



Senate Fiscal Agency  
517-373-2768

# Budget Overview: Community Colleges

[https://sfa.senate.michigan.gov/Departments/DPccl\\_web.html](https://sfa.senate.michigan.gov/Departments/DPccl_web.html)

## Community Colleges

## Contact Information



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# Community Colleges General Overview

- Major Functions/Programs:

- State Aid to Community Colleges

- \$366.9 million SAF distributed by formula to 28 community colleges (2.5% increase vs. FY 2023-24)
    - Funding formula has been utilized since 2016, and is allocated as follows:
      - 30% based on prior-year State aid
      - 30% weighted student contact hours
      - 10% performance improvement
      - 10% student completions
      - 10% completion rates
      - 5% administrative cost controls
      - 5% local strategic value best practices

- MPERS Reimbursement

- \$91.1 million SAF for State share of MPERS costs under 2012 reforms
    - All 28 community colleges' employees are part of MPERS

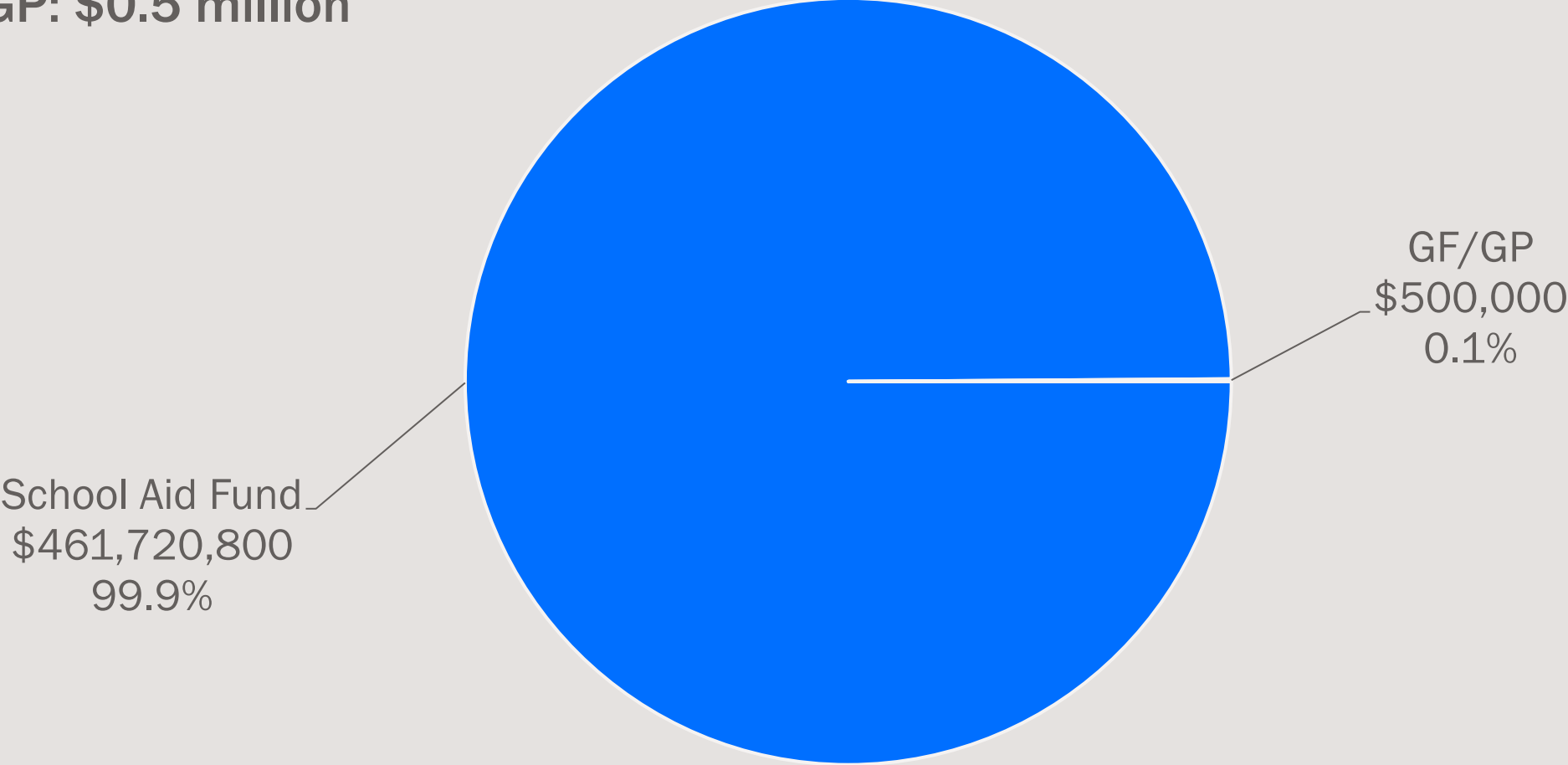
# Community Colleges General Overview

- Major Functions/Programs - continued:
  - Various One-Time Programs
    - Michigan Reconnect Navigator grants (\$1.15M SAF)
    - Local Heroes program (\$500,000 GF/GP)
    - Kalamazoo Valley CC Internet Accessibility grant (\$350,000 SAF)

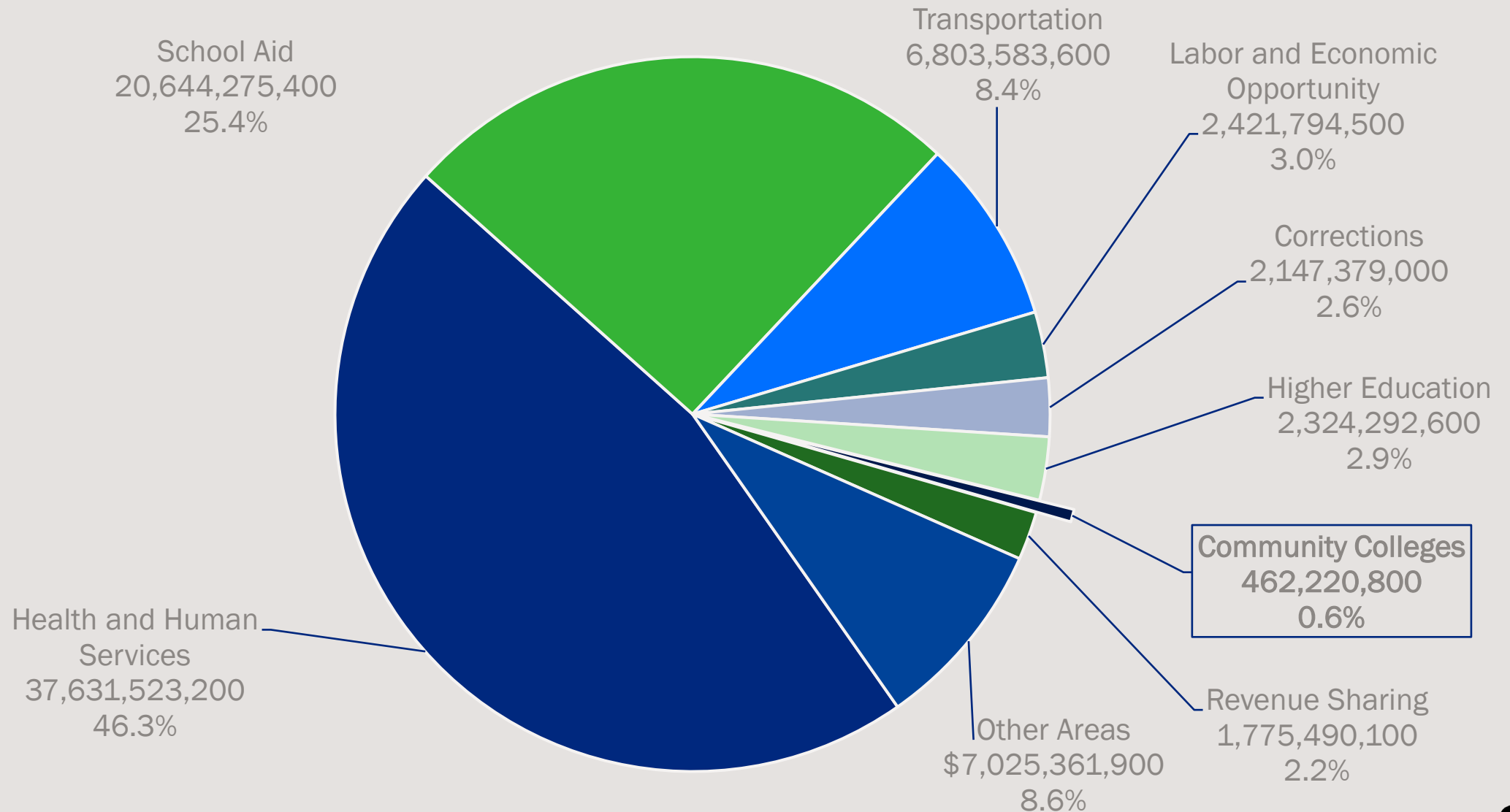
# Community Colleges

GROSS: \$462.2 million

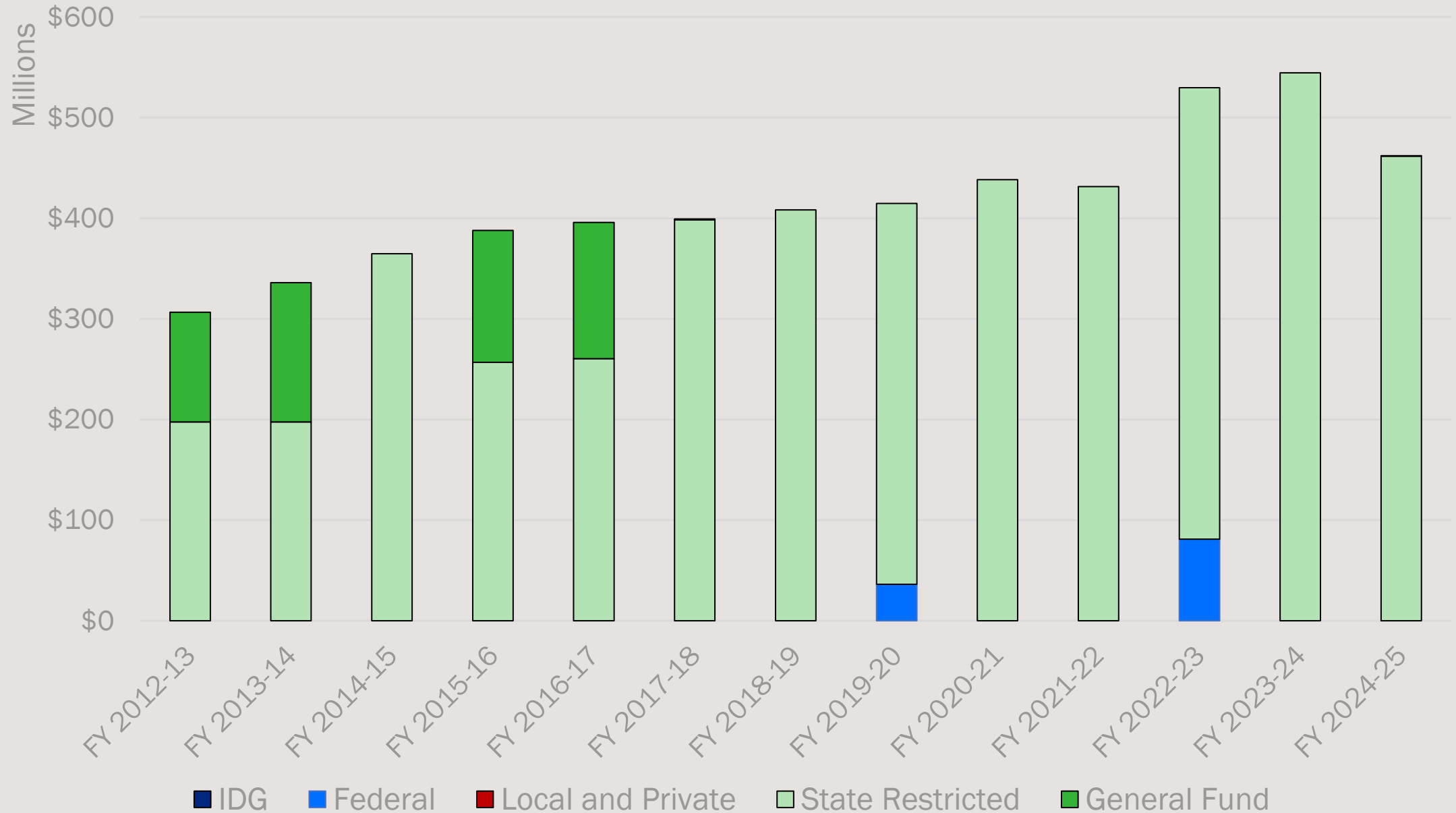
GF/GP: \$0.5 million



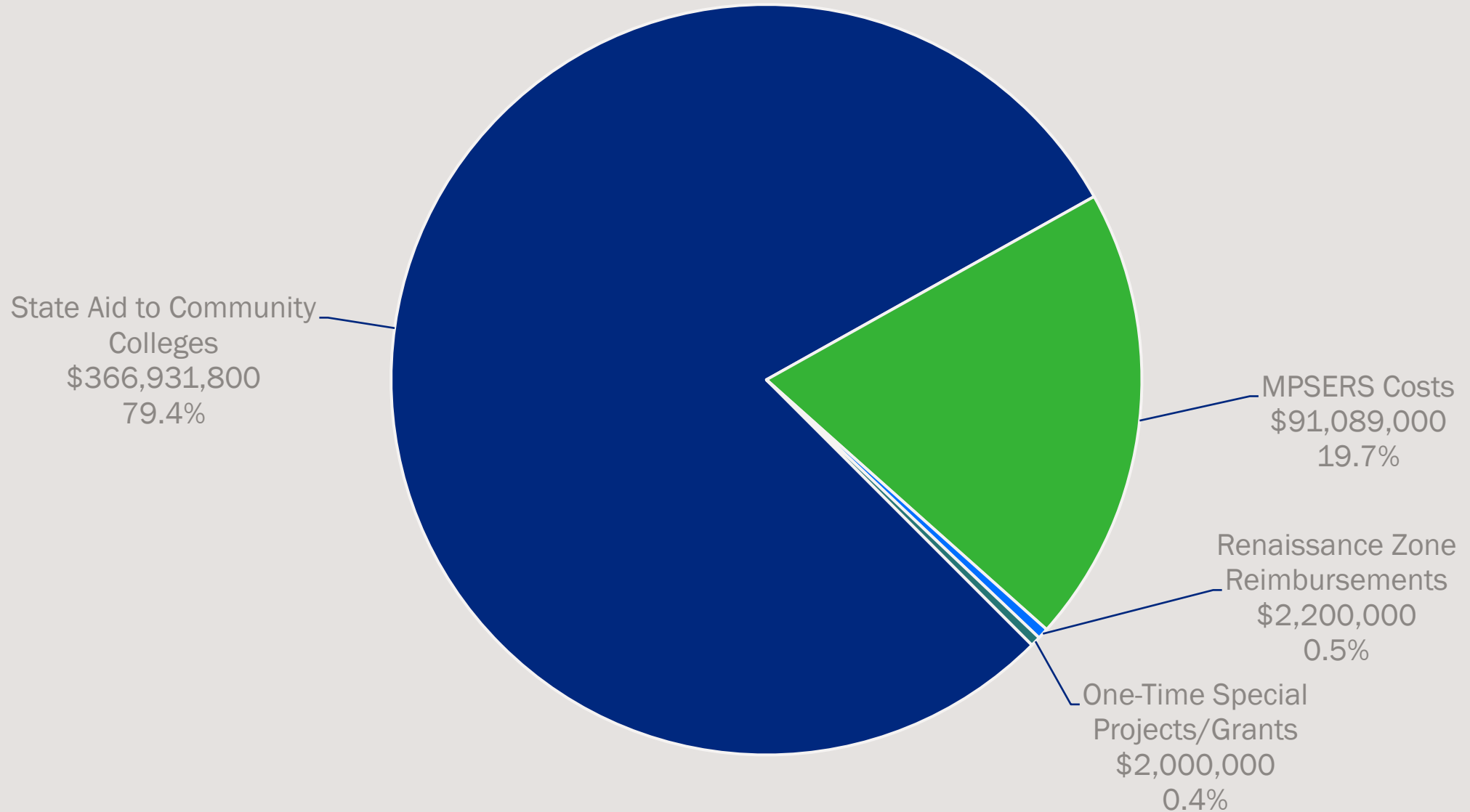
# Community College's Slice of Michigan Adjusted Gross Budget: Accounts for 0.6% of the \$81.5 Billion State Budget



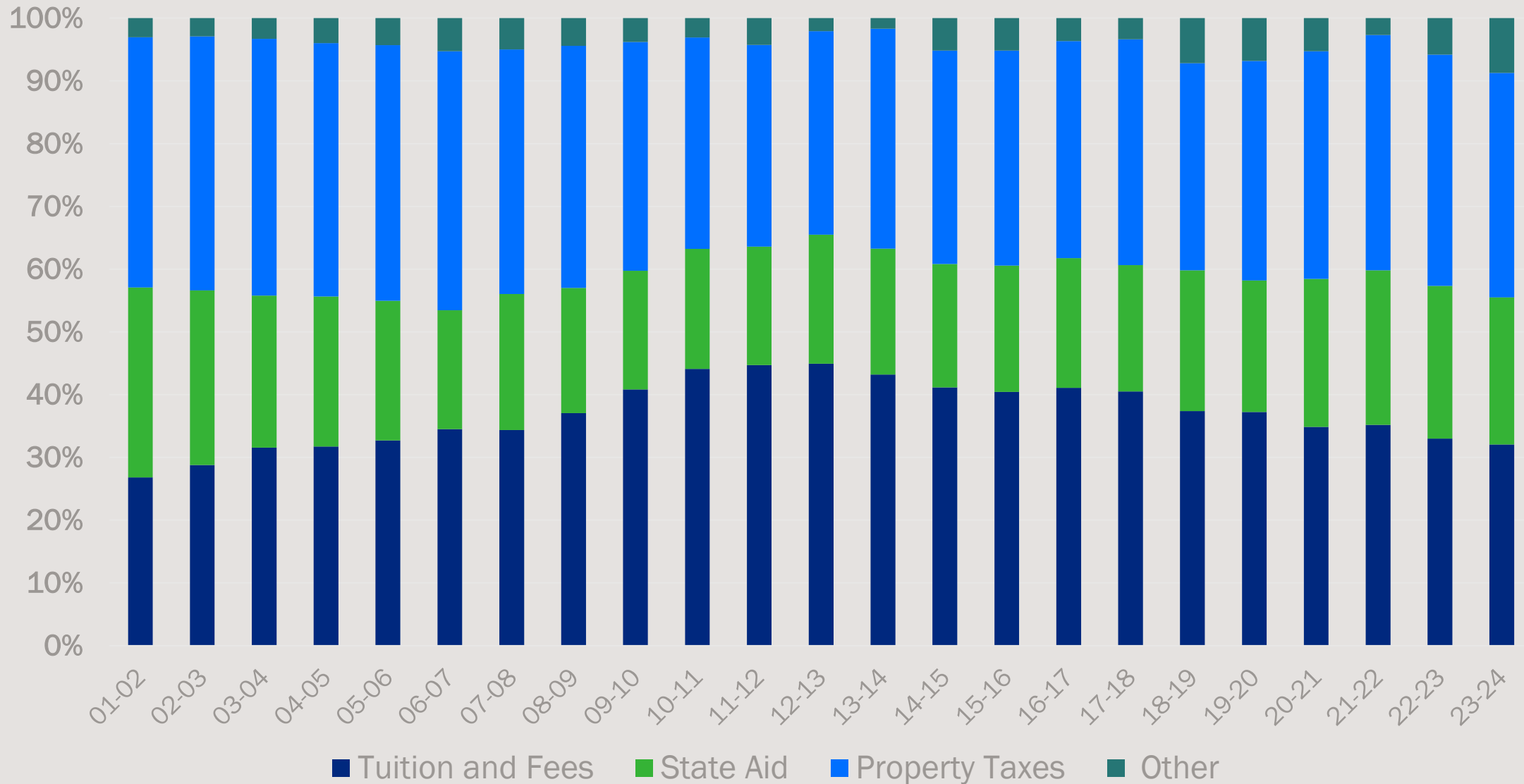
# Community Colleges Funding History



# Major Appropriations in the Community Colleges Budget

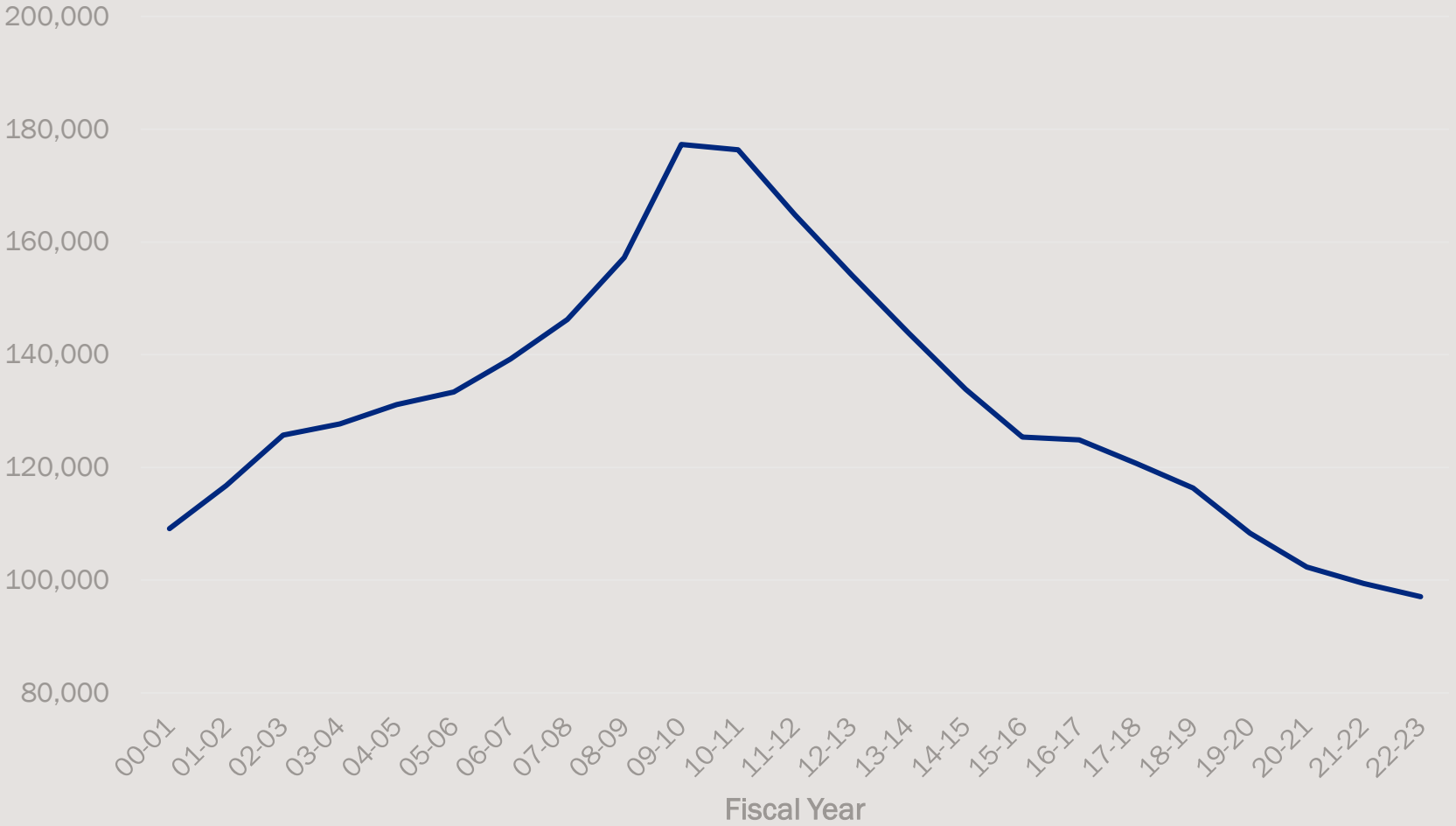


# Community Colleges Revenue Mix



# Community Colleges FYES Enrollment

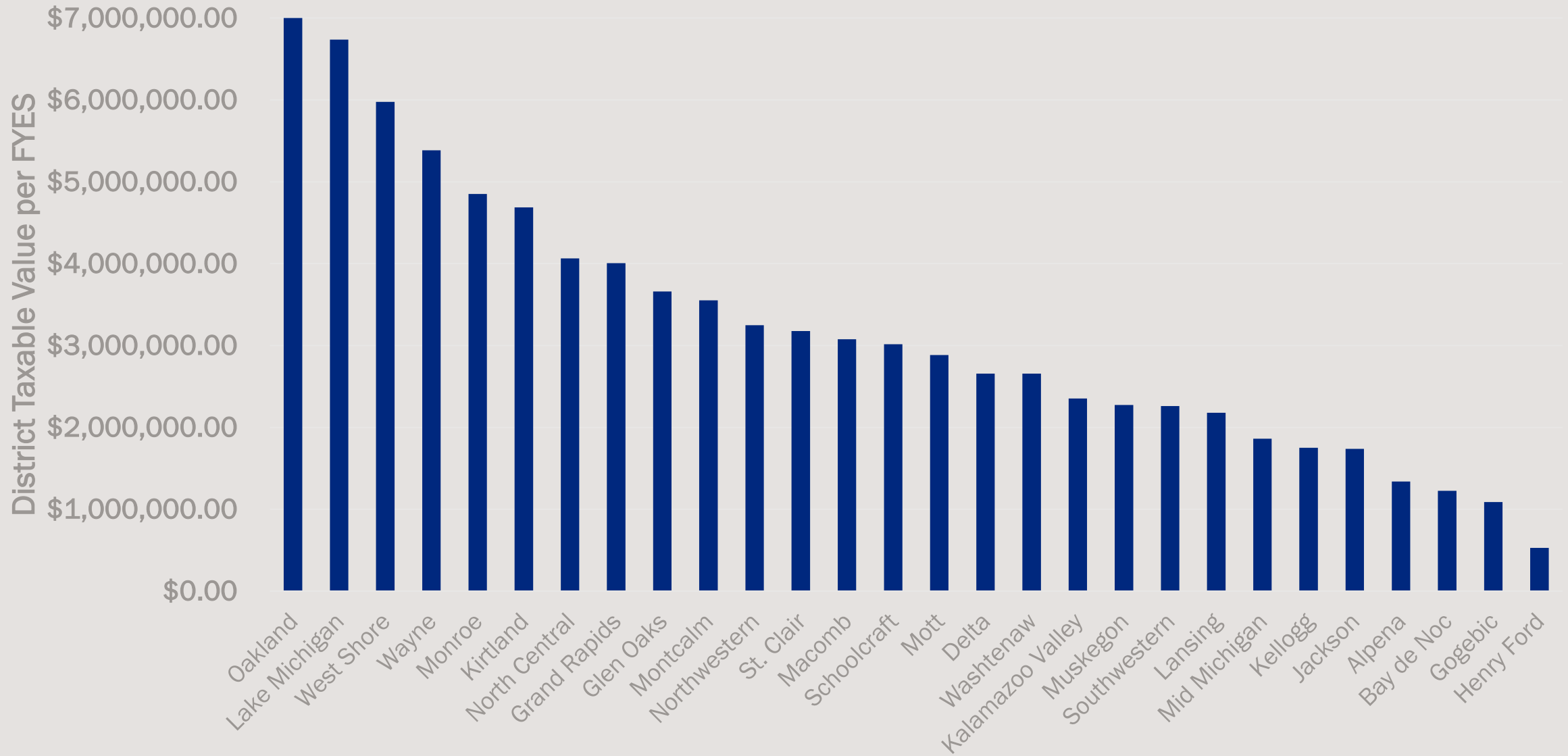
Fiscal Year Equated Students



— Fiscal Year Equated Students



# Community Colleges Property Tax Revenue Potential



# Special Issues

- **State Aid Formula**

- Various proposals to change the formula have been included in House and Senate budgets since the formula was adopted in 2016. None have been enacted.
- The FY 2022-23 budget contained language requiring a task force to develop recommendations for a new or modified formula. That report was completed December 15th 2023.
  - The task force report did not make specific recommendations for formula components but did provide some basic ‘guiding principles’ the task force agreed were important in a formula.

## Special Issues - continued

- **Michigan Reconnect**

- Reconnect is funded in the Higher Education budget, but affects community colleges.
- Various proposals to expand eligibility from age 25+ to age 21+. FY 2023-24 budget contained \$70.0M in Federal SFRF dollars to expand to 21+ through FY 2025-26.
- Program is still fairly new and demand for it is likely to be economically countercyclical.

# Special Issues – Michigan Achievement Scholarship

- The Michigan Achievement Scholarship (MAS) is funded in the Higher Education budget, but affects community colleges.
- The FY 2024-25 budget created a “Community College Guarantee” as a part of the MAS program.
  - The Community College Guarantee provides a last-dollar payment capped at a student’s tuition and fees.
  - Pell Grant recipients are also eligible to receive an additional \$1,000 payment that can be used for other costs of attendance such as books, course materials, transportation costs, and other costs of attendance as determined by the institution the student attends.