



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

FY 2010-11 Year-to-Date Gross Appropriation	\$1,578,278,500
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Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

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| 1. Tuition Grants/State Competitive Scholarships. The Governor eliminated the \$31,664,700 Tuition Grant Program and the \$19,861,700 State Competitive Scholarship Program to fund a new Pathway to Higher Education Program. The House, Senate and Conference maintained the existing programs. | 0 |
| 2. Cooperative Extension Service (CES) and Agriculture Experiment Station (AES). The Governor reduced the CES and the AES by 15.0% and rolled the programs into one line item. The House, Senate, and Conference concurred. | (9,289,900) |
| 3. Tuition Incentive Program (TIP). The Governor, House, Senate, and Conference increased funding from \$37.4 million to \$43.8 million based on individuals eligible for funding and costs associated with the program. | 6,400,000 |
| 4. Federal Funding Shifts. The Governor, House, Senate, and Conference shifted \$93,826,400 in funding for financial aid programs to Temporary Assistance for Needy Families (TANF), offsetting a like amount in State General Fund and State Restricted sources of funding. This eliminates all General Fund support for financial aid except for \$1.0 million appropriated for Children of Veterans and Officer's Survivor Tuition Programs. | 0 |

Conference Agreement on Items of Difference

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| 5. School Aid Funding Shift. The Governor shifted \$699,719,500 from the State General Fund to the School Aid Fund (SAF) for support of university operation line items. The House concurred with the Governor. The Senate reduced SAF support to \$200.0 million. The Conference included \$200,019,500 in School Aid Fund revenue. | 0 |
| 6. University Operations Reductions. The Governor reduced university operations funding by \$213,110,200 (15.0%). The Senate concurred. The House included a 15.0% reduction, but applied 14.0% across-the-board and 1.0% based on a sliding scale formula with larger reductions for universities receiving a higher amount of State funding per student. The Conference concurred with the Governor and Senate. <u>Table 1</u> lists reductions by institution. | (213,110,200) |
| 7. Tuition Restraint Incentive - Operations Reduction. The Governor and House reduced university operations by \$83.0 million and appropriated that amount in a separate tuition restraint incentive line item for each university. Individual university incentive amounts are based on that university's average tuition/fee rate increase over the last five years, ranging from 5.1% to 9.8% of proposed FY 2011-12 appropriations. The incentive would be paid only if a university held its FY 2011-12 tuition/fee rate increase below the prior five-year statewide average of 7.1%. The Senate eliminated tuition restraint and restored funding to operation line items. The Conference concurred with the Governor and House. | 0 |
| 8. FY 2011-12 One-Time Appropriations. Included: \$500,000 for the EMU Autism Collaborative Center, \$1.2 million for the MSU Facility for Rare Isotope Beams, and \$200,000 for WMU economic development and commercialization. | |

Total Changes.....	(\$216,000,100)
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FY 2011-12 Conference Report Gross Appropriation	\$1,362,278,400
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **Restored Sections.** Compliance with the DMB Act, use of Internet for reporting, buy American, depressed and deprived communities, the U of M Douglas Lake Biological Station, GI Education Enhancement Program (Conference included intent that universities include in admission application process a question regarding veteran or active military/national guard/reserve status, or the spouse or dependent thereof, in order to more quickly identify potential educational assistance available to that applicant), new degree programs, and various reporting requirements.
2. **Deleted Sections.** The Governor, House, and Senate deleted Tuition Tax Credit notification, intent regarding per-student floor funding, Macomb County Report, research technology report, and urban centers.
3. **New Sections.** Reports on efforts to accommodate religious beliefs of students enrolled in accredited counseling degree programs, and reports on stem cell research were added by the House and Senate. (Sec. 472 & 473) School Aid Fund revenue proration mechanism included by Governor, House, and Senate. (Sec. 483)

Conference Agreement on Items of Difference

4. **Research University.** Defines. House deleted. Senate modified to include "high" research. Conference included Senate change and also included "doctoral" research in the definition. (Sec. 203)
5. **Foreign Vehicle.** Prohibits lease or purchase if competitively priced/comparable quality Michigan/USA automobiles available. Governor and House removed; Senate and Conference included. (Sec. 210)
6. **Budget Transparency.** House and Conference added more detailed reporting. (Sec. 218)
7. **Grant Programs.** House and Conference adjusted maximum grant award to reflect current amounts. Governor and House adjusted TIP allocations; Conference revised quarterly allocation for all programs. (Sec. 301, 302 & 308)
8. **Tuition Restraint - Criteria.** Included by Governor, House, and Conference; deleted by Senate. (Sec. 436)
9. **Funding Formula.** Beginning FY 2012-13, university funding shall be allocated by formula developed by the Budget Director. Senate deleted. House and Conference included formula - developed by the Legislature. (Sec. 437)
10. **Purchases of Goods and Services.** Requires public universities to coordinate purchases of goods and services whenever possible. Requires report. Governor and House deleted; Senate and Conference restored. (Sec. 466)
11. **Academic Program Accreditation.** House and Conference section requiring report on direct expenditures for academic program accreditation. (Sec. 470)
12. **Transfer Credit Reporting.** House and Conference require universities to report regarding the number of transfer credits rejected for incoming students, reported both by academic area and prior institution. (Sec. 471)
13. **Adult Co-resident Health Benefits-5.0% Penalty.** House language would withhold 5.0% of amount appropriated to each university unless the university verifies that it is not providing fringe benefits for any adult co-resident of a university employee who is not married to that employee or a dependent of such an adult co-resident. Conference replaced with legislative intent that benefits not be provided, removes penalty, and requires report. (Sec. 474)
14. **Joint Capital Outlay Subcommittee (JCOS) Requirements.** Senate and Conference included 1.0% penalty for each violation of JCOS requirements. House included different penalty. (Sec. 482)
15. **Community College Issues.** The House revised current-year language to create a committee to improve transferability of core college courses between community colleges and universities on a statewide basis. Senate and Conference maintained current-year language. (Sec. 603) House and Conference included a new section stating intent that universities work with community colleges to implement transfer of credits from a university to a community college to enable award of credentials. (Sec. 604)
16. **Anticipated Appropriations for FY 2012-13.** Governor and House included line-item appropriations for FY 2012-13. Senate and Conference did not include line items, and instead included boilerplate stating intent to fund at the FY 2011-12 level, except for adjustments for economics, caseloads, Federal match rates, and available revenue. (Sec. 1201)
17. **University Financial Aid.** Intent that universities increase expenditures for financial aid by at least the same percentage as increases in tuition and fees. Senate included; Governor, House, and Conference deleted.

Date Completed: 5-23-11

Fiscal Analyst: Bill Bowerman

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.

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TABLE 1: FY 2011-12 HIGHER EDUCATION APPROPRIATIONS CONFERENCE REPORT

Universities	FY 2010-11 Year-To-Date Appropriation	FY 2011-12 Governor*	Gov % Chg to YTD	FY 2011-12 House	House % Chg to YTD	FY 2011-12 Senate	Senate % Chg to YTD	FY 2011-12 Conference	Conference % Chg to YTD	FY 2011-12 Approp. per Student**	Conference Change to House	Conference Change to Senate
Central	\$80,132,000	\$68,108,900	(15.0)	\$68,416,700	(14.6)	\$68,108,900	(15.0)	\$68,108,900	(15.0)	3,112	(307,800)	0
Eastern	76,026,200	64,619,100	(15.0)	64,850,900	(14.7)	64,619,100	(15.0)	64,619,100	(15.0)	3,521	(231,800)	0
Ferris	48,619,200	41,324,300	(15.0)	41,474,000	(14.7)	41,324,300	(15.0)	41,324,300	(15.0)	3,505	(149,700)	0
Grand Valley	61,976,400	52,677,400	(15.0)	53,005,200	(14.5)	52,677,400	(15.0)	52,677,400	(15.0)	2,365	(327,800)	0
Lake Superior	12,694,200	10,789,500	(15.0)	10,856,700	(14.5)	10,789,500	(15.0)	10,789,500	(15.0)	4,707	(67,200)	0
Michigan State	283,685,200	241,120,800	(15.0)	240,918,200	(15.1)	241,120,800	(15.0)	241,120,800	(15.0)	5,461	202,600	0
Michigan Tech	47,924,200	40,733,600	(15.0)	40,761,200	(14.9)	40,733,600	(15.0)	40,733,600	(15.0)	6,125	(27,600)	0
Northern	45,140,300	38,367,400	(15.0)	38,422,100	(14.9)	38,367,400	(15.0)	38,367,400	(15.0)	4,468	(54,700)	0
Oakland	50,761,300	43,145,000	(15.0)	43,378,600	(14.5)	43,145,000	(15.0)	43,145,000	(15.0)	2,719	(233,600)	0
Saginaw Valley	27,720,700	23,561,500	(15.0)	23,692,000	(14.5)	23,561,500	(15.0)	23,561,500	(15.0)	2,665	(130,500)	0
UM-Ann Arbor	316,254,500	268,803,300	(15.0)	268,002,300	(15.3)	268,803,300	(15.0)	268,803,300	(15.0)	6,399	801,000	0
UM-Dearborn	24,726,200	21,016,300	(15.0)	21,105,900	(14.6)	21,016,300	(15.0)	21,016,300	(15.0)	3,223	(89,600)	0
UM-Flint	20,898,000	17,762,400	(15.0)	17,855,800	(14.6)	17,762,400	(15.0)	17,762,400	(15.0)	2,788	(93,400)	0
Wayne State	214,171,400	182,036,900	(15.0)	181,151,700	(15.4)	182,036,900	(15.0)	182,036,900	(15.0)	7,225	885,200	0
Western	109,615,100	93,168,300	(15.0)	93,343,400	(14.8)	93,168,300	(15.0)	93,168,300	(15.0)	4,269	(175,100)	0
Restraint (Operations Reduction)***	0	(82,996,900)	---	(83,021,200)	---	0	0.0	(82,996,900)	---		24,300	(82,996,900)
Tuition Incentive	0	82,996,900	---	83,021,200	---	0	0.0	82,996,900	---		(24,300)	82,996,900
Subtotal: University Operations	1,420,344,900	1,207,234,700	(15.0)	1,207,234,700	(15.0)	1,207,234,700	(15.0)	1,207,234,700	(15.0)		0	0
Ag Experiment Station (AES)	33,243,100	0	(100.0)	0	(100.0)	0	(100.0)	0	(100.0)		0	0
Cooperative Extension (CES)	28,672,600	0	(100.0)	0	(100.0)	0	(100.0)	0	(100.0)		0	0
AES CES Roll-up Line		52,625,800		52,625,800	---	52,625,800	---	52,625,800	---		0	0
Higher Education Database	105,000	105,000	0.0	105,000	0.0	105,000	0.0	105,000	0.0		0	0
Midwest Higher Ed Compact	95,000	95,000	0.0	95,000	0.0	95,000	0.0	95,000	0.0		0	0
King-Chavez-Parks	2,691,500	2,691,500	0.0	2,691,500	0.0	2,691,500	0.0	2,691,500	0.0		0	0
Subtotal: Other	64,807,200	55,517,300	(14.3)	55,517,300	(14.3)	55,517,300	(14.3)	55,517,300	(14.3)		0	0
Total Universities	\$1,485,152,100	\$1,262,752,000	(15.0)	\$1,262,752,000	(15.0)	\$1,262,752,000	(15.0)	\$1,262,752,000	(15.0)		0	0
School Aid Fund	\$0	699,719,500	--	699,719,500	---	200,000,000	---	200,019,500	---		(499,700,000)	19,500
State GF/GP	\$1,485,152,100	\$563,032,500	(62.1)	563,032,500	(62.1)	1,062,752,000	(28.4)	1,062,732,500	(28.4)		499,700,000	(19,500)
Grants and Financial Aid												
State Competitive Scholarships	\$19,861,700	\$0	(100.0)	19,861,700	0.0	19,861,700	0.0	19,861,700	0.0		0	0
Tuition Grants	31,664,700	0	(100.0)	31,664,700	0.0	31,664,700	0.0	31,664,700	0.0		0	0
Pathway to Higher Education	0	51,526,400	---	0	0.0	0	0.0	0	0.0		0	0
Byrd Scholarship Program	1,500,000	1,500,000	0.0	1,500,000	0.0	1,500,000	0.0	1,500,000	0.0		0	0
Tuition Incentive Program (TIP)	37,400,000	43,800,000	17.1	43,800,000	17.1	43,800,000	17.1	43,800,000	17.1		0	0
Children of Veterans Tuition	1,200,000	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0		0	0
Project Gear-Up	1,500,000	1,500,000	0.0	1,500,000	0.0	1,500,000	0.0	1,500,000	0.0		0	0
Total Grants/Financial Aid	\$93,126,400	\$99,526,400	6.9	\$99,526,400	6.9	\$99,526,400	6.9	\$99,526,400	6.9		0	0
Federal Higher Ed Act	4,500,000	4,500,000	0.0	4,500,000	0.0	4,500,000	0.0	4,500,000	0.0		0	0
Federal TANF	0	93,826,400	---	93,826,400	---	93,826,400	---	93,826,400	---		0	0
Merit Award Trust Fund	30,100,000	0	(100.0)	0	(100.0)	0	(100.0)	0	(100.0)		0	0
Veterans Tax Check-off	300,000	200,000	(33.3)	200,000	(33.3)	200,000	(33.3)	200,000	(33.3)		0	0
State GF/GP	\$58,226,400	\$1,000,000	(98.3)	1,000,000	(98.3)	\$1,000,000	(98.3)	\$1,000,000	(98.3)		0	0
TOTAL HIGHER EDUCATION												
TOTAL ALL FUNDS	\$1,578,278,500	\$1,362,278,400	(13.7)	\$1,362,278,400	(13.7)	\$1,362,278,400	(13.7)	\$1,362,278,400	(13.7)		0	0
TOTAL FEDERAL	4,500,000	98,326,400	2,085.0	98,326,400	2,085.0	98,326,400	2,085.0	98,326,400	2,085.0		0	0
TOTAL STATE RESTRICTED	30,400,000	699,919,500	2,202.4	699,919,500	2,202.4	200,200,000	558.6	200,219,500	558.6		(499,700,000)	19,500
TOTAL STATE GF/GP	\$1,543,378,500	\$564,032,500	(63.5)	\$564,032,500	(63.5)	\$1,063,752,000	(31.1)	\$1,063,732,500	(31.1)		499,700,000	(19,500)

* Allocations for Governor's Recommendation are based on "Schedule of Programs" contained in proposed budget bills.

** FY 2009-10 Fiscal-Year-Equated Students (FYES).

*** Tuition Restraint/Incentive for each institution based on five-year average of tuition/fee increases.