

# **FY 2012-13: Community Colleges** **Summary: As Passed by the Senate** **Senate Bill 949 (S-1), as Amended**



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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: Senate From FY 2011-12 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0		\$0	0
<b>Federal</b>	0	0	0	0		0	0
<b>Local</b>	0	0	0	0		0	0
<b>Private</b>	0	0	0	0		0	0
<b>Restricted</b>	195,880,500	197,614,100	197,614,100	294,130,600		98,250,100	50.2
<b>GF/GP</b>	88,000,000	96,516,400	96,516,400	0		(88,000,000)	(100)
<b>Gross</b>	<b>\$283,880,500</b>	<b>\$294,130,500</b>	<b>\$294,130,500</b>	<b>\$294,130,600</b>		<b>\$10,250,000</b>	<b>3.6</b>
<b>FTEs</b>	0.0	0.0	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.

		<b>FY 2011-12 Year-to-Date (as of 2/9/12)</b>	<b>FY 2012-13 Senate Change</b>
<b>Major Budget Changes From FY 2011-12 YTD Appropriations</b>			
<b>1. Operations Funding</b>			
<u>Executive</u> 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. <u>House</u> retains operations funding at FY 2011-12 levels, but replaces some School Aid Fund revenue with GF/GP. <u>Senate</u> increases funding for community colleges by 3% using a modified version of the Performance Indicators funding formula (see boilerplate sec. 230). All GF/GP is replaced with School Aid Fund Revenue.	<b>Gross</b>	<b>\$283,880,500</b>	<b>\$8,516,400</b>
	Restricted	195,880,500	96,516,400
	GF/GP	\$88,000,000	(\$88,000,000)
<b>2. MPSERS Retirement Contributions</b>			
<u>Executive</u> 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. <u>House</u> 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. <u>Senate</u> concurs with executive.	<b>Gross</b>	<b>N/A</b>	<b>\$1,733,600</b>
	Restricted	N/A	1,733,00
<b>3. Renaissance Zone Reimbursements</b>			
<u>Senate</u> adds \$100 placeholder for reimbursements to community colleges for property tax revenue lost due to renaissance zones. <u>House</u> does not include this placeholder, but appropriates \$4 million GF/GP as one time funding in the treasury budget for community college renaissance zone reimbursements.	<b>Gross</b>	<b>N/A</b>	<b>\$100</b>
	Restricted	N/A	100

## **Major Boilerplate Changes From FY 2011-12**

### ***Sec. 205. Deprived and Depressed Communities - RETAINED***

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

### ***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. Senate concurs, with revised language, adds requirement that the state budget director notify the house and senate appropriations subcommittees before withholding funds.

### ***Sec. 208. Capital Outlay Funding - RETAINED***

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. Senate retains current YTD language.

### ***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. Senate revised by eliminating listing of names and salaries and added standard reporting on college websites with additional information required, and also includes penalty of withholding State aid payments for noncompliance.

### ***Sec. 210. Collaboration With Four-Year Universities, Local Employers, and Each Other - RETAINED***

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. Senate retains.

### ***Sec. 210a. Block Transfer - DELETED***

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. Senate deletes.

### ***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 and Senate concur 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. Senate retains with wording changes.

### ***Sec. 229a. 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 and Senate concur.

### ***Sec 230. Performance Indicators Formula - REVISED***

States intent that formula developed by performance indicator task force be used for funding distribution in future years. Executive deletes, House concurs with deletion. Senate revises to reflect the following distribution: 50% proportionate to base, 10% based on contact hour equated students, 7.5% based on administrative costs, 17.5% based on weighted degree completions, and 15% for local strategic value. "Local strategic value" is distributed proportionate to base funding, provided colleges meet a series of outlined requirements.

# Senate Proposed Performance Funding in FY 2012-13 Budget

		Performance Indicators Formula Components					FY 2012-13		
FY 2011-12		50% Distribution	10.0%	7.5% Admin.	17.5%	15.0%	Percent		
College	Current Funding	Proportionate to Base Funding	Student Contact Hour	Costs	Weighted Degrees	Strategic Value	FY 2012-13 Increase	FY 2012-13 Total	Change from FY 2011-12
Alpena	\$4,984,300	\$74,800	\$7,000	\$18,100	\$27,000	\$22,400	\$149,300	\$5,133,600	3.00%
Bay de Noc	\$5,040,200	\$75,600	\$9,200	\$11,100	\$25,200	\$22,700	\$143,800	\$5,184,000	2.85%
Delta	\$13,336,200	\$200,000	\$38,900	\$31,800	\$105,800	\$60,000	\$436,500	\$13,772,700	3.27%
Glen Oaks	\$2,320,900	\$34,800	\$5,500	\$10,500	\$11,300	\$10,500	\$72,600	\$2,393,500	3.12%
Gogebic	\$4,140,500	\$62,100	\$4,600	\$10,500	\$15,400	\$18,600	\$111,200	\$4,251,700	2.69%
Grand Rapids	\$16,649,700	\$249,700	\$57,400	\$28,700	\$68,800	\$74,900	\$479,500	\$17,129,200	2.88%
Henry Ford	\$20,145,000	\$302,200	\$57,200	\$20,500	\$71,800	\$90,700	\$542,400	\$20,687,400	2.69%
Jackson	\$11,219,700	\$168,300	\$26,100	\$25,300	\$52,100	\$50,500	\$322,300	\$11,542,000	2.87%
Kalamazoo	\$11,522,700	\$172,800	\$38,100	\$32,200	\$62,500	\$51,900	\$357,500	\$11,880,200	3.10%
Kellogg	\$9,047,900	\$135,700	\$20,900	\$32,400	\$52,400	\$40,700	\$282,100	\$9,330,000	3.12%
Kirtland	\$2,872,900	\$43,100	\$7,100	\$20,700	\$24,500	\$12,900	\$108,300	\$2,981,200	3.77%
Lake Michigan	\$4,937,700	\$74,100	\$16,200	\$13,100	\$18,200	\$22,200	\$143,800	\$5,081,500	2.91%
Lansing	\$28,651,900	\$429,800	\$67,600	\$40,100	\$145,600	\$128,900	\$812,000	\$29,463,900	2.83%
Macomb	\$30,490,300	\$457,300	\$85,100	\$33,400	\$140,400	\$137,200	\$853,400	\$31,343,700	2.80%
Mid Michigan	\$4,266,800	\$64,000	\$17,500	\$11,900	\$33,200	\$19,200	\$145,800	\$4,412,600	3.42%
Monroe	\$4,094,000	\$61,400	\$14,300	\$31,300	\$22,500	\$18,400	\$147,900	\$4,241,900	3.62%
Montcalm	\$2,946,800	\$44,200	\$6,600	\$23,700	\$17,200	\$13,300	\$105,000	\$3,051,800	3.56%
Mott	\$14,526,400	\$217,900	\$43,400	\$31,200	\$71,500	\$65,400	\$429,400	\$14,955,800	2.96%
Muskegon	\$8,256,700	\$123,900	\$17,800	\$30,700	\$27,000	\$37,200	\$236,600	\$8,493,300	2.87%
North Central	\$2,886,500	\$43,300	\$8,400	\$25,900	\$15,800	\$13,000	\$106,400	\$2,992,900	3.69%
Northwestern	\$8,430,300	\$126,500	\$18,300	\$24,500	\$24,500	\$37,900	\$231,700	\$8,662,000	2.75%
Oakland	\$19,455,900	\$291,800	\$94,600	\$36,800	\$98,500	\$87,600	\$609,300	\$20,065,200	3.13%
St. Clair	\$6,534,100	\$98,000	\$17,300	\$14,700	\$33,200	\$29,400	\$192,600	\$6,726,700	2.95%
Schoolcraft	\$11,477,300	\$172,200	\$45,000	\$21,100	\$84,900	\$51,600	\$374,800	\$11,852,100	3.27%
Southwestern	\$6,143,700	\$92,200	\$10,900	\$5,800	\$16,400	\$27,600	\$152,900	\$6,296,600	2.49%
Washtenaw	\$11,827,300	\$177,400	\$48,900	\$29,900	\$158,500	\$53,200	\$467,900	\$12,295,200	3.96%
Wayne County	\$15,425,900	\$231,400	\$62,900	\$20,900	\$57,400	\$69,400	\$442,000	\$15,867,900	2.87%
West Shore	\$2,248,900	\$33,700	\$4,800	\$2,000	\$8,800	\$10,100	\$59,400	\$2,308,300	2.64%
<b>Subtotal</b>	<b>\$283,880,500</b>	<b>\$4,258,200</b>	<b>\$851,600</b>	<b>\$638,800</b>	<b>\$1,490,400</b>	<b>\$1,277,400</b>	<b>\$8,516,400</b>	<b>\$292,396,900</b>	<b>3.00%</b>
MPERS Health Care	\$0						\$1,733,600	\$1,733,600	--
<b>Total Appropriation</b>	<b>\$283,880,500</b>						<b>\$10,250,000</b>	<b>\$294,130,500</b>	<b>3.60%</b>