



Background Briefing

COMMUNITY COLLEGES

Erik Jonasson, Fiscal Analyst

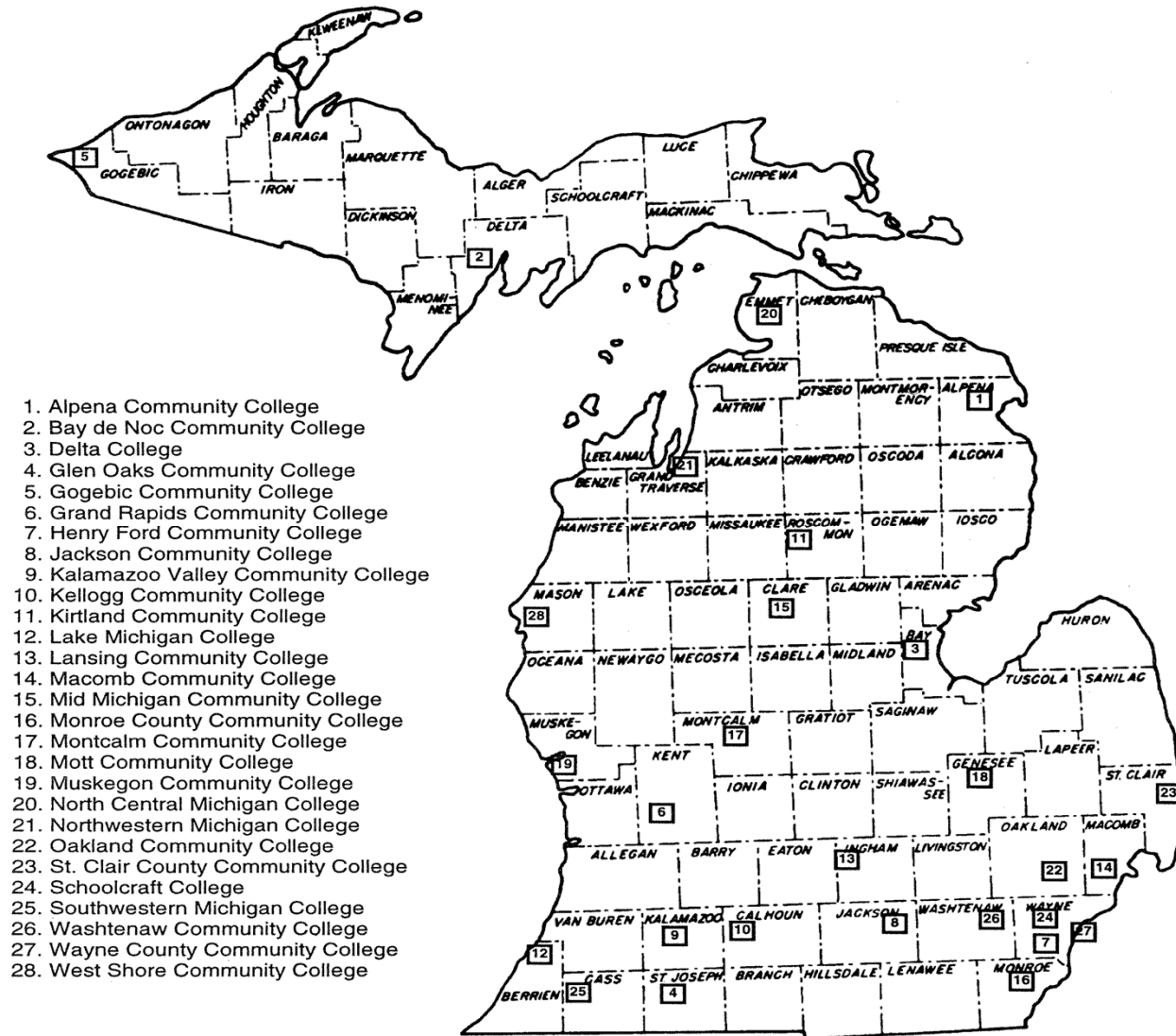
December 2012

The fiscal information in this background briefing is based on data through December 31, 2012.

Community Colleges

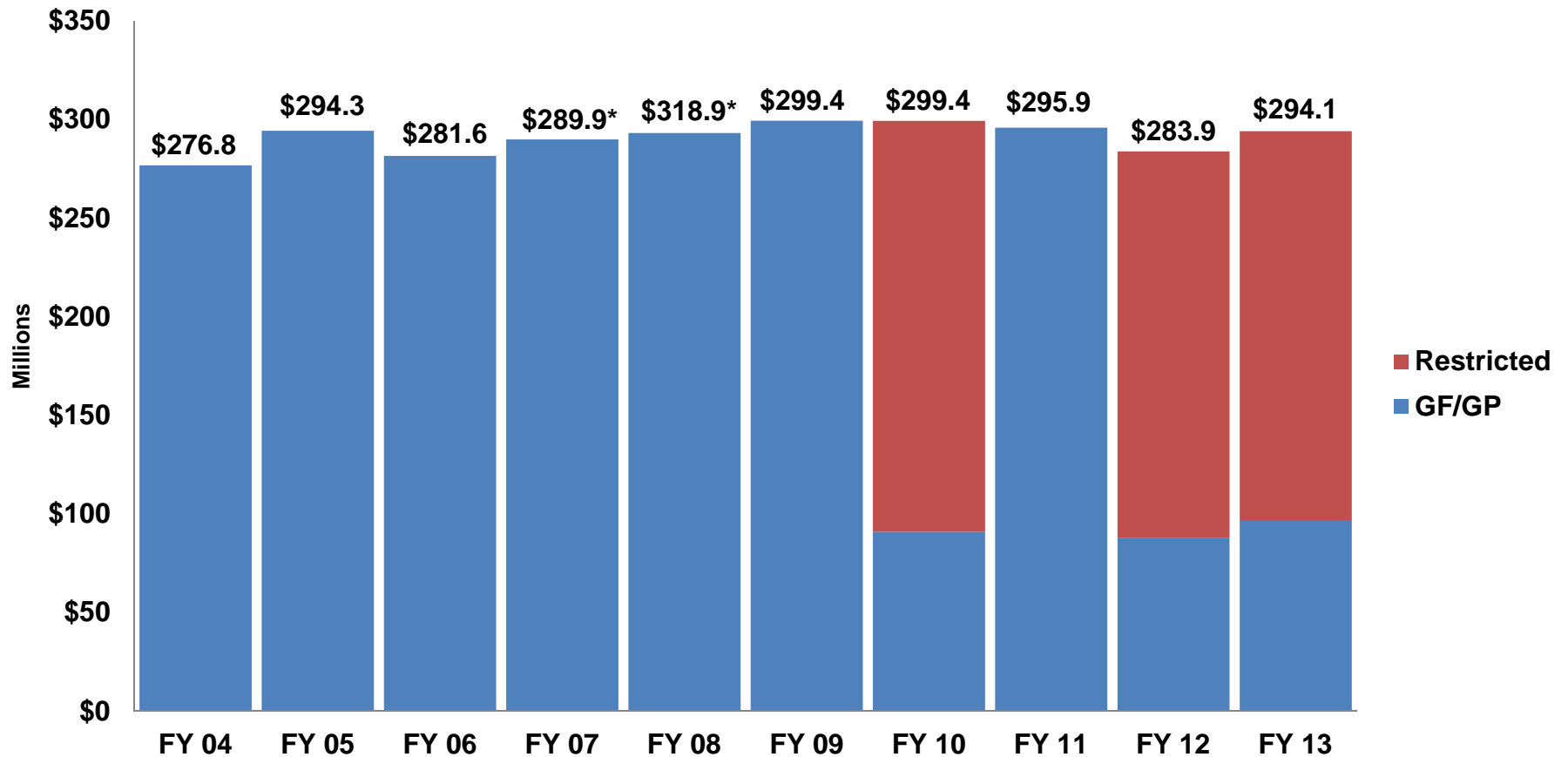
- **The 28 community colleges**
 - Have a total annual enrollment of about 495,000 students.
 - 2010-11 enrollment in degree programs is 294,960
 - Awarded 23,126 degrees and 9,654 certificates in 2009-10.
- **Each Community College is administered by a locally elected board.**
- **Average age of a MI community college student is 26.4 years old.**
- **About 60% of students attend school on a part-time basis**
- **Minority students make up 22.0% of CC students.**
- **Programs offered include:**
 - Traditional transfer
 - Basic skills
 - Technical training
 - Customized training/retraining for workers in high-skill fields

Michigan Public Community Colleges



Community College Appropriations

Community College budget was, historically, 100% General Fund/General Purpose. The FY 2011-12 and 2012-13 budgets instead used a majority School Aid Fund (SAF) Revenue, with \$197.6 million of the \$294.1 million appropriation coming from SAF in FY 2012-13.

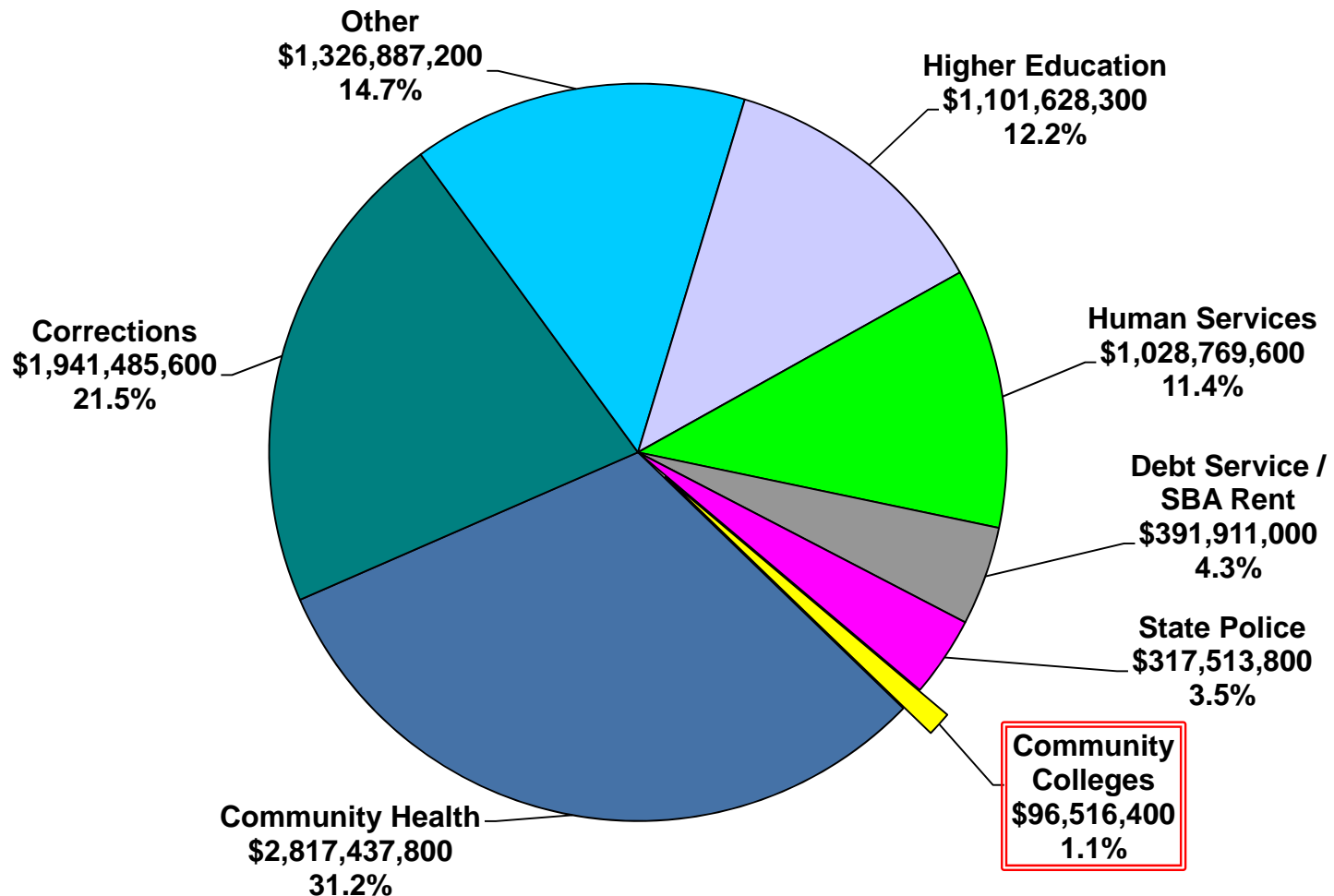


* Excluding delayed community college payment between FY 2007-08 and FY 2008-09

Community Colleges Share of State GF/GP

Community Colleges make up 1.1% of the total state GF/GP budget

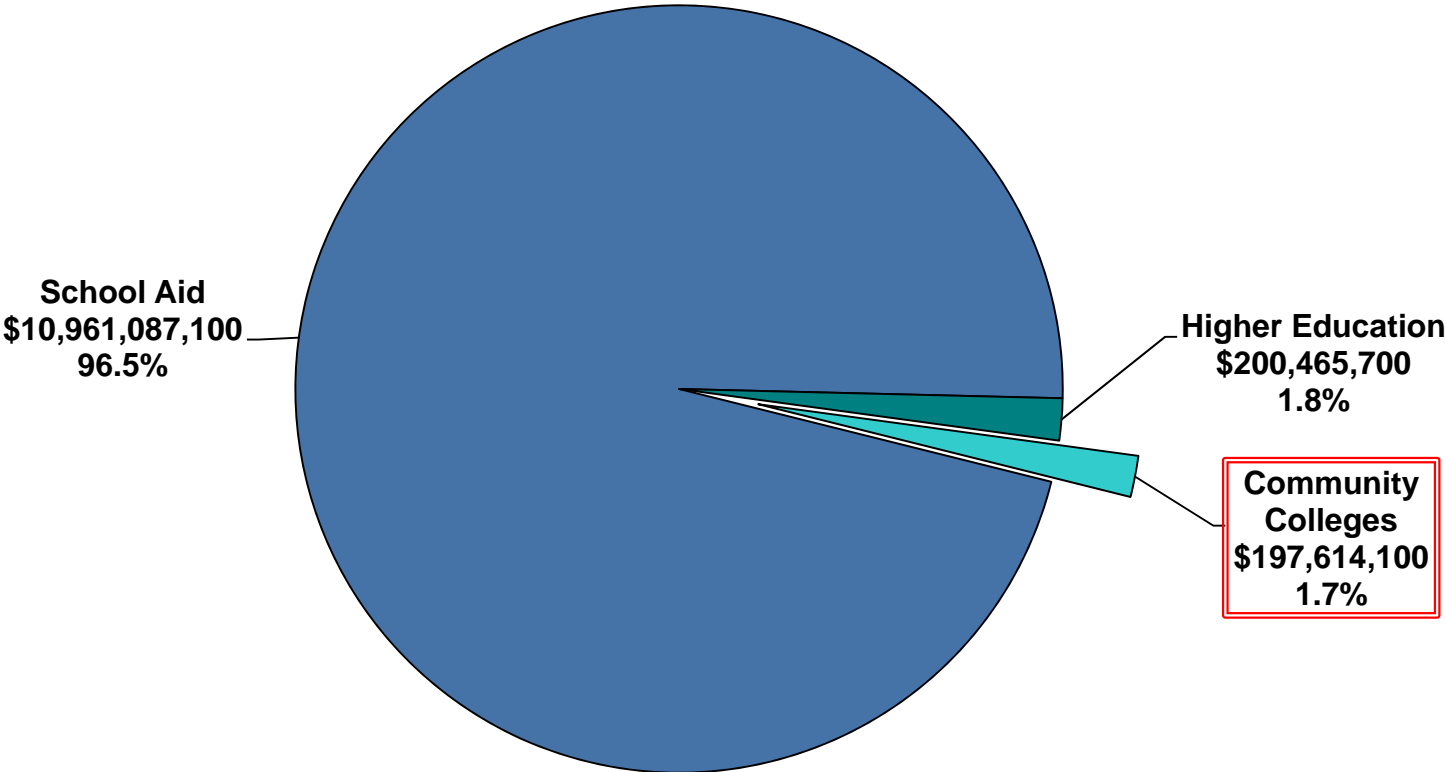
FY 2012-13 GF/GP Total = \$9,022,149,700



Community Colleges Share of School Aid Fund

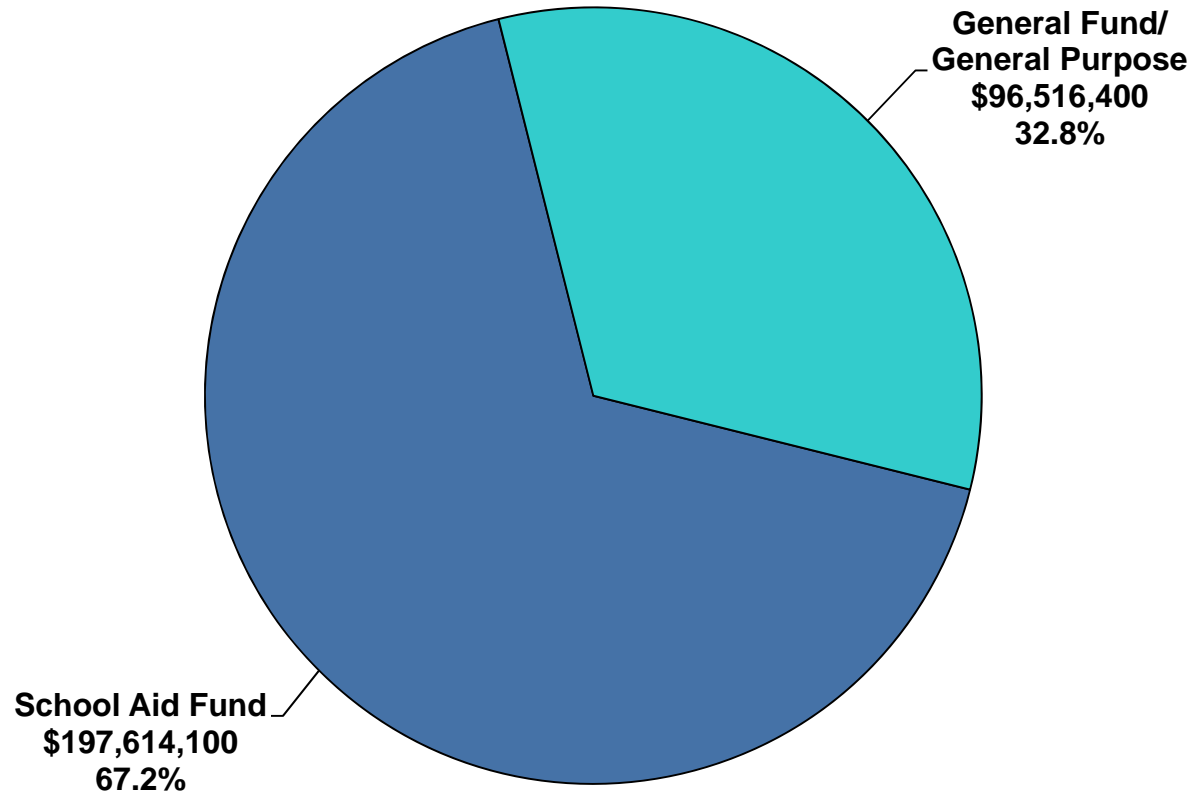
The Community Colleges budget receives 1.7% of the total state School Aid Fund (SAF)

FY 2012-13 SAF Total = \$11,359,166,900



Funding Sources

FY 2012-13 Total = \$294,130,500



COMMUNITY COLLEGE APPROPRIATIONS

Community College Appropriations

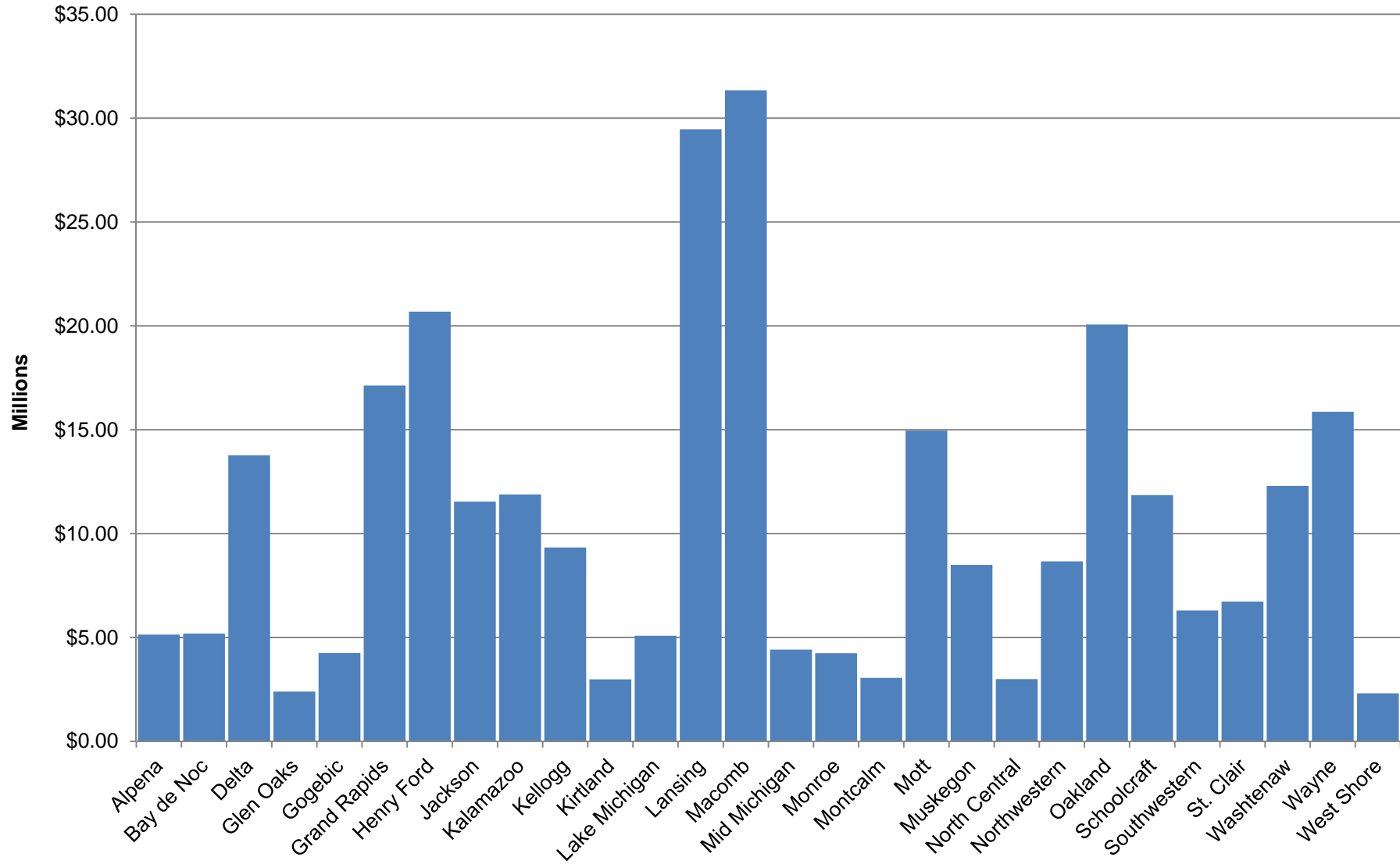
- **The FY 2012-13 Community Colleges budget provides funding to colleges through grants for general operations, as well as payments to offset Michigan Public School Employees' Retirement System (MPERS) payments.**
- **Increases in operations appropriations are based off of Performance Indicators formula, but require that these funds are used for MPERS payments.**

Community College Appropriations (cont.)

- **Prior years included a reimbursement for property tax revenue foregone because of renaissance zones within the CC district, as well as At-Risk Student Success Grants.**
- **Renaissance Zone reimbursements were eliminated in FY 2009-10, but were included in the FY 2012-13 General Government budget.**
- **At-Risk Student Success Grants were rolled into Operations Grants in FY 2011-12.**

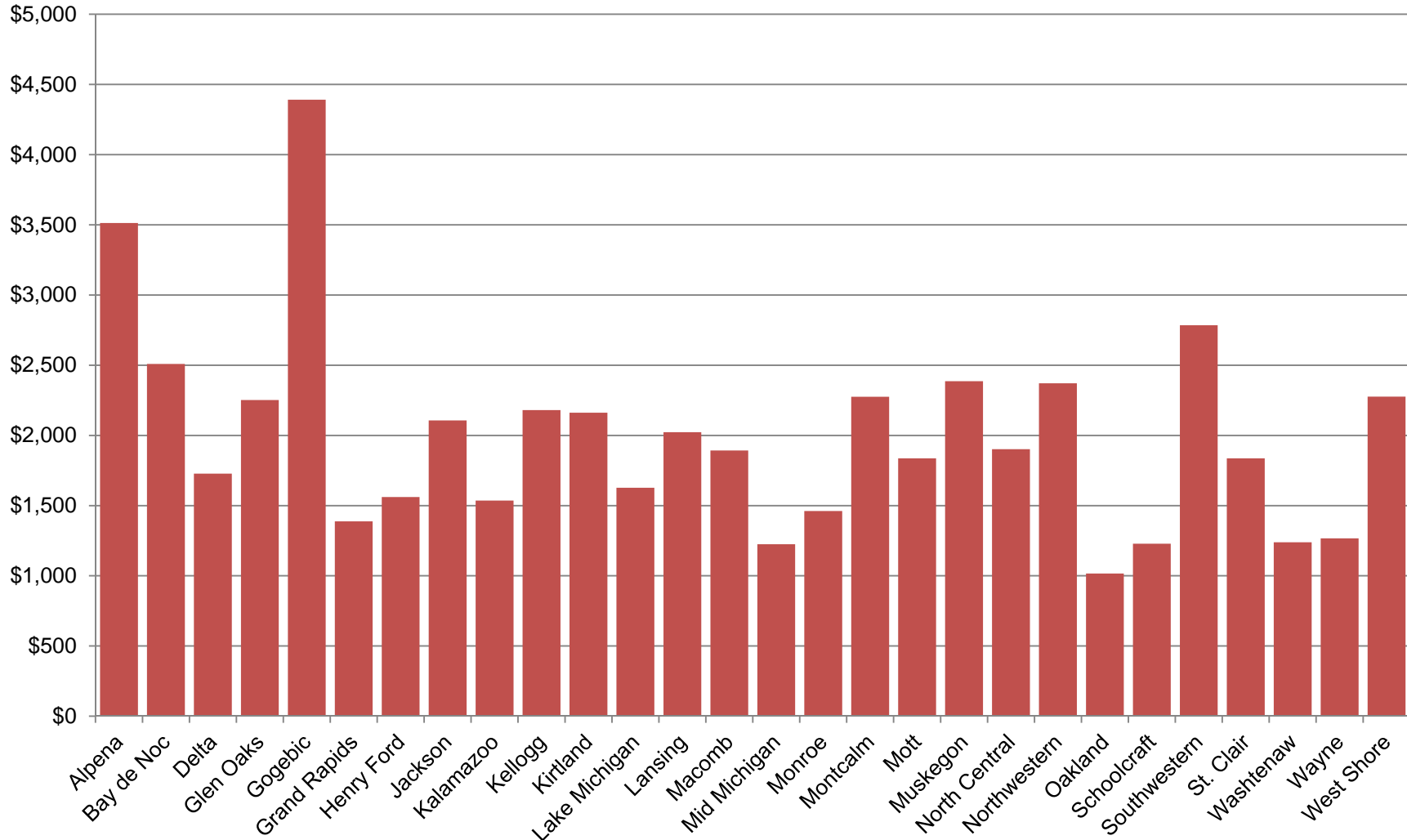
FY 2012-13 Operations Grants

FY 2012-13 Total = \$292,396,800



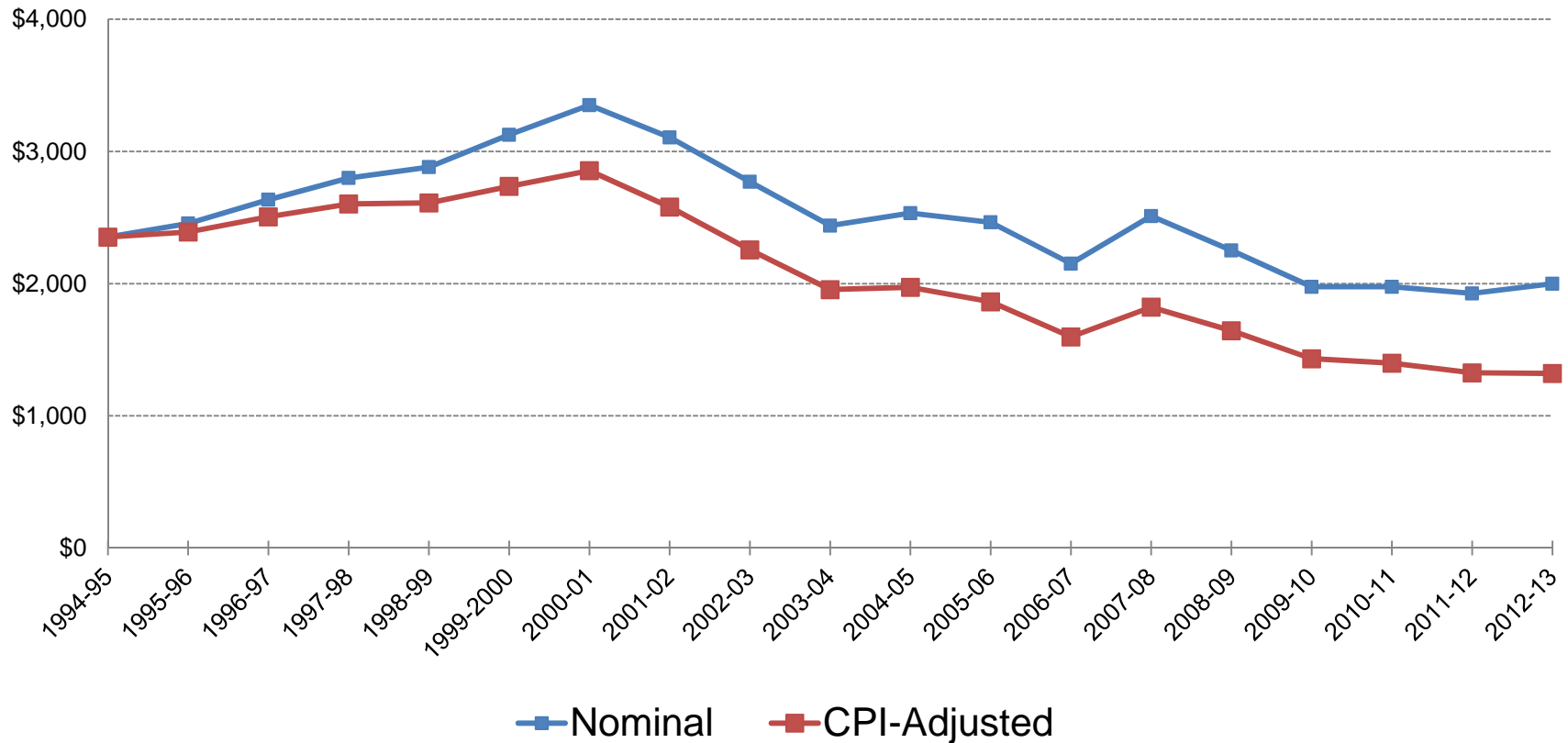
FY 2011-12 State Aid to Community Colleges Per 2010-11 Fiscal Year Equated Student (FYES)

Average State Aid Revenue: \$1,999 per FYES



Average State Aid Revenue Per FYES

State Aid Per FYES peaked in 2000-01 (\$3,350) and declined in most years since. State Aid Per FYES is \$1,999 for 2012-13, or \$1,320 in CPI-adjusted FY 1994-95 dollars.



Enrollment Definitions

- **Unduplicated Student Headcount:** The total number of students that have enrolled in at least one community course.
- **Fiscal Year Equated Student (FYES):** The calculated equivalent of one full year of instruction, defined as 31 semester credit hours. Degrees are granted on the basis of credit hours, with the typical associates degree requiring 62 credit hours.
- **Contact Hour Equated Students (CHES):** The calculated equivalent of one full year of instruction, defined as 496 hours of instruction. This measure can capture additional hours of instruction or student interaction that may not be included in a credit hour.

Performance Funding

- **The Performance Indicators Formula was used in FY 2006-07, FY 2007-08, FY 2008-09, and FY 2012-13 in order to allocate funding increases.**
- **In FY 2011-12, the Performance Indicators Formula was used in the budget reduction process.**
- **A total of \$8.5 million was added using the Performance Indicators Formula in FY 2012-13, though the increase was designated for MPSERS payments.**

Performance Indicators Formula

- **Includes:**
 - **50.0% Base Funding**
 - **10.0% Enrollments**
 - **17.5% Weighted Degree and Certificate Completions**
 - **15.0% Local Strategic Value**
 - **7.5% Administrative Spending**

- **As 50% of this formula is proportional to base funding, only \$4.3 million of the FY 2012-13 budget was distributed based on Performance Indicators funding.**

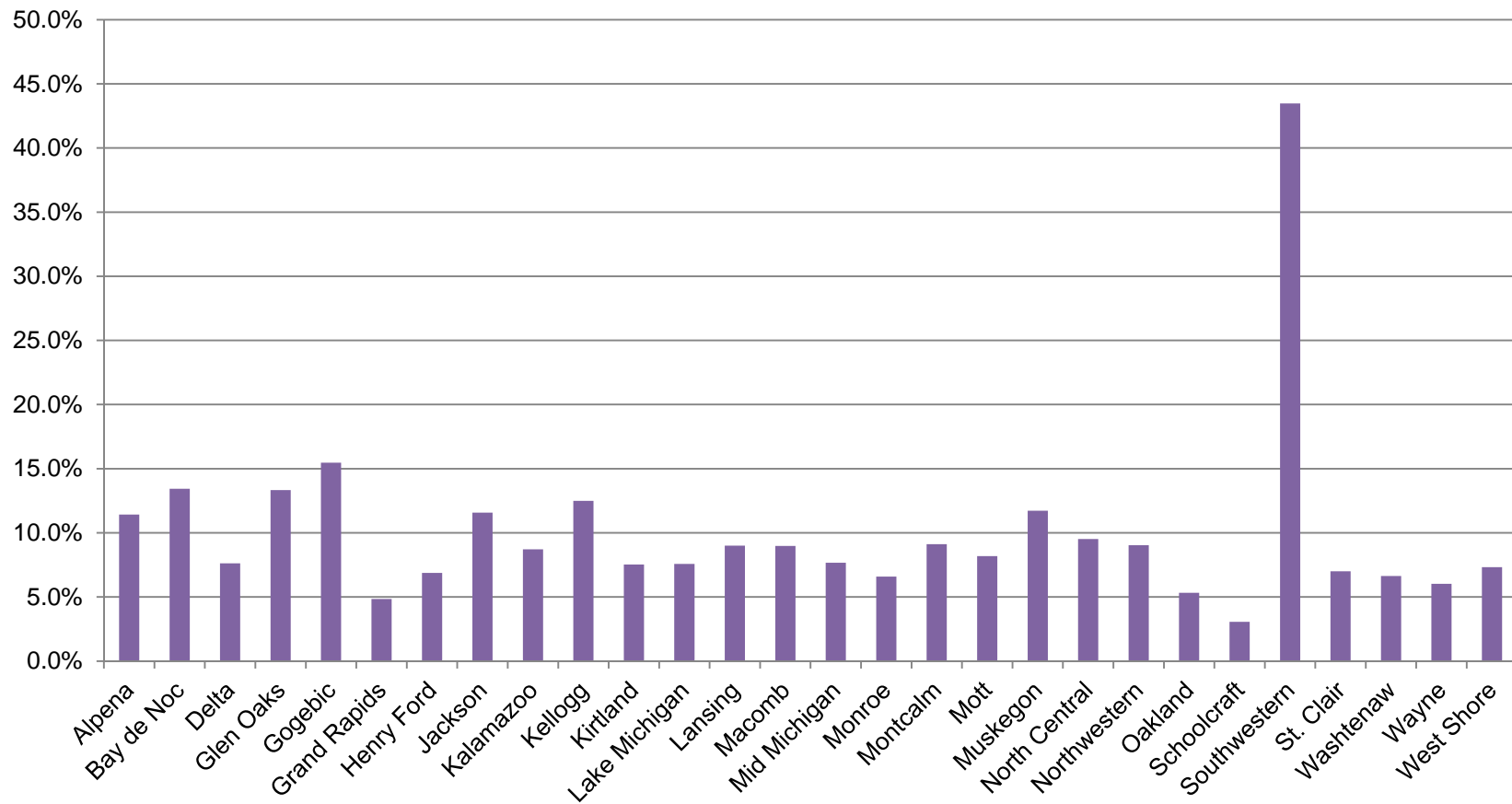
MPERS Allocation

- **Along with performance funding, an additional \$1.7 million was distributed specifically to offset MPERS costs.**
- **These payments were in proportion to each college's FY 2011-12 operations appropriations.**

MPSERS

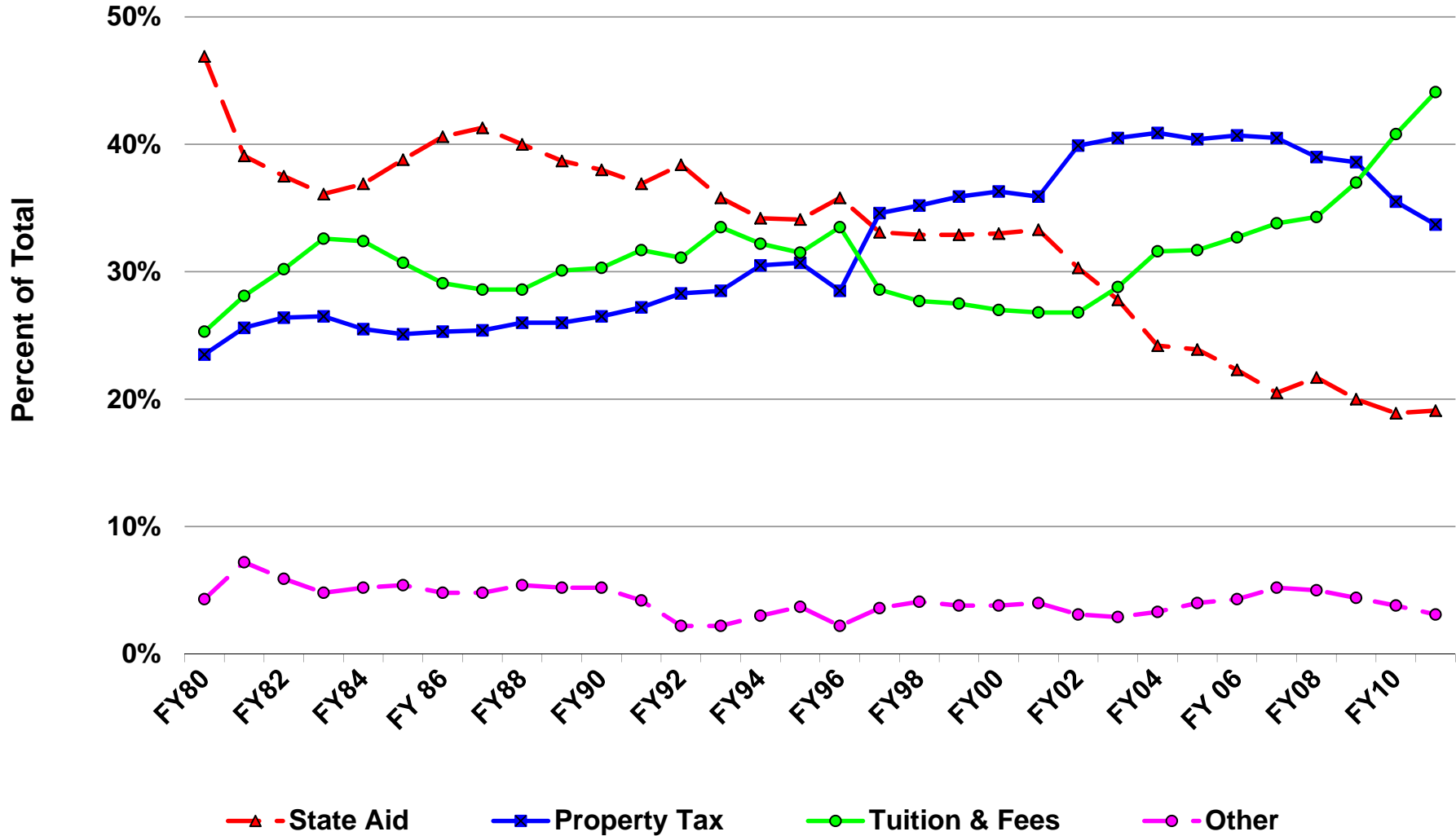
The Community College budget includes specific appropriations for offsetting employer contributions to MPSERS, as well as allocating any performance funding revenue to that source.

MPSERS Appropriations as Percentage of Employer Contributions to MPSERS



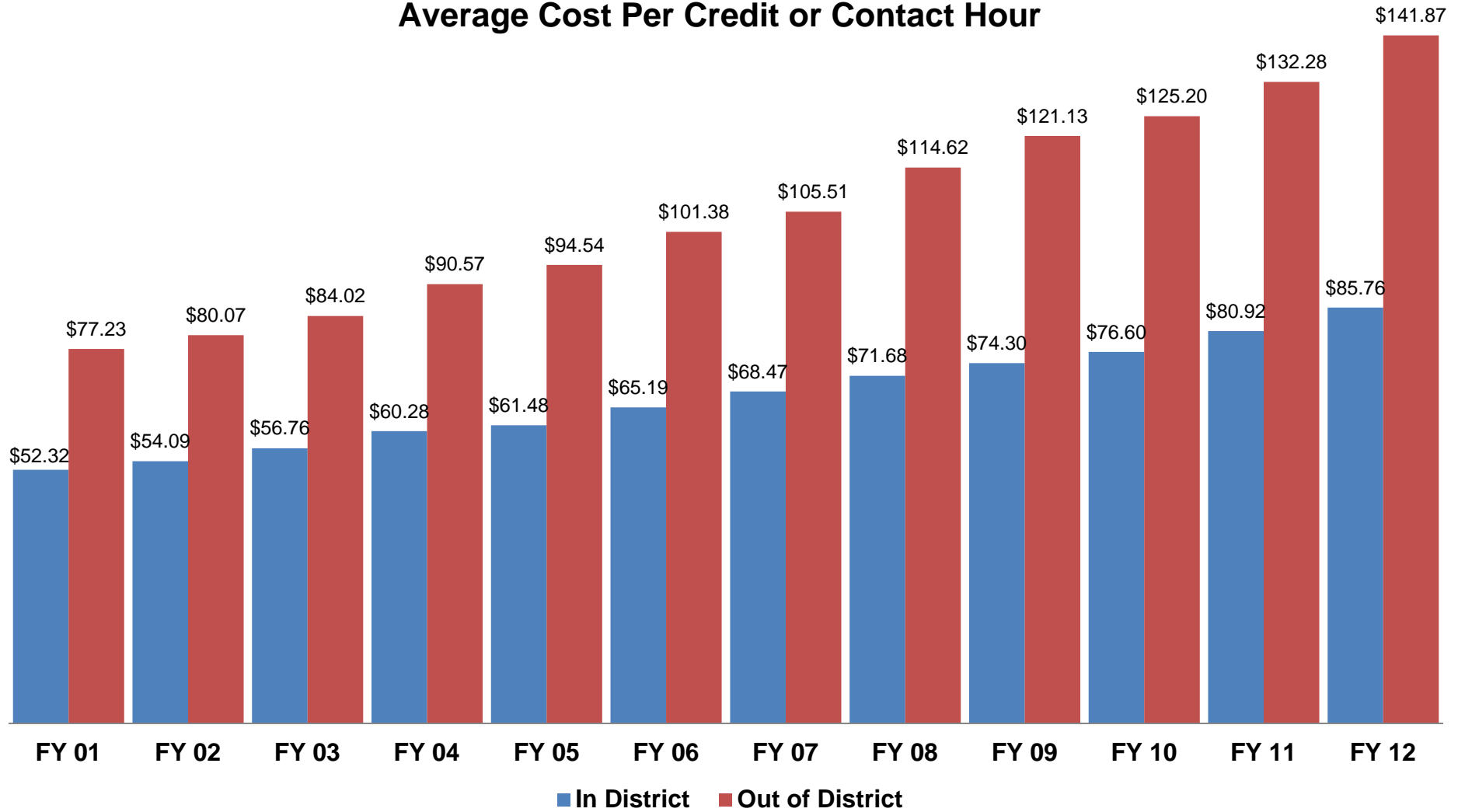
COMMUNITY COLLEGE DATA

Community College Operating Fund Revenue

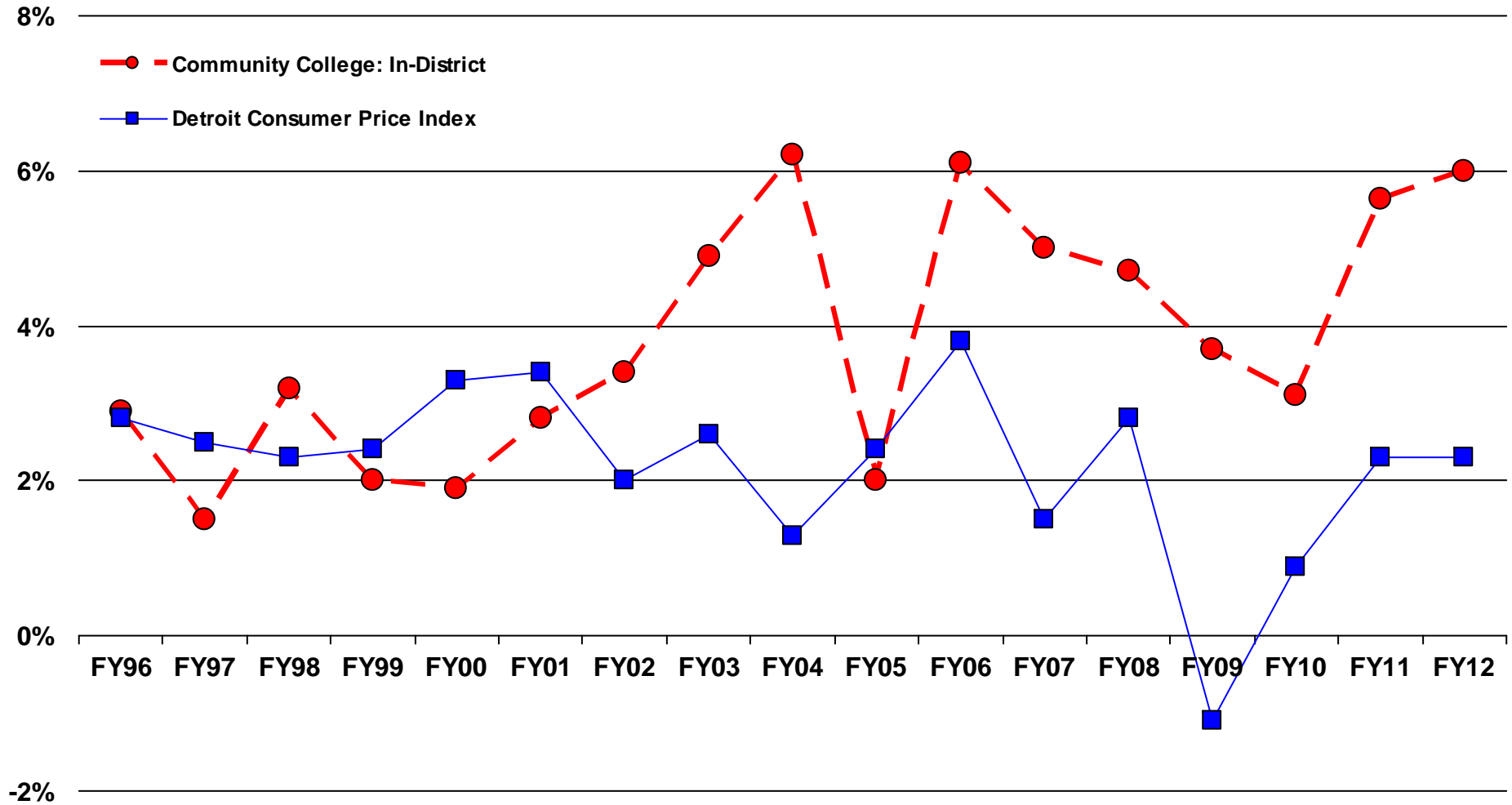


Tuition Rate History

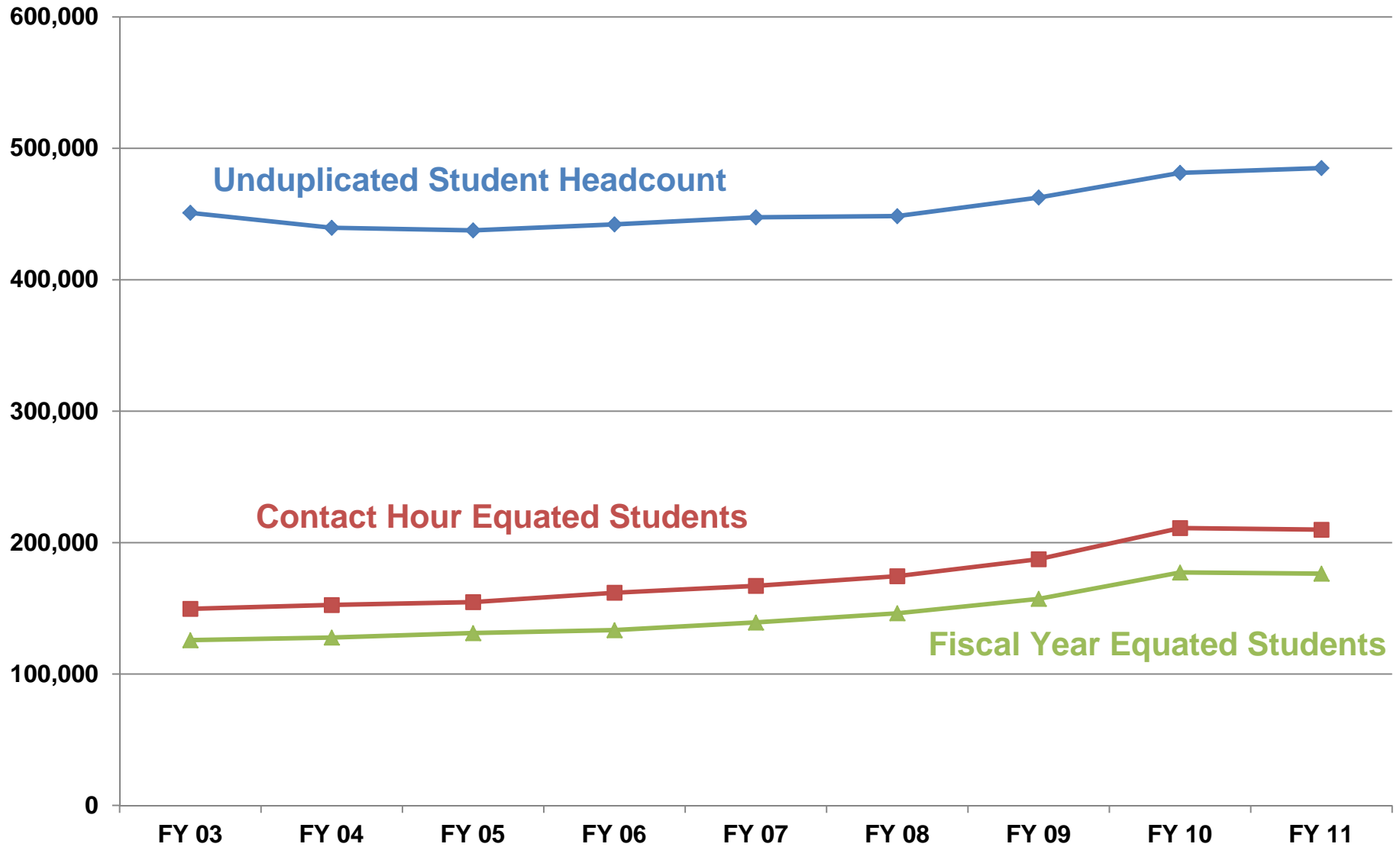
Average Cost Per Credit or Contact Hour



Increase in Average Tuition Rates

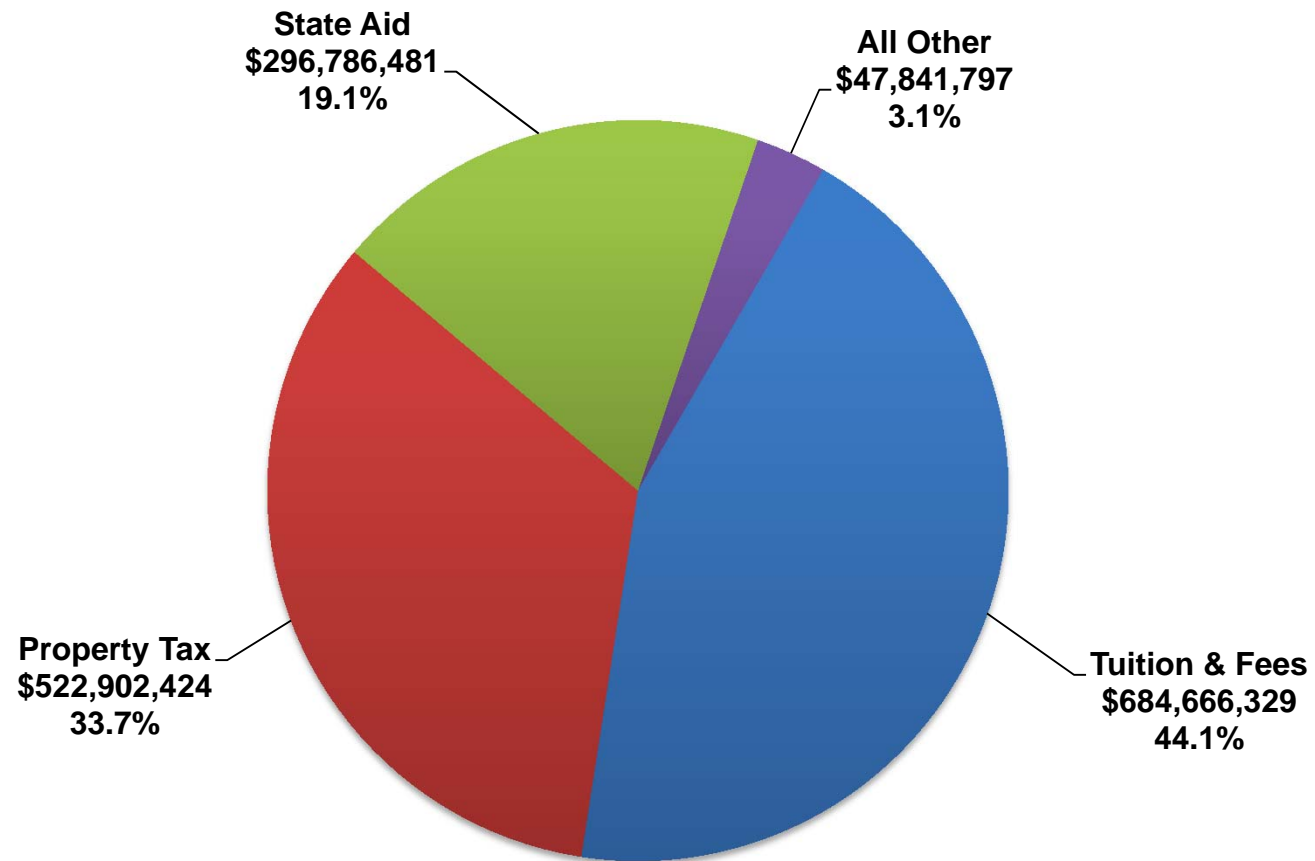


Enrollment History

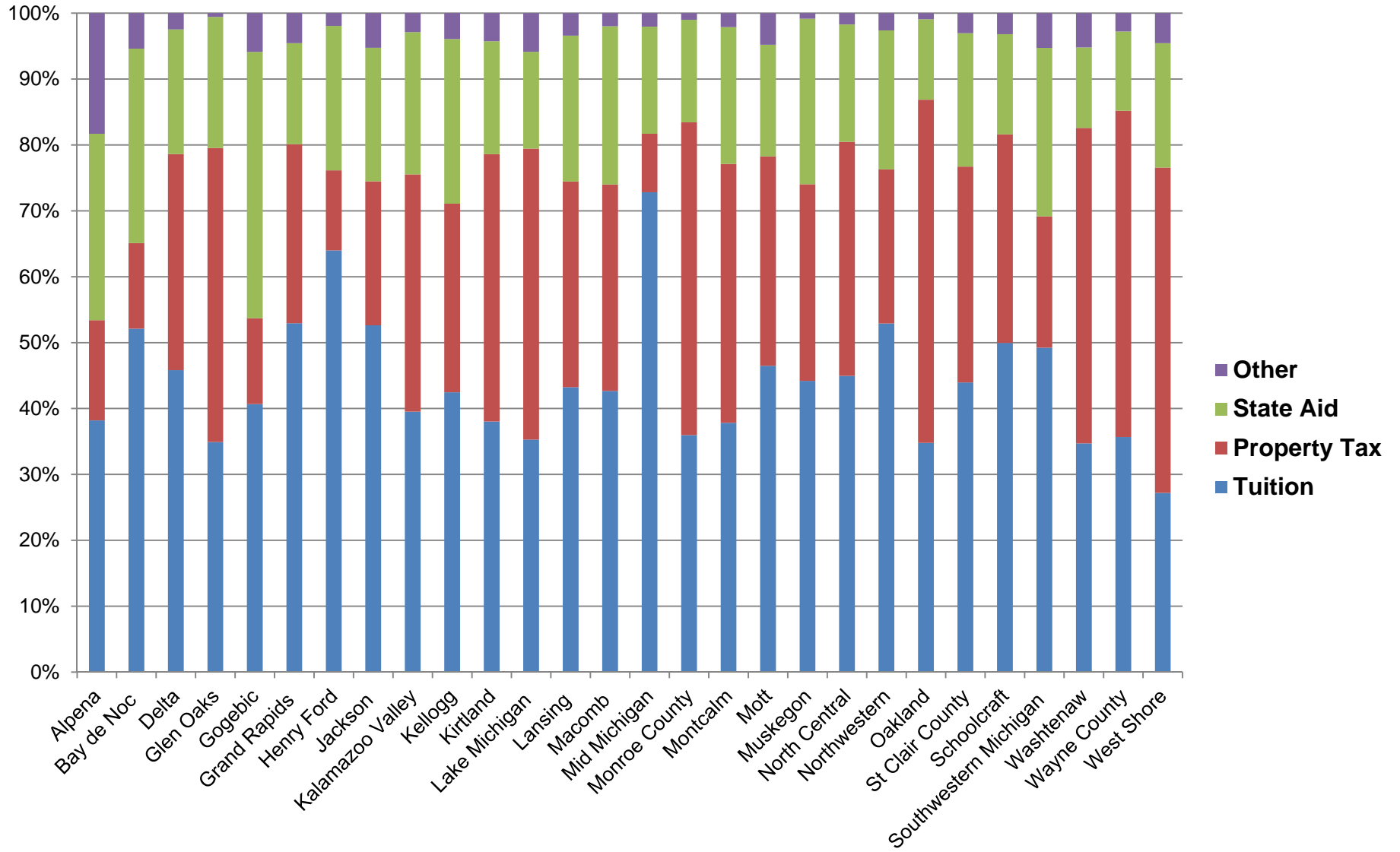


Community College Operating Fund Revenue

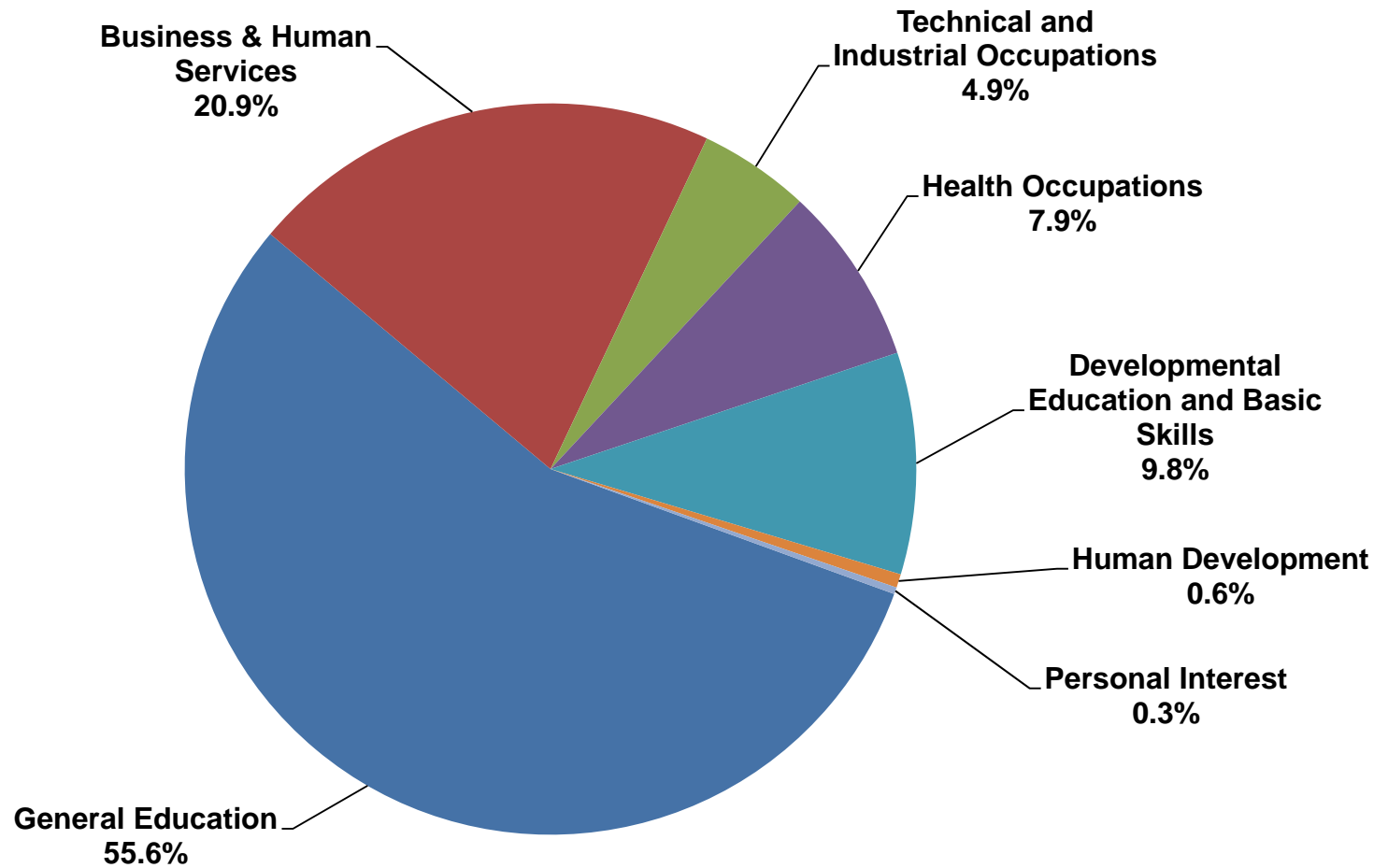
FY 2010-11 Total: \$1,552,197,031



Community College Revenue % Of Source



FY 2010-11 Distribution of Students (FYES) By Instructional Area



**For more information about the
Community Colleges budget, contact:**

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