



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1082 (S-1, Draft 1, as reported)
 Committee: Appropriations

FY 2005-06 Year-to-Date Gross Appropriation \$281,327,400

Changes from FY 2005-06 Year-to-Date:

- 1. **Operations.** The Governor recommended a 2% increase for college operations to be allocated across the board to each college. The Senate substitute restored ½ of the \$450,000 reduction made to Wayne County Community College's appropriation in FY 2003-04 which was then allocated to 3 other colleges that year; Alpena, Bay De Noc, and Gogebic Community College. The substitute also allocates \$443,000 to three colleges; Bay De Noc, Kalamazoo Valley, and Mid Michigan in an effort to move toward a funding floor of \$6,500 in total revenue per student. The balance of the recommended increase was distributed through the model adopted by the Performance Indicator Task force. In addition, the substitute replaced \$43.9 million of General Fund support with the same amount from the School Aid Fund. 5,502,000

- 2. **Renaissance Zone Reimbursements.** The Governor recommended a 10.3% increase for this program to reflect anticipated need. This program reimbursed community colleges for the property tax revenue lost as a result of the establishment of a Renaissance Zone within their taxing district, as required by law. The Senate substitute concurred.

- 3. **Comparison to Governor's Recommendation.** The substitute is at the Governor's Gross Appropriation and \$43,900,000 below the Governor's GF/GP recommendation. 300,000

Total Changes..... \$5,802,000

FY 2006-07 Senate Appropriations Subcommittee Gross Appropriation \$287,129,400

Changes from FY 2005-06 Year to Date:

1. **Entrepreneurship Curriculum.** The Governor removed the reporting requirement included with language encouraging the Department of Labor and Economic Growth to work with colleges to develop an accelerated entrepreneurship curriculum. The Senate substitute sets a February 1 reporting date. (Sec. 208)
2. **ITEM Funding.** The Senate substitute restores language eliminated by the Governor that states intent to restore funding for infrastructure, technology, equipment, and maintenance (ITEM). (Sec. 220)
3. **Abortion Coverage in Employee Health Insurance.** The Senate substitute restores language eliminated by the Governor that prohibits the use of state funds for health insurance that included abortion services for college employees. (Sec. 230)
4. **Benefits for Unmarried Partners.** The Senate substitute restores language eliminated by the Governor that prohibits the use of State appropriations to provide benefits to unmarried partners of college employees. (Sec. 231)
5. **University Acceptance of College Credits.** The Senate substitute and the Governor removed language that creates a workgroup to make recommendations regarding university acceptance of college credits by students enrolled through the postsecondary enrollment options act. (Sec. 235)
6. **Tuition Reciprocity Agreements.** The Senate substitute and the Governor removed language that states intent that new and existing reciprocal tuition agreements be submitted for review and approval by the Legislative Appropriations Committees. (Sec. 236)
7. **Payments in Lieu of Taxes.** The Senate substitute and the Governor removed language that creates a workgroup to evaluate the possibility of state payments in lieu of taxes to colleges whose districts contain nontaxable land. (Sec. 237)
8. **Optional Retirement Plans.** The Senate substitute and the Governor removed language that creates a workgroup to evaluate the possibility of expanding eligibility for the optional retirement plan to include part-time faculty. (Sec. 238)
9. **Community College Increases.** The Senate substitute restores language eliminated by the Governor that states Legislative intent to ensure community college funding increases are similar to university increases. (Sec. 239)
10. **Economic Development Job Training.** The Senate substitute restores language eliminated by the Governor that states Legislative intent that 70% of the economic development job training grant money be awarded to community colleges. (Sec. 240)
11. **Performance Indicator Task Force.** The Senate substitute and the Governor removed language that creates a workgroup to make recommendations for using performance indicators to fund community colleges. (Sec. 242)
12. **Parity Funding.** The Governor and the Senate Substitute removed language that stated intent to restore "parity" funding with Universities (\$3,200,000) if revenue estimates increased. (Sec. 243)
13. **Full Funding of Gast-Mathieu Formula.** The Governor removed language that states Legislative intent that the Gast-Mathieu fairness in funding formula be fully-funded. The Senate substitute states intent to maintain the elements of the formula for possible use in future years. (Sec. 304)
14. **Prior Year Appropriations.** The Senate substitute and the Governor removed language that indicates colleges are to combine the Executive Order restoration appropriations from FY 2004-05 with the FY 2005-06 appropriations. (Sec. 305)
15. **At Risk Funds.** The Senate substitute restores language eliminated by the Governor that allowed for At-Risk funds to be used for the purchase of equipment. (Sec. 401)
16. **Perkins Audits.** The Senate substitute restores language eliminated by the Governor that states Legislative intent to limit the frequency and scope of Federal Perkins Act audits to those reasonably necessary to meet the requirements of the state plan. (Sec. 511)
17. **Tax Increment Finance Authorities.** The Senate substitute and the Governor removed language that requires the Department of Treasury to report on the property tax revenue lost by colleges as a result of tax increment finance authorities and tax abatements. (Sec. 513)

Date Completed: 3-17-06

Fiscal Analyst: Mike Hansen

FY 2006-2007 Community College Appropriations

College	FY 2005-06 Enacted PA 154 2005	FY 2006-07 Governor's Recommend.			FY 2006-07 Subcommittee Recommendation				
		Appropriation	Dollar Change	Prct. Change	Restore 1/2 WCCC Cut	Toward \$6,500/CHES	Balance via Task Force	Total Recommend.	Prct. Change
Alpena	4,777,100	4,872,600	95,500	2.0%			85,200	4,862,300	1.8%
Bay de Noc	4,618,500	4,710,900	92,400	2.0%		113,000	0	4,731,500	2.4%
Delta	12,917,100	13,175,400	258,300	2.0%			261,600	13,178,700	2.0%
Glen Oaks	2,167,100	2,210,400	43,300	2.0%			45,600	2,212,700	2.1%
Gogebic	3,951,500	4,030,500	79,000	2.0%			62,000	4,013,500	1.6%
Grand Rapids	16,247,500	16,572,500	325,000	2.0%			306,800	16,554,300	1.9%
Henry Ford	19,800,700	20,196,700	396,000	2.0%			353,100	20,153,800	1.8%
Jackson	10,960,800	11,180,000	219,200	2.0%			183,000	11,143,800	1.7%
Kalamazoo Valley	11,183,600	11,407,300	223,700	2.0%		230,000	0	11,413,600	2.1%
Kellogg	8,786,700	8,962,400	175,700	2.0%			167,400	8,954,100	1.9%
Kirtland	2,666,800	2,720,100	53,300	2.0%			54,900	2,721,700	2.1%
Lake Michigan	4,728,900	4,823,500	94,600	2.0%			95,900	4,824,800	2.0%
Lansing	28,097,100	28,659,000	561,900	2.0%			529,600	28,626,700	1.9%
Macomb	29,978,600	30,578,200	599,600	2.0%			579,600	30,558,200	1.9%
Mid Michigan	3,999,100	4,079,100	80,000	2.0%		100,000	0	4,099,100	2.5%
Monroe	3,890,800	3,968,600	77,800	2.0%			79,400	3,970,200	2.0%
Montcalm	2,814,300	2,870,600	56,300	2.0%			50,500	2,864,800	1.8%
Mott	14,205,400	14,489,500	284,100	2.0%			254,900	14,460,300	1.8%
Muskegon	8,083,900	8,245,600	161,700	2.0%			139,100	8,223,000	1.7%
North Central	2,738,100	2,792,900	54,800	2.0%			48,200	2,786,300	1.8%
Northwestern	8,248,900	8,413,900	165,000	2.0%			138,000	8,386,900	1.7%
Oakland	18,910,900	19,289,100	378,200	2.0%			383,000	19,293,900	2.0%
St. Clair	6,334,300	6,461,000	126,700	2.0%			133,700	6,468,000	2.1%
Schoolcraft	11,098,900	11,320,900	222,000	2.0%			196,500	11,295,400	1.8%
Southwestern	5,958,000	6,077,200	119,200	2.0%			108,800	6,066,800	1.8%
Washtenaw	11,280,600	11,506,200	225,600	2.0%			272,800	11,553,400	2.4%
Wayne County	14,582,200	14,873,800	291,600	2.0%	225,000		265,400	15,072,600	3.4%
West Shore	2,077,300	2,118,800	41,500	2.0%			39,000	2,116,300	1.9%
Subtotal Operations	\$275,104,700	\$280,606,700	\$5,502,000	2.0%	225,000	443,000	4,834,000	280,606,700	2.0%
At Risk	3,322,700	3,322,700	0	0.0%				3,322,700	0.0%
Renaissance Zone	2,900,000	3,200,000	300,000	10.3%				3,200,000	10.3%
Total Gross Approp.	\$281,327,400	\$287,129,400	\$5,802,000	2.1%	225,000	443,000	4,834,000	287,129,400	2.1%
School Aid Fund								43,900,000	100.0%
GF/GP	\$281,327,400	\$287,129,400	\$5,802,000	2.1%	225,000	443,000	4,834,000	243,229,400	-13.5%