

FY 2018-19: COMMUNITY COLLEGES
Summary: As Reported by House Appropriations Committee
Article II, House Bill 5579 (H-1) as Amended



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	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	<i>Difference: House From FY 2017-18 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$0	\$0	\$0			\$0	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	398,301,500	405,015,500	408,215,500			9,914,000	2.5
GF/GP	1,025,000	0	0			(1,025,000)	(100.0)
Gross	\$399,326,500	\$405,015,500	\$408,215,500			\$8,889,000	2.2

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (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 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.

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 House Change
Major Budget Changes From FY 2017-18 YTD Appropriations			
1. Michigan Public School Employee Retirement System (MPERS)	Gross	\$70,805,000	\$4,495,000
<u>Executive</u> increases funding by \$4.5 million SAF for MPERS. This includes a reduction of \$3.2 million SAF for the state's share of colleges' unfunded liability to MPERS and a \$7.7 million SAF increase to cover the second year of a two-year phase in to reduce 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 \$75.3 million SAF. <u>House</u> concurs.	Restricted	70,805,000	4,495,000
	GF/GP	\$0	\$0
2. Community College Operations Grants	Gross	\$319,050,900	\$3,200,000
<u>House</u> increases funding by \$3.2 million SAF, a 1.0% increase. Funding for Operations grants would total \$322.3 million SAF.	Restricted	319,050,900	3,200,000
	GF/GP	\$0	\$0
3. MPERS Normal Cost Offset	Gross	\$3,612,000	\$2,819,000
<u>Executive</u> increases funding by \$2.8 million SAF to reimburse community colleges for their normal cost portion for the second year of a two-year phase in to reduce the assumed rate of return for MPERS from 8% to 7.5%. The total funding for MPERS normal cost offset would be \$6.4 million. <u>House</u> concurs.	Restricted	3,612,000	2,819,000
	GF/GP	\$0	\$0
4. Renaissance Zone Reimbursement Costs	Gross	\$3,100,000	(\$600,000)
<u>Executive</u> reduces funding for Renaissance Zone reimbursements to community colleges by \$600,000 SAF. Estimated reimbursement payments required by statute have decreased due to Personal Property Tax reforms. Total funding for reimbursements would be \$2.5 million SAF. <u>House</u> concurs.	Restricted	3,100,000	(600,000)
	GF/GP	\$0	\$0
5. Removal of One-Time Funding	Gross	\$1,025,000	(\$1,025,000)
<u>Executive</u> eliminates \$1.0 million GF/GP of one-time funding for the Michigan Transfer Network. <u>House</u> concurs.	GF/GP	\$1,025,000	(\$1,025,000)

Major Boilerplate Changes From FY 2017-18

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

Executive changes name of data collection entity from Activities Classification Structure to the Michigan Community Colleges Data Inventory. Deletes requirement that the State Budget Director notify the legislature before withholding funds from community colleges that fail to comply with requirements. House concurs with name change but retains State Budget Director notification requirement.

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.

Sec. 209. Community College Transparency – REVISED

Executive changes formal name of community colleges database to Michigan Community College Data Inventory. Deletes a provision authorizing State Budget Director to withhold payment from a college that failed to comply with the reporting requirements. House concurs with name change but retains subsection on withholding payment.

Sec. 210e. Articulation Agreements and Academic Partnerships Reporting – NEW

Executive adds language that requires the Michigan Community College Association (MCCA), the Michigan Association of State Universities (MASU), and the Michigan Independent Colleges and Universities (MICU) to report on the names and number of baccalaureate degree programs offered on community college campuses, the names of articulation agreements between universities and community colleges, and the number of students enrolled and degrees awarded through articulation agreements and on-campus baccalaureate programs. House concurs but relabels as Sec. 210f.

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.

Sec. 215. Annual Sexual Assault Reports – NEW

House adds language requiring that community colleges must submit a Title IX annual report on sexual assault incidents, as required under the Campus Save Act of 2013, to the House and Senate subcommittees on Community Colleges, the House and Senate fiscal agencies, and the State Budget Director.

Sec. 217. Activities Classification Structure Data – REVISED

Executive changes name of data collection entity from Activities Classification Structure to the Michigan Community Colleges Data Inventory and removes MCCA appointment restrictions for advisory committee. House concurs and also adds language that the Center for Educational Performance and Information (CEPI) publishes the Demographic Enrollment Profile with support from the Talent Investment Agency.

Sec. 225. Tuition Rate Reports – REVISED

Executive deletes language that requires community colleges to include the annual cost of attendance based on 30 credits. House concurs but adds requirement that colleges must specify the total increase of tuition and fees from the prior academic year.

Sec. 226. Degrees Awarded by Colleges – REVISED

Executive changes reporting deadline from November 15 to October 15. House concurs.

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.

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.

**FY 2018-19 Community Colleges Operations Appropriations
As Reported by the House Appropriations Committee**

	30%	10%	10%	10%	30%	5%	5%	100%			
	Performance-		Performance-	Completion	Completion	Contact	Local			%	FY 2018-19
	Base	Sustainability	Improvement	Number	Rate	Hours	Administrative	Strategic	Total	Change	Appropriation
Alpena	5,627,500	16,933	4,515	3,755	11,735	8,683	5,690	2,822	54,100	1.0%	\$5,681,600
Bay de Noc	5,589,000	16,817	4,503	4,298	4,485	8,780	4,754	2,803	46,400	0.8%	5,635,400
Delta	14,990,700	45,106	15,235	17,617	12,028	42,824	7,137	7,518	147,500	1.0%	15,138,200
Glen Oaks	2,601,400	7,827	5,129	1,888	2,087	5,765	196	1,305	24,200	0.9%	2,625,600
Gogebic	4,715,400	14,188	3,784	2,138	12,076	6,672	3,637	2,365	44,900	1.0%	4,760,300
Grand Rapids	18,556,800	55,836	14,890	18,616	14,890	77,621	6,812	9,306	198,000	1.1%	18,754,800
Henry Ford	22,299,200	67,097	17,892	14,972	25,244	69,491	7,643	11,183	213,500	1.0%	22,512,700
Jackson	12,590,100	37,883	10,102	8,369	10,102	25,486	6,880	6,314	105,100	0.8%	12,695,200
Kalamazoo Valley	12,948,700	38,962	10,390	12,332	10,390	41,518	6,983	6,494	127,100	1.0%	13,075,800
Kellogg	10,143,600	30,521	8,139	8,885	8,139	23,651	7,476	5,087	91,900	0.9%	10,235,500
Kirtland	3,289,400	9,898	9,725	3,489	2,639	8,684	5,775	1,650	41,900	1.3%	3,331,300
Lake Michigan	5,523,600	16,620	4,487	4,059	4,432	17,726	3,293	2,770	53,400	1.0%	5,577,000
Lansing	32,324,200	97,261	25,936	29,541	25,936	72,203	6,067	16,210	273,200	0.8%	32,597,400
Macomb	33,863,600	101,893	37,825	28,220	33,892	112,338	7,075	16,982	338,100	1.0%	34,201,700
Mid-Michigan	4,968,900	14,951	3,987	7,194	3,987	19,428	5,166	2,492	57,200	1.2%	5,026,100
Monroe County	4,665,500	14,038	8,165	4,584	3,744	16,204	6,874	2,340	55,900	1.2%	4,721,400
Montcalm	3,446,300	10,370	2,765	3,817	2,765	7,526	6,936	1,728	35,900	1.0%	3,482,200
Mott	16,258,100	48,919	13,045	21,244	19,684	43,527	5,785	8,153	160,400	1.0%	16,418,500
Muskegon	9,203,000	27,691	7,384	5,037	7,384	20,440	7,535	4,615	80,100	0.9%	9,283,100
North Central	3,353,200	10,090	2,691	3,203	9,694	10,627	6,367	1,682	44,400	1.3%	3,397,600
Northwestern	9,508,900	28,612	7,630	7,656	7,630	23,122	5,868	4,769	85,300	0.9%	9,594,200
Oakland	21,905,700	65,913	33,739	27,167	17,577	81,371	6,537	10,985	243,300	1.1%	22,149,000
Schoolcraft	12,991,300	39,090	13,764	16,144	17,430	58,186	6,782	6,515	157,900	1.2%	13,149,200
Southwestern	6,860,700	20,643	5,505	5,956	5,505	12,148	3,397	3,441	56,600	0.8%	6,917,300
St. Clair	7,300,100	21,965	5,857	6,278	12,734	19,894	5,677	3,661	76,100	1.0%	7,376,200
Washtenaw	13,631,400	41,016	10,938	26,955	17,829	61,845	6,717	6,836	172,100	1.3%	13,803,500
Wayne County	17,338,300	52,170	29,926	24,557	13,912	58,213	5,844	8,695	193,300	1.1%	17,531,600
West Shore	2,556,300	7,692	2,051	2,031	2,051	6,025	1,098	1,282	22,200	0.9%	2,578,500
	319,050,900	960,000	320,000	320,000	320,000	960,000	160,000	160,000	3,200,000	1.0%	\$322,250,900