

**Summary: Executive Budget Recommendation
for Fiscal Year 2018-19
COMMUNITY COLLEGES**



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	FY 2017-18	FY 2018-19	Difference: FY 2018-19	
	Year-to-Date as of 2/7/18	Executive	Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	398,301,500	405,015,500	6,714,000	1.7
GF/GP	1,025,000	0	(1,025,000)	(100.0)
Gross	\$399,326,500	\$405,015,500	\$5,689,000	1.4

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Community Colleges budget supports the 28 public community colleges located throughout the state. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associates' degrees, career and technical education, developmental and remedial education, continuing education, and baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

Major Budget Changes From FY 2017-18 Year-to-Date (YTD) Appropriations		FY 2017-18 YTD (as of 2/7/18)	Executive Change from YTD
1. Michigan Public School Employee Retirement System (MPSERS)	Gross	\$70,805,000	\$4,495,000
Increases funding by \$4.5 million SAF for MPSERS. This includes a reduction of \$3.2 million SAF for the state's share of colleges' unfunded liability to MPSERS and a \$7.7 million SAF increase to cover the second year of a two-year phase in to reduce the assumed rate of return for MPSERS from 8% to 7.5%. The state's share is the difference between the actuarial accrued liability to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement act (MCL 38.1341). Total funding for the state share of MPSERS would be \$75.3 million SAF.	Restricted	70,805,000	4,495,000
	GF/GP	\$0	\$0
2. MPSERS Normal Cost Offset	Gross	\$3,612,000	\$2,819,000
Increases funding by \$2.8 million SAF to reimburse community colleges for their normal cost portion for the second year of a two-year phase in to reduce the assumed rate of return for MPSERS from 8% to 7.5%. The total funding for MPSERS normal cost offset would be \$6.4 million.	Restricted	3,612,000	2,819,000
	GF/GP	\$0	\$0
3. Renaissance Zone Reimbursement Costs	Gross	\$3,100,000	(\$600,000)
Reduces funding for Renaissance Zone reimbursements to community colleges by \$600,000 SAF. Estimated reimbursement payments required by statute have decreased due to Personal Property Tax reforms. Total funding for reimbursements would be \$2.5 million SAF.	Restricted	3,100,000	(600,000)
	GF/GP	\$0	\$0
4. Removal of One-Time Funding	Gross	\$1,025,000	(\$1,025,000)
Eliminates \$1.0 million GF/GP of one-time funding for the Michigan Transfer Network.	GF/GP	\$1,025,000	(\$1,025,000)

Major Boilerplate Changes From FY 2017-18

Sec. 206. Community Colleges Activities Classification Structure (ACS) Data – REVISED

Changes name of data collection entity from Activities Classification Structure to the Michigan Community Colleges Data Inventory. Deletes requirement that the State Budget Director notify the legislature before withholding funds from community colleges that fail to comply with requirements.

Sec. 208. Self-Liquidating Projects – DELETED

Prohibits colleges from using state funds for construction or maintenance of self-liquidating projects. Requires colleges to comply with Joint Capital Outlay Subcommittee (JCOS) use and finance policy for any capital outlay project. Subjects colleges that fail to comply with a penalty of 1% of the operations funding for each violation.

Sec. 209. Community College Transparency – REVISED

Changes formal name of community colleges database to Michigan Community College Data Inventory. Deletes a provision authorizing state budget director to withhold payment from a college that failed to comply with the reporting requirements.

Sec. 210b. Articulation Agreements and Academic Partnerships Reporting – NEW

Requires that the Michigan Community College Association (MCCA), the Michigan Association of State Universities (MASU), and the Michigan Independent Colleges and Universities (MICU) report on the names and number of baccalaureate degree programs offered on community college campuses, the names of articulation agreements between universities and community colleges, and the number of students enrolled and degrees awarded through articulation agreements and on-campus baccalaureate programs.

Sec. 212. Cost Containment Initiatives – DELETED

Encourages colleges to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, increasing web-based instruction, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance and group purchasing.

Sec. 225. Tuition Rate Reports – REVISED

Deletes language that requires community colleges to include the annual cost of attendance based on 30 credits.

Sec. 226. Degrees Awarded by Colleges – REVISED

Changes reporting deadline from November 15 to October 15.

Sec. 227. Community College Automobile Purchases – DELETED

Forbids lease or purchase of foreign-made vehicles if vehicles made in Michigan or elsewhere in the U.S. are competitively priced and of comparable quality.

Sec. 228. Communication with the Legislature – DELETED

Forbids a community college from taking disciplinary action against an employee for communicating with the legislature.