

LINE ITEM AND BOILERPLATE SUMMARY

COMMUNITY COLLEGES

**Fiscal Year 2003-04
Public Act 146 of 2003
House Bill 4388**

As Enacted



Prepared and Compiled by:

**Kyle I. Jen, Fiscal Analyst
Barbara Graves, Budget Assistant**

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STATE OF MICHIGAN

HOUSE OF REPRESENTATIVES



HOUSE FISCAL AGENCY

MITCHELL E. BEAN, DIRECTOR

P.O. BOX 30014
LANSING, MICHIGAN 48909-7514
PHONE: (517)373-8080 FAX: (517)373-5874
www.house.mi.gov/hfa

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September 2003

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2003-04 appropriation acts. Each **Summary** contains line-by-line detail, including the amount and purpose of each appropriation line and information regarding related boilerplate sections, for a specific appropriation act. Following the line item detail, a brief explanation of each boilerplate section in the appropriations bill is provided.

Please note that ~~strikeouts~~ in this report show the effects of vetoes.

If you would like to obtain a Line Item Summary for a particular budget area, please contact Jeanne Dee, Administrative Assistant, at 373-8080.

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GLOSSARY

Frequently-Used State Budget Terms

Adjusted Gross

Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs)

Boilerplate

Specific language sections contained in an appropriations act which direct, limit or restrict line item expenditures, and/or require reports

Budget Stabilization Fund (BSF)

The countercyclical economic and budget stabilization fund—also known as the "rainy day" fund

Federal Revenues

Federal grant or matchable revenues dedicated to specific programs

General Fund/General Purpose (GF/GP)

The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues

Gross Appropriations (Gross)

The total of all applicable line item spending authorizations

Interdepartmental Grant (IDG)

Revenue or funds received by one state department from another state department (usually for a service the receiving department provides)

Intradepartmental Transfer (IDT)

Transfers or funds being provided from one appropriation unit to another in the same department

Lapses

Unspent/unobligated funds remaining in line item accounts at the end of the fiscal year

Line Items

Specific funding amount in an appropriations bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes)

Local Revenue

Revenues from local units of government

State Restricted (Restricted Funds)

State revenue dedicated to a specific fund; revenue which results from state mandates or initiatives; used for used for specific programs pursuant to the Constitution or statute

Private Funds

Revenues from non-government entities such as rents, royalties or interest payments, payments from hospitals, payments from individuals, and gifts and bequests

School Aid Fund (SAF)

The primary funding source for K-12 schools and Intermediate School Districts (ISDs)

Work Project

An account established to allow for certain specific unspent funds to be carried over from one fiscal year to a succeeding fiscal year or years

COMMUNITY COLLEGES

The Michigan Constitution of 1963, 1964 Public Acts (PA) 193 and 287 and 1966 PA 331 provided for the creation of community college districts. The Constitution also established the State Board of Education for Public Community Colleges to advise the State Board of Education concerning community college issues and provided for locally-elected college boards and for the assessment, levy, and collection of local property tax receipts. Colleges are funded from four revenue streams: state aid, student tuition and fees, local property taxes, and private donations and federal grants.

Twenty-eight community colleges have been established throughout the state. These community colleges offer a full range of programs that are generally two years or less in duration—including traditional transfer programs, technical training programs, certificate programs, and customized training or retraining for employees in high-skilled positions.

GROSS APPROPRIATION	\$289,013,100	Total of all applicable line item appropriations.
Total interdepartmental grants and intra departmental transfers	0	Total of all funds received from other departments.
ADJUSTED GROSS APPROPRIATION	\$289,013,100	Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).
Total federal revenues	0	Total federal grant or matchable revenues.
Total local revenues	0	Total revenues from local units of government.
Total private revenues	0	Total private grant revenues.
Total state restricted revenues	0	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
GENERAL FUND/ GENERAL PURPOSE	\$289,013,100	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 102: OPERATIONS

The Gast-Mathieu Fairness-in-Funding Formula has sometimes been used to allocate a portion of operational funding to community colleges. Created in fiscal year (FY) 1984-85, the formula utilizes certain simplifying assumptions to calculate each college's need level based on audited instructional and non-instructional expenditures. Revenues received (again, based on certain simplifying assumptions) from local property taxes, tuition and fees, and revenues from other sources (such as private donations and federal grants) are then deducted to determine each college's net need for state aid.

There are significant differences between the annual appropriations for each college and the amount of state aid for each college prescribed by the Gast-Mathieu Formula, in part because the across-the-board distribution method is often used to allocate state funds.

For all items in this section:

Funding Source(s): GF/GP 283,940,400

Related Boilerplate Section(s): 211, 212, 215, 228, 301, 302

Alpena Community College	\$4,930,500	Grant to college for operations.
Bay de Noc Community College	4,766,800	Grant to college for operations.
Delta College	13,331,900	Grant to college for operations.
Glen Oaks Community College	2,236,800	Grant to college for operations.
Gogebic Community College	4,078,400	Grant to college for operations.
Grand Rapids Community College	16,769,300	Grant to college for operations.
Henry Ford Community College	20,436,700	Grant to college for operations.
Jackson Community College	11,312,800	Grant to college for operations.
Kalamazoo Valley Community College	11,542,800	Grant to college for operations.
Kellogg Community College	9,068,800	Grant to college for operations.
Kirtland Community College	2,752,400	Grant to college for operations.
Lake Michigan College	4,880,800	Grant to college for operations.
Lansing Community College	28,999,400	Grant to college for operations.
Macomb Community College	30,941,500	Grant to college for operations.
Mid Michigan Community College	4,127,600	Grant to college for operations.
Monroe County Community College	4,015,800	Grant to college for operations.
Montcalm Community College	2,904,700	Grant to college for operations.
C.S. Mott Community College	14,661,600	Grant to college for operations.
Muskegon Community College	8,343,600	Grant to college for operations.
North Central Michigan College	2,826,100	Grant to college for operations.
Northwestern Michigan College	8,513,800	Grant to college for operations.
Oakland Community College	19,518,300	Grant to college for operations.
St. Clair County Community College	6,537,800	Grant to college for operations.
Schoolcraft College	11,455,400	Grant to college for operations.

Southwestern Michigan College	6,149,300	Grant to college for operations.
Washtenaw Community College	11,642,900	Grant to college for operations.
Wayne County Community College	15,050,600	Grant to college for operations.
West Shore Community College	2,144,000	Grant to college for operations.
GROSS APPROPRIATION	\$283,940,400	Total of all applicable line items.
GENERAL FUND/ GENERAL PURPOSE	\$283,940,400	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

SECTION 103: GRANTS

This section appropriates funds for two grant programs through which funds are distributed to community colleges: the At-Risk Student Success Program and the Renaissance Zone Tax Reimbursement Program.

At-risk student success program	\$3,322,700	<p>The At-Risk Student Success Program targets students who need remedial academic assistance. At-risk students must meet at least one of the following criteria: (a) enrolled in more than one developmental course, (b) diagnosed as disabled, (c) require English-as-a-second-language assistance. Pursuant to section 401 of the budget bill, each college receives a base grant of \$40,000, for a total of \$1.1 million, irrespective of the number of at-risk students served. The remaining \$2.2 million is distributed based on each college's ratio of developmental/preparatory contact hours to total contact hours over the three most recent academic school years.</p> <p style="text-align: right;">Funding Source(s): GF/GP 3,322,700</p>
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Related Boilerplate Section(s): 401

Renaissance zone tax reimbursement funding	1,750,000	<p>The Renaissance Zone Tax Reimbursement Program reimburses colleges whose districts contain renaissance zones, which reduce a college's property tax base. Funding for this program is calculated by (1) determining the taxable value of ad valorem homestead and non-homestead properties located within the confines of the renaissance zone, (2) adjusting that taxable value for other tax exemptions, and (3) multiplying the adjusted taxable value by a college's millage rate.</p> <p style="text-align: right;">Funding Source(s): GF/GP 1,750,000</p>
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Related Boilerplate Section(s): 222

GROSS APPROPRIATIONS	\$5,072,700	Total of all applicable line items.
GENERAL FUND/ GENERAL PURPOSE	\$5,072,700	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues.

BOILERPLATE SECTION INFORMATION

Sec. 201. *Payments to Locals*

Reports spending from state resources and payments to local units of government.

Sec. 202. *Management and Budget Act*

Subjects funds appropriated to the Management and Budget Act.

Sec. 203. *Internet Reporting*

Requires the Department of Career Development (DCD) to use the Internet to submit reports.

Sec. 209. *Foreign Goods and Services*

Prohibits the use of funds to purchase foreign goods or services if American products that are competitively priced and of similar quality are available.

Sec. 210. *Deprived and Depressed Communities*

Encourages the colleges to ensure that businesses in economically distressed areas compete for and perform contracts.

Sec. 211. *Payment of Appropriations*

Provides for 11 payments per year to community colleges and directs the Department of Treasury to withhold appropriations if the colleges fail to submit activities classification structure data by November 1, 2003.

Sec. 212. *Audits*

Provides for the auditing of data from seven randomly selected colleges, performance audits by the Auditor General, and the return of excess appropriations resulting from significant differences found in audited data.

Sec. 213. *Taxonomy Review*

Requires that DCD review the taxonomy of the seven colleges randomly selected pursuant to section 212.

Sec. 214. *Record Retention*

Requires the colleges to retain class summaries, class lists, registration documents, student transcripts, and other specified information for audit purposes.

Sec. 215. *Financial Statements*

Requires the colleges to submit audited financial statements to various state agencies.

Sec. 216. *Retirement Contributions*

Requires the colleges to contribute to the Michigan Public School Employees' Retirement System.

Sec. 217. *Capital Outlay Funding*

Prohibits the colleges from using state funds to pay for the construction or maintenance of a self-liquidating project.

Sec. 219. *Tax Increment Financing Authority Data*

Requires the Department of Treasury to collect, compile, and distribute data on revenue losses related to tax increment financing authorities.

Sec. 220. *Special Maintenance Projects*

States intent that the Legislature and the Michigan Community Colleges Association develop proposals and financing alternatives for special maintenance projects.

Sec 221. *North American Indian Tuition Waiver*

Requires report on the number of tuition waivers granted to North American Indian students at each college.

Sec. 222. *Renaissance Zone Reimbursements*

Provides for renaissance zone reimbursement payments to be made not less than 60 days after certification of payment amounts by Department of Treasury.

Sec. 223. *Aggregate Academic Status*

Requires community colleges to, upon request, inform high schools of the aggregate academic status of their students.

Sec. 224. Collaboration with Four-Year Universities

Encourages the colleges to collaborate with four-year universities, particularly in the areas of training, instruction, and program articulation.

Sec. 226. Tuition Rate Reports

Requires the colleges to report tuition rates to various state agencies.

Sec. 227. Degrees Awarded by Colleges

Requires report on the number of degrees awarded by each college.

Sec. 228. Gast-Mathieu Formula

States legislative intent to achieve full funding of the Gast-Mathieu Formula.

Sec. 229. Crime Statistics

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

Sec. 230. Abortion Services

Prohibits the use of state funds for the provision of health care coverage to employees or their dependents for abortion services, with certain exceptions, and prohibits the approval of a collective bargaining agreement that includes health care for abortion services, again with certain exceptions.

Sec. 231. Benefits to Unmarried Partners

States legislative intent that community colleges not extend employee benefits to unmarried partners of employees, except for pre- and post-natal costs.

Sec. 233. Preventative Contraceptives

Encourages the colleges to ensure that preventative contraceptives are included in their insurance plans.

Sec. 234. Equal Opportunities

Encourages the colleges to promote equal opportunities and foster a diverse student body and administration.

Sec. 235. Admission and Enrollment Workgroup

States legislative intent that a workgroup be formed to address acceptance and application of college credits.

Sec. 236. On-Site Visits and Audits

States legislative intent that the frequency of on-site visits, evaluations, and audits of community colleges be limited and requires DCD to provide state plan under federal Perkins Act to the Legislature prior to submission to the U.S. Department of Education.

Sec. 301. Manual for Uniform Financial Reporting (MUFR)

Requires that all data submitted by the colleges to determine state aid comply with the MUFR published by DCD.

Sec. 302. Prisoner Contact Hours

Excludes credit and contact hours for students incarcerated in Michigan penal institutions from enrollment data submitted by colleges.

Sec. 401. At-Risk Student Success Program

Specifies methodology used to distribute at-risk funds, amounts allocated for each college under that methodology, eligibility requirements for the program, and appropriate use of at-risk funds; requires report on program.

Sec. 402. Increases for Four-Year Universities

States legislative intent that any proposal/action to increase appropriations for four-year universities be accompanied by a similar proposal/action for community colleges.

Sec. 403. Economic Development Job Training (EDJT) Grants

States legislative intent that at least 70 percent of the EDJT funds appropriated in the Michigan Strategic Fund budget be awarded to community colleges.

Fourth Floor, North Tower, Anderson Building
124 North Capitol Avenue, Lansing, Michigan 48933

Mail to: P. O. Box 30014
Lansing, Michigan 48909-7514

Phone: 517-373-8080 FAX: 517-373-5874
www.house.mi.gov/hfa



Mitchell E. Bean, Director
Bill Fairgrieve, Deputy Director

COMMUNITY HEALTH **Bill Fairgrieve, Deputy Director**
Medicaid Bill Fairgrieve, Senior Analyst
Mental Health–Substance Abuse Margaret Alston, Senior Analyst
Public Health–Aging Susan Frey, Senior Analyst

EDUCATION AND HUMAN SERVICES **Hank Prince, Associate Director**
Higher Education Hank Prince, Senior Analyst; Kyle I. Jen, Senior Analyst
Career Development–Consumer and Industry Services–Michigan Strategic Fund Steve Stauff, Senior Analyst
Community Colleges Kyle I. Jen, Senior Analyst
Family Independence Agency
Administration–Grants–Staffing Richard Child, Senior Analyst
Child and Family Services–Juvenile Justice Erin Black, Senior Analyst
Education Mary Ann Cleary, Senior Analyst; Laurie Cummings, Senior Analyst
School Aid Mary Ann Cleary, Senior Analyst; Laurie Cummings, Senior Analyst
Transportation William E. Hamilton, Senior Analyst

GENERAL GOVERNMENT **Al Valenzio, Associate Director**
Capital Outlay–Retirement–Supplementals Al Valenzio, Senior Analyst
Attorney General–Auditor General–Civil Rights–Civil Service–Executive Office–
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Corrections–Judiciary–Bill Analysis System Marilyn Peterson, Senior Analyst
Agriculture–Clean Michigan Initiative–Environmental Quality–Federal Funds Monitoring–
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Legislative Transfers Kyle I. Jen, Senior Analyst

FISCAL OVERSIGHT, AUDIT AND LITIGATION **William E. Hamilton, Senior Analyst**

ECONOMIC AND REVENUE FORECAST–TAX ANALYSIS **Rebecca Ross, Senior Economist**
Jim Stansell, Economist

SUPPORT STAFF

Office Manager Sharon Risko, Administrative Assistant
Publications and Data Jeanne Dee, Administrative Assistant
Community Health–Corrections–Family Independence Agency–Judiciary–
HFA Library Tumai Burris, Budget Assistant
Community Colleges–Education–Higher Education–School Aid–Transportation–
Transfers–HFA Internet–Bill Analysis Barbara Graves, Budget Assistant
Agriculture–Capital Outlay–Career Development–Consumer and Industry Services–
Environmental Quality–General Government–History, Arts, and Libraries–
Michigan Strategic Fund–Military and Veterans Affairs–Natural Resources–Retirement–
Revenue and Tax Analysis–State Police–Supplementals Kim O’Berry, Budget Assistant
Facilities Coordinator Ericah Caughey

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House Fiscal Agency
P.O. Box 30014
Lansing, MI 48909-7514
(517) 373-8080
FAX (517) 373-5874
www.house.mi.gov/hfa