



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 171 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2010-11 Year-to-Date Gross Appropriation	\$295,880,500
Changes from FY 2010-11 Year-to-Date:	
1. Operations. The Governor maintained funding for community college operations at the FY 2010-11 level. The Senate reduced funding for community college operations by \$10.0 million. The reduction was allocated based on the Performance Indicators Task Force Formula that was developed pursuant to Section 242 of Public Act 154 of 2005, and Section 304 of Public Act 165 of 2010. <u>Table 1</u> delineates the impact on each college.	(10,000,000)
2. At-Risk Student Success Program. The Governor maintained funding for the at-risk program at the FY 2010-11 level. The Senate eliminated the \$3,322,700 separate appropriation line item for at-risk payments and rolled the FY 2011-12 distribution into the operation line items of each community college. The At-Risk Student Success Program originated in FY 1989-90 and was designed to address the needs of students who test at a level that would indicate that they will not be successful in college without additional preparatory assistance. Of the amount appropriated, \$1,120,000 is allocated for base grants of \$40,000 to each community college and the balance is distributed proportionately based on each college's most recent three years total developmental/preparatory contact hours. <u>Table 1</u> lists the distribution to each college.	0
3. Funding Shift to School Aid Fund. The Governor and Senate shifted \$195,880,500 from the State General Fund to the School Aid Fund.	0
4. Comparison to Governor's Recommendation. The Senate is \$10.0 million below the Governor's recommendation for both Gross and GF/GP.	
Total Changes	(\$10,000,000)
FY 2011-12 Senate-Passed Gross Appropriation	\$285,880,500

Changes from FY 2010-11 Year to Date:

1. **Deleted Sections.** The Governor and Senate deleted the following: mandates use of the Internet to fulfill reporting requirements (Sec. 203); appropriations shall be used solely for the respective purposes stated in this Act and also may be used to match the cost of any available programs under the Carl D. Perkins Vocational and Applied Technology Education Act (Sec. 211(2)); legislative intent that community colleges expand their current nursing education programs and increase enrollments (Sec. 241); legislative intent that the Michigan Community Colleges Association, the Legislature, and other interested parties continue the discussion regarding payments in lieu of taxes (Sec. 242); and language providing that a community college receiving funding under this act and also subject to the Student Right-to-Know and Campus Security Act shall make a copy of all material prepared in accordance with the public information reporting requirements. (Sec. 510)
2. **Restored Sections.** The Senate restored the following sections removed by the Governor: statement that appropriations are subject to the DMB Act (Sec. 202); Buy American intent language (Sec. 209); intent that deprived and depressed communities compete for and perform college contracts (Sec. 210); language encouraging community colleges to explore ways of increasing collaboration and cooperation with universities, local employers, and other colleges (Sec. 224); legislative intent language that encourages colleges to promote equal opportunity, eliminate discrimination, foster a diverse student body and administration (Sec. 234); funds appropriated in Part 1 shall not be used for the lease or purchase of a vehicle assembled or manufactured outside of the United States (Sec. 247); and encourages community colleges to achieve efficiencies through joint ventures, collaborations, adjusting the size and frequency of classes, web-based instruction, consolidation of services, and coordinating and sharing proposed capital outlay improvements (Sec. 249).
3. **Appropriation Limitations.** Prohibits the use of appropriations in Part 1 for the construction or maintenance of a self-liquidating project. Provides that community colleges shall comply with current Joint Capital Outlay Subcommittee (JCOS) use and finance requirements. The Governor removed the provision requiring compliance with JCOS use and finance requirements. The Senate restored the compliance requirement and included a 1.0% penalty for each violation of JCOS requirements. (Sec. 217)
4. **Communications with Legislators.** The Senate added language stating that a community college shall not take disciplinary action against an employee for communicating with a member of the legislature or their staff. (Sec. 251)
5. **At-Risk Student Success Program.** Delineates distribution of At-Risk Success Program funding. The Senate removed this language consistent with rolling the funds into the base appropriation for each college. (Sec. 401)
6. **Performance Indicators Task Force.** Provides that it is the intent of the Legislature that performance measures be reviewed and more fully implemented for distribution of State funding in future years and that the performance indicators task force review and implement one or more measurable data items for the local strategic value indicator and review and implement one or more measurable data items for an administrative cost formula component. The Governor removed this section. The Senate restored it. (Sec. 304)
7. **School Aid Fund (SAF) Proration.** The Governor included language subjecting community college appropriations from the SAF to the proration process, if SAF appropriations exceed the amount available for expenditure. The Senate modified this language to reflect implementation in a separate appropriation bill (i.e. not combined with K-12 and Higher Education). (Sec. 250)
8. **Anticipated Appropriations for Fiscal Year 2012-13.** The Governor included line-item appropriations for FY 2012-13, with no change to his recommendation for community colleges. The Senate does not include line items and instead includes boilerplate stating: It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2013 for the line-items listed in part 1. The fiscal year 2012-2013 appropriations are anticipated to be the same as those for fiscal year 2011-2012 except that the line-items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2012 consensus revenue estimating conference. (Sec. 1201)

Date Completed: 4-28-11

Fiscal Analyst: Bill Bowerman



Table 1: FY 2011-12 Community College Appropriation Bill

College	FY 2010-11 Enacted	FY 2011-12 Governor's Rec.			FY 2011-12 Senate					
		School Aid Fund Shift	Governor's Rec.	Percent Change	School Aid Fund Shift	Formula Reduction	Percent Change	Roll At-Risk Into Base	Total Adjustments	Senate
Alpena	5,126,100		5,126,100	0.0		(192,900)	(3.8)	\$79,000	(113,900)	5,012,200
Bay de Noc	5,178,400		5,178,400	0.0		(200,200)	(3.9)	88,200	(112,000)	5,066,400
Delta	13,751,600		13,751,600	0.0		(404,900)	(2.9)	109,500	(295,400)	13,456,200
Glen Oaks	2,304,800		2,304,800	0.0		(64,300)	(2.8)	102,000	37,700	2,342,500
Gogebic	4,275,200		4,275,200	0.0		(169,200)	(4.0)	54,700	(114,500)	4,160,700
Grand Rapids	17,219,800		17,219,800	0.0		(594,300)	(3.5)	139,700	(454,600)	16,765,200
Henry Ford	20,898,900		20,898,900	0.0		(837,700)	(4.0)	177,200	(660,500)	20,238,400
Jackson	11,542,300		11,542,300	0.0		(409,700)	(3.5)	159,800	(249,900)	11,292,400
Kalamazoo Valley	11,888,600		11,888,600	0.0		(351,800)	(3.0)	89,000	(262,800)	11,625,800
Kellogg	9,311,800		9,311,800	0.0		(339,600)	(3.6)	130,800	(208,800)	9,103,000
Kirtland	2,842,800		2,842,800	0.0		(63,000)	(2.2)	126,200	63,200	2,906,000
Lake Michigan	5,012,100		5,012,100	0.0		(197,500)	(3.9)	147,000	(50,500)	4,961,600
Lansing	29,762,500		29,762,500	0.0		(1,070,100)	(3.6)	141,900	(928,200)	28,834,300
Macomb	31,773,900		31,773,900	0.0		(1,188,800)	(3.7)	81,300	(1,107,500)	30,666,400
Mid Michigan	4,289,200		4,289,200	0.0		(96,800)	(2.3)	123,700	26,900	4,316,100
Monroe	4,142,800		4,142,800	0.0		(107,700)	(2.6)	100,900	(6,800)	4,136,000
Montcalm	2,981,600		2,981,600	0.0		(67,700)	(2.3)	66,700	(1,000)	2,980,600
Mott	15,016,400		15,016,400	0.0		(541,300)	(3.6)	142,800	(398,500)	14,617,900
Muskegon	8,518,600		8,518,600	0.0		(306,500)	(3.6)	96,600	(209,900)	8,308,700
North Central	2,893,600		2,893,600	0.0		(80,500)	(2.8)	100,500	20,000	2,913,600
Northwestern	8,682,000		8,682,000	0.0		(339,400)	(3.9)	130,200	(209,200)	8,472,800
Oakland	20,133,700		20,133,700	0.0		(683,800)	(3.4)	145,300	(538,500)	19,595,200
St. Clair	6,729,800		6,729,800	0.0		(248,200)	(3.7)	91,200	(157,000)	6,572,800
Schoolcraft	11,767,000		11,767,000	0.0		(277,500)	(2.4)	118,000	(159,500)	11,607,500
Southwestern	6,276,900		6,276,900	0.0		(268,600)	(4.3)	156,600	(112,000)	6,164,900
Washtenaw	12,149,000		12,149,000	0.0		(303,100)	(2.5)	109,400	(193,700)	11,955,300
Wayne County	15,889,900		15,889,900	0.0		(527,100)	(3.3)	178,200	(348,900)	15,541,000
West Shore	2,198,500		2,198,500	0.0		(67,800)	(3.1)	136,300	68,500	2,267,000
SUBTOTAL OPERATIONS:	\$292,557,800	\$0	\$292,557,800	0.0	\$0	(\$10,000,000)	(3.4)	\$3,322,700	(\$6,677,300)	\$285,880,500
At Risk	3,322,700	0	3,322,700	0.0	0	0	0.0	(3,322,700)	(3,322,700)	0
TOTAL APPROPRIATION:	\$295,880,500	\$0	\$295,880,500	0.0	\$0	(\$10,000,000)	(3.4)	\$0	(\$10,000,000)	\$285,880,500
State School Aid Fund	0	195,880,500	195,880,500	--	195,880,500	0	--	0	195,880,500	195,880,500
GF/GP	\$295,880,500	(\$195,880,500)	\$100,000,000	(66.2)	(\$195,880,500)	(\$10,000,000)	(69.6)	\$0	(\$205,880,500)	\$90,000,000