



Senate Fiscal Agency
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Senate Bill 178 (S-1 as passed by the Senate)

Committee: Appropriations

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

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| 1. 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 Senate reduced SAF support to \$200.0 million, resulting in the Senate being \$499,719,500 over the Governor's recommendation for General Fund in the Higher Education budget. | 0 |
| 2. University Operations Reductions. The Governor reduced university operations funding by \$213,110,200 (15.0%). The Senate concurred. <u>Table 1</u> outlines the reductions. | (213,110,200) |
| 3. 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 Senate concurred. | (9,289,900) |
| 4. Tuition Restraint Incentive – Operations Reduction. The Governor reduced university operations by \$82,996,900 and appropriated that amount in a separate tuition restraint incentive line item for each university. The Senate eliminated tuition restraint and rolled the funding back into the university operation line items. | 0 |
| 5. 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 Senate maintained the existing programs. | 0 |
| 6. Pathway to Higher Education. The Governor proposed a new program that would consist of funding previously appropriated for State Competitive Scholarships and Tuition Grants (\$51,526,400). The Senate maintained the existing programs and did not include the Governor's proposal. | 0 |
| 7. Tuition Incentive Program (TIP). The Governor increased funding from \$37.4 million to \$43.8 million based on individuals eligible for funding and costs associated with the program. TIP provides an incentive to students to complete high school and go on to college by pledging to pay tuition and fees for an associate degree or certificate programs, as well as up to \$2,000 at a four-year institution. Students in grades 6 through 12 who are Medicaid-eligible for 24 months can qualify for TIP. | 6,400,000 |
| 8. Federal Funding Shifts. The Governor and Senate 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 |
| 9. Comparison to Governor's Recommendation. The Senate is at the Governor's recommendation for Gross funds and \$499,719,500 over for GF/GP. | |

Total Changes.....	(\$216,000,100)
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FY 2011-12 Senate-Passed Gross Appropriations	\$1,362,278,400
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Changes from FY 2010-11 Year to Date:

1. **Deleted Sections.** The Governor and Senate deleted the following: Description of procedures used to make the appropriations for universities (Sec. 212 (3)); Michigan tuition tax credit, notification to fiscal agencies (Sec. 214); legislative intent that a per-student floor funding amount be funded from the General Fund unreserved balances at the close of FY 2009-2010 (Sec. 450); Macomb County Report (Sec. 463); requirement for universities to submit a plan on its process to inform both the private and public sectors regarding research and technology that could be developed commercially (Sec. 464); legislative intent to consider an appropriation of funds for grants to universities for the purpose of hiring a consultant when a university is exploring the possibility of creating an urban center or core in its community (Sec. 481);
2. **Restored Sections.** The Senate restored the following sections removed by the Governor: Compliance with DMB Act (Sec. 202); use of Internet for reporting (Sec. 208); buy American intent language (Sec. 209); purchased or leased vehicles—preference for Michigan manufactured vehicles (Sec. 210); depressed and deprived communities—compete and perform university contracts (Sec. 211); appropriation of Federal and private funds does not obligate the Legislature to continue programs (Sec. 213); financial transparency – Senate restored section but eliminated \$100 expenditure limit (Sec. 218); State competitive grant and tuition grant program criteria (Sec. 301 & Sec. 302); Independent College Audits - report of findings (Sec. 307); Student Financial Aid Payments - Governor modified allocation schedule for tuition incentive program, Senate restored current schedule (Sec. 308); needs analysis criteria for financial aid (Sec. 309); student financial aid report (Sec. 315); legislative intent to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake (Sec. 402); legislative intent that public universities develop policies for minimizing the cost of textbooks and course materials (Sec. 426); legislative intent that universities increase expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees (Sec. 436); legislative intent that funds be allocated for unfunded North American Indian tuition waiver costs from the General Fund – Senate restored but eliminated words "unreserved balances at the close of the FY 2009-2010" (Sec. 451); requirement for universities to coordinate purchases of goods and services and use DTMB purchasing resources (MiDEAL and MHEC), and report on group or pooled purchases and the savings achieved by the public universities in the previous fiscal year (Sec. 466); Pell Grant report (Sec. 469); Yellow Ribbon GI Education Enhancement Program (Sec. 480); HEIDI database committee (Sec. 490); legislative acknowledgement of degree programs (Sec. 701a), university audit responses (Sec. 702); Student Right-to-Know and Campus Security Act (Sec. 709); and Family Educational Rights and Privacy Act (714).
3. **Research University.** Defines classification. The Senate modified to include high research in definition. (Sec. 203)
4. **Pathway to Higher Education.** Criteria for new grant. Deleted by Senate. (Sec. 182A)
5. **Tuition Restraint.** New boilerplate for setting criteria for tuition restraint payments. Deleted by Senate. (Sec. 183A)
6. **Funding Formula.** Governor proposed boilerplate stating that beginning with FY 2012-13, university funding shall be allocated using a formula developed by the State Budget Director. The Senate deleted this section. (Sec. 183B)
7. **Project GREEN.** Funding earmarked from AES and CES for Project GREEN; Governor removed the annual reporting requirements. The Senate restored and modified based on the roll-up of CES and AES. (Sec. 433)
8. **AES and CES.** The Senate added language providing that, in partnership with stakeholders of the AES and CES, MSU shall develop a set of research and extension priorities. MSU will also convene a summit to set priorities for research and extension regarding agriculture. Provides for report. (Sec. 433a)
9. **Joint Capital Outlay Subcommittee (JCOS) Requirements.** New Senate section prohibiting use of appropriations in Part 1 for the construction or maintenance of a self-liquidating project. Provides universities shall comply with JCOS use and finance requirements and includes 1.0% penalty for each violation of JCOS requirements. (Sec. 482)
10. **School Aid Fund (SAF) Proration.** The Governor and Senate included new language subjecting university appropriations from the SAF to the proration process, if SAF appropriations exceed the amount available for expenditure. (Sec. 483)
11. **Anticipated Appropriations for Fiscal Year 2012-13.** The Governor included line-item appropriations for FY 2012-13, rolling appropriations into one line item for universities and including boilerplate stating that funds to universities will be distributed by a new formula. The Senate does not include line items and instead includes boilerplate stating intent of the Legislature to provide appropriations for FY 2012-13 for the line-items listed in part 1 at the FY 2011-12 level except for adjustments for economics, caseloads, Federal match rates, and available revenue. (Sec. 1201)
12. **Religious Beliefs.** Requires report from each university on efforts to accommodate the sincerely held religious beliefs of students enrolled in accredited counseling degree programs. (Sec. 472)
13. **Stem Cell Research.** Requires FY 2010-11 report. (Sec. 473)

Date Completed: 4-28-11

Fiscal Analyst: Bill Bowerman

FY 2011-12 HIGHER EDUCATION APPROPRIATIONS

Universities	FY 2010-11 Year-To-Date Appropriation	FY 2011-12 Governor*	Gov % Chg to YTD	FY 2011-12 House**	House % Chg to YTD	Senate Changes to FY 2010-11				Senate Amount Chg to Gov	Senate Amount Chg to House
						Senate 15.0% Reduction	Other Changes	FY 2011-12 Senate	Senate % Chg to YTD		
Central	\$80,132,000	\$68,108,900	(15.0)	\$68,416,700	(14.6)	(\$12,023,100)		\$68,108,900	(15.0)	\$0	(\$307,800)
Eastern	76,026,200	64,619,100	(15.0)	64,850,900	(14.7)	(11,407,100)		64,619,100	(15.0)	0	(231,800)
Ferris	48,619,200	41,324,300	(15.0)	41,474,000	(14.7)	(7,294,900)		41,324,300	(15.0)	0	(149,700)
Grand Valley	61,976,400	52,677,400	(15.0)	53,005,200	(14.5)	(9,299,000)		52,677,400	(15.0)	0	(327,800)
Lake Superior	12,694,200	10,789,500	(15.0)	10,856,700	(14.5)	(1,904,700)		10,789,500	(15.0)	0	(67,200)
Michigan State	283,685,200	241,120,800	(15.0)	240,918,200	(15.1)	(42,564,400)		241,120,800	(15.0)	0	202,600
Michigan Tech	47,924,200	40,733,600	(15.0)	40,761,200	(14.9)	(7,190,600)		40,733,600	(15.0)	0	(27,600)
Northern	45,140,300	38,367,400	(15.0)	38,422,100	(14.9)	(6,772,900)		38,367,400	(15.0)	0	(54,700)
Oakland	50,761,300	43,145,000	(15.0)	43,378,600	(14.5)	(7,616,300)		43,145,000	(15.0)	0	(233,600)
Saginaw Valley	27,720,700	23,561,500	(15.0)	23,692,000	(14.5)	(4,159,200)		23,561,500	(15.0)	0	(130,500)
UM-Ann Arbor	316,254,500	268,803,300	(15.0)	268,002,300	(15.3)	(47,451,200)		268,803,300	(15.0)	0	801,000
UM-Dearborn	24,726,200	21,016,300	(15.0)	21,105,900	(14.6)	(3,709,900)		21,016,300	(15.0)	0	(89,600)
UM-Flint	20,898,000	17,762,400	(15.0)	17,855,800	(14.6)	(3,135,600)		17,762,400	(15.0)	0	(93,400)
Wayne State	214,171,400	182,036,900	(15.0)	181,151,700	(15.4)	(32,134,500)		182,036,900	(15.0)	0	885,200
Western	109,615,100	93,168,300	(15.0)	93,343,400	(14.8)	(16,446,800)		93,168,300	(15.0)	0	(175,100)
Tuition Restraint	0	(82,996,900)	---	(83,021,200)	---		0	0	0.0	82,996,900	83,021,200
Tuition Incentive	0	82,996,900	---	83,021,200	---		0	0	0.0	(82,996,900)	(83,021,200)
Subtotal: University Operations	1,420,344,900	1,207,234,700	(15.0)	1,207,234,700	(15.0)	(213,110,200)	0	1,207,234,700	(15.0)	0	0
Ag Experiment Station (AES)	33,243,100	0	(100.0)	0	(100.0)	(4,987,800)	(28,255,300)	0	(100.0)	0	0
Cooperative Extension (CES)	28,672,600	0	(100.0)	0	(100.0)	(4,302,100)	(24,370,500)	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	0		105,000	0.0	0	0
Midwest Higher Ed Compact	95,000	95,000	0.0	95,000	0.0	0		95,000	0.0	0	0
King-Chavez-Parks	2,691,500	2,691,500	0.0	2,691,500	0.0	0		2,691,500	0.0	0	0
Subtotal: Other	64,807,200	55,517,300	(14.3)	55,517,300	(14.3)	(9,289,900)	0	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)	(\$222,400,100)	\$0	\$1,262,752,000	(15.0)	0	0
School Aid Fund	\$0	699,719,500	---	699,719,500	---	\$0	\$200,000,000	200,000,000	---	(499,719,500)	(499,719,500)
State GF/GP	\$1,485,152,100	\$563,032,500	(62.1)	563,032,500	(62.1)	(\$222,400,100)	(\$200,000,000)	1,062,752,000	(28.4)	499,719,500	499,719,500
Grants and Financial Aid											
State Competitive Scholarships	\$19,861,700	\$0	(100.0)	19,861,700	0.0		\$0	19,861,700	0.0	19,861,700	0
Tuition Grants	31,664,700	0	(100.0)	31,664,700	0.0		0	31,664,700	0.0	31,664,700	0
Pathway to Higher Education	0	51,526,400	---	0	0.0		0	0	---	(51,526,400)	0
Byrd Scholarship Program	1,500,000	1,500,000	0.0	1,500,000	0.0		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		6,400,000	43,800,000	17.1	0	0
Children of Veterans Tuition	1,200,000	1,200,000	0.0	1,200,000	0.0		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	0	0
Total Grants/Financial Aid	\$93,126,400	\$99,526,400	6.9	\$99,526,400	6.9		\$6,400,000	\$99,526,400	6.9	0	0
Federal Higher Ed Act	4,500,000	4,500,000	0.0	4,500,000	0.0		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)		(30,100,000)	0	(100.0)	0	0
Veterans Tax Checkoff	300,000	200,000	(33.3)	200,000	(33.3)		(100,000)	200,000	(33.3)	0	0
State GF/GP	\$58,226,400	\$1,000,000	(98.3)	1,000,000	(98.3)		(\$57,226,400)	\$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)		\$6,400,000	\$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		93,826,400	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		169,800,000	200,200,000	558.6	(499,719,500)	(499,719,500)
TOTAL STATE GF/GP	\$1,543,378,500	\$564,032,500	(63.5)	\$564,032,500	(63.5)		(\$257,226,400)	\$1,063,752,000	(31.1)	499,719,500	499,719,500

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

** House Subcommittee.