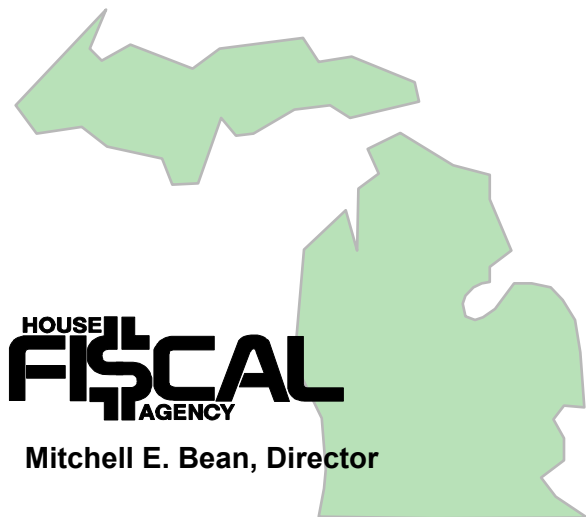


LINE ITEM AND BOILERPLATE SUMMARY

COMMUNITY COLLEGES

**Fiscal Year 2007-08
Public Act 120 of 2007
House Bill 4360**

As Enacted



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

February 2008

**HOUSE FISCAL AGENCY
GOVERNING COMMITTEE**

George Cushingberry, Jr.

Andy Dillon

Steve Tobocman

Daniel Acciavatti

Craig DeRoche

Dave Hildenbrand

**MICHIGAN HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE**

George Cushingberry, Jr., Chair

Matthew Gillard, Vice Chair

Joan Bauer

Doug Bennett

Pam Byrnes

Marsha Cheeks

John Espinoza

Lee Gonzales

Richard Hammel

Morris Hood III

Shanelle Jackson

Michael Lahti

Richard LeBlanc

Gary McDowell

Michael Sak

Alma Wheeler Smith

Dudley Spade

Aldo Vagnozzi

Daniel Acciavatti, Minority Vice Chair

David Agema

Fran Amos

Darwin Booher

Jack Brandenburg

Bruce Caswell

Bill Caul

Goeff Hansen

Chuck Moss

Mike Nofs

John Proos

Rick Shaffer

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

GOVERNING COMMITTEE

GEORGE CUSHINGBERRY, JR., CHAIR
ANDY DILLON
STEVE TOBOCMAN

DANIEL ACCIAVATTI, VC
CRAIG DEROCHE
DAVE HILDENBRAND

February 2008

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2007-08 appropriation acts. Each **Summary** contains line-by-line appropriation and revenue source detail, and a brief explanation of each boilerplate section in the appropriation bill.

In this report, line item vetoes are presented in the following manner: appropriation amounts shown in ~~strikeout~~ are those that appear in the enrolled bill; amounts shown directly below ~~strikeout~~ amounts reflect the effect of the veto.

Line Item Summaries are available on the HFA website (www.house.mi.gov/hfa), or from Jeanne Dee, Administrative Assistant (373-8080 or jdee@house.mi.gov).

A handwritten signature in black ink that reads "Mitchell E. Bean".

Mitchell E. Bean, Director

TABLE OF CONTENTS

COMMUNITY COLLEGES.....1

 Operations2

 Grants4

BOILERPLATE SECTION INFORMATION5

GLOSSARY

STATE BUDGET TERMS

Gross Appropriations (Gross): The total of all applicable appropriations (statutory spending authorizations) in a budget bill.

Adjusted Gross Appropriations (Adjusted Gross): The net amount of all gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Lapses: Appropriation amounts that are unspent/unobligated at the end of a fiscal year. Appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project: A statutorily-authorized account which allows a spending authorization to be carried over from one fiscal year to a succeeding fiscal year or years—i.e., allows funds to be spent over a period of years.

APPROPRIATION BILL TERMS

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

Boilerplate: Specific language sections in an appropriation bill which direct, limit or restrict line item expenditures, express legislative intent, and/or require reports.

REVENUE SOURCES

General Fund/General Purpose (GF/GP): Unrestricted General Fund revenue available to fund any activity accounted for in the General Fund; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

State Restricted (Restricted): State revenue restricted by state law or outside restriction that is available only for specified purposes; at year-end, unused restricted revenue remains in the restricted fund.

Federal Revenue: Federal grant or matchable revenue dedicated to specific programs.

Local Revenue: Revenue from local units of government.

Private Revenue: Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, and gifts and bequests.

Interdepartmental Grant (IDG): Revenue or funds received by one state department from another state department (usually for a service provided by the receiving department).

Intradepartmental Transfer (IDT): Transfers or funds being provided from one appropriation unit to another in the same department.

MAJOR STATE FUNDS

Budget Stabilization Fund (BSF): The countercyclical economic and budget stabilization fund; also known as the "rainy day" fund.

School Aid Fund (SAF): A restricted fund; the primary funding source for K-12 schools and Intermediate School Districts (ISDs).

General Fund: The General Fund (funded from taxes and other general revenue) is used to account for the ordinary operations of a governmental unit that are not accounted for in another fund.

COMMUNITY COLLEGES

Under the provisions of the Michigan Constitution of 1963 and 1966 PA 331, 28 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. Colleges are funded from three major revenue streams: local property taxes, state aid, and student tuition and fees.

GROSS APPROPRIATION	\$318,928,800	Total of all applicable line item appropriations.
Total interdepartmental grants/intradepartmental transfers	0	Total of all funds received from other departments and transfer of funds.
ADJUSTED GROSS APPROPRIATION	\$318,928,800	Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).
Total federal revenue	0	Total federal grant or matchable revenue.
Total local revenue	0	Total revenue from local units of government.
Total private revenue	0	Total private grant revenue.
Total state restricted revenue	0	State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose.
GENERAL FUND/ GENERAL PURPOSE	\$318,928,800	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

SECTION 102: OPERATIONS

Pursuant to article 2, section 242 of 2005 PA 154, a Community College Performance Indicators Task Force was established in October of 2005 and charged with submitting a report on the most appropriate and reliable performance indicators to be used to help guide state aid funding decisions for community colleges. The Performance Indicators Task Force developed a funding formula that recommended the following allocations: 50% funding distributed across the board, 17.5% funding based on two-year average of Contact Hour Equated Students (CHES), 17.5% funding based on two-year average of awards granted (weighted by subject area), and 15% for local strategic value (currently distributed across the board). For FY 2006-07 and FY 2007-08, the Legislature distributed any additional operational funding above previous years' appropriations through this funding formula. In previous years, funding had been distributed by either across-the-board adjustments or the use of the Gast-Mathieu Fairness-in-Funding Formula.

For all items in this section:

Funding Source(s): GF/GP 312,581,100

Related Boilerplate Section(s): 211, 217, 239, 304

Alpena Community College	\$5,034,800	Grant to college for operations.
Bay de Noc Community College	5,084,400	Grant to college for operations.
Delta College	13,458,400	Grant to college for operations.
Glen Oaks Community College	2,259,100	Grant to college for operations.
Gogebic Community College	4,207,700	Grant to college for operations.
Grand Rapids Community College	16,879,000	Grant to college for operations.
Henry Ford Community College	20,524,100	Grant to college for operations.
Jackson Community College	11,338,500	Grant to college for operations.
Kalamazoo Valley Community College	11,643,300	Grant to college for operations.
Kellogg Community College	9,129,600	Grant to college for operations.
Kirtland Community College	2,781,000	Grant to college for operations.
Lake Michigan College	4,919,800	Grant to college for operations.
Lansing Community College	29,183,800	Grant to college for operations.
Macomb Community College	31,158,600	Grant to college for operations.
Mid Michigan Community College	4,202,200	Grant to college for operations.
Monroe County Community College	4,054,300	Grant to college for operations.
Montcalm Community College	2,919,500	Grant to college for operations.

C.S. Mott Community College	14,730,200	Grant to college for operations.
Muskegon Community College	8,369,000	Grant to college for operations.
North Central Michigan College	2,838,000	Grant to college for operations.
Northwestern Michigan College	8,531,900	Grant to college for operations.
Oakland Community College	19,698,200	Grant to college for operations.
St. Clair County Community College	6,600,400	Grant to college for operations.
Schoolcraft College	11,516,300	Grant to college for operations.
Southwestern Michigan College	6,174,000	Grant to college for operations.
Washtenaw Community College	11,841,800	Grant to college for operations.
Wayne County Community College	15,586,500	Grant to college for operations.
West Shore Community College	2,156,900	Grant to college for operations.
One-time supplemental payment	25,759,800	Restoration of August 2007 state aid payment to colleges that was delayed by EO 2007-3 and 2007 PA 17.
GROSS APPROPRIATION	\$312,581,100	Total of all applicable line items.
GENERAL FUND/ GENERAL PURPOSE	\$312,581,100	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

SECTION 103: GRANTS

This section includes 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	Each college receives a base grant of \$40,000 from this line (total of \$1.1 million) pursuant to boilerplate section 401; 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 years. Funds may be expended to address special needs of at-risk students or for acquisition of technology-related equipment and software that is associated with programs for at-risk students. To be classified as at-risk, a student must meet at least one of the following criteria: a) enrolled in at least one developmental course, b) diagnosed as learning disabled, or c) require English-as-a-second-language assistance. Funding Source(s): GF/GP 3,322,700 <i>Related Boilerplate Section(s): 211, 401</i>
Renaissance zone tax reimbursement funding	3,025,000	Reimburse colleges whose districts contain renaissance zones for foregone property tax revenue related to those zones pursuant to Michigan Renaissance Zone Act (MCL 125.2692). Program funding calculated by determining taxable value of property located within the renaissance zone, adjusting that taxable value for other tax exemptions, and multiplying the adjusted taxable value by the college's millage rate. Funding Source(s): GF/GP 3,025,000 <i>Related Boilerplate Section(s): 404</i>
GROSS APPROPRIATION	\$6,347,700	Total of all applicable line items.
GENERAL FUND/ GENERAL PURPOSE	\$6,347,700	The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue.

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 colleges and Department of Labor and Economic Growth (DLEG) to use the Internet to submit reports.

Sec. 208. *Entrepreneurship Curriculum*

Requires DLEG to continue work with community colleges to develop an accelerated entrepreneurship curriculum.

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; states preference for Michigan goods and services; states preference for goods and services provided by Michigan businesses owned and operated by veterans.

Sec. 210. *Deprived and Depressed Communities*

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

Sec. 211. *Payment of Appropriations*

Provides for 11 payments per year to community colleges; directs Department of Treasury to withhold appropriations if colleges fail to submit Activities Classification Structure data; requires that the one-time supplemental payment to restore the last FY 2006-07 payment delayed through EO 2007-3 and 2007 PA 17 be paid by October 16, 2007.

Sec. 216. *Retirement Contributions*

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

Sec. 217. *Capital Outlay Funding*

Prohibits colleges from using state funds to pay for construction or maintenance of a self-liquidating project; requires colleges to comply with current Joint Capital Outlay Subcommittee (JCOS) use and finance policy for any construction, renovation, or other capital outlay projects.

Sec. 220. *ITEM Funding*

States legislative intent for restoration of Infrastructure, Technology, Equipment, and Maintenance (ITEM) funds as in previous fiscal years.

Sec. 224. *Collaboration With Four-Year Universities*

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

Sec. 234. *Equal Opportunities*

Encourages 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; requires report on findings and recommendations by March 1, 2008.

Sec. 239. *University Appropriations Increases*

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

Sec. 241. *Nursing Education Programs*

States legislative intent that colleges expand their nursing education programs.

Sec. 242. *Payments in Lieu of Taxes*

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

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

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

BOILERPLATE SECTION INFORMATION

Sec. 302. Prisoner Credit Hours

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

Sec. 304. Formula Distribution/Data Collection

Recommends that the data used to generate the activities classification structure data book continue to be collected and that the funding formula developed by the Performance Indicators Task Force be used for future funding distribution; states legislative intent that performance measures recommended in Task Force Report be reviewed and more fully implemented in the future.

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; states that equipment or information technology hardware purchased using at-risk funds must be associated with an at-risk student program; requires colleges report to DLEG on program.

Sec. 404. 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. 405. Nursing Grants

States legislative intent to fund nursing grants to encourage expansion of nursing programs; if funding is appropriated, allocations shall be distributed proportionately based on the number of ADN/RN nursing program awards conferred in 2005-06.

Sec. 501. Activities Classification Structure Data Book

Requires DLEG to publish Activities Classification Structure data book on or before March 1, 2008.

Sec. 502. Performance Audits

Provides for performance audits by the auditor general and responses to audits by colleges.

Sec. 504. Record Retention

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

Sec. 505. Financial Statements

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

Sec. 506. North American Indian Tuition Waiver

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

Sec. 507. Aggregate Academic Status

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

Sec. 508. Tuition Rate Reports

Requires colleges to report tuition/fee rates and tuition/fee rates revisions to various state agencies.

Sec. 509. Degrees Awarded by Colleges

Requires colleges to report to DLEG the numbers and types of associate degrees and other certificates awarded by each college.

Sec. 510. Crime Statistics

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

Sec. 511. Perkins Act

Requires DLEG to provide a state plan under federal Perkins Act to the Legislature prior to submission to U.S. Department of Education.

Sec. 513. Tax Loss Data

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



Mitchell E. Bean, Director
 Bill Fairgrieve, Deputy Director

Agriculture	William E. Hamilton, Senior Fiscal Analyst
Capital Outlay	Al Valenzio, Associate Director
Community Colleges	Kyle I. Jen, Senior Fiscal Analyst
Community Health	
Medicaid	Steve Stauff, Senior Fiscal Analyst
Mental Health/Substance Abuse	Margaret Alston, Senior Fiscal Analyst
Public Health/Aging	Susan Frey, Senior Fiscal Analyst
Corrections	Marilyn Peterson, Senior Fiscal Analyst
Education (Department)	Mary Ann Cleary, Associate Director; Bethany Wicksall, Senior Fiscal Analyst
Environmental Quality	Kirk Lindquist, Senior Fiscal Analyst
General Government	
Attorney General/Executive/Information Technology/Legislature/ Legislative Auditor General/Lottery/State/Treasury	Viola Bay Wild, Fiscal Analyst
Civil Rights/Management & Budget	Kim O'Berry, Fiscal Analyst
Higher Education	Kyle I. Jen, Senior Fiscal Analyst
Human Services (Department)	Robert Schneider, Senior Fiscal Analyst; Bill Fairgrieve, Deputy Director
History, Arts, and Libraries	Mark Wolf, Fiscal Analyst
Judiciary	Viola Bay Wild, Fiscal Analyst
Labor & Economic Growth	Mark Wolf, Fiscal Analyst
Military & Veterans Affairs	Jan Wisniewski, Senior Fiscal Analyst
Natural Resources	Kirk Lindquist, Senior Fiscal Analyst
State Police	Jan Wisniewski, Senior Fiscal Analyst
School Aid	Mary Ann Cleary, Associate Director; Bethany Wicksall, Senior Fiscal Analyst
Transportation	William E. Hamilton, Senior Fiscal Analyst
Economics	
Revenue/Tax Analysis	Rebecca Ross, Senior Economist
Tax Analysis/Revenue Sharing	Jim Stansell, Economist
Legislative Analysis	Chris Couch, Associate Director Edith Best, Joan Hunault, Shannan Kane, Sue Stutzky, Legislative Analysts
Legislative Transfers	Margaret Alston, Senior Fiscal Analyst
Oversight & Investigations	William E. Hamilton, Senior Fiscal Analyst
Retirement	Al Valenzio, Associate Director
Supplementals	Al Valenzio, Associate Director; Kyle I. Jen, Senior Fiscal Analyst
Administrative Assistant	Jeanne Dee
Budget Assistants	
Agriculture/Community Colleges/Education/Higher Education/School Aid/ Transportation/Transfers/HFA Internet/Bill Analysis	Barbara Graves
Capital Outlay/Environmental Quality/General Government/History, Arts, & Libraries/ Labor & Economic Growth/Military & Veterans Affairs/Natural Resources/Retirement/ State Police/Supplementals	Amber Fox
Community Health/Corrections/Human Services/Judiciary/HFA Library	Tumai Burris
Receptionist/Facilities Coordinator	Holly Spitzley



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