

# HOUSE BILL No. 5311

February 11, 2014, Introduced by Rep. Muxlow and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 201 and 201a (MCL 388.1801 and 388.1801a), as amended by 2013 PA 60.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 201. (1) Subject to the conditions set forth in this  
2 article, the amounts listed in subsections (2), (4), (5), (6), and  
3 (7) are appropriated for community colleges for the fiscal year  
4 ending September 30, ~~2014, 2015~~, from the funds indicated in this  
5 section. The following is a summary of the appropriations in  
6 subsections ~~(2), (4), (5), (6), and (7)~~: **THIS SECTION:**

7           (a) The gross appropriation is ~~\$335,977,600.00~~.  
8 \$ \_\_\_\_\_ . After deducting total interdepartmental grants

1 and intradepartmental transfers in the amount of \$0.00, the  
 2 adjusted gross appropriation is ~~\$335,977,600.00.~~ \$\_\_\_\_\_.

3 (b) The sources of the adjusted gross appropriation described  
 4 in subdivision (a) are as follows:

5 (i) Total federal revenues, \$0.00.

6 (ii) Total local revenues, \$0.00.

7 (iii) Total private revenues, \$0.00.

8 (iv) Total other state restricted revenues,  
 9 \$197,614,100.00. \$\_\_\_\_\_.

10 (v) State general fund/general purpose money,  
 11 \$138,363,500.00. \$\_\_\_\_\_.

12 (2) Subject to subsection (3), the amount appropriated for  
 13 community college operations is \$\_\_\_\_\_. ~~\$298,244,000.00,~~  
 14 ~~allocated as follows:~~

15 ~~—— (a) Alpena Community College, \$5,221,100.00.~~

16 ~~—— (b) Bay de Noc Community College, \$5,263,800.00.~~

17 ~~—— (c) Delta College, \$14,022,200.00.~~

18 ~~—— (d) Glen Oaks Community College, \$2,434,300.00.~~

19 ~~—— (e) Gegebic Community College, \$4,317,500.00.~~

20 ~~—— (f) Grand Rapids Community College, \$17,403,500.00.~~

21 ~~—— (g) Henry Ford Community College, \$20,997,900.00.~~

22 ~~—— (h) Jackson Community College, \$11,723,600.00.~~

23 ~~—— (i) Kalamazoo Valley Community College, \$12,086,900.00.~~

24 ~~—— (j) Kellogg Community College, \$9,494,000.00.~~

25 ~~—— (k) Kirtland Community College, \$3,046,800.00.~~

26 ~~—— (l) Lake Michigan College, \$5,162,900.00.~~

27 ~~—— (m) Lansing Community College, \$29,935,300.00.~~

- 1 ~~—— (n) Macomb Community College, \$31,837,200.00.~~
- 2 ~~—— (o) Mid Michigan Community College, \$4,504,700.00.~~
- 3 ~~—— (p) Monroe County Community College, \$4,329,900.00.~~
- 4 ~~—— (q) Montcalm Community College, \$3,112,000.00.~~
- 5 ~~—— (r) C.S. Mott Community College, \$15,202,200.00.~~
- 6 ~~—— (s) Muskegon Community College, \$8,628,000.00.~~
- 7 ~~—— (t) North Central Michigan College, \$3,055,400.00.~~
- 8 ~~—— (u) Northwestern Michigan College, \$8,799,300.00.~~
- 9 ~~—— (v) Oakland Community College, \$20,422,900.00.~~
- 10 ~~—— (w) St. Clair County Community College, \$6,839,900.00.~~
- 11 ~~—— (x) Schoolcraft College, \$12,076,700.00.~~
- 12 ~~—— (y) Southwestern Michigan College, \$6,385,400.00.~~
- 13 ~~—— (z) Washtenaw Community College, \$12,573,900.00.~~
- 14 ~~—— (aa) Wayne County Community College, \$16,146,700.00.~~
- 15 ~~—— (bb) West Shore Community College, \$2,342,900.00.~~
- 16 ~~—— (cc) Local strategic value, \$877,100.00.~~

17 (3) The amount appropriated in subsection (2) for community  
18 college operations is appropriated from the following:

- 19 (a) State school aid fund, \$195,880,500.00-\$\_\_\_\_\_.
- 20 (b) State general fund/general purpose money,  
21 \$102,363,500.00-\$\_\_\_\_\_.

22 ~~—— (4) From the appropriations described in subsection (1), there~~  
23 ~~is appropriated for fiscal year 2013-2014 an amount not to exceed~~  
24 ~~\$1,733,600.00 for payments to community colleges from the state~~  
25 ~~school aid fund. A community college that receives money under this~~  
26 ~~subsection shall use that money solely for the purpose of~~  
27 ~~offsetting a portion of the retirement contributions owed by the~~

1 ~~college for the fiscal year ending September 30, 2014. The amount~~  
2 ~~allocated to each participating community college under this~~  
3 ~~section shall be based on each participating college's total~~  
4 ~~payroll covered by the retirement system covered payroll for all~~  
5 ~~participating colleges for the immediately preceding state fiscal~~  
6 ~~year.~~

7 ~~—— (5) From the appropriations described in subsection (1), there~~  
8 ~~is appropriated an amount not to exceed \$31,400,000.00 from the~~  
9 ~~state general fund for payments to community colleges that are~~  
10 ~~participating entities of the retirement system. All of the~~  
11 ~~following apply to the appropriations described in this subsection:~~

12 ~~—— (a) The amount of a payment under this subsection shall be the~~  
13 ~~difference between the unfunded actuarial accrued liability~~  
14 ~~contribution rate as calculated under section 41 of the public~~  
15 ~~school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,~~  
16 ~~and the maximum employer rate of 20.96% under section 41 of the~~  
17 ~~public school employees retirement act of 1979, 1980 PA 300, MCL~~  
18 ~~38.1341.~~

19 ~~—— (b) The amount allocated to each community college under this~~  
20 ~~subsection shall be based on each community college's percentage of~~  
21 ~~the total covered payroll for all community colleges that are~~  
22 ~~participating colleges in the immediately preceding fiscal year. A~~  
23 ~~community college that receives funds under this subsection shall~~  
24 ~~use the funds solely for the purpose of retirement contributions~~  
25 ~~under subdivision (c).~~

26 ~~—— (c) Each participating college receiving funds under this~~  
27 ~~subsection shall forward an amount equal to the amount allocated~~

1 ~~under subdivision (b) to the retirement system in a form and manner~~  
2 ~~determined by the retirement system.~~

3 ~~—— (6) All of the following apply to community colleges described~~  
4 ~~in section 12(3) of the Michigan renaissance zone act, MCL~~  
5 ~~125.2692.~~

6 ~~—— (a) From the appropriations described in subsection (1), the~~  
7 ~~following amount is appropriated for reimbursement to community~~  
8 ~~colleges under section 12(3) of the Michigan renaissance zone act,~~  
9 ~~MCL 125.2692.~~

10 ~~—— (i) If the amount of tax revenue lost by community colleges as~~  
11 ~~a result of the exemption of property under the Michigan~~  
12 ~~renaissance zone act in fiscal year 2012-2013 is \$3,500,000.00 or~~  
13 ~~more, \$3,500,000.00 from the state general fund.~~

14 ~~—— (ii) If the amount of tax revenue lost by community colleges as~~  
15 ~~a result of the exemption of property under the Michigan~~  
16 ~~renaissance zone act in fiscal year 2012-2013 is less than~~  
17 ~~\$3,500,000.00, the actual amount of tax revenue lost by the~~  
18 ~~community colleges.~~

19 ~~—— (b) The amount allocated to each community college under this~~  
20 ~~subsection shall be based on that community college's proportion of~~  
21 ~~total revenue lost by community colleges in fiscal year 2012-2013~~  
22 ~~as a result of the exemption of property under the Michigan~~  
23 ~~renaissance zone act.~~

24 ~~—— (c) The appropriations described in this subsection shall be~~  
25 ~~made to each eligible community college within 60 days after the~~  
26 ~~department of treasury certifies to the state budget director that~~  
27 ~~it has received all necessary information to properly determine the~~

1 ~~amounts of tax revenue lost by each eligible community college in~~  
 2 ~~fiscal year 2012-2013 under section 12 of the Michigan renaissance~~  
 3 ~~zone act, MCL 125.2692.~~

4 ~~—— (7) From the appropriations described in subsection (1), there~~  
 5 ~~is appropriated \$1,100,000.00 from the state general fund, for~~  
 6 ~~fiscal year 2013-2014 only, to the Michigan community college~~  
 7 ~~association, for the purpose of expanding the Michigan community~~  
 8 ~~college virtual learning collaborative. The Michigan community~~  
 9 ~~college association shall provide information on request to the~~  
 10 ~~house and senate subcommittees on community colleges, the house and~~  
 11 ~~senate fiscal agencies, and the state budget director on the use of~~  
 12 ~~these funds until the project is completed.~~

13 ~~—— (8) As used in this section:~~

14 ~~—— (a) "Michigan renaissance zone act" means the Michigan~~  
 15 ~~renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.~~

16 ~~—— (b) "Participating college" means a community college that is~~  
 17 ~~a reporting unit of the retirement system and that reports~~  
 18 ~~employees to the retirement system for the state fiscal year.~~

19 ~~—— (c) "Retirement board" means the board that administers the~~  
 20 ~~retirement system under the public school employees retirement act~~  
 21 ~~of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

22 ~~—— (d) "Retirement system" means the Michigan public school~~  
 23 ~~employees' retirement system under the public school employees~~  
 24 ~~retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

25       Sec. 201a. It is the intent of the legislature to provide  
 26 appropriations for the fiscal year ending on September 30, ~~2015~~  
 27 **2016** for the items listed in section 201. ~~The fiscal year 2014-2015~~

1 ~~appropriations are anticipated to be the same as those for fiscal~~  
2 ~~year 2013-2014, except that the amounts will be adjusted for~~  
3 ~~changes in caseload and related costs, federal fund match rates,~~  
4 ~~economic factors, and available revenue. These adjustments will be~~  
5 ~~determined after the January 2014 consensus revenue estimating~~  
6 ~~conference.~~