	9,150,600	15,627	11,393	2,935	4,167	11,407	4,242	2,604	52,400	0	52,400	0.6%	9,203,000
North Central	3,290,400	5,619	1,498	1,700	3,991	5,708	3,576	937	23,000	39,800	62,800	1.9%	3,353,200
Northwestern	9,318,000	15,913	5,882	4,196	4,243	12,933	3,322	2,652	49,100	141,800	190,900	2.0%	9,508,900
Oakland	21,770,900	37,179	9,914	15,052	9,914	53,114	3,437	6,196	134,800	0	134,800	0.6%	21,905,700
Schoolcraft	12,909,300	22,046	5,879	9,333	8,322	28,626	4,096	3,674	82,000	0	82,000	0.6%	12,991,300
Southwestern	6,732,500	11,497	5,511	2,979	3,066	6,910	1,871	1,916	33,700	94,500	128,200	1.9%	6,860,700
St. Clair	7,259,300	12,397	3,306	3,344	5,800	10,823	3,030	2,066	40,800	0	40,800	0.6%	7,300,100
Washtenaw	13,534,000	23,112	8,839	14,544	8,507	34,798	3,713	3,852	97,400	0	97,400	0.7%	13,631,400
Wayne County	17,234,200	29,431	9,494	14,919	7,848	34,323	3,165	4,905	104,100	0	104,100	0.6%	17,338,300
West Shore	2,478,000	4,232	5,024	1,015	1,128	3,264	952	705	16,300	62,000	78,300	3.2%	2,556,300
Total	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	1.0%	\$319,050,900