

**COMMUNITY COLLEGES  
FY 2011 Executive Recommendation**



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February 12, 2010

	FY 2009-10 Year-to-Date	FY 2010-11 Executive	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Enacted	Difference: Enacted From FY 2009-10 YTD	
						Amount	%
IDG/IDT	\$0	\$0	N/A	N/A	N/A	\$0	0.0
Federal	0	0	N/A	N/A	N/A	0	0.0
Local	0	0	N/A	N/A	N/A	0	0.0
Private	0	0	N/A	N/A	N/A	0	0.0
Restricted	0	0	N/A	N/A	N/A	0	0.0
GF/GP	299,360,500	299,100,500	N/A	N/A	N/A	(260,000)	(0.0)
<b>Gross</b>	<b>\$299,360,500</b>	<b>\$299,100,500</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>(\$260,000)</b>	<b>(0.0)</b>
FTEs	0.0	0.0	N/A	N/A	N/A	0.0	0.0

Note: FY 2009-10 appropriation figures reflect adjustments made by executive order actions, supplementals, and transfers, as of February 11, 2010.

**Overview**

The Community Colleges budget includes funds for operational support of the state's 28 community colleges, the At-Risk Student Success Program, and the renaissance zone tax reimbursement to the colleges. Community colleges also receive operating revenue from local property taxes and student tuition and fees.

<b>Major Budget Changes From FY 2009-10 YTD Appropriations</b>	<b>FY 2009-10 YTD (as of 2/11/10)</b>	<b>Enacted Change From YTD</b>
<b>1. Community College Operations</b> Maintained FY 2009-10 operational funding levels for each community college. FY 2009-10 funding was the same as FY 2008-09 funding.	<b>Gross \$292,557,800</b> GF/GP \$292,557,800	<b>\$0</b> \$0
<b>2. Renaissance Zone Reimbursements</b> Reduces funding by \$260,000 for statutorily-required reimbursements. Appropriation reimburses college districts for lost property tax revenue due to renaissance zones in district. The reduction reflects excess authorization for this line. The payments to colleges are not expected to decrease.	<b>Gross \$3,480,000</b> GF/GP \$3,480,000	<b>(\$260,000)</b> (\$260,000)
<b>3. At-Risk Student Success Program</b> Maintained FY 2009-10 funding levels for the program. Appropriation amounts to individual colleges were adjusted based on updated at-risk student data. Overall FY 2009-10 fund was the same as FY 2008-09 funding.	<b>Gross \$3,322,700</b> GF/GP \$3,322,700	<b>\$0</b> \$0

**Major Boilerplate Changes From FY 2009-10**

**Sec. 211. At Risk Funding Payment Schedule – DELETED**

The **Executive** deletes language that required that the payments for the At Risk program be paid in full by November 1. Existing language concerning payment of state aid in 11 monthly installments, and the accrual of the July and August state aid payments is retained.

**Sec. 217. Compliance with JCOS Policy – DELETED**

The **Executive** deletes a requirement on the community colleges to comply with the use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital projects.

**Sec. 224. Legislative Summit on Employment Needs – DELETED**

The **Executive** deletes language that encourages the colleges to organize and participate in a legislative summit on meeting the employment needs of the state.

## **Major Boilerplate Changes From FY 2009-10**

### **Sec. 242. *Payment in Lieu of Taxes* – DELETED**

The **Executive** deletes intent language that the legislature, the Michigan Community College Association (MCCA), and other interested parties "continue the discussion regarding payments in lieu of taxes, especially for those community college districts that contain significant portions of nontaxable land."

### **Sec. 248. *Tuition Restraint Policy* – DELETED**

The **Executive** deletes intent language encouraging community colleges to not raise tuition more than 0.5% above the United States consumer price index in the immediately preceding year.

### **Sec. 249. *Consolidation or Dissolution* – DELETED**

Intent language encouraging community colleges to achieve efficiencies through joint ventures, collaborations, adjusting the size and frequency of classes, web-based instruction, consolidation of services, and coordinating and sharing proposed capital outlay improvements. The **Executive** deletes a reporting requirement imposed on the MCCA.

### **Sec. 304. *Performance Indicator Formula* – DELETED**

The **Executive** deletes intent language that the formula developed by performance indicator task force be used for funding distribution in future years.

### **Sec. 401. *At-Risk Student Success Program* – REVISED**

At-risk students are those identified as being enrolled in developmental courses or fail to make satisfactory academic progress, those that are diagnosed as having a learning disability, or those requiring English as a second language (ESL) assistance. Funding is allocated to the colleges by formula using a base award of \$40,000 to each college, and the number of student contact hours in developmental/preparatory education. The **Executive** alters the distribution of at-risk student success grant funds, based on updated program data.

### **Sec. 501. *Activities Classification Structure* – DELETED**

The activities classification structure (ACS) collects data on tuition, enrollment, expenditures, revenue, and other program data. The Department of Energy, Labor, and Economic Growth compiles the data and submits a report. The **Executive** deletes the reporting requirement and inserts it into the DELEG budget.

### **Sec. 506. *North American Indian Tuition Waiver Program Report* – DELETED**

The NAITW program waives tuition at the colleges for eligible North American Indian students. The **Executive** deletes the DELEG reporting requirement and inserts it into the DELEG budget.

### **Sec. 509. *Report on Associate's Degrees and Certificates* – DELETED**

Current law requires the colleges to submit to DELEG data on the types of associate degrees and other certificates in the prior fiscal year. The **Executive** retains the reporting requirement on the colleges, but deletes the reporting requirement on DELEG, and inserts it into the DELEG budget.

### **Sec. 511. *Perkins State Plan Report* – DELETED**

The **Executive** deletes a requirement that if the state submits a new Perkins Act state plan, it must also submit a copy of the plan to the legislature at least 30 days before submitting the plan to the U.S. Department of Education.

### **Sec. 513. *Tax Increment Financing Authority Report* – DELETED**

The **Executive** deletes a requirement on the Department of Treasury to collect data on the tax revenue foregone by community colleges from TIFAs and other tax abatements.