

FY 2012-13: Community Colleges
Summary: House Subcommittee Recommendation
House Bill 5369 (H-1) Draft 3



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	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Revised Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0				
Federal	0	0	0				
Local	0	0	0				
Private	0	0	0				
Restricted	195,880,500	197,614,100	197,614,100			1,733,600	0.9
GF/GP	88,000,000	96,516,400	96,516,400			8,516,400	9.7
Gross	\$283,880,500	\$294,130,500	\$294,130,500			\$10,250,000	3.6
FTEs	0.0	0.0	0.0				

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.
(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations designated as one-time.

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 aimed at traditional transfer students, 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.

Major Budget Changes From FY 2011-12 YTD Appropriations

1. Operations Funding

Executive proposes an increase funding for community college operations of 3% (\$8.5 million GF/GP), with the funding increase distributed according to a performance funding formula. The performance funding formula appropriates funds based on the three-year average of degree completions in critical skills areas. House retains operations funding at FY 2011-12 levels, but replaces some School Aid Fund revenue with GF/GP.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Gross	\$283,880,500	\$0
Restricted	195,880,500	(8,516,400)
GF/GP	\$88,000,000	\$8,516,400

2. MPSERS Retirement Contributions

Executive proposes distributing \$1.7 million from the School Aid Fund (SAF) to community colleges to offset a portion of retirement contributions owed by colleges for FY 2012-13, based on each college's proportion of the Michigan Public School Employee's Retirement System-covered payroll. House increases MPSERS contribution to \$10.2 million in School Aid Fund revenue at a rate of 3.6% of each community college's operations funding.

	FY 2011-12 Year-to-Date (as of 2/9/12)	FY 2012-13 House Change
Gross	N/A	\$10,250,000
Restricted	N/A	10,250,000

Major Boilerplate Changes From FY 2011-12

Sec. 205. Deprived and Depressed Communities - DELETED

Encourages colleges to ensure businesses in economically distressed areas compete for and perform contracts. Executive deletes, House concurs with deletion.

Sec. 206. Payment of Appropriations - REVISED

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. Executive adds authority to withhold appropriations if P-20 longitudinal data system data is not reported, and gives the state budget director the authority to determine if a community college is in compliance with the provisions of this section. House concurs with executive, with revised language.

Major Boilerplate Changes From FY 2011-12

Sec. 208. Capital Outlay Funding - REVISED

Requires that funding appropriated in section 201 is not used to pay for the construction or maintenance of a self-liquidating project. Executive removes requirement that community colleges comply with requirements of the joint capital outlay subcommittee. House concurs.

Sec. 209. Transparency Website - REVISED

Requires the colleges to post general fund expenditures on their websites. Executive deletes, House revises to require additional information to be posted on the web, including the number of faculty, number and range of employees at each position title, the number of students enrolled, and the number of students who received a degree in the most recently completed academic year.

Sec. 210. 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. Executive deletes, House concurs with deletion.

Sec. 210a. Block Transfer - REVISED

Establishes a 24-member committee made up of representatives from community colleges, universities, and the legislature to develop a process to improve the transferability of core college courses between community colleges and universities, including the development of equivalency standards and identifying equivalent courses offered by the institutions. Executive deletes, House retains section, reducing the number of representatives from community colleges and public universities from ten to five, and adds an additional report to be completed by September 1, 2013.

Sec. 214. Remedial Education Assessment Cut Score - DELETED

Establishes a 12-member committee of community college representatives, K-12 education representatives, and lawmakers to develop a common set of "cut scores" to be utilized by the colleges to determine the placement of recent high school graduates in remedial education courses at the college. Executive deletes, House concurs with deletion.

Sec. 219. Recovery Act P-20 Data System - REVISED

Provides that colleges shall comply with the provisions in the American Recovery and Reinvestment Act concerning the establishment of a statewide P-20 longitudinal data system. Executive retains with wording changes, House revises to require community colleges to submit P-20 data by June 30 of each year.

Sec 230. Performance Indicators Formula - DELETED

States intent that formula developed by performance indicator task force be used for funding distribution in future years. Executive deletes, House concurs with deletion.

Sec. 231. State Building Authority Rent Payments - NEW

Executive adds language indicating the state share of costs for previously constructed capital outlay projects for community colleges. House concurs.

Funding for Community Colleges - Comparison of HB 5369 with Executive Recommendation

	FY 2011-12 YTD	Executive Appropriation			House Appropriation		Estimated Difference Between Executive and House
		Operations Funding	Performance Funding (Estimated)	MPERS Allocation Total Estimated Appropriation	MPERS Across-the-Board Allocation	Total Appropriation	
Alpena	\$4,984,300	\$168,400	\$20,400	\$5,173,100	\$180,000	\$5,164,300	(\$8,800)
Bay de Noc	\$5,040,200	\$139,900	\$17,200	\$5,197,300	\$182,000	\$5,222,200	\$24,900
Delta	\$13,336,200	\$583,100	\$88,400	\$14,007,700	\$481,500	\$13,817,700	(\$190,000)
Glen Oaks	\$2,320,900	\$72,800	\$8,400	\$2,402,100	\$83,800	\$2,404,700	\$2,600
Gogebic	\$4,140,500	\$103,400	\$11,400	\$4,255,300	\$149,500	\$4,290,000	\$34,700
Grand Rapids	\$16,649,700	\$333,400	\$156,500	\$17,139,600	\$601,200	\$17,250,900	\$111,300
Henry Ford	\$20,145,000	\$430,200	\$127,700	\$20,702,900	\$727,400	\$20,872,400	\$169,500
Jackson	\$11,219,700	\$331,600	\$44,100	\$11,595,400	\$405,100	\$11,624,800	\$29,400
Kalamazoo Valley	\$11,522,700	\$399,300	\$65,800	\$11,987,800	\$416,100	\$11,938,800	(\$49,000)
Kellogg	\$9,047,900	\$279,200	\$34,900	\$9,362,000	\$326,700	\$9,374,600	\$12,600
Kirtland	\$2,872,900	\$155,400	\$21,700	\$3,050,000	\$103,700	\$2,976,600	(\$73,400)
Lake Michigan	\$4,937,700	\$100,200	\$29,700	\$5,067,600	\$178,300	\$5,116,000	\$48,400
Lansing	\$28,651,900	\$919,800	\$143,900	\$29,715,600	\$1,034,500	\$29,686,400	(\$29,200)
Macomb	\$30,490,300	\$693,800	\$149,900	\$31,334,000	\$1,100,900	\$31,591,200	\$257,200
Mid Michigan	\$4,266,800	\$189,800	\$29,500	\$4,486,100	\$154,100	\$4,420,900	(\$65,200)
Monroe County	\$4,094,000	\$118,500	\$34,100	\$4,246,600	\$147,800	\$4,241,800	(\$4,800)
Montcalm	\$2,946,800	\$103,200	\$17,600	\$3,067,600	\$106,400	\$3,053,200	(\$14,400)
Mott	\$14,526,400	\$416,300	\$81,800	\$15,024,500	\$524,500	\$15,050,900	\$26,400
Muskegon	\$8,256,700	\$155,200	\$31,800	\$8,443,700	\$298,100	\$8,554,800	\$111,100
North Central	\$2,886,500	\$76,600	\$16,800	\$2,979,900	\$104,200	\$2,990,700	\$10,800
Northwestern	\$8,430,300	\$112,100	\$40,900	\$8,583,300	\$304,400	\$8,734,700	\$151,400
Oakland	\$19,455,900	\$478,900	\$177,600	\$20,112,400	\$702,500	\$20,158,400	\$46,000
St. Clair County	\$6,534,100	\$559,500	\$35,400	\$7,129,000	\$235,900	\$6,770,000	(\$359,000)
Schoolcraft	\$11,477,300	\$90,400	\$97,700	\$11,665,400	\$414,400	\$11,891,700	\$226,300
Southwestern	\$6,143,700	\$192,200	\$13,400	\$6,349,300	\$221,800	\$6,365,500	\$16,200
Washtenaw	\$11,827,300	\$990,900	\$106,700	\$12,924,900	\$427,000	\$12,254,300	(\$670,600)
Wayne County	\$15,425,900	\$277,400	\$117,300	\$15,820,600	\$557,000	\$15,982,900	\$162,300
West Shore	\$2,248,900	\$44,900	\$13,000	\$2,306,800	\$81,200	\$2,330,100	\$23,300
Total	\$283,880,500	\$8,516,400	\$1,733,600	\$294,130,500	\$10,250,000	\$294,130,500	\$0