



LEGISLATIVE UPDATE

November 2015

State Update

Michigan New Jobs Training Program: On Wednesday, November 4, the [House Appropriations Committee](#) took testimony on [Senate Bills 70 – 71](#). The bills would lift the current \$50 million cap on the Michigan New Jobs Training Program (MNJTP) as well as extend the sunset on borrowing ability under the current law. MCCA staff are working to coordinate testimony, but it is critical that Committee members hear from their colleges and local employers as well. The Committee is not currently planning a vote on SB's 70 and 71.

Senate Bill would Amend Promise Zones: On Thursday, October 29, the full Senate voted to support [Senate Bills 539](#) (Hansen) and [540 \(Ananich\)](#). The bills would expand the number of available promise zones and would set additional requirements for those zones. SB's 539 and 540 now go to the House Workforce and Talent Development Committee for consideration.

Motorcycle Safety Fee Increase: On Tuesday, October 27, the House Transportation Committee reported out [House Bill 4853](#) (Tedder), which would double the fee for motorcycle safety training courses in Michigan from \$25 to \$50. The course fee has not been increased in decades, and limits the level of training that providers can afford to offer. Seven of Michigan's community colleges currently provide motorcycle safety training.

Committee Reviews Dark Stores: On Wednesday, November 4, the House Tax Policy Committee took testimony on the so-called "dark store" strategy, whereby certain national chain retailers are using deed restrictions to limit their property tax assessments. This not only allows those retailers to shirk their support for local services, but grants them at an unfair competitive advantage over locally owned retailers that are MCCA is working with a coalition of local government entities to advance legislation that would limit negative deed restrictions and prohibit their use in determining comparable sales for valuation purposes, as well as examine the tax tribunal process.

Enrollment Issues Noted: On Thursday, November 5, a joint meeting of the Higher Education and Community Colleges Appropriations Subcommittees will examine postsecondary enrollment issues. MCCA representatives will highlight the fact that community college enrollments correlate very closely with unemployment rates, and note the increase in degree productivity on Michigan campuses.

Performance Funding Task Force Scheduled: Also on Thursday, the first meeting of the budgetary task force reviewing community college performance funding will take place. The Senate has appointed Senators Darwin Booher and David Knezek; the House has appointed Representatives John Bizon and Henry Yanez. Dan Horn, Higher Education and Community Colleges Budget Analyst, will participate on behalf of the State Budget Office.

Senate Committee Reports Change to "Weapon Free" Zones: In the wake of recent campus shootings as well as the trend of some gun rights advocates openly carrying weapons in venues where concealed weapons are banned, in mid October the Senate Judiciary Committee reported out [Senate Bill 442](#) (Green). The bill would prohibit openly carrying weapons but would allow properly permitted and licensed concealed weapons to be carried. Senate Bill 442 now goes to the full Senate for consideration.

New Jobs Training Program for ISDs: On Thursday, October 8, the House Workforce and Talent Development Committee took testimony on [House Bills 4750](#) and [4751](#) (Potvin), which would create a parallel Michigan New Jobs Training Program operated by ISDs. So far, the legislation is supported by the Mecosta Osceola and Oakland ISDs, although the Association of Intermediate School Administrators has yet to take a position. Colleges that work with the existing MNJTP are strongly encouraged to contact their legislators on the [Workforce and Talent Development Committee](#) to help legislators understand how the program works and what its limitations are.

Weapons Exemption Moves: On Tuesday, October 6, the Senate Judiciary Committee reported out two bills with implications for community colleges. Together, [House Bill 4159](#) (Johnson) and [Senate Bill 516](#) (Jones) would allow retired corrections, probation, and parole officers, and absconder recovery unit members, to carry concealed weapons in so-called “weapon free zones,” including community college campuses. The bills now go to the full Senate for consideration.

House Committee Examines Tax Capture: Over the past month, the House Local Government Committee has heard a series of presentations on tax increment financing and its impact on local governments. As you may recall, former Representative Eileen Kowall attempted to advance legislation on this issue last year, but ran out of time and her term in the House ended. The MCCA supports measures that give colleges greater control over capture of community college millages.

September Revenue Update: State revenues were \$30.8 million better than expected in September, but entirely because of a \$42.6 million reimbursement the state received from the federal government in home heating credit refunds, a Senate Fiscal Agency report released Thursday showed. [Revenues](#) to the School Aid Fund were \$38.3 million more than forecast in May, while revenues to the General Fund were \$8 million less than expected. Through September, revenues to the General Fund are \$25.9 million below the May Consensus Revenue Estimating Conference forecast and revenues to the School Aid Fund are \$66.9 million below expectations.

Senate Panel Advances Open Meetings Change: On Thursday, September 24, the Senate Elections and Government Reform Committee reported out [House Bill 4182](#) (Price), which would require elected officials to be physically present in order to vote in a meeting. The Senate substitute for HB 4182 would allow a narrow set of exceptions for emergency sessions, critical infrastructure or personnel issues, or board members called to military duty. As a reminder, [Section 113 of the Community College Act](#) requires a majority vote of those elected and serving in order for a board of trustees to take any action. The MCCA opposes HB 4182.

Appropriations Committees Approve Reciprocity: Both the House and Senate Appropriations Committees met in mid September to grant approval to a tuition reciprocity agreement between Monroe County Committee College, Owens Community College in Ohio, Eastern Michigan University, and the University of Toledo. The long-standing agreements allow certain Michigan and Ohio residents take study across the border at lower tuition rates, and require legislative approval each time they are up for renewal.

Joint Higher Education Subcommittees Review Tuition: The Senate and House Appropriations Subcommittees on Higher Education [held a joint meeting](#) on Thursday, September 24, to take testimony from Oakland University and Eastern Michigan University, both of whom chose to forego incentive funding from the state this year in favor of raising tuition levels by more than the rate encouraged by the Legislature. Lawmakers by turns both expressed frustration at the decision to raise tuition by such a significant amount, but some also expressed sympathy for the constraints under which higher education institutions are operating.

Tuition Restraint Report: The Senate Fiscal Agency has [released a report](#) on the five-year history of tuition restraint for Michigan’s public universities. As limited growth in state revenue and competing

demands for state services and infrastructure continue to have an impact on higher education, economic realities will force universities to decide between tuition restraint incentives and the potential of receiving larger sums from tuition/fee increases, the Senate Fiscal Agency concluded.

Federal Update

New House Speaker: Representative Paul Ryan (R-WI) has been elected as Speaker of the US House of Representatives. Wednesday, the House Republican Conference formally selected Ryan as their nominee, setting up Thursday's floor vote. The former Vice Presidential Candidate and Ways and Means Committee Chairman is now the 62nd Speaker of the House, taking over for outgoing Speaker John Boehner (R-OH).

Budget Deal Finalized: This week President Obama gave final approval to a large fiscal package that would prevent a US default and lower the risk of a government shutdown in December. The measure, which suspends the nation's debt limit through March 2017 and increases federal spending for domestic and defense programs by more than \$80 billion over the next two years, had broad support from Democrats but limited support from Republicans, many of whom complained the deal, brokered by bipartisan congressional leaders, contained too much spending. GOP presidential candidate Sen. Rand Paul of Kentucky forced a rare overnight Senate session when he filibustered the bill.

Included in the budget deal is a provision impacting student debt collections. Presently, servicers of federal student loans are prevented from auto dialing borrowers' cell phones regarding money owed. The provision would lift that ban.

ED Regulations Released: The US Department of Education has released its final regulations on cash management, clock-to-credit-hour conversion, and repeat coursework, as well as Revised Pay As Your Earn (REPAYE): <http://www2.ed.gov/policy/highered/reg/hearulemaking/2012/programintegrity.html>. The cash management regulations address the distribution of Title IV aid through campus debit cards or bank accounts, as well as other financial products that are marketed to students. REPAYE creates a new income driven repayment plan for federal student loan borrowers not currently eligible for Pay As You Earn. Additionally, the REPAYE regulations address the circumstances under which an institution may challenge or appeal a draft or official cohort default rate calculation based on the institution's participation rate index (PRI). The regulations will go into place next fall.

House Examines Perkins Funding: Last week, the House Subcommittee on Early Childhood, Elementary, and Secondary Education held a hearing entitled, "Improving Career and Technical Education to Help Students Succeed in the Workforce." The hearing examined issues related to the upcoming reauthorization of the Carl D. Perkins Career and Technical Education Act, and witnesses included Deneece Huftalin, President of Salt Lake Community College. Hearing testimony, as well as an archived webcast of the hearing may be viewed [here](#).

Student Loan Default Rates: The US Department of Education released information about the FY 2012 3-year cohort default rates. The good news is that the overall default rate for the community college sector decreased from the prior 2 years. However, it is still high. See the [AACC Brief](#) for the changes the Association is advocating in the Higher Education Act to help colleges address student loan program concerns.

Risk Sharing Proposals: As Congress continues to debate important issues that will shape the upcoming reauthorization of the Higher Education Act, there has been increased attention on risk sharing, i.e., **requiring**

colleges to share the costs of non-payment of student loans. Unfortunately, this concept appears to be gaining support on both sides of the aisle, especially in the Senate. See the [AACC Brief](#) opposing risk sharing.

Alternative to Accreditation Bill Introduced: Sen. Michael Bennet (D-CO) and Sen. Marco Rubio (R-FL) introduced legislation aimed at establishing "an alternative, outcome-based quality review process for authorizing innovative, high-quality higher education providers to participate" in federal student aid programs. The bill, [S. 2111](#), would recognize "innovation authorizers" that the Education Department would approve to determine whether an institution of higher education or another entity would be permitted to participate in the Title IV HEA programs.

Financial Aid and Community College Policy Reforms Needed: On September 28, ACCT released its [newest report](#) on student loan defaults, entitled *A Closer Look at the Trillion: Borrowing, Repayment, and Default at Iowa's Community Colleges*. The report takes a deep dive into institutional and Department of Education data from community colleges in Iowa to examine who defaults and to identify ways to improve borrowers' outcomes.

Secretary Duncan to Step Down: US Education Secretary Arne Duncan announced he will step down from his post in December. Confirmed in 2009, Duncan is the longest serving education secretary. It is reported that President Obama will appoint John B. King Jr., a senior official in the Education Department, as interim secretary (see article in the [Community College Daily](#)).

AACC Issues College Scorecard Analysis and Guide for Community College Leaders: The release of the Obama administration's revised College Scorecard garnered much attention. AACC has posted a thorough [Scorecard analysis](#), outlining what the Scorecard does and doesn't say about your institution, facilitating your college's responses to questions from potential students and the broader public.

FAFSA Changes Announced: In conjunction with the release of the College Scorecard, the Administration announced use of Prior-Prior Year tax information for the FAFSA starting in October of next year. This means that students will be able to submit a FAFSA earlier, and more FAFSA filers will be able to use the IRS data retrieval tool. Presently, students and families are often unable import their tax information into the FAFSA because their prior year tax information is unavailable. This change will make it easier for students and families to file a FAFSA (see a [fact sheet on the FAFSA changes](#)).

College Promise Campaign Kicks off in Michigan: On Wednesday, September 9, President Obama and Dr. Jill Biden announced from Macomb Community College the launch of the College Promise Campaign, which will aim to raising awareness and support for universal community college education for responsible students. It will focus on the best practices and the various programs that partake in the tuition- and debt-free movement. ACCT, in conjunction with AACC, has developed [a toolkit](#) to help community college leaders participate in the campaign. In concurrence with the College Promise Campaign, community college leaders can sign up to be official partners of [Heads Up America](#). Heads Up America is a grassroots movement designed to give students, faculty, business leaders, elected officials, families, and friends the tools they need to spread the word about the value and impact of community colleges on the future of America. The Campaign will be organized by an independent [National Advisory Board](#).

Apprenticeship Grants Announced: The Department of Labor has [announced 46 recipients](#) for \$175 million in funding to support public-private partnerships to help train and hire apprentices in high demand fields (see [Fact Sheet](#)). **Macomb Community College** and **Grand Rapids Community College** have received \$3.9 million in

funding to create the Michigan Apprenticeship Program Plus (MAP+).

Pilot to Restore Pell Grants for Prisoners: The Obama administration [officially announced](#) plans for a 3- to 5-year pilot test to start during the 2016-17 academic year to see if college classes help reduce prison recidivism ([Second Chance Pell Pilot Program](#)). The administration is leveraging the "experimental sites" section of the Higher Education Act, which gives federal officials flexibility to test the effectiveness of temporary changes to the way federal student aid is distributed.