



Senate Fiscal Agency
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BILL ANALYSIS

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FY 2006-07 Year-to-Date Gross Appropriation \$1,610,750,400

Changes from FY 2006-07 Year-to-Date:

Items Included by the House and Senate

1. **FY 2006-07 Payment Delay.** To help resolve the FY 2006-07 budget deficit, the August 2007 payment for University Operations, AES, and CES was delayed. To restore the delayed payment, \$138.7 million is reinstated to the FY 2007-08 base and \$138.7 million was repaid on October 16, 2007. 277,472,000
2. **FY 2006-07 Michigan Public School Employees Retirement (MPERS) Savings.** Executive Order 2007-3 reduced defined benefit contributions to MPERS for seven of the universities. This one-time re-valuation of the system's assets resulted in a base adjustment for FY 2007-08. 4,022,900
3. **Michigan Merit Awards.** The Governor, House, and Senate adjusted funding for Merit Awards to reflect the move to the new Promise Grants for the class of 2007; \$43.5 million of Merit funding was transferred to Promise Grants and \$18.2 million was eliminated due to temporary cost savings related to the payment schedule of the new Promise Grants. (61,700,000)
4. **Michigan Promise Grants.** Public Act 479 of 2006 created this program that provides merit-based grants of up to \$4,000 to students who do well on the high school Merit Exam or who complete two years of postsecondary education with a 2.5 GPA. The State Budget Office estimated that \$43.5 million would be required for FY 2007-08. 43,500,000
5. **Tuition Incentive Program (TIP).** Due to a growing caseload, this program that promises to pay college tuition for Medicaid-eligible students who graduate from high school was increased from \$14.0 million to \$21.0 million. There were 9,046 TIP students in FY 2005-06 compared to 7,637 in FY 2004-05. 7,100,000
6. **Elimination of Michigan Leadership, Education, and Development (MiLEAD).** (5,000,000)
7. **Project "Gaining Early Awareness and Readiness for Undergraduate Programs" (GEAR UP).** The mission of this new Federal program is to increase the number of low-income students prepared to succeed in postsecondary education. The Project plans to target three urban school systems: Detroit, Flint, and Muskegon. 3,000,000

Conference Agreement on Items of Difference

8. **Format Change.** The Governor and House recommended two separate Higher Education budget bills: one for the three "research" universities and one for the other 12 universities; the Senate retained one bill for all 15 universities. The Conference adopted one bill with separate articles for the research universities, State universities, and financial aid.
9. **University Operations.** An increase of 1.0% was added to each university. 14,128,100
10. **Agricultural Experiment Station (AES) and Cooperative Extension Service (CES).** The Governor reduced CES by 9.1%; the House retained AES and CES at their FY 2006-07 funding levels of \$33.8 million and \$29.2 million, respectively. The Conference added an 0.5% increase to each. 302,300
11. **State Competitive Scholarships.** New Federal funds were added, resulting in a total appropriation of \$35.5 million with total Federal revenue of \$2.9 million. 1,400,000
12. **Tuition Grants.** The Governor recommended elimination of these need-based grants for students at independent colleges; the Conference retained the FY 2006-07 year-to-date appropriated level of \$56.7 million, funded in part by \$1.4 million in carryforward funds. 0
13. **Indian Tuition Waivers.** The Conference included funding for public university waivers. 1,400,000

Total Changes **\$285,625,300**

FY 2007-08 Conference Report Gross Appropriation \$1,896,375,700

Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2006-07 Year to Date:Items Included by the House (House Bills 4350/4351) and Senate (Senate Bill 511)

1. **University Payment Schedule.** Governor deleted "equal" from monthly distribution; House/Senate retained. (Sec. 212(1))
2. **FY 2006-07 Payment Delay.** Governor, House, and Senate required restoration of the delayed payment on October 16, 2007, and its accrual to each university's 2006-07 fiscal year. (Sec. 212(2))
3. **Appropriations Report from Fiscal Agencies.** Governor deleted; House and Senate retained. (Sec. 212(4))
4. **Nursing Scholarship and Grant Programs.** Governor, House, and Senate deleted reference to Master's degree component because it is now part of the Nursing Scholarship Act. (Sec. 312)
5. **MILEAD.** Governor, House, and Senate deleted.
6. **Douglas Lake.** Governor deleted intent to preserve research value; House and Senate retained. (Sec. 402/307)
7. **House Funding Model.** Governor, House, and Senate deleted.
8. **Lists of Required Textbooks.** Governor deleted intent for timely access, House/Senate retained. (Sec. 426)
9. **Macomb County.** House and Senate required report on county residents enrolled at public universities. (Sec. 463)
10. **King-Chavez-Parks Initiative.** House and Senate changed all references to "minorities", "underrepresented", and "males" to "academically and economically disadvantaged". (Secs. 501-506)
11. **Distance Learning.** Governor, House, and Senate revised definition to include instruction that occurs solely outside a traditional classroom and for which tuition rates are different than in-State main campus resident rates. (Sec. 701)
12. **New Academic Programs.** House and Senate added Presidents Council-approved programs. (Sec. 701a)

Conference Agreement on Items of Difference

13. **Tuition Grant Program.** Governor deleted due to proposed elimination of the Program; House restored but deleted fund carry-forward provision and Ferris/Kendall College student eligibility; Senate retained current year language with new requirement to spend "substantially all" of the appropriated funds; Conference Report added \$2,100 grant minimum and retained fund carry-forward provision. (Sec. 302)
14. **Tuition Incentive Program (TIP).** Governor and House prohibited enrollment in an institution whose primary purpose is to prepare students for the clergy; Senate and Conference Report did not. (Sec. 310(11))
15. **University Research Corridor.** House created legal entity; Conference Report did not. (Sec. 403)
16. **Future Farmers of America.** Senate had \$100 placeholder within MSU; Conferees earmarked \$80,000. (Sec. 434)
17. **Tuition Restraint.** Governor changed "legislative intent" for universities to increase financial aid if tuition is increased, to a requirement; Conference Report retained legislative intent status. (Sec. 436)
18. **Per-Student Floor Funding.** Governor and House deleted; Senate and Conference Report retained. (Sec. 450)
19. **Suicide Prevention.** House/Conference Report added intent for universities to develop education programs. (Sec. 462)
20. **Technology Commercialization Incentive Fund.** Senate required plan from each university on its process to inform private and public sectors regarding research and technology that could be developed commercially; Conference Report combined House/Senate concepts. (Sec. 464)
21. **Independent Commission.** Senate added intent for audits of university spending; Conference Report deleted. (Sec. 465)
22. **Coordination of Purchases.** House and Senate added intent for universities to coordinate purchases of goods and services and to report on pooled purchases and savings achieved; Conference Report combined House/Senate. (Sec. 466)
23. **Performance Standards.** Conference added intent to establish standards. (Sec. 467)
24. **Community Colleges.** Senate/Conference Report added intent for universities to facilitate transfer of credits. (Sec. 603)
25. **Education Degrees.** Governor/House/Conference Report deleted report on efforts to increase degrees conferred for teaching high school math, physics, chemistry, biology, foreign languages, and in critical shortage areas. (Sec. 711)
26. **Research and Technology Transfer Report.** Governor deleted requirement for 12 of the universities, retained it for Michigan State University, University of Michigan-Ann Arbor, and Wayne State University, Conference deleted. (Sec. 712)
27. **Federal Privacy Act.** Senate/Conference added intent to comply. (Sec. 714)

Date Completed: 10-26-07

Fiscal Analyst: Ellen Jeffries

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

FY 2007-08 HIGHER EDUCATION APPROPRIATIONS: HOUSE BILL 4350 CONFERENCE REPORT



	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	YTD 2006-07 Approp Per Student*	FY 2006-07 Year-To-Date Appropriation	University Operations Increase 1.0%; AES/CES 0.5%	Indian Tuition Waivers \$1,400,000	Financial Aid/Other Changes	FY 2007-08 Conference	Dollar Change From 2006-07	Percent Change From 2006-07	2007-08 Approp. Per Student*
UNIVERSITIES									
Central	\$3,753	\$80,994,600	\$795,500	\$151,000		\$81,941,100	\$946,500	1.2%	\$3,797
Eastern	4,099	76,955,400	755,800	62,900		77,774,100	818,700	1.1%	4,142
Ferris	4,447	49,201,300	483,200	46,300		49,730,800	529,500	1.1%	4,495
Grand Valley	3,132	62,603,400	614,900	169,200		63,387,500	784,100	1.3%	3,172
Lake Superior	4,950	12,675,900	124,500	181,500		12,981,900	306,000	2.4%	5,069
Michigan State	6,767	287,127,000	2,820,000	192,800		290,139,800	3,012,800	1.0%	6,838
Michigan Tech	7,920	48,501,100	476,300	50,800		49,028,200	527,100	1.1%	8,006
Northern	5,331	45,593,100	447,800	130,600		46,171,500	578,400	1.3%	5,398
Oakland	3,606	51,378,000	504,600	50,300		51,932,900	554,900	1.1%	3,645
Saginaw Valley	3,605	28,052,100	275,500	28,600		28,356,200	304,100	1.1%	3,644
UM-Ann Arbor	7,995	320,156,000	3,144,400	139,500		323,439,900	3,283,900	1.0%	8,077
UM-Dearborn	4,009	25,027,400	245,800	21,800		25,295,000	267,600	1.1%	4,052
UM-Flint	4,138	21,151,100	207,700	21,100		21,379,900	228,800	1.1%	4,183
Wayne State	8,592	216,822,300	2,129,500	94,700		219,046,500	2,224,200	1.0%	8,680
Western	4,765	110,973,200	1,089,900	58,900		112,122,000	1,148,800	1.0%	4,814
Ag Experiment Station(AES)		33,827,100	169,100			33,996,200	169,100	0.5%	
Cooperative Extension(CES)		29,176,400	145,900			29,322,300	145,900	0.5%	
Payment Delay Restoration		0			138,736,000	138,736,000	138,736,000	na	
Higher Education Database		200,000				200,000	0	0.0%	
Midwest Higher Ed Compact		90,000				90,000	0	0.0%	
King-Chavez-Parks		2,691,500				2,691,500	0	0.0%	
TOTAL UNIVERSITIES	\$5,680	\$1,503,196,900	\$14,430,400	\$1,400,000	\$138,736,000	\$1,657,763,300	\$154,566,400	10.3%	\$5,742
Merit Award Trust Fund		9,500,000	0	0	(9,500,000)	0	(9,500,000)	-100.0%	
State GF/GP		\$1,493,696,900	\$14,430,400	\$1,400,000	\$148,236,000	\$1,657,763,300	\$164,066,400	11.0%	
GRANTS & FINANCIAL AID									
Competitive Scholarships		\$34,130,500			\$1,400,000	\$35,530,500	\$1,400,000	4.1%	
Tuition Grants		56,668,100				56,668,100	0	0.0%	
Work Study		7,326,300				7,326,300	0	0.0%	
Part-time Independent		2,653,300				2,653,300	0	0.0%	
Ed.Opportunity Grants(MEOG)		2,084,200				2,084,200	0	0.0%	
Byrd Scholarship Program		1,500,000				1,500,000	0	0.0%	
Nursing Scholarship Program		4,250,000				4,250,000	0	0.0%	
Michigan Merit Award Program		121,700,000			(61,700,000)	60,000,000	(61,700,000)	-50.7%	
Michigan Promise Grant Program		0			43,500,000	43,500,000	43,500,000	na	
Tuition Incentive Program(TIP)		14,000,000			7,100,000	21,100,000	7,100,000	50.7%	
Children of Veterans Tuition		1,000,000				1,000,000	0	0.0%	
Project Gear-Up		0			3,000,000	3,000,000	3,000,000	na	
Mi. Leadership, Ed, Development		5,000,000			(5,000,000)	0	(5,000,000)	-100.0%	
TOTAL FINANCIAL AID		\$250,312,400	\$0	\$0	(\$11,700,000)	\$238,612,400	(\$11,700,000)	-4.7%	
Federal		3,000,000	0	0	4,400,000	7,400,000	4,400,000	146.7%	
Merit Award Trust Fund		132,300,000	0	0	(8,700,000)	123,600,000	(8,700,000)	-6.6%	
MHEAA/Carry-Forward		5,900,000	0	1,400,000	(4,700,000)	2,600,000	(3,300,000)	-55.9%	
Veterans Tax Checkoff		1,000,000	0	0	0	1,000,000	0	0.0%	
Civilian Conservation Corps		5,000,000	0	0	(5,000,000)	0	(5,000,000)	-100.0%	
State GF/GP		\$103,112,400	\$0	(\$1,400,000)	\$2,300,000	\$104,012,400	\$900,000	0.9%	
TOTAL HIGHER ED		\$1,753,509,300	\$14,430,400	\$1,400,000	\$127,036,000	\$1,896,375,700	\$142,866,400	8.1%	
TOTAL FEDERAL		3,000,000	0	0	4,400,000	7,400,000	4,400,000	146.7%	
TOTAL STATE RESTRICTED		153,700,000	0	1,400,000	(27,900,000)	127,200,000	(26,500,000)	-17.2%	
TOTAL STATE GF/GP		\$1,596,809,300	\$14,430,400	\$0	\$150,536,000	\$1,761,775,700	\$164,966,400	10.3%	