



LEGISLATIVE UPDATE

March 2015

State Update

Bills Finalized in December:

Road Funding: At long last, Governor Snyder and legislators finally reached an [agreement on transportation funding](#). The deal makes a number of structural funding changes including eliminating the sales tax on gasoline, changing the per-gallon gas tax to a tax on the wholesale price of gas, and asking voters in May to approve a one-cent increase in the sales tax to offset other changes. Of importance to community colleges, the May ballot question (determined by [House Joint Resolution UU](#)) would also specify that School Aid Funds could only be used for public schools, community colleges, and career and technical programs, not universities. **The MCCA Board of Directors has voted to support Proposal 2015-1.**

Energy Performance Contracting: [House Bill 5806](#) (Pscholka) expands on the ability of community colleges to use performance contracts to finance energy saving renovations. HB 5806 is now Public Act 485 of 2014.

Investment Options: [Senate Bill 1088](#) (Booher), expands the range of investment options available to community colleges to include investment grade bonds of the state or any of its political subdivisions. The bill, which the MCCA supports, is now Public Act 480 of 2014.

Fire Drills: [Senate Bill 1142](#) (Jansen) clarifies that required fire safety drills only apply to dormitories, not to other class buildings on campus. In addition, the bill reduces the required number of drills from 8 to 3 and creates nominal reporting requirements. SB 1142 is now Public Act 481 of 2014.

FOIA Changes: [House Bill 4001](#) (Shirkey) updates Michigan's Freedom of Information Act (FOIA), clarifying the amount public bodies could charge to respond to a FOIA request and also requiring the public body to develop documents that help requestors understand the likely charges, required deposits, and other relevant information. HB 4001 is now Public Act 563 of 2014.

Veterans Status on Applications: [House Bill 5035](#) (Goike) amends the Community College Act to require colleges to ask about military service on college applications. This question is already required under the State School Aid Act. In addition, [House Bill 5036](#) (Rendon) requires community colleges to inform known veterans, military reserve, or military of what options they have related to military transcripts and academic credit. This bill would not mandate that credit be given to the student; just that they would be informed of options they have at that college. The bills are now Public Acts 482 and 483 of 2014, respectively.

Bills Moving Already this Session:

Michigan New Jobs Training Program: On February 25, the Michigan Senate overwhelmingly passed [Senate Bills 69 – 71](#), making the following changes to the Michigan New Jobs Training Program: (1) Eliminating the 2018 sunset; (2) clarifying that the state minimum wage means the minimum hourly wage rate in effect as of the date the employer and the community college ENTER into a MNJTP agreement to establish a project); and (3)

eliminating the \$50 million cap. Given the recent budget difficulties related to Michigan Economic Growth Authority (MEGA) credits, an amendment was adopted on the Senate floor to limit companies signing future contracts from taking advantage of both MEGA and the MNJTP. While MCCA staff were disappointed to accept any constraints on the program, doing so was necessary to move the bills forward, and ultimately the restriction will become less meaningful as MEGA credits are phased out in the coming years. The Senate also adopted amendments to all three bills making the changes take effect sooner. The Senate defeated an amendment that would have required wages within an existing contract to continue increasing each year as the minimum wage increases. The bills were assigned to the [House Appropriations Committee](#), and we will greatly appreciate your help in reaching not only the members of that Committee, but all of your Representatives.

Equipment Funding Announced: Also on February 27, Governor Snyder [announced \\$50 million in awards](#) to 18 community colleges across the state as part of the new Community College Skilled Trades Equipment Program (CCSTEP), an effort to build capacity and meet the training demand for good-paying jobs in skilled trades. The funding will enable the community colleges to purchase state-of-the-art equipment to enhance educational programs in high-wage, high-skill, and high-demand occupations.

2015-16 Appropriations Process: On February 11, Governor Rick Snyder released his [FY 2016 Budget recommendations](#). As expected, the Governor recommended a 1.4% increase to community college operations, coupled with increased funding to offset MPSERS payments, money for a part-time student grant program, and increases to Renaissance Zone reimbursements. The budget would shift a larger share of community college appropriations to the School Aid Fund, which has not seen the same fiscal pressure that the General Fund has seen in recent months. **In total, community college funding would grow by \$29 million over current year funding, an 8.0% increase in total state appropriations. The Governor did not recommend tuition restraint language for community colleges.**

In addition, the Governor proposes to double the skilled trades training fund from \$10 million to \$20 million, and he recommended \$17.8 million in the k-12 budget for Career Tech programs and early middle college programs focusing on skilled trades with the expectations that this money comes with increased collaboration between and among k-12 community colleges and universities. Finally, the administration has recommended two new capital outlay projects for Delta College and Mott Community College.

Executive Order Cuts: The House and Senate Appropriations Committees have already approved [Executive Order 2015-5](#), which makes state agency funding cuts, and would eliminate an \$80 million supplemental payment to MPSERS. This was originally appropriated in the School Aid budget as an extra payment toward unfunded liability beyond what statute requires. While those funds will now be diverted to cover current year operations, the cut will not affect direct community college appropriations, nor will it affect your MPSERS rate payments. Executive Orders only require approval by the Appropriations Committees, not the full Legislature.

Supplemental Budget Bill Heads to Governor: Both the House and Senate have now approved a supplemental budget bill, [House Bill 4110](#) (Pscholka), to address shortfalls in the current fiscal year budget. The supplemental will shift all current year community college funding to the School Aid Fund. HB 4110 now goes to Governor Snyder for his signature.

Senate Finance Considers Loan Tax Credit: The Senate Finance Committee [heard testimony](#) in late February on [Senate Bill 57](#) (Hertel), which would allow a graduate of a Michigan college or university to claim a Michigan income tax credit of up to 50% of the value of loan payments he or she made, for up to five years after earning a degree. Although the Committee did not act on SB 57, Chairman Brandenburg announced his intent to consider all options for inducing more people to stay in Michigan. The MCCA does not have a position on SB 57.

Baccalaureate Authorization Reintroduced: On February 12, Senator Mike Shirkey reintroduced legislation that would expand the authority community colleges have to offer four-year degrees to also include nursing, allied health, information technology, ski area management, wastewater treatment technology, and manufacturing technology. The bill, [Senate Bill 98](#), was referred to the Senate Commerce Committee, which is chaired by Senator Wayne Schmidt, and also includes Senators Mike Kowall, Mike Nofs, Peter MacGregor, and Curtis Hertel, Jr.

Concurrent Enrollment Regulations: In January, Senators Booher and Hansen re-introduced three bills, now [Senate Bills 36-38](#), that would set parameters for college courses offered in a high school setting (concurrent enrollment). The bills would also set restrictions regarding what factors a college or university should take into account in setting tuition for such courses, and state legislative intent that tuition should not exceed the in-district tuition rate. MCCA staff will continue to work with Senator Booher to express our concerns about the bills; we encourage you to speak also with your own Senators to help them understand the impact these bills would have on your college.

Non-Contiguous Annexation Introduced: On February 26, Representative Amanda Price introduced [House Bill 4265](#), which would eliminate the requirement that areas choosing to annex themselves to a community college district must be geographically contiguous. The bill was referred to the House Education Committee.

Veterans Tuition: Also in January, Representative Hughes reintroduced [House Joint Resolution D](#), which would require community colleges to charge in-district tuition for active duty military members and honorably discharged veterans. The resolution was referred to the House Appropriations Committee. MCCA staff have a meeting this coming week with Appropriations Committee Chair Pscholka and will keep you informed about his intentions.

Federal Update

Webinars Scheduled on VA Choice Act: Michigan Veteran Affairs Agency and the Michigan State Approving Agency will host a series of webinars on the Veteran Access, Choice, and Accountability Act of 2014 ("Choice Act") and its impact on Michigan public colleges and universities. The webinars will offer tips to institutions of higher learning on revising residency requirements to meet minimum Choice Act compliance by July 1, 2015.

Please register for **Michigan Choice Act on Mar 11, 2015 2:00 PM EDT** at <https://attendee.gotowebinar.com/register/3601882809622859778>, for **Mar 18, 2015 9:00 AM EDT** at <https://attendee.gotowebinar.com/register/3849232243942377985>, or for **Mar 26, 2015 12:00 PM EDT** at <https://attendee.gotowebinar.com/register/1656040798064109313>.

Senate Focuses on Regulation of Higher Ed: In late February, the Senate Committee on Health, Education, Labor, and Pensions (HELP) held a full Committee hearing on Recalibrating Regulation of Colleges and Universities: A Report from the Task Force on Government Regulation of Higher Education. Witnesses included Mr. William E. Kirwan, Chancellor, University System of Maryland and Mr. Nicholas S. Zeppos, Chancellor, Vanderbilt University. Their testimony is available on [the committee website](#).

DOL Issues Guidance on Implementation of WIOA: The US Department of Labor has issued a [Training and Employment Guidance Letter](#) entitled "Vision for the Workforce System and Initial Implementation of the Workforce Innovation and Opportunity Act of 2014." The letter numerates several steps that states and local

areas should be taking now in preparation for WIOA's effective date, July 1, 2015. Five Notices of Proposed Rulemaking addressing the occupational training, adult education, and vocational rehabilitation programs that are authorized by WIOA are expected in the coming weeks and months.

Comments on College Ratings: As expected, AACC recently submitted comments on the US Department of Education's December 19 draft college ratings framework. The full draft of their comments is available on the [AACC website](#).

New Details Emerge on America's College Promise Proposal: President Obama's [FY 2016 budget plan](#), unveiled on February 2, included new details about his proposal for tuition-free community college. The cost of the program was revealed as \$60.3 billion over 10 years in mandatory funding, but only \$1.4 billion in FY 2016. The disparity between those two numbers is because the U.S. Department of Education (ED) anticipates that not all states would participate in the program in its first year. The program would be means-tested, but not very restrictively, and students would have to maintain at least a 2.5 GPA while enrolling on an at least half-time basis. See the [AACC website](#) for further information and analysis of the administration's budget request.

Draft Cohort Default Rates Coming Soon: ED intends to send Title IV eligible institutions draft cohort default rates (CDRs) as well as the underlying data on February 23. ED strongly encourages all institutions to carefully review the data and the calculation of the CDR for accuracy. Institutions can challenge or request adjustments, if any discrepancies are noted. Discrepancies can exist with respect to any of the information in the file, including the date when the student left the institution, which determines the repayment cohort in which students are placed. Along with the CDR information, ED will also provide guidance on how to read the file and other related information. The [cohort default rate guide](#) is available online. To monitor communications from ED, including Dear Colleague Letters and other announcements, visit [ED's website](#).

HEA Reauthorization Introduced: In January, Senator Alexander (R-TN) was formally elected as the Chairman of the Senate Committee on Health, Education, Labor, and Pensions (HELP). One of his first actions as chairman was to reintroduce legislation to reauthorize the Higher Education Act (HEA). The Financial Aid Simplification and Transparency (FAST) Act would significantly reduce the size of the FAFSA, and streamline federal grant and loan programs. The bill would reinstate year-round Pell, but eliminate the Federal Supplemental Educational Opportunity Grant (SEOG) program. The federal government would only offer one undergraduate loan program, one graduate loan program, and one parent loan program, eliminating subsidized loans offered to low-income students. A summary of the bill may be viewed [here](#).

Department of Labor Announces \$100 Million in Grants for Apprenticeships: DOL is [seeking proposals to expand registered apprenticeship programs](#) in key areas such as healthcare, biotechnology, information technology and advanced manufacturing. Approximately 25 grants from \$2.5 million to \$5 million each will be awarded using funds collected from employers who use H-1B visas to hire foreign workers. Deadline is April 30, 2015. See the [RFP](#) and [additional online resources](#).