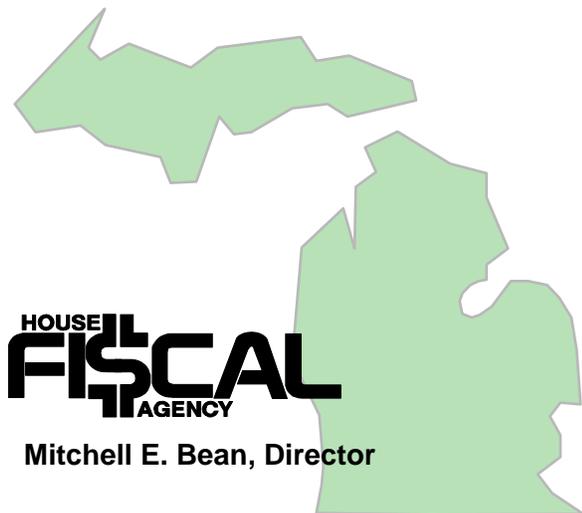


LINE ITEM AND BOILERPLATE SUMMARY

COMMUNITY COLLEGES

Fiscal Year 2009-10
Public Act 111 of 2009
House Bill 4435

As Enacted



Mark Wolf, Fiscal Analyst
Barbara Graves, Budget Assistant

January 2010

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January 2010

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2009-10 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 Kathryn Bateson, Administrative Assistant (373-8080 or kbateson@house.mi.gov).

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

Mitchell E. Bean, Director

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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 | \$299,360,500 | Total of all applicable line item appropriations. |
| <hr/> | | |
| Total interdepartmental grants/intradepartmental transfers | 0 | Total of all funds received from other departments and transfer of funds. |
| <hr/> | | |
| ADJUSTED GROSS APPROPRIATION | \$299,360,500 | Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs). |
| <hr/> | | |
| Total federal revenue | 0 | Total federal grant or matchable revenue. |
| <hr/> | | |
| Total local revenue | 0 | Total revenue from local units of government. |
| <hr/> | | |
| Total private revenue | 0 | Total private grant revenue. |
| <hr/> | | |
| Total state restricted revenue | 0 | State revenue dedicated to a specific fund (other than the General Fund); or revenue earmarked for a specific purpose. |
| <hr/> | | |
| GENERAL FUND/ GENERAL PURPOSE | \$299,360,500 | The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenue. |

SECTION 102: OPERATIONS

For FY 2009-10, state funding levels for the 28 community colleges are the same as the FY 2008-09 funding levels. In previous years, funding had been distributed by either across-the-board adjustments or the use of various formulas. In October 2005 a Community College Performance Indicators Task Force was established to develop performance indicators that would help guide state aid funding decisions for community colleges. The task force developed a funding formula that recommended that funding be distributed on an across-the-board basis, and also based on the two-year average of contact hour equated students (CHES), the two-year average of awards granted (weighted by subject area), and the "local strategic value." For Fiscal Years 2007 through 2009 the Legislature distributed any additional operational funding above the previous year's appropriations through this funding formula. In earlier years, funding for the community colleges has, at times, been distributed at least partially on the Gast-Mathieu Fairness-in-Funding Formula.

For all items in this section:

Funding Source(s): GF/GP 292,557,800

Related Boilerplate Section(s): 209, 211, 217, 239, 247, 304

| | | |
|------------------------------------|-------------|----------------------------------|
| Alpena Community College | \$5,126,100 | Grant to college for operations. |
| Bay de Noc Community College | 5,178,400 | Grant to college for operations. |
| Delta College | 13,751,600 | Grant to college for operations. |
| Glen Oaks Community College | 2,304,800 | Grant to college for operations. |
| Gogebic Community College | 4,275,200 | Grant to college for operations. |
| Grand Rapids Community College | 17,219,800 | Grant to college for operations. |
| Henry Ford Community College | 20,898,900 | Grant to college for operations. |
| Jackson Community College | 11,542,300 | Grant to college for operations. |
| Kalamazoo Valley Community College | 11,888,600 | Grant to college for operations. |
| Kellogg Community College | 9,311,800 | Grant to college for operations. |
| Kirtland Community College | 2,842,800 | Grant to college for operations. |
| Lake Michigan College | 5,012,100 | Grant to college for operations. |
| Lansing Community College | 29,762,500 | Grant to college for operations. |
| Macomb Community College | 31,773,900 | Grant to college for operations. |
| Mid Michigan Community College | 4,289,200 | Grant to college for operations. |
| Monroe County Community College | 4,142,800 | Grant to college for operations. |
| Montcalm Community College | 2,981,600 | Grant to college for operations. |

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|--|----------------------|--|
| C.S. Mott Community College | 15,016,400 | Grant to college for operations. |
| Muskegon Community College | 8,518,600 | Grant to college for operations. |
| North Central Michigan College | 2,893,600 | Grant to college for operations. |
| Northwestern Michigan College | 8,682,000 | Grant to college for operations. |
| Oakland Community College | 20,133,700 | Grant to college for operations. |
| St. Clair County Community College | 6,729,800 | Grant to college for operations. |
| Schoolcraft College | 11,767,000 | Grant to college for operations. |
| Southwestern Michigan College | 6,276,900 | Grant to college for operations. |
| Washtenaw Community College | 12,149,000 | Grant to college for operations. |
| Wayne County Community College | 15,889,900 | Grant to college for operations. |
| West Shore Community College | 2,198,500 | Grant to college for operations. |
| GROSS APPROPRIATION | \$292,557,800 | Total of all applicable line item appropriations. |
| GENERAL FUND/ GENERAL PURPOSE | \$292,557,800 | 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 | <p>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 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.</p> | 3,322,700 |
| | | Funding Source(s): GF/GP | |

Related Boilerplate Section(s): 211, 401

| | | | |
|--|-----------|--|-----------|
| Renaissance zone tax reimbursement funding | 3,480,000 | <p>Reimburse colleges whose districts contain renaissance zones for foregone property tax revenue pursuant to Michigan Renaissance Zone Act (MCL 125.2692). Program funding calculated by determining taxable value of property located in the renaissance zone, adjusting the value for exemptions, and multiplying the adjusted taxable value by the college's millage rate.</p> | 3,480,000 |
| | | Funding Source(s): GF/GP | |

Related Boilerplate Section(s): 404

| | | | |
|--|--------------------|--|--|
| GROSS APPROPRIATION | \$6,802,700 | Total of all applicable line item appropriations. | |
| GENERAL FUND/ GENERAL PURPOSE | \$6,802,700 | 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 (DELEG) to use the Internet to submit reports.

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.

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 for construction or maintenance of a self-liquidating project; requires colleges to comply with Joint Capital Outlay Subcommittee use and finance policy for any capital outlay projects.

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

Encourages colleges to collaborate with four-year universities, particularly in areas of training, instruction, program articulation, and meeting local employment needs. Encourages a legislative summit on a strategy for meeting employment needs of the entire state.

Sec. 234. *Equal Opportunities*

Encourages colleges to promote equal opportunities and foster a diverse student body and administration.

Sec. 241. *Nursing Education Programs and Grants*

General policy statement encouraging community colleges to expand nursing program offerings and enrollments.

Sec. 242. *Payments in Lieu of Taxes*

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

Sec. 247. *Community College Automobile Purchases*

Requires community colleges to purchase automobiles made in the state of Michigan or elsewhere in the U.S.

Sec. 248. *Tuition Restraint Policy*

States expectation that community colleges receiving federal stimulus funds not increase tuition and fees charged to Michigan residents for the remainder of 2008-09 and for 2009-10.

Sec. 249. *Consolidation or Dissolution*

States intent that legislature study the feasibility of developing and enacting legislation that would provide rules and guidelines for the consolidation of community college districts or development of intercollege agreements.

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 DELEG.

Sec. 302. *Prisoner Credit Hours*

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

Sec. 304. *Performance Indicator Formula*

States intent that formula developed by performance indicator task force be used for funding distribution in future years.

BOILERPLATE SECTION INFORMATION

Sec. 401. At-Risk Student Success Program

Specifies distribution of at-risk student success grant money.

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. Recovery Act P-20 Data System

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.

Sec. 501. Activities Classification Structure Data Book

Requires DELEG to publish Activities Classification Structure data book on or before March 1, 2010.

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 that colleges, upon request, 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 DELEG 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 DELEG 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.



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