

**SUBSTITUTE FOR
SENATE BILL NO. 123**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 236, 236a, 236b, 236c, 241, 244, 246, 252,
254, 255, 258, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274,
276, 277, 278, 279, 280, and 281 (MCL 388.1836, 388.1836a,
388.1836b, 388.1836c, 388.1841, 388.1844, 388.1846, 388.1852,
388.1854, 388.1855, 388.1858, 388.1863, 388.1863a, 388.1864,
388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870,
388.1874, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, and
388.1881), section 236 as amended by 2015 PA 5, sections 236a,
236b, 236c, 241, 246, 252, 263, 263a, 264, 265, 265a, 267, 268,
269, 270, 274, 276, 277, 278, 279, 280, and 281 as amended by 2014
PA 196, sections 244 and 258 as amended by 2013 PA 60, and sections

254 and 255 as amended by 2012 PA 201; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 236. (1) Subject to the conditions set forth in this
2 article, the amounts listed in this section are appropriated for
3 higher education for the fiscal year ending September 30, ~~2015,~~
4 **2016**, from the funds indicated in this section. The following is a
5 summary of the appropriations in this section:

6 (a) The gross appropriation is ~~\$1,516,496,300.00.~~
7 **\$1,541,219,200.00.** After deducting total interdepartmental grants
8 and intradepartmental transfers in the amount of \$0.00, the
9 adjusted gross appropriation is ~~\$1,516,496,300.00.~~
10 **\$1,541,219,200.00.**

11 (b) The sources of the adjusted gross appropriation described
12 in subdivision (a) are as follows:

13 (i) Total federal revenues, \$97,026,400.00.

14 (ii) Total local revenues, \$0.00.

15 (iii) Total private revenues, \$0.00.

16 (iv) Total other state restricted revenues,

17 ~~\$206,567,900.00.~~**\$205,279,500.00.**

18 (v) State general fund/general purpose money,

19 ~~\$1,212,902,000.00.~~**\$1,238,913,300.00.**

20 (2) Amounts appropriated for public universities are as
21 follows:

22 (a) The appropriation for Central Michigan University is
23 ~~\$79,115,000.00, \$73,540,100.00 for operations and \$5,574,900.00 for~~
24 ~~performance funding.~~**\$81,502,900.00, \$79,164,800.00 FOR OPERATIONS**

1 **AND \$2,338,100.00 FOR PERFORMANCE FUNDING.**

2 (b) The appropriation for Eastern Michigan University is
 3 ~~\$71,771,100.00, \$67,275,400.00 for operations and \$4,495,700.00 for~~
 4 ~~performance funding.~~**\$73,196,700.00, \$71,782,500.00 FOR OPERATIONS**
 5 **AND \$1,414,200.00 FOR PERFORMANCE FUNDING.**

6 (c) The appropriation for Ferris State University is
 7 ~~\$49,087,000.00, \$45,636,500.00 for operations and \$3,450,500.00 for~~
 8 ~~performance funding.~~**\$50,606,700.00, \$49,119,100.00 FOR OPERATIONS**
 9 **AND \$1,487,600.00 FOR PERFORMANCE FUNDING.**

10 (d) The appropriation for Grand Valley State University is
 11 ~~\$63,136,000.00, \$57,823,500.00 for operations and \$5,312,500.00 for~~
 12 ~~performance funding.~~**\$65,680,200.00, \$63,156,500.00 FOR OPERATIONS**
 13 **AND \$2,523,700.00 FOR PERFORMANCE FUNDING.**

14 (e) The appropriation for Lake Superior State University is
 15 ~~\$12,782,500.00, \$12,231,000.00 for operations and \$551,500.00 for~~
 16 ~~performance funding.~~**\$13,247,300.00, \$12,997,500.00 FOR OPERATIONS**
 17 **AND \$249,800.00 FOR PERFORMANCE FUNDING.**

18 (f) The appropriation for Michigan State University is
 19 ~~\$324,038,100.00, \$249,597,800.00 for operations, \$14,831,300.00 for~~
 20 ~~performance funding, \$32,027,900.00 for MSU AgBioResearch, and~~
 21 ~~\$27,581,100.00 for MSU extension.~~**\$330,391,700.00, \$264,437,900.00**
 22 **FOR OPERATIONS, \$5,152,600.00 FOR PERFORMANCE FUNDING,**
 23 **\$32,668,500.00 FOR MSU AGBIORESEARCH, AND \$28,132,700.00 FOR MSU**
 24 **EXTENSION.**

25 (g) The appropriation for Michigan Technological University is
 26 ~~\$45,923,100.00, \$43,473,800.00 for operations and \$2,449,300.00 for~~
 27 ~~performance funding.~~**\$46,908,000.00, \$45,938,000.00 FOR OPERATIONS**

1 AND \$970,000.00 FOR PERFORMANCE FUNDING.

2 (h) The appropriation for Northern Michigan University is
3 ~~\$44,277,200.00, \$41,741,400.00 for operations and \$2,535,800.00 for~~
4 ~~performance funding.~~ \$45,254,400.00, \$44,338,300.00 FOR OPERATIONS
5 AND \$916,100.00 FOR PERFORMANCE FUNDING.

6 (i) The appropriation for Oakland University is
7 ~~\$48,364,100.00, \$45,651,600.00 for operations and \$2,712,500.00 for~~
8 ~~performance funding.~~ \$50,021,000.00, \$48,371,900.00 FOR OPERATIONS
9 AND \$1,649,100.00 FOR PERFORMANCE FUNDING.

10 (j) The appropriation for Saginaw Valley State University is
11 ~~\$27,610,200.00, \$25,991,000.00 for operations and \$1,619,200.00 for~~
12 ~~performance funding.~~ \$28,120,400.00, \$27,621,600.00 FOR OPERATIONS
13 AND \$498,800.00 FOR PERFORMANCE FUNDING.

14 (k) The appropriation for University of Michigan - Ann Arbor
15 is ~~\$295,174,100.00, \$279,232,700.00 for operations and~~
16 ~~\$15,941,400.00 for performance funding.~~ \$300,874,900.00,
17 \$295,178,500.00 FOR OPERATIONS AND \$5,696,400.00 FOR PERFORMANCE
18 FUNDING.

19 (l) The appropriation for University of Michigan - Dearborn is
20 ~~\$23,689,300.00, \$22,510,400.00 for operations and \$1,178,900.00 for~~
21 ~~performance funding.~~ \$24,095,700.00, \$23,701,000.00 FOR OPERATIONS
22 AND \$394,700.00 FOR PERFORMANCE FUNDING.

23 (m) The appropriation for University of Michigan - Flint is
24 ~~\$21,337,700.00, \$19,938,200.00 for operations and \$1,399,500.00 for~~
25 ~~performance funding.~~ \$21,901,700.00, \$21,359,600.00 FOR OPERATIONS
26 AND \$542,100.00 FOR PERFORMANCE FUNDING.

27 (n) The appropriation for Wayne State University is

1 ~~\$190,519,800.00, \$183,398,300.00 for operations and \$7,121,500.00~~
 2 ~~for performance funding.~~ **\$191,623,200.00, \$190,529,900.00 FOR**
 3 **OPERATIONS AND \$1,093,300.00 FOR PERFORMANCE FUNDING.**

4 (o) The appropriation for Western Michigan University is
 5 ~~\$102,742,000.00, \$97,279,000.00 for operations and \$5,463,000.00~~
 6 ~~for performance funding.~~ **\$104,633,700.00, \$102,761,100.00 FOR**
 7 **OPERATIONS AND \$1,872,600.00 FOR PERFORMANCE FUNDING.**

8 (3) The amount appropriated in subsection (2) for public
 9 universities is appropriated from the following:

10 (a) State school aid fund, \$200,019,500.00.

11 (b) State general fund/general purpose money,
 12 ~~\$1,199,547,700.00.~~ **\$1,228,039,000.00.**

13 (4) The amount appropriated for Michigan public school
 14 employees' retirement system reimbursement is ~~\$2,446,200.00,~~
 15 **\$5,160,000.00**, appropriated from the state school aid fund.

16 ~~— (5) For fiscal year 2014 2015 only, in addition to the amount~~
 17 ~~appropriated under subsection (4), \$4,002,200.00 is appropriated~~
 18 ~~for Michigan public school employees' retirement system~~
 19 ~~reimbursement, appropriated from the state school aid fund.~~

20 (5) ~~(6)~~ The amount appropriated for state and regional
 21 programs is ~~\$2,295,000.00~~ **\$315,000.00**, appropriated from general
 22 fund/general purpose money and allocated as follows:

23 ~~— (a) College access program, \$2,000,000.00.~~

24 (A) ~~(b)~~ Higher education database modernization and
 25 conversion, \$200,000.00.

26 (B) ~~(c) Midwestern higher education compact,~~ **HIGHER EDUCATION**
 27 **COMPACT, \$95,000.00.** **\$115,000.00.**

1 (6) ~~(7)~~—The amount appropriated for the Martin Luther King,
2 Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00,
3 appropriated from general fund/general purpose money and allocated
4 as follows:

5 (a) Select student support services, \$1,956,100.00.

6 (b) Michigan college/university partnership program,
7 \$586,800.00.

8 (c) Morris Hood, Jr. educator development program,
9 \$148,600.00.

10 (7) ~~(8)~~—Subject to subsection ~~(9)~~, ~~(8)~~, the amount
11 appropriated for grants and financial aid is ~~\$105,494,200.00~~,
12 **\$104,994,200.00**, allocated as follows:

13 (a) State competitive scholarships, \$18,361,700.00~~—~~

14 (b) Tuition grants, \$33,532,500.00.

15 (c) Tuition incentive program, \$48,500,000.00.

16 (d) Children of veterans and officer's survivor tuition grant
17 programs, \$1,400,000.00.

18 (e) Project GEAR-UP, \$3,200,000.00.

19 ~~—(f) North American Indian tuition waivers, \$500,000.00.~~

20 (8) ~~(9)~~—The money appropriated in subsection (8) for grants
21 and financial aid is appropriated from the following:

22 (a) Federal revenues under the United States ~~department of~~
23 ~~education, office of elementary and secondary education, DEPARTMENT~~
24 **OF EDUCATION, OFFICE OF ELEMENTARY AND SECONDARY EDUCATION**, GEAR-UP
25 program, \$3,200,000.00.

26 (b) Federal revenues under the social security act, temporary
27 assistance for needy families, \$93,826,400.00.

1 (c) Contributions to children of veterans tuition grant
2 program, \$100,000.00.

3 (d) State general fund/general purpose money,
4 ~~\$8,367,800.00~~-\$7,867,800.00.

5 Sec. 236a. It is the intent of the legislature to provide
6 appropriations for the fiscal year ending on September 30, ~~2016~~
7 **2017** for the items listed in section 236. The fiscal year ~~2015-2016~~
8 **2016-2017** appropriations are anticipated to be the same as those
9 for fiscal year ~~2014-2015,~~ **2015-2016**, except that the amounts will
10 be adjusted for changes in caseload and related costs, federal fund
11 match rates, economic factors, and available revenue. These
12 adjustments will be determined after the January ~~2015-2016~~
13 consensus revenue estimating conference.

14 Sec. 236b. In addition to the funds appropriated in section
15 236, there is appropriated for grants and financial aid in fiscal
16 year ~~2014-2015-2015-2016~~ an amount not to exceed \$6,000,000.00 for
17 federal contingency funds. These funds are not available for
18 expenditure until they have been transferred under section 393(2)
19 of the management and budget act, 1984 PA 431, MCL 18.1393, for
20 another purpose under this article.

21 Sec. 236c. In addition to the funds appropriated for fiscal
22 year ~~2014-2015-2015-2016~~ in section 236, appropriations to the
23 department of technology, management, and budget in the act
24 providing general appropriations for fiscal year ~~2014-2015-2015-~~
25 **2016** for state building authority rent, totaling an estimated
26 ~~\$124,825,300.00,~~ **\$135,995,300.00**, provide funding for the state
27 share of costs for previously constructed capital projects for

1 state universities. These appropriations for state building
 2 authority rent represent additional state general fund support
 3 provided to public universities, and the following is an estimate
 4 of the amount of that support to each university:

5 (a) Central Michigan University, ~~\$9,103,200.00~~-\$9,551,800.00.

6 (b) Eastern Michigan University, ~~\$4,861,700.00~~-\$4,860,900.00.

7 (c) Ferris State University, ~~\$6,252,200.00~~-\$6,251,200.00.

8 (d) Grand Valley State University,

9 ~~\$4,252,500.00~~-\$6,952,300.00.

10 (e) Lake Superior State University,

11 ~~\$1,112,900.00~~-\$1,720,300.00.

12 (f) Michigan State University, ~~\$16,101,200.00~~-\$16,549,200.00.

13 (g) Michigan Technological University,

14 ~~\$7,444,600.00~~-\$7,443,400.00.

15 (h) Northern Michigan University, ~~\$8,016,400.00~~-\$9,706,200.00.

16 (i) Oakland University, ~~\$10,969,800.00~~-\$12,993,400.00.

17 (j) Saginaw Valley State University,

18 ~~\$9,777,400.00~~-\$9,865,800.00.

19 (k) University of Michigan - Ann Arbor,

20 ~~\$9,159,200.00~~-\$9,607,800.00.

21 (l) University of Michigan - Dearborn,

22 ~~\$6,296,200.00~~-\$6,745,200.00.

23 (m) University of Michigan - Flint,

24 ~~\$2,855,000.00~~-\$3,104,000.00.

25 (n) Wayne State University, ~~\$13,679,800.00~~-\$15,703,000.00.

26 (o) Western Michigan University,

27 ~~\$14,943,200.00~~-\$14,940,800.00.

1 Sec. 241. (1) Subject to ~~section~~**SECTIONS 244 AND** 265a, the
2 funds appropriated in section 236 to public universities shall be
3 paid out of the state treasury and distributed by the state
4 treasurer to the respective institutions in 11 equal monthly
5 installments on the sixteenth of each month, or the next succeeding
6 business day, beginning with October 16, ~~2014.~~**2015**. Except for
7 Wayne State University, each institution shall accrue its July and
8 August ~~2015~~**2016** payments to its institutional fiscal year ending
9 June 30, ~~2015.~~**2016**.

10 (2) All public universities shall submit higher education
11 institutional data inventory (HEIDI) data and associated financial
12 and program information requested by and in a manner prescribed by
13 the state budget director. For public universities with fiscal
14 years ending June 30, ~~2014,~~**2015**, these data shall be submitted to
15 the state budget director by October 15, ~~2014.~~**2015**. Public
16 universities with a fiscal year ending September 30, ~~2014~~**2015**
17 shall submit preliminary HEIDI data by November 15, ~~2014~~**2015** and
18 final data by December 15, ~~2014.~~**2015**. If a public university fails
19 to submit HEIDI data and associated financial aid program
20 information in accordance with this reporting schedule, the state
21 treasurer may withhold the monthly installments under subsection
22 (1) to the public university until those data are submitted.

23 Sec. 244. A public university receiving funds in section 236
24 shall cooperate with all measures taken by the state to develop,
25 operate, and maintain the statewide P-20 longitudinal data system
26 described in section 94a. If the state budget director finds that a
27 university has not complied with this section, the state budget

1 director is authorized to withhold the monthly installments
2 provided to that university under section ~~236~~—241 until he or she
3 finds the university has complied with this section.

4 Sec. 246. (1) **ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF**
5 **THE FISCAL YEAR 2015-2016 APPROPRIATIONS DESCRIBED IN SECTION**
6 **236(4) FOR PAYMENTS TO UNIVERSITIES THAT ARE PARTICIPATING ENTITIES**
7 **OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM:**

8 (A) The funds appropriated in section ~~236~~—236(4) for Michigan
9 public school employees' retirement system reimbursement shall be
10 allocated to each participating public university under this
11 section based on each participating public university's percentage
12 of the total combined payrolls of the universities' employees who
13 are members of the retirement system and who were hired before
14 January 1, 1996 and the universities' employees who would have been
15 members of the retirement system on or after January 1, 1996, but
16 for the enactment of 1995 PA 272 for all public universities that
17 are participating public universities for the immediately preceding
18 state fiscal year.

19 (B) **THE AMOUNT OF A PAYMENT UNDER SECTION 236(4) SHALL BE**
20 **EQUAL TO THE DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED**
21 **LIABILITY CONTRIBUTION RATE FOR UNIVERSITY REPORTING UNITS AS**
22 **CALCULATED UNDER SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES**
23 **RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AS CALCULATED**
24 **WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 25.73%**
25 **INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT**
26 **ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE MAXIMUM EMPLOYER**
27 **RATE FOR UNIVERSITY REPORTING UNITS OF 25.73% UNDER SECTION 41 OF**

1 THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300,
2 MCL 38.1341. Payments shall be made in a form and manner determined
3 by the office of retirement services.

4 (C) A public university that receives money under ~~this~~ section
5 236(4) shall use that money solely for the purpose of ~~offsetting a~~
6 ~~portion of the retirement contributions. owed by the university.~~
7 EACH PARTICIPATING UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION
8 236(4) SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT RECEIVED UNDER
9 SECTION 236(4) TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT
10 SYSTEM IN A FORM AND MANNER DETERMINED BY THE OFFICE OF RETIREMENT
11 SERVICES.

12 (2) As used in this section, "participating public university"
13 means a public university that is a reporting unit of the Michigan
14 public school employees' retirement system under the public school
15 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
16 ~~38.1408, 38.1437~~, and that pays contributions to the Michigan
17 public school employees' retirement system for the state fiscal
18 year.

19 Sec. 252. (1) The amounts appropriated in section 236 for the
20 state tuition grant program shall be distributed pursuant to 1966
21 PA 313, MCL 390.991 to 390.997a.

22 (2) Tuition grant awards shall be made to all eligible
23 Michigan residents enrolled in undergraduate degree programs who
24 are qualified and who apply before July 1 of each year for the next
25 academic year.

26 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
27 subject to subsections (7) and (8), the department of treasury

1 shall determine an actual maximum tuition grant award per student,
2 which shall be no less than \$1,512.00, that ensures that the
3 aggregate payments for the tuition grant program do not exceed the
4 appropriation contained in section 236 for the state tuition grant
5 program. If the department determines that insufficient funds are
6 available to establish a maximum award amount equal to at least
7 \$1,512.00, the department shall immediately report to the house and
8 senate appropriations subcommittees on higher education, the house
9 and senate fiscal agencies, and the state budget director regarding
10 the estimated amount of additional funds necessary to establish a
11 \$1,512.00 maximum award amount. If the department determines that
12 sufficient funds are available to establish a maximum award amount
13 equal to at least \$1,512.00, the department shall immediately
14 report to the house and senate appropriations subcommittees on
15 higher education, the house and senate fiscal agencies, and the
16 state budget director regarding the maximum award amount
17 established and the projected amount of any projected year-end
18 appropriation balance based on that maximum award amount. By
19 December 15, and again by February 18 of each fiscal year, the
20 department shall analyze the status of award commitments, shall
21 make any necessary adjustments, and shall confirm that those award
22 commitments will not exceed the appropriation contained in section
23 236 for the tuition grant program. The determination and actions
24 shall be reported to the state budget director and the house and
25 senate fiscal agencies no later than the final day of February of
26 each year. If award adjustments are necessary, the students shall
27 be notified of the adjustment by March 4 of each year.

1 (4) Any unexpended and unencumbered funds remaining on
2 September 30, ~~2015-2016~~ from the amounts appropriated in section
3 236 for the tuition grant program for fiscal year ~~2014-2015-2015-~~
4 ~~2016~~ shall not lapse on September 30, ~~2015,~~~~2016~~, but shall
5 continue to be available for expenditure for tuition grants
6 provided in the ~~2015-2016-2016-2017~~ fiscal year under a work
7 project account. The use of these unexpended fiscal year ~~2014-2015~~
8 ~~2015-2016~~ funds shall terminate at the end of the ~~2015-2016-2016-~~
9 ~~2017~~ fiscal year.

10 (5) The department of treasury shall continue a proportional
11 tuition grant maximum award level for recipients enrolled less than
12 full-time in a given semester or term.

13 (6) If the department of treasury increases the maximum award
14 per eligible student from that provided in the previous fiscal
15 year, it shall not have the effect of reducing the number of
16 eligible students receiving awards in relation to the total number
17 of eligible applicants. Any increase in the maximum grant shall be
18 proportional for all eligible students receiving awards for that
19 fiscal year.

20 (7) Except as provided in subsection (4), the department of
21 treasury shall not award more than \$3,200,000.00 in tuition grants
22 to eligible students enrolled in the same independent nonprofit
23 college or university in this state. Any decrease in the maximum
24 grant shall be proportional for all eligible students enrolled in
25 that college or university, as determined by the department.

26 (8) The department of treasury shall not award tuition grants
27 to otherwise eligible students enrolled in an independent college

1 or university that does not report, in a form and manner directed
2 by and satisfactory to the department of treasury, by ~~August 31~~
3 **SEPTEMBER 30** of each year, ~~beginning with August 31, 2015,~~ all of
4 the following:

5 (a) The number of students in the most recently completed
6 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state
7 tuition grant **AT THE REPORTING INSTITUTION** and successfully
8 completed a program or graduated.

9 (b) The number of students in the most recently completed
10 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state
11 tuition grant **AT THE REPORTING INSTITUTION** and took a remedial
12 education class.

13 (c) The number of students in the most recently completed
14 academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a Pell grant
15 **AT THE REPORTING INSTITUTION** and successfully completed a program
16 or graduated.

17 Sec. 254. The sums appropriated in section 236 for ~~the state~~
18 ~~competitive scholarship, tuition incentive, and tuition grant~~
19 ~~programs~~ **STUDENT FINANCIAL AID PROGRAMS UNDER THIS ARTICLE** shall be
20 paid out of the state treasury and shall be distributed to the
21 respective institutions under a quarterly payment system as
22 follows: 50% shall be paid at the beginning of the state's first
23 fiscal quarter, 30% during the state's second fiscal quarter, 10%
24 during the state's third fiscal quarter, and 10% during the state's
25 fourth fiscal quarter.

26 Sec. 255. The department of treasury shall determine the needs
27 analysis criteria for students to qualify for the ~~state competitive~~

1 ~~scholarship program and tuition grant program.~~ **STUDENT FINANCIAL**
2 **AID PROGRAMS UNDER THIS ARTICLE.** To be consistent with federal
3 requirements, the department of treasury may take student wages
4 into consideration when determining the amount of the award.

5 Sec. 258. By February 15 of each year, the department of
6 treasury shall post to its publicly available website a report for
7 the preceding fiscal year on all student financial aid programs for
8 which funds are appropriated in **SECTION 201 OR** section 236. For
9 each student financial aid program, the report shall include, but
10 is not limited to, the total number of awards paid in the preceding
11 fiscal year, the total dollar amount of those awards, and the
12 number of students receiving awards and the total amount of those
13 awards at each eligible postsecondary institution. To the extent
14 information is available, the report shall also include information
15 on household income and other demographic characteristics of
16 students receiving awards under each program and historical
17 information on the number of awards and total award amounts for
18 each program.

19 Sec. 263. (1) Included in the appropriation in section 236 for
20 fiscal year ~~2014-2015-2015-2016~~ for MSU AgBioResearch is
21 \$2,982,900.00 and included in the appropriation in section 236 for
22 MSU ~~extension~~-**EXTENSION** is \$2,645,200.00 for ~~project~~-**PROJECT**
23 **GREEN**. Project **GREEN** is intended to address critical regulatory,
24 food safety, economic, and environmental problems faced by this
25 state's plant-based agriculture, forestry, and processing
26 industries. "GREEN" is an acronym for generating research and
27 extension to meet environmental and economic needs.

1 (2) The department of agriculture and rural development and
2 Michigan State University, in consultation with agricultural
3 commodity groups and other interested parties, shall develop
4 ~~project~~**PROJECT** GREEN and its program priorities.

5 Sec. 263a. (1) Not later than September 30 of each year,
6 Michigan State University shall submit a report on MSU
7 AgBioResearch and MSU ~~extension~~**EXTENSION** to the house and senate
8 appropriations subcommittees on agriculture and on higher
9 education, the house and senate standing committees on agriculture,
10 the house and senate fiscal agencies, and the state budget director
11 for the preceding academic fiscal year.

12 (2) The report required under subsection (1) shall include all
13 of the following:

14 (a) Total funds expended by MSU AgBioResearch and by MSU
15 ~~extension service~~**EXTENSION** identified by state, local, private,
16 federal, and university fund sources.

17 (b) The metric goals that were used to evaluate the impacts of
18 programs operated by MSU ~~extension~~**EXTENSION** and MSU AgBioResearch.
19 It is the intent of the legislature that the following metric goals
20 will be used to evaluate the impacts of those programs:

21 (i) Increasing the number of agriculture and food-related
22 firms collaborating with and using services of research and
23 extension faculty and staff by 3% per year.

24 (ii) Increasing the number of individuals utilizing MSU
25 ~~extension's~~**EXTENSION'S** educational services by 5% per year.

26 (iii) Increasing external funds generated in support of
27 research and extension, beyond state appropriations, by 10% over

1 the amounts generated in the past 3 state fiscal years.

2 (iv) Increasing the sector's total economic impact ~~from~~
3 ~~today's \$71,000,000,000.00~~ to **AT LEAST** \$100,000,000,000.00.

4 (v) ~~Doubling~~ **INCREASING** Michigan's agricultural exports ~~from~~
5 ~~\$1,750,000,000.00~~ to **AT LEAST** \$3,500,000,000.00.

6 (vi) Increasing jobs in the food and agriculture sector by
7 10%.

8 (vii) Improving access by Michigan consumers to healthy foods
9 by 20%.

10 (c) A review of major programs within both MSU AgBioResearch
11 and MSU ~~extension~~ **EXTENSION** with specific reference to
12 accomplishments, impacts, and the metrics described in subdivision
13 (b), including a specific accounting of Project GREEN expenditures
14 and the impact of those expenditures.

15 Sec. 264. Included in the appropriation in section 236 for
16 fiscal year ~~2014-2015-2015-2016~~ for Michigan State University is
17 \$80,000.00 for the Michigan ~~future farmers of America association.~~
18 **FUTURE FARMERS OF AMERICA ASSOCIATION.** This \$80,000.00 allocation
19 shall not supplant any existing support that Michigan State
20 University provides to the Michigan ~~future farmers of America~~
21 ~~association.~~ **FUTURE FARMERS OF AMERICA ASSOCIATION.**

22 Sec. 265. (1) Payments under section 265a for performance
23 funding shall only be made to a public university that certifies to
24 the state budget director by August 31, ~~2014-2015~~ that its board
25 did not adopt an increase in tuition and fee rates for resident
26 undergraduate students after September 1, ~~2013-2014~~ for the ~~2013-~~
27 ~~2014-2014-2015~~ academic year and that its board will not adopt an

1 increase in tuition and fee rates for resident undergraduate
2 students for the ~~2014-2015~~**2015-2016** academic year that is greater
3 than ~~3.2%~~**2.8%**. As used in this subsection:

4 (a) Subject to subdivision (c), "fee" means any board-
5 authorized fee that will be paid by more than 1/2 of all resident
6 undergraduate students at least once during their enrollment at a
7 public university. A university increasing a fee that applies to a
8 specific subset of students or courses shall provide sufficient
9 information to prove that the increase applied to that subset will
10 not cause the increase in the average amount of board-authorized
11 total tuition and fees paid by resident undergraduate students in
12 the ~~2014-2015~~**2015-2016** academic year to exceed the limit
13 established in this subsection.

14 (b) "Tuition and fee rate" means the average of full-time
15 rates for all undergraduate classes, based on an average of the
16 rates authorized by the university board and actually charged to
17 students, deducting any uniformly-rebated or refunded amounts, for
18 the 2 semesters with the highest levels of full-time equated
19 resident undergraduate enrollment during the academic year.

20 (c) For purposes of subdivision (a), for a public university
21 that compels resident undergraduate students to be covered by
22 health insurance as a condition to enroll at the university, "fee"
23 includes the annual amount a student is charged for coverage by the
24 university-affiliated group health insurance policy if he or she
25 does not provide proof that he or she is otherwise covered by
26 health insurance. This subdivision does not apply to limited
27 subsets of resident undergraduate students to be covered by health

1 insurance for specific reasons other than general enrollment at the
2 university.

3 (2) The state budget director shall implement uniform
4 reporting requirements to ensure that a public university receiving
5 a payment under section 265a for performance funding has satisfied
6 the tuition restraint requirements of this section. The state
7 budget director shall have the sole authority to determine if a
8 public university has met the requirements of this section.
9 Information reported by a public university to the state budget
10 director under this subsection shall also be reported to the house
11 and senate appropriations subcommittees on higher education and the
12 house and senate fiscal agencies.

13 Sec. 265a. (1) Appropriations to public universities in
14 section 236 for fiscal year ~~2014-2015~~ **2015-2016** for performance
15 funding shall be paid only to a public university that complies
16 with section 265 and certifies to the state budget director, the
17 house and senate appropriations subcommittees on higher education,
18 and the house and senate fiscal agencies by August 31, ~~2014-2015~~
19 that it complies with all of the following requirements:

20 (a) The university participates in reverse transfer agreements
21 described in section 286 with at least 3 Michigan community
22 colleges or has made a good-faith effort to enter into reverse
23 transfer agreements.

24 (b) The university does not and will not consider whether dual
25 enrollment credits earned by an incoming student were utilized
26 towards his or her high school graduation requirements when making
27 a determination as to whether those credits may be used by the

1 student toward completion of a university degree or certificate
2 program.

3 (c) The university participates in the Michigan ~~transfer~~
4 ~~network~~ **TRANSFER NETWORK** created as part of the Michigan
5 ~~association of collegiate registrars and admissions officers~~
6 **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS**
7 transfer agreement.

8 (2) Any performance funding amounts under section 236 that are
9 not paid to a public university because it did not comply with 1 or
10 more requirements under subsection (1) are unappropriated and
11 reappropriated for performance funding to those public universities
12 that meet the requirements under subsection (1), distributed in
13 proportion to their performance funding appropriation amounts under
14 section 236.

15 (3) The state budget director shall report to the house and
16 senate appropriations subcommittees on higher education and the
17 house and senate fiscal agencies by September ~~17, 2014,~~ **30, 2015,**
18 regarding any performance funding amounts that are not paid to a
19 public university because it did not comply with 1 or more
20 requirements under subsection (1) and any reappropriation of funds
21 under subsection (2).

22 (4) Performance funding amounts described in section 236 are
23 distributed based on the following formula:

24 ~~—(a) Proportional to each university's share of total~~
25 ~~operations funding appropriated in fiscal year 2010-2011, 50.0%.~~

26 **(A)** ~~(b)~~ Based on weighted undergraduate completions in
27 critical skills areas, ~~11.1%~~ **22.2%**

1 **(B)** ~~(e)~~—Based on research and development expenditures, for
 2 universities classified in Carnegie classifications as
 3 doctoral/research universities, research universities (high
 4 research activity), or research universities (very high research
 5 activity) only, ~~5.6%-11.1%~~.

6 **(C)** ~~(d)~~—Based on 6-year graduation rate, total degree
 7 completions, and institutional support as a percentage of core
 8 expenditures, and **THE PERCENTAGE OF** students receiving Pell grants,
 9 scored against national Carnegie classification peers and weighted
 10 by total undergraduate fiscal year equated students, ~~33.3%-66.7%~~.

11 (5) For purposes of determining the score of a university
 12 under subsection ~~(4)(d)~~, **(4)(C)**, each university is assigned 1 of
 13 the following scores:

14 (a) A university classified as in the top 20%, a score of 3.

15 (b) A university classified as above national median, a score
 16 of 2.

17 (c) A university classified as improving, a score of 2. It is
 18 the intent of the legislature that, beginning in the ~~2015-2016~~
 19 **2016-2017** state fiscal year, a university classified as improving
 20 is assigned a score of 1.

21 (d) A university that is not included in subdivision (a), (b),
 22 or (c), a score of 0.

23 (6) For purposes of this section, "Carnegie classification"
 24 shall mean the basic classification of the university according to
 25 the most recent version of the Carnegie classification of
 26 institutions of higher education, published by the Carnegie
 27 ~~foundation for the advancement of teaching.~~ **FOUNDATION FOR THE**

1 **ADVANCEMENT OF TEACHING.**

2 Sec. 267. All public universities shall submit the amount of
3 tuition and fees actually charged to a full-time resident
4 undergraduate student for academic year ~~2014-2015~~ **2015-2016** as part
5 of their higher education institutional data inventory (HEIDI) data
6 by August 31 of each year. A public university shall report any
7 revisions for any semester of the reported academic year ~~2014-2015~~
8 **2015-2016** tuition and fee charges to HEIDI within 15 days of being
9 adopted.

10 Sec. 268. ~~(1) For the fiscal year ending September 30, 2014,~~
11 ~~it is the intent of the legislature that funds be allocated for~~
12 ~~unfunded North American Indian tuition waiver costs incurred by~~
13 ~~public universities under 1976 PA 174, MCL 390.1251 to 390.1253,~~
14 ~~from the general fund.~~

15 ~~—— (2) Appropriations in section 236(8)(f) for North American~~
16 ~~Indian tuition waivers shall be paid to universities under section~~
17 ~~2a of 1976 PA 174, MCL 390.1252a. Allocations shall be adjusted for~~
18 ~~amounts included in university operations appropriations. If funds~~
19 ~~are insufficient to support the entire cost of waivers, amounts~~
20 ~~shall be prorated.~~

21 **(1)** ~~(3)~~—By February 15 of each year, the department of civil
22 rights shall annually submit to the state budget director, the
23 house and senate appropriations subcommittees on higher education,
24 and the house and senate fiscal agencies a report on North American
25 Indian tuition waivers for the preceding fiscal year that includes,
26 but is not limited to, all of the following information for each
27 postsecondary institution:

1 (a) The total number of waiver applications.

2 (b) The total number of waivers granted and the monetary value
3 of each waiver.

4 (c) The number of students who withdraw from classes.

5 (d) The number of students who successfully complete a degree
6 or certificate program and the 6-year graduation rate.

7 **(2) A PUBLIC UNIVERSITY THAT RECEIVES FUNDS IN SECTION 236**
8 **SHALL PROVIDE TO THE DEPARTMENT OF CIVIL RIGHTS ANY INFORMATION**
9 **NECESSARY TO PREPARE THE REPORT DESCRIBED IN SUBSECTION (1).**

10 Sec. 269. For fiscal year ~~2014-2015~~, **2015-2016**, from the
11 amount appropriated in section 236 to Central Michigan University
12 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
13 College for the costs of waiving tuition for North American Indians
14 under 1976 PA 174, MCL 390.1251 to 390.1253.

15 Sec. 270. For fiscal year ~~2014-2015~~, **2015-2016**, from the amount
16 appropriated in section 236 to Lake Superior State University for
17 operations, \$100,000.00 shall be paid to Bay Mills Community
18 College for the costs of waiving tuition for North American Indians
19 under 1976 PA 174, MCL 390.1251 to 390.1253.

20 Sec. 274. It is the intent of the legislature that public and
21 private organizations that conduct human embryonic stem cell
22 derivation subject to section 27 of article I of the state
23 constitution of 1963 will provide information to the director of
24 the department of community health by December 1, ~~2014-2015~~ that
25 includes all of the following:

26 (a) Documentation that the organization conducting human
27 embryonic stem cell derivation is conducting its activities in

1 compliance with the requirements of section 27 of article I of the
2 state constitution of 1963 and all relevant ~~national institutes of~~
3 ~~health~~ **NATIONAL INSTITUTES OF HEALTH** guidelines pertaining to
4 embryonic stem cell derivation.

5 (b) A list of all human embryonic stem cell lines submitted by
6 the organization to the ~~national institutes of health~~ **NATIONAL**
7 **INSTITUTES OF HEALTH** for inclusion in the ~~human embryonic stem cell~~
8 ~~registry~~ **HUMAN EMBRYONIC STEM CELL REGISTRY** before and during
9 fiscal year ~~2013-2014,~~ **2014-2015**, and the status of each submission
10 as approved, pending approval, or review completed but not yet
11 accepted.

12 (c) Number of human embryonic stem cell lines derived and not
13 submitted for inclusion in the ~~human embryonic stem cell registry,~~
14 **HUMAN EMBRYONIC STEM CELL REGISTRY**, before and during fiscal year
15 ~~2013-2014.~~ **2014-2015**.

16 Sec. 276. (1) Included in the appropriation for fiscal year
17 ~~2014-2015~~ **2015-2016** for each public university in section 236 is
18 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
19 future faculty program that is intended to increase the pool of
20 academically or economically disadvantaged candidates pursuing
21 faculty teaching careers in postsecondary education. Preference may
22 not be given to applicants on the basis of race, color, ethnicity,
23 gender, or national origin. Institutions should encourage
24 applications from applicants who would otherwise not adequately be
25 represented in the graduate student and faculty populations. Each
26 public university shall apply the percentage change applicable to
27 every public university in the calculation of appropriations in

1 section 236 to the amount of funds allocated to the future faculty
2 program.

3 (2) The program shall be administered by each public
4 university in a manner prescribed by the workforce development
5 agency. The workforce development agency shall use a good faith
6 effort standard to evaluate whether a fellowship is in default.

7 Sec. 277. (1) Included in the appropriation for fiscal year
8 ~~2014-2015-2015-2016~~ for each public university in section 236 is
9 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
10 college day program that is intended to introduce academically or
11 economically disadvantaged schoolchildren to the potential of a
12 college education. Preference may not be given to participants on
13 the basis of race, color, ethnicity, gender, or national origin.
14 Public universities should encourage participation from those who
15 would otherwise not adequately be represented in the student
16 population.

17 (2) Individual program plans of each public university shall
18 include a budget of equal contributions from this program, the
19 participating public university, the participating school district,
20 and the participating independent degree-granting college. College
21 day funds shall not be expended to cover indirect costs. Not more
22 than 20% of the university match shall be attributable to indirect
23 costs. Each public university shall apply the percentage change
24 applicable to every public university in the calculation of
25 appropriations in section 236 to the amount of funds allocated to
26 the college day program.

27 (3) The program described in this section shall be

1 administered by each public university in a manner prescribed by
2 the workforce development agency.

3 Sec. 278. (1) Included in section 236 for fiscal year ~~2014-~~
4 ~~2015-2015-2016~~ is funding for the Martin Luther King, Jr. - Cesar
5 Chavez - Rosa Parks select student support services program for
6 developing academically or economically disadvantaged student
7 retention programs for 4-year public and independent educational
8 institutions in this state. Preference may not be given to
9 participants on the basis of race, color, ethnicity, gender, or
10 national origin. Institutions should encourage participation from
11 those who would otherwise not adequately be represented in the
12 student population.

13 (2) An award made under this program to any 1 institution
14 shall not be greater than \$150,000.00, and the amount awarded shall
15 be matched on a 70% state, 30% college or university basis.

16 (3) The program described in this section shall be
17 administered by the workforce development agency.

18 Sec. 279. (1) Included in section 236 for fiscal year ~~2014-~~
19 ~~2015-2015-2016~~ is funding for the Martin Luther King, Jr. - Cesar
20 Chavez - Rosa Parks college/university partnership program between
21 4-year public and independent colleges and universities and public
22 community colleges, which is intended to increase the number of
23 academically or economically disadvantaged students who transfer
24 from community colleges into baccalaureate programs. Preference may
25 not be given to participants on the basis of race, color,
26 ethnicity, gender, or national origin. Institutions should
27 encourage participation from those who would otherwise not

1 adequately be represented in the transfer student population.

2 (2) The grants shall be made under the program described in
3 this section to Michigan public and independent colleges and
4 universities. An award to any 1 institution shall not be greater
5 than \$150,000.00, and the amount awarded shall be matched on a 70%
6 state, 30% college or university basis.

7 (3) The program described in this section shall be
8 administered by the workforce development agency.

9 Sec. 280. (1) Included in the appropriation for fiscal year
10 ~~2014-2015-2015-2016~~ for each public university in section 236 is
11 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
12 visiting professors program which is intended to increase the
13 number of instructors in the classroom to provide role models for
14 academically or economically disadvantaged students. Preference may
15 not be given to participants on the basis of race, color,
16 ethnicity, gender, or national origin. Public universities should
17 encourage participation from those who would otherwise not
18 adequately be represented in the student population.

19 (2) The program described in this section shall be
20 administered by the workforce development agency.

21 Sec. 281. (1) Included in the appropriation for fiscal year
22 ~~2014-2015-2015-2016~~ in section 236 is funding under the Martin
23 Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the
24 Morris Hood, Jr. educator development program which is intended to
25 increase the number of academically or economically disadvantaged
26 students who enroll in and complete K-12 teacher education programs
27 at the baccalaureate level. Preference may not be given to

1 participants on the basis of race, color, ethnicity, gender, or
2 national origin. Institutions should encourage participation from
3 those who would otherwise not adequately be represented in the
4 teacher education student population.

5 (2) The program described in this section shall be
6 administered by each state-approved teacher education institution
7 in a manner prescribed by the workforce development agency.

8 (3) Approved teacher education institutions may and are
9 encouraged to use student support services funding in coordination
10 with the Morris Hood, Jr. funding to achieve the goals of the
11 program described in this section.

12 Enacting section 1. In accordance with section 30 of article
13 IX of the state constitution of 1963, total state spending from
14 state sources for higher education for fiscal year 2015-2016 under
15 article II is estimated at \$1,444,192,800.00 and the amount of that
16 state spending from state sources to be paid to local units of
17 government for fiscal year 2015-2016 is estimated at \$0.00.

18 Enacting section 2. Sections 259, 262a, 272a, 273, and 274a of
19 the state school aid act of 1979, 1979 PA 94, MCL 388.1859,
20 388.1862a, 388.1872a, 388.1873, and 388.1874a, are repealed
21 effective October 1, 2015.

22 Enacting section 3. This amendatory act takes effect October
23 1, 2015.