

**Summary: Executive Budget Recommendation  
for Fiscal Years 2011-12 and 2012-13  
Community Colleges**



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	FY 2010-11 Year-to-Date as of 2/17/11	FY 2011-12 Executive	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 Executive	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
IDG/IDT	\$0	\$0	\$0	--	\$0	\$0	--
Federal	0	0	0	--	0	0	--
Local	0	0	0	--	0	0	--
Private	0	0	0	--	0	0	--
Restricted	0	195,880,500	195,880,500		195,880,500	0	--
GF/GP	295,880,500	100,000,000	(195,880,500)	(66.2)	100,000,000	0	--
<b>Gross</b>	<b>\$295,880,500</b>	<b>\$295,880,500</b>	<b>\$0</b>	<b>0.0</b>	<b>\$295,880,500</b>	<b>\$0</b>	<b>0.0</b>
FTEs	0.0	0.0	0.0	--	0.0	0.0	--

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011. (2) FY 2012-13 figures are projected or proposed budget amounts only and would not be legally-binding appropriations.

**Overview**

The Community Colleges budget supports the 28 community colleges located throughout the state. The colleges are governed by locally-elected boards of trustees. The colleges offer numerous educational programs including traditional transfer, career and technical education, developmental and remedial education, and continuing education courses. The colleges are funded through a combination of state aid, local property tax revenue, tuition and fees revenue, and other sources of revenue such as federal grants and investment earnings. State aid makes up about 19% of total community college general fund operating revenue, although the revenue mix varies considerably among the colleges.

**Executive Changes**

<b>Major Budget Changes From FY 2010-11 YTD Appropriations</b>	<b>FY 2010-11 YTD (as of 2/17/11)</b>	<b>FY 2010-11 to FY 2011-12</b>	<b>FY 2011-12 to FY 2012-13</b>
<b>1. Operations Grants</b>	<b>Gross \$292,557,800</b>	<b>\$0</b>	<b>\$0</b>
Funding for community college operations is unchanged. Each community college would receive the same amount for funding for operations (\$292.6 million) as it did in FY 2011. Operations funding has not changed since FY 2009.	Restricted 0	195,880,500	0
	GF/GP \$292,557,800	(\$195,880,500)	\$0
<b>2. At Risk Student Success Program</b>	<b>Gross \$3,322,700</b>	<b>\$0</b>	<b>\$0</b>
Funding for the At Risk program (developmental education) remains unchanged. This funding (\$3.3 million) has not changed since FY 2004. Following historical practice, the distribution of this funding is directed in boilerplate, and is based on student contact hours for developmental and remedial education. The amount for each college is adjusted based on the most recent data.	GF/GP \$3,322,700	\$0	\$0

## **Major Boilerplate Changes From FY 2010-11**

**NOTES:** (1) No new boilerplate language is proposed for FY 2012-13. (2) Under the Executive Recommendation, boilerplate sections are renumbered as sections of the School Aid Act; standard sections are consolidated to apply to all appropriations within the act.

### ***Executive Boilerplate Deletions***

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2010-11 budget. This includes many legislative reporting requirements, sections providing guidance and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections deleted.

#### ***Sec. 211. Payment of Appropriations – REVISED***

Provides for 11 payments per year to community colleges; directs Department of Treasury to withhold appropriation if the colleges fail to submit Activities Classification Structure (ACS) data. The Executive deletes language allowing funds to be expended to match career and technical education programs under the federal Perkins Act. (Sec. 173A)

#### ***Sec. 217. Capital Outlay Funding – REVISED***

Prohibits colleges from using state funds for construction or maintenance of a self-liquidating project; requires colleges to comply with Joint Capital Outlay Subcommittee use and finance policy for any capital outlay projects. The Executive deletes language requiring the colleges to comply with the use and finance requirements of the Joint Capital Outlay Subcommittee. (Sec. 173C)

#### ***Sec. 224. Collaboration With Four-Year Universities, Local Employers, and Each Other – DELETED***

Encourages colleges to collaborate with four-year universities, particularly in areas of training, instruction, program articulation, and meeting local employment needs; encourages colleges to collaborate with local employers and each other to identify local employment needs.

#### ***Sec. 242. Payments in Lieu of Taxes – DELETED***

States legislative intent that discussion regarding payments in lieu of taxes concerning community colleges be continued.

#### ***Sec. 249. Cost Containment Initiatives – DELETED***

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.

#### ***Sec. 304. Performance Indicator Formula – DELETED***

States intent that formula developed by performance indicator task force be used for funding distribution in future years.

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

Specifies distribution of at-risk student success grant money. The Executive revises the distribution of At-Risk payments based on updated student contact hour data. (Sec. 175A)

#### ***Sec. 510. Crime Statistics – DELETED***

Requires colleges to make materials prepared in accordance with federal crime and campus security reporting requirements available through the Internet.

#### ***Sec. 195. School Aid Proration – NEW***

Subjects portion of community college appropriations funded from the School Aid Fund revenue to proration process currently in place for School Aid budget.

**FY 2011-2012 Community College Appropriations  
Executive Budget Recommendation**

College	OPERATIONS FUNDING				AT RISK PROGRAM FUNDING			
	FY 2011 YTD	Adjustments	Appropriation	% Change	FY 2011 YTD	Adjustments	Appropriation	% Change
Alpena	\$5,126,100	\$0	\$5,126,100	0.0	\$82,100	(\$2,600)	\$79,500	-3.2
Bay de Noc	\$5,178,400	\$0	\$5,178,400	0.0	\$77,900	\$11,700	\$89,600	15.0
Delta	\$13,751,600	\$0	\$13,751,600	0.0	\$108,000	(\$1,400)	\$106,600	-1.3
Glen Oaks	\$2,304,800	\$0	\$2,304,800	0.0	\$106,600	(\$6,500)	\$100,100	-6.1
Gogebic	\$4,275,200	\$0	\$4,275,200	0.0	\$54,900	\$400	\$55,300	0.7
Grand Rapids	\$17,219,800	\$0	\$17,219,800	0.0	\$135,500	\$500	\$136,000	0.4
Henry Ford	\$20,898,900	\$0	\$20,898,900	0.0	\$169,600	\$16,600	\$186,200	9.8
Jackson	\$11,542,300	\$0	\$11,542,300	0.0	\$146,800	\$15,300	\$162,100	10.4
Kalamazoo	\$11,888,600	\$0	\$11,888,600	0.0	\$90,600	(\$2,800)	\$87,800	-3.1
Kellogg	\$9,311,800	\$0	\$9,311,800	0.0	\$138,400	(\$7,400)	\$131,000	-5.3
Kirtland	\$2,842,800	\$0	\$2,842,800	0.0	\$124,300	(\$700)	\$123,600	-0.6
Lake Michigan	\$5,012,100	\$0	\$5,012,100	0.0	\$147,200	(\$2,000)	\$145,200	-1.4
Lansing	\$29,762,500	\$0	\$29,762,500	0.0	\$147,800	(\$6,200)	\$141,600	-4.2
Macomb	\$31,773,900	\$0	\$31,773,900	0.0	\$83,100	(\$3,600)	\$79,500	-4.3
Mid Michigan	\$4,289,200	\$0	\$4,289,200	0.0	\$126,100	\$2,400	\$128,500	1.9
Monroe	\$4,142,800	\$0	\$4,142,800	0.0	\$102,100	(\$3,400)	\$98,700	-3.3
Montcalm	\$2,981,600	\$0	\$2,981,600	0.0	\$73,200	(\$7,100)	\$66,100	-9.7
Mott	\$15,016,400	\$0	\$15,016,400	0.0	\$127,700	\$11,000	\$138,700	8.6
Muskegon	\$8,518,600	\$0	\$8,518,600	0.0	\$87,600	\$8,500	\$96,100	9.7
North Central	\$2,893,600	\$0	\$2,893,600	0.0	\$103,800	\$200	\$104,000	0.2
Northwestern	\$8,682,000	\$0	\$8,682,000	0.0	\$127,200	\$7,100	\$134,300	5.6
Oakland	\$20,133,700	\$0	\$20,133,700	0.0	\$147,900	(\$6,000)	\$141,900	-4.1
St. Clair	\$6,729,800	\$0	\$6,729,800	0.0	\$104,500	(\$15,700)	\$88,800	-15.0
Schoolcraft	\$11,767,000	\$0	\$11,767,000	0.0	\$124,300	(\$2,800)	\$121,500	-2.3
Southwestern	\$6,276,900	\$0	\$6,276,900	0.0	\$156,000	\$6,600	\$162,600	4.2
Washtenaw	\$12,149,000	\$0	\$12,149,000	0.0	\$117,500	(\$7,800)	\$109,700	-6.6
Wayne County	\$15,889,900	\$0	\$15,889,900	0.0	\$166,600	\$5,900	\$172,500	3.5
West Shore	\$2,198,500	\$0	\$2,198,500	0.0	\$145,400	(\$10,200)	\$135,200	-7.0
<b>Operations Subtotal</b>	<b>\$292,557,800</b>	<b>\$0</b>	<b>\$292,557,800</b>	<b>0.0</b>	<b>\$3,322,700</b>	<b>\$0</b>	<b>\$3,322,700</b>	<b>0.0</b>
School Aid Fund	\$0	\$195,880,500	\$195,880,500	N/A	\$0	\$0	\$0	0.0
General Fund/General Purpose	\$292,557,800	(\$195,880,500)	\$96,677,300	(67.0)	\$3,322,700	\$0	\$3,322,700	0.0