



Senate Fiscal Agency
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BILL ANALYSIS



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**Senate Bill 927 (H-1) CR-1:
FY 2020-21 Education Omnibus Appropriation Bill**

Bill Page Nos.

- Article 1 – School Aid.....1 - 320
- Article 2 – Community Colleges320 - 348
- Article 3 – Higher Education.....348 - 393

Date Completed: 9-23-20

	FY 2019-20 INITIAL		FY 2019-20 YEAR-TO-DATE		FY 2020-21 CONFERENCE REPORT	
	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation
TOTAL COMBINED APPROPRIATIONS	\$59,007,604,000	\$10,115,088,400	\$68,131,596,900	\$9,663,175,800	\$62,759,877,700	\$10,602,132,600

Education Omnibus Appropriation Bill Senate Bill 927 (H-1) CR-1 FY 2020-21 Appropriations Compared to FY 2019-20						
	FY 2019-20 INITIAL		FY 2019-20 YEAR-TO-DATE		FY 2020-21 CONFERENCE REPORT	
Department/Budget Area	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation
Community Colleges	\$414,719,000	\$0	\$414,719,000	\$0	\$425,667,600	\$0
Higher Education	1,647,373,500	\$1,204,023,400	\$1,691,395,000	\$1,207,949,300	1,699,925,400	1,217,835,700
School Aid K-12	15,106,763,600	\$62,270,000	\$16,010,551,700	\$273,600,000	15,525,164,900	50,964,700
Total Education Omnibus Appropriations	\$17,168,856,100	\$1,266,293,400	\$18,116,665,700	\$1,481,549,300	\$17,650,757,900	\$1,268,800,400

FY 2019-20 Supplemental Appropriations Senate Bill 927 (H-1) CR-1			
Department/Budget Area	FY 2019-20 Gross Appropriation	FY 2019-20 School Aid Fund Appropriation	FY 2019-20 GF/GP Appropriation
School Aid	\$0	\$168,940,000	(\$168,940,000)
Total Supplemental	\$0	\$168,940,000	(\$168,940,000)

**General Omnibus Appropriation Bill
House Bill 5396 (S-1) CR-1
FY 2020-21 Appropriations Compared to FY 2019-20**

Department/Budget Area	FY 2019-20 INITIAL		FY 2019-20 YEAR-TO-DATE		FY 2020-21 CONFERENCE REPORT	
	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation
Agriculture and Rural Development	\$107,937,600	\$52,500,000	\$108,522,300	\$51,597,200	\$121,295,000	\$63,616,800
Attorney General	105,982,800	41,736,300	102,758,100	37,547,600	106,828,600	41,148,400
Capital Outlay	0	0	0	0	0	0
Civil Rights	16,388,300	13,195,700	15,329,800	12,137,200	18,037,400	14,792,200
Corrections	2,011,308,800	1,935,085,400	2,113,574,900	1,610,468,800	2,060,788,400	1,809,258,400
Education	419,783,700	87,212,000	664,136,100	82,065,700	451,695,700	90,067,100
Environment, Great Lakes and Energy	599,665,800	153,577,400	617,704,400	170,516,000	511,359,200	59,443,900
Executive	7,114,300	7,114,300	6,758,600	6,758,600	7,114,300	7,114,300
Health and Human Services	26,218,407,600	4,679,637,600	29,101,426,300	4,363,309,100	28,498,448,600	5,090,371,100
Insurance and Financial Services	68,814,800	150,000	71,912,800	0	73,315,700	0
Judiciary	310,713,500	201,043,600	308,193,500	198,893,600	313,641,200	201,934,300
Labor and Economic Opportunity	1,012,233,100	97,794,200	4,451,388,300	135,810,700	1,625,864,300	192,867,600
Legislature	201,425,900	188,366,300	201,425,900	188,366,300	202,453,800	189,026,600
Licensing and Regulatory Affairs	566,294,000	124,030,700	439,075,100	109,450,900	484,389,600	149,605,600
Military and Veterans Affairs	200,065,100	69,247,500	208,382,900	70,984,200	226,092,500	81,421,200
Natural Resources	438,685,400	46,985,000	448,341,400	45,138,800	469,594,100	50,697,300
Natural Resources (Trust Fund)	28,699,800	0	28,699,800	0	0	0
State	250,393,000	13,451,200	262,742,600	12,153,000	254,297,500	12,597,500
State Police	714,594,700	473,701,700	1,303,216,700	363,938,200	738,085,500	439,376,600
Technology, Management, and Budget	1,526,306,800	450,480,500	1,730,473,400	478,261,100	1,671,705,000	516,326,100
Transportation	5,011,408,000	25,000,000	5,340,053,600	11,999,900	5,107,470,600	0
Treasury (Debt Service)	104,335,000	104,335,000	104,335,000	104,335,000	113,735,000	113,735,000
Treasury (Operations)	562,715,300	84,150,600	992,509,800	127,894,600	710,983,500	209,932,200
Treasury (Revenue Sharing)	1,355,474,600	0	1,393,969,900	0	1,341,924,300	0
TOTAL GENERAL OMNIBUS APPROPRIATIONS	\$41,838,747,900	\$8,848,795,000	\$50,014,931,200	\$8,181,626,500	\$45,109,119,800	\$9,333,332,200



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Article 1

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	16,010,551,700	15,525,164,900	(485,386,800)	(3.0)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	16,010,551,700	15,525,164,900	(485,386,800)	(3.0)
Less:				
Federal Funds	2,958,903,000	1,806,878,500	(1,152,024,500)	(38.9)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	13,051,648,700	13,718,286,400	666,637,700	5.1
Less:				
Other State Restricted Funds	12,778,048,700	13,667,321,700	889,273,000	7.0
GENERAL FUND/GENERAL PURPOSE	273,600,000	50,964,700	(222,635,300)	(81.4)
PAYMENTS TO LOCALS	12,845,578,900	13,546,289,200	700,710,300	5.5

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$16,010,551,700	\$104,660,000

Changes from FY 2019-20 Year-to-Date:

- | | | |
|---|-------------|----------|
| 1. Foundation Allowance. The Governor recommended a \$150 per-pupil increase to districts with foundation allowances at or above the target (currently \$8,529) and 1.5 times that amount (\$225) for districts with foundation allowances at the minimum (currently \$8,111), and a sliding scale for those in between. Conference did not include an increase. | 0 | 0 |
| 2. Per-Pupil Adjustment to State Aid. Public Act 146 of 2020 included a \$175 per-pupil reduction in State aid (\$256.0 million). Conference restored that reduction and further added roughly \$65.00 in one-time per-pupil payments (\$95.0 million). | 351,000,000 | 0 |
| 3. Michigan Public School Employees' Retirement System. The Governor recommended an increase of \$205.9 million for MPERS, the bulk of which would pay for increases in life expectancy. Conference reduced the increase by \$20.0 million based on updated cost data. | 195,066,000 | (13,000) |
| 4. Special Education Additional Reimbursement. The Governor recommended an increase of \$60.0 million in additional (nonrequired) reimbursements to districts for special education costs. This would increase the additional reimbursements (new for FY 2019-20) from 2% to 4%. Conference added \$2.0 million to current-year funding levels. | 2,000,000 | 0 |
| 5. At Risk. The Governor proposed a \$60.0 million increase in At Risk funds, which would increase the weight from roughly 9% currently to 10% in FY 2020-21. In addition, the Governor proposed to increase funding for higher funded districts to 50% of what lower funded districts receive (currently, those districts receive 30%). Conference did not include. | 0 | 0 |

6. Federal Grants. The Governor increased Federal grants in anticipation of actual funding levels. Conference updated adjustments, particularly by removing one-time Coronavirus Relief Fund and CARES Act allocations.	(1,152,024,500)	0
7. Growing Districts Categorical. Conference included \$66.0 million to make payments for districts whose FY 2020-21 counts exceed the 75-25 'super blend' calculation in effect for the school year.	66,000,000	
8. Governor's New Programs Not Included by Conference. The Governor included the following that were not adopted by Conference: expanded preschool, school infrastructure grants, teacher supplies reimbursement, reorganization/consolidation grants, peer-to-peer professional development, and a teacher cadet program.	0	0
9. Conference New Programs. Conference included the following new programs: attendance recovery (\$2.0 million); Detroit Public Television online curriculum (\$2.0 million); Orton-Gillingham Dyslexia Tool (\$500,000); Chaldean Community Foundation (\$500,000); a study of virtual learning (\$150,000); and Women in Technology (\$150,000).	5,300,000	3,300,000
10. Other Conference Increases in Existing Programs. Conference increased the following programs: Michigan Virtual University (by \$1,187,500); Advanced Placement reimbursement (by \$200,000); and, partnership model districts (by \$137,500).	1,525,000	1,387,500
11. School Mental Health Grants. Conference increased from \$30.0 million to \$35.6 million the funding that goes for school mental health grants.	5,600,000	0
12. Teacher Retention Incentives. Conference included a new program to provide incentives for first-year teachers to continue teaching.	5,000,000	0
13. Required Increases for Special Education. In addition to the increase proposed for optional reimbursements, the Governor included required cost increases for special education. Conference adjusted the required increase based on more recent cost data.	55,300,000	0
14. Great Start Readiness Program. The Governor proposed an increase in the per-child funding of GSRP, from \$7,250 for a full-day program to \$8,336, the same as the proposed minimum foundation allowance. Conference did not include.	0	0
15. Three-Year Pupil Blend for Eligible Districts. The Governor proposed a new three-year average pupil blend for districts that establish a Community Engagement Advisory Committee in partnership with the Department of Treasury. At the present time, only Benton Harbor Schools have established a committee, but more are anticipated. Conference concurred but narrowed the eligible grantees to include only Benton Harbor at a cost estimated at \$1.0 million.	1,000,000	0
16. Bilingual Education. The Governor increased bilingual education from \$13.0 million to \$18.0 million; the additional \$5.0 million would be distributed based on the number of English Language Learner students (estimated to pay districts \$50 per ELL student). Conference did not include.	0	0
17. Literacy Essentials. The Governor and Conference proposed an increase in literacy essentials, from \$1.0 million to \$4.0 million. This program implements literacy essentials teacher and principal training modules, and face-to-face and online professional learning of literacy essentials for literacy coaches, principals, and teachers.	3,000,000	0
18. Michigan Reading Corps. The Governor proposed to fund the Michigan Reading Corps program at \$2.0 million. The program was funded in FY 2018-19 but vetoed for FY 2019-20. Conference included \$2.8 million.	2,773,000	2,773,000
19. Intermediate School District (ISD) Operations. The Governor proposed a 3% increase in ISD operations. Conference did not include.	0	0

20. Other Changes. The Governor and Conference included an increase of \$2.3 million for Promise Zones based on updated cost estimates. Conference concurred, and further added \$5.0 million for assessments, \$3,900 for PILT and \$4.4 million for cash flow borrowing costs. Conference restored \$800,000 for Robotics (reduced in an earlier supplemental) and split \$300,000 of that funding for nonpublic programs.	12,503,900	300,000
21. School Meal Debt Forgiveness. The Governor and Conference included \$1.0 million for a new program to reimburse schools that forgive school meal debt.	1,000,000	0
22. 10 Cents a Meal. The Governor proposed to fund the 10 Cents a Meal program at \$1.0 million statewide. Conference increased to \$2.0 million.	1,425,000	(575,000)
23. Cost Adjustments for the Foundation Allowance. The Governor included savings in baseline foundation allowance costs.	(45,000,000)	0
24. Cyber Schools - 20% Reduction. The Governor proposed reducing the foundation for cyber schools by 20%. Conference did not reduce.	0	0
25. Restoration of Programs Previously Funded. Conference restored the following programs: Imagine Learning (\$1.5 million); Algebra Nation (\$1.0 million); Teach for America (\$1.0 million); Fitness Foundation (\$400,000); Digital Literacy Preparation (\$500,000); MITES (\$50,000); EVAAS (\$2.0 million); Children's Choice Initiative (\$250,000); Conductive Learning Center (\$250,000); Boys and Girls Club (\$1.0 million); and nonpublic mandates (\$100).	7,950,100	7,950,100
26. Program Eliminations. The Governor proposed eliminating the following: summer school reading program (\$5.0 million); strict discipline academies (\$1.6 million); dropout recovery program (\$750,000); autism intervention (\$350,000); and, multisensory education (\$300,000). Conference concurred in eliminating summer school reading, autism interventions, and multisensory. School safety grants were eliminated in an earlier supplemental bill.	(5,650,000)	(350,000)
27. Fund Shift. The Governor increased GF/GP support of the budget, but the increase was earmarked for infrastructure grants, necessitating a fund shift of SAF replacing GF/GP.	0	(69,271,000)
28. Economic Adjustments. Includes \$844,700 Gross and \$803,100 GF/GP for total economic adjustments, of which an estimated \$411,400 Gross and \$369,800 GF/GP is for legacy retirement costs (pension and retiree health).	844,700	803,100
Total Changes	(\$485,386,800)	(\$53,695,300)
FY 2020-21 Conference Report Appropriation	\$15,525,164,900	\$50,964,700

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Three-Year Blend.** The Governor proposed to expand the existing three-year average pupil membership blend provision to include districts that have established a community engagement advisory committee in partnership with the Department of Treasury. Conference concurred but restricted to Benton Harbor only. (Sec. 6(4)(x))
2. **2-Way Interactions.** Conference amended the definition of 2-way interactions to include, in addition to teachers, district employees who have responsibility for the student's learning, grade progression, or academic progress, and allowed the interaction to be initiated by the pupil. (Sections 6, 98a, and 101)
3. **CARES Act.** Conference added Federal CARES Act language requiring districts, to the greatest extent practicable, to continue to pay employees and contractors during the period of closures related to coronavirus. (Sec. 11p)
4. **Non-instructional Services.** Conference added language stipulating that a district may not be prohibited or limited from using funds that can be spent on non-instructional services from contracting for those purchases. (Sec. 18)

5. **Expansion of Partnership District Funding to Include Financial Distress.** The Governor proposed to include districts demonstrating financial stress (as well as those currently demonstrating academic stress), as determined by the State Treasurer, as eligible for partnership district funding. Conference concurred with including a focus on financials in addition to academics for existing partnership districts. (Sec. 21h)
6. **Transfers between Sections.** The Governor and Conference reinstated language that had been part of the budget prior to FY 2019-20 that allowed for automatic transfers of funds between Sections 22a and 22b (foundation allowance), and 51c (special education) to fully fund the calculated allocations during the fiscal year. (Sections 22a, 22b, and 51c)
7. **At Risk.** The Governor increased the payment for districts with per-pupil revenue that exceeds the target foundation allowance, from 30% in current law to 50% of what lower-funded districts receive. In addition, intent language was included stating that the percentage be increased annually until reaching 100%. Conference included intent language for hold harmless At Risk funding to increase if the rest of the section is fully funded. (Sec. 31a(2))
8. **10 Cents a Meal Program.** The Governor restructured this program to be statewide with competitive grants provided to districts, rather than to specified prosperity regions. Conferenced concurred. (Sec. 31j)
9. **School Mental Health Grants.** The Governor proposed to allow ISDs to retain up to 5% of the grant award to coordinate services and to improve or develop an integrated system of mental health and support services. In addition, the Governor included language allowing funds received in FY 2018-19, FY 2019-20, or FY 2020-21 to be used over a three-year rolling time period. Conference concurred with allowing additional time to spend the funds. (Sec. 31n)
10. **Great Start Readiness Program (GSRP).** The Governor proposed to remove a report listing each intermediate district and the number and percentage of each ISD's GSRP allocation allocated to community-based providers by provider type. Conference did not remove the report. Conference added language waiving days and hours requirements for GSRP programs, as well as broadening income eligibility for 2020-21 only. (Sec. 32d)
11. **Reduction in Allowable Carryforward.** The Governor included language capping at 30% the amount of ISD early childhood funding that may be carried forward into the next year, with intent language dropping that percentage carryforward for subsequent years. Conference concurred. (Sec. 32p)
12. **GSRP Per-Child Payment.** The Governor increased the full-day programming per child payment in GSRP from \$7,250 to \$8,336, and the half-day programming payment from \$3,625 to \$4,168. Conference did not include. (Sec. 39)
13. **Connecting Information in Education Committee.** Conference included a \$100 placeholder to create a new committee that would provide recommendations on how to lead the replication and scaling of best practices, how to close the educational achievement gap, and how to prepare every student for success after high school. (Sec. 94b)
14. **Extended COVID Learning Plans.** Conference added a report detailing types of training provided to teachers, parents, and students for online learning and added reporting of mode of instruction being provided monthly. (Sec. 98a)
15. **Robotics.** The Governor proposed to reduce the local match from 50% to 25% for districts receiving robotics grants. Conference concurred, and expanded to include nonpublic schools. (Sec. 99h)
16. **MiSTEM to MiSTEAM Grants.** The Governor proposed to expand MiSTEM (Michigan science, technology, engineering, mathematics) to MiSTEAM, adding arts to the list of programs eligible to compete for grants and broadening the scope of the network. Conferenced maintained current law. (Sec. 99s)
17. **Schools of Choice Enrollment Window.** Conference extended the window for schools of choice enrollment until October 13 for applications already received. (Sections 105 and 105c)
18. **Correction in Distribution of MPSERS Hold Harmless Payments.** The Governor and Conference included a correction to the distribution of MPSERS hold harmless payments that are paid to districts to reimburse for the additional normal costs that arise when the assumed rate of return is reduced. In current law, districts are reimbursed based on their entire payroll, but they should be reimbursed on affected payroll (i.e., payroll in basic, MIP, or the first pension plus hybrid plan. (Sec. 147a(2))
19. **Repealers.** The Governor proposed to repeal Section 152b (nonpublic schools mandates); Section 164g (which prohibits the use of State funds to be used by a district if suing the State); Section 164g (collective bargaining agreement; and, Section 166 (which requires a district to adopt and implement a disciplinary policy for an employee or district or board official who refers a pupil for an abortion or assists a pupil in obtaining an abortion). Conference did not concur in the repeal of these sections.

Date Completed: 9-22-20

Fiscal Analyst: Kathryn Summers

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



Fiscal Years 2019-20 and 2020-21
School Aid Appropriations, Article I, Senate Bill 927 (CR-1)

		9/23/2020	9/23/2020
Section	Line Item Description	FY 2020-21 Budget 9/23/2020	FY 2020-21 CONFERENCE REPORT
11d	Per-Pupil Adjustment to State Aid	(\$256,000,000)	\$95,000,000
	Various CARES Act Funding Allocated w/ Receive and Expend Language	\$697,324,500	\$0
11j	School Bond Loan Fund Payments - Debt Service	\$111,000,000	\$111,000,000
11m	Cash Flow Borrowing Costs	\$7,000,000	\$11,400,000
11p	Coronavirus Related Expenses	\$512,000,000	\$0
11s	Flint Declaration of Emergency	\$8,075,100	\$8,075,100
20f	Categorical Offset Payments	\$18,000,000	\$18,000,000
21h	Partnership Model Districts	\$6,000,000	\$6,137,400
22a	Proposal A Obligation Payment	\$4,916,000,000	\$4,880,500,000
22b	Discretionary Payment - State	\$4,575,000,000	\$4,566,500,000
22d	Isolated Districts Funding	\$7,000,000	\$7,000,000
22m	Technology Regional Data Hubs	\$2,200,000	\$2,200,000
24	Court-Placed Pupils	\$7,150,000	\$7,150,000
24a	Juvenile Detention Facilities	\$1,355,700	\$1,355,700
25f	Strict Discipline Academies	\$1,600,000	\$1,600,000
25g	Dropout Recovery	\$750,000	\$750,000
25i	Attendance Recovery	\$0	\$2,000,000
25j	Virtual Learning Supports	\$0	\$2,000,000
26a	Renaissance Zone Costs	\$15,300,000	\$15,300,000
26b	PILT Reimbursement	\$4,641,100	\$4,645,000
26c	Promise Zone	\$7,400,000	\$9,700,000
29a	Growing Districts Categorical	\$0	\$66,000,000
31a	"At Risk" Pupil Support - Base	\$510,000,000	\$510,000,000
31a(7)	Child and Adolescent Health Centers	\$8,000,000	\$8,000,000
31a(8)	Vision/Hearing Screening	\$5,150,000	\$5,150,000
31a(17)	At Risk Hold Harmless	\$12,000,000	\$12,000,000
31d	School Lunch Programs - State Share	\$23,144,000	\$23,144,000
31d	School Lunch Programs - Federal Share	\$537,200,000	\$550,000,000
31f	School Breakfast	\$4,500,000	\$4,500,000
31j	Support of Local Produce in School Meals	\$575,000	\$2,000,000
31k	School Meal Debt	\$0	\$1,000,000
31n	School Mental Health	\$31,300,000	\$36,900,000
32d	Great Start - School Readiness	\$249,950,000	\$249,950,000
32p	Great Start Early Childhood Block Grants	\$13,400,000	\$13,400,000
35a(4)	Investment in Literacy Coaches for K-3 Teachers	\$31,500,000	\$31,500,000
35a(5)	Early Literacy District Grants	\$19,900,000	\$19,900,000
35a()	Michigan Education Corps	\$0	\$2,773,000
35a(7)	Literacy Essentials	\$1,000,000	\$4,000,000
35a(9)	Summer Reading Project	\$5,000,000	\$0
35b	Children's Choice Initiative	\$0	\$250,000
35c	Multisensory Education	\$300,000	\$0
35d	Orton Gillingham Dyslexic Tool	\$0	\$500,000
35e	Boys and Girls Club	\$0	\$1,000,000
35f	Chaldean Community Foundation	\$0	\$500,000
39a(1)	NCLB Federal DOE Grants	\$725,600,000	\$749,200,000
39a(2)	Other Non-NCLB Federal DOE Grants	\$49,100,000	\$55,000,000
41	Bilingual Education	\$13,000,000	\$13,000,000
51a	Special Education - Federal IDEA	\$370,000,000	\$375,000,000
51a(2)	Spec. Ed. Foundations - State Share	\$286,900,000	\$307,500,000
51a(3)	Spec. Ed. Hold Harmless to ISDs - State Share	\$1,000,000	\$1,000,000



Fiscal Years 2019-20 and 2020-21
School Aid Appropriations, Article I, Senate Bill 927 (CR-1)

		FY 2020-21 Budget 9/23/2020	9/23/2020 FY 2020-21 CONFERENCE REPORT
Section	Line Item Description		
51a(6)	Spec. Ed. Rules Change - State Share	\$2,200,000	\$2,200,000
51a(11)	Spec. Ed. Non Sec. 52 to ISDs - State Share	\$3,100,000	\$3,000,000
51c	Special Education Headlee - State Share	\$678,600,000	\$713,400,000
51d	Special Education - Other Federal	\$61,000,000	\$71,000,000
51f	Special Education - additional percentage reimbursement	\$60,207,000	\$60,207,000
53a	Court-Placed Spec. Ed. FTEs - State Share	\$10,500,000	\$10,500,000
54	MI School for Deaf and Blind - State Share	\$1,688,000	\$1,688,000
54b	Integrated Behavior and Learning Support (MiBLSi)	\$1,600,000	\$1,600,000
54d	Special Ed Taskforce - Early On	\$7,150,000	\$7,150,000
54e	PLAY Project - Autism Intervention	\$350,000	\$0
55	Conductive Learning Center	\$0	\$250,000
56	Spec. Ed. Millage Equalization - State Share	\$40,008,100	\$40,008,100
61a	Vocational Education	\$37,611,300	\$37,611,300
61b	Career and Technical Education/Dual Enrollment	\$8,000,000	\$8,000,000
61d	CTE Incentive Payments	\$5,000,000	\$5,000,000
62	ISD Vocational Ed Millage Equalization	\$9,190,000	\$9,190,000
65	Detroit Precollege Engineering	\$400,000	\$400,000
67	College and Career Readiness Tools	\$3,000,000	\$3,000,000
67a	MITES	\$0	\$50,000
74	Bus Driver Safety Instruction	\$2,025,000	\$2,025,000
74	School Bus Inspections	\$1,747,900	\$1,789,500
81	ISD General Operations Support	\$69,138,000	\$69,138,000
94	Advanced Placement (AP) Incentive Program	\$1,000,000	\$1,200,000
94a	Center for Educ. Perf. and Information - State Share	\$16,045,800	\$16,848,900
94a	Center for Educ. Perf. and Information - Federal	\$193,500	\$193,500
94b	Connecting Information in Education Commission	\$0	\$100
95b	EVAAS	\$0	\$2,000,000
98	Michigan Virtual High School - State	\$6,312,500	\$7,500,000
98b	DPTV Online Curriculum	\$0	\$2,000,000
99h	Robotics	\$3,900,000	\$4,400,000
99h	Robotics for Nonpublics	\$0	\$300,000
99i	Women in Technology	\$0	\$150,000
99s(2)	Comprehensive STEM Initiative (Administration)	\$300,000	\$300,000
99s(3)	Comprehensive STEM Grants	\$3,050,000	\$3,050,000
99s(4)	Math/Science Centers - Federal	\$235,000	\$235,000
99s(4)	MiSTEM Network Regions	\$3,834,300	\$3,834,300
99s(6)	MiSTEM Professional Development and Curriculum	\$750,000	\$750,000
99t	Algebra Nation	\$0	\$1,000,000
99u	Imagine Learning (1/2 for reading; 1/2 for math)	\$0	\$1,500,000
99v	Dana Center	\$0	\$0
99w	Fitness Foundation	\$0	\$400,000
99x	Teach for America	\$0	\$1,000,000
99z	Teacher Retention Incentives	\$0	\$5,000,000
104	Assessment Testing - State Share	\$26,009,400	\$31,009,400
104	Assessment Testing - Federal Share	\$6,250,000	\$6,250,000
104(16)	Virtual Learning Study	\$0	\$150,000
104f	Digital Literacy Training	\$0	\$500,000
107	Adult Education - State	\$30,500,000	\$30,500,000
147a(1)	MPSERS District Reimbursement	\$100,000,000	\$100,000,000
147a(2)	MPSERS Normal Cost for Lower AROR/Dedicated Gains	\$172,069,000	\$155,206,000



Fiscal Years 2019-20 and 2020-21
School Aid Appropriations, Article I, Senate Bill 927 (CR-1)

		FY 2020-21 Budget <u>9/23/2020</u>	9/23/2020 FY 2020-21 CONFERENCE REPORT
Section	Line Item Description		
147c	MPSERS Rate Cap (Section 41 of MPSERS Act)	\$1,030,900,000	\$1,219,800,000
147e	MPSERS Additional Normal/DC Costs for PA 92 of 2017	\$28,371,000	\$51,400,000
152a	Adair v State of Michigan	\$38,000,500	\$38,000,500
152b	Nonpublic school health/safety reimbursement	\$0	\$100
TOTAL SCHOOL AID APPROPRIATIONS		\$16,010,551,700	\$15,525,164,900

Section REVENUE SOURCES			
11	Federal Aid	\$2,958,903,000	\$1,806,878,500
11	School Aid Fund (SAF)	\$12,829,470,800	\$13,589,621,600
11	Talent Investment Fund	\$9,717,800	\$0
11	MPSERS Reforms Fund	\$31,900,000	\$0
11	General Fund/General Purpose	\$104,660,000	\$50,964,700
11	Community District Trust Fund/\$100 Flint Reserve	\$75,900,100	\$77,700,100
TOTAL REVENUE		\$16,010,551,700	\$15,525,164,900

Article 2

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	414,719,000	425,667,600	10,948,600	2.6
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	414,719,000	425,667,600	10,948,600	2.6
Less:				
Federal Funds	36,273,400	0	(36,273,400)	(100.0)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	378,445,600	425,667,600	47,222,000	12.5
Less:				
Other State Restricted Funds	378,445,600	425,667,600	47,222,000	12.5
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	414,719,000	425,667,600	10,948,600	2.6

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$414,719,000	\$0

Changes from FY 2019-20 Year-to-Date:

- | | | |
|---|-----------------|----------|
| <p>1. Community Colleges Operations. The Governor included a 2.5% (\$8.1 million) increase in community college operations. The increase would have been distributed through the existing performance funding formula developed by the 2016 Performance Indicators Review Task Force. The formula allocates the money as follows: 30% proportional to FY 2019-20 base appropriation, 25% weighted contact hours, 10% performance improvement, 10% performance completion number, 10% performance completion rate, 5% administrative costs, 5% local strategic value, 5% lowest taxable value. The Conference included no performance funding increase.</p> | <p>0</p> | <p>0</p> |
| <p>2. North American Indian Tuition Waiver Adjustment. The Conference included an adjustment to reimbursement payments to community colleges for lost tuition revenue under the North American Indian Tuition Waiver. The adjustment is based on the most recent available cost data provided by the colleges.</p> | <p>(33,400)</p> | <p>0</p> |
| <p>3. Coronavirus Relief Fund Removal. The Conference removed \$36.3 million in Federal Coronavirus Relief Fund that had been provided in lieu of School Aid Fund in FY 2019-20 and replaced it with School Aid Fund.</p> | <p>0</p> | <p>0</p> |

4. Michigan Public School Employees' Retirement System (MPSERS) Unfunded Accrued Actuarial Liability (UAAL) Stabilization Payments. The Governor and Conference included an increase for this item to reflect an increase in the State's share of costs above the statutory cap. The increase is largely due to updated plan assumptions stemming from the 2018 MPSERS experience study. This change would bring total MPSERS UAAL stabilization payments for community colleges to \$83.9 million.	10,800,000	0
5. MPSERS Normal Cost Offset. The Governor and Conference increased this item to a total of \$12.4 million. The increase reflects the continued reduction to the assumed rate of return for MPSERS from 7.05% to 6.8%.	182,000	0
Total Changes	\$10,948,600	\$0
FY 2020-21 Conference Report Appropriation	\$425,667,600	\$0

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **FY 2021-22 Anticipated Appropriations.** The Governor and Conference removed a section that states intent for FY 2021-22 appropriations and provides an estimate of FY 2021-22 MPSERS costs to be included in the FY 2021-22 budget. (Sec. 201a)
2. **Schedule of Payments to Community Colleges.** The Governor removed language requiring the State Budget Director to notify the House and Senate subcommittees before funds are withheld because of a failure to report certain information as required by statute. The Conference retained this language. (Sec. 206)
3. **Use and Finance Noncompliance Penalty.** The Governor removed a section that imposes a 1% reduction in State funding to a community college for each violation of certain requirements of the Management and Budget Act. The Conference retained this section. (Sec. 208)
4. **Transparency Reporting - Noncompliance Penalty.** The Governor removed language that allows the State Budget Director to withhold monthly payments to community colleges if the colleges do not comply with statutory transparency reporting requirements. The Governor also removed various reporting requirements from this section. The Conference retained the withholding language and all of the reporting requirements. (Sec. 209)
5. **Academic Program Partnerships.** The Governor and Conference removed a section requiring the Michigan Community College Association, Michigan Independent Colleges and Universities, and the Michigan Association of State Universities to submit a report on academic partnership programs. (Sec. 210f)
6. **Cost Containment.** The Governor removed a section requiring community colleges to pursue various efficiencies in their operations. The Conference retained this section. (Sec. 212)
7. **Performance Audits.** The Governor removed a section allowing the Auditor General to conduct performance audits on community colleges. The Conference retained this section. (Sec. 220)
8. **Tuition and Fees Report.** The Governor removed language requiring community colleges to include the annual cost of tuition and fees based on a full-time course load of 30 credits in their tuition and fees report. The Conference retained this language. (Sec. 225)
9. **Financial Aid Website.** The Conference included a new section requiring colleges to post a link to the financial aid resource website created in Sec. 260 of the Higher Education budget on their websites. (Sec. 226a)
10. **COVID-19 Report.** The Conference included a new reporting section that would report various data about each college's response to the COVID-19 pandemic. (Sec. 226b)
11. **Free Speech Report.** The Conference included a new reporting section on planning and assessment activities relating to freedom of speech and expression. (Sec. 226d)
12. **Communication with the Legislature.** The Governor removed a section prohibiting a community college from taking disciplinary action against an employee who communicates with members of the Legislature or their staff. The Conference retained this language. (Sec. 228)

13. **Accommodation for Military Schedule.** The Conference included new language requiring colleges to provide reasonable programming and scheduling accommodations for students serving in the military. (Sec. 229[3])
14. **Tuition Restraint.** The Governor included a new section that would make the receipt of performance funding contingent upon keeping increases in tuition and fee rates for the 2020-21 academic year less than 4.25%. The Conference did not include this new section. (Sec. 231)

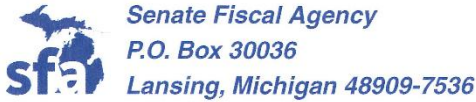
Date Completed: 9-22-20

Fiscal Analyst: Josh Sefton

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

Table 1: FY 2020-21 Community College Appropriations

College	FY 2019-20 Year-To-Date	FY 2020-21 Governor's Recommendation			FY 2020-21 Conference		
		Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change
Alpena	\$5,772,600	\$181,000	\$5,953,600	3.1%	(\$5,100)	\$5,767,500	(0.1%)
Bay de Noc	5,740,700	214,600	5,955,300	3.7	(21,200)	5,719,500	(0.4)
Delta	15,201,400	346,900	15,548,300	2.3	6,800	15,208,200	0.0
Glen Oaks	2,652,400	116,000	2,768,400	4.4	(1,200)	2,651,200	(0.0)
Gogebic	4,933,600	143,700	5,077,300	2.9	(10,300)	4,923,300	(0.2)
Grand Rapids	19,013,400	486,500	19,499,900	2.6	(6,400)	19,007,000	(0.0)
Henry Ford	22,574,700	492,500	23,067,200	2.2	(17,100)	22,557,600	(0.1)
Jackson	12,802,900	262,300	13,065,200	2.0	11,300	12,814,200	0.1
Kalamazoo Valley	13,155,900	309,200	13,465,100	2.4	7,800	13,163,700	0.1
Kellogg	10,346,500	233,800	10,580,300	2.3	(17,800)	10,328,700	(0.2)
Kirtland	3,393,000	93,000	3,486,000	2.7	1,800	3,394,800	0.1
Lake Michigan	5,714,000	154,000	5,868,000	2.7	(2,700)	5,711,300	(0.0)
Lansing	33,005,900	669,600	33,675,500	2.0	4,100	33,010,000	0.0
Macomb	34,312,100	781,500	35,093,600	2.3	7,400	34,319,500	0.0
Mid Michigan	5,324,500	270,800	5,595,300	5.1	(15,300)	5,309,200	(0.3)
Monroe	4,747,100	122,800	4,869,900	2.6	(400)	4,746,700	(0.0)
Montcalm	3,576,300	141,700	3,718,000	4.0	1,400	3,577,700	0.0
Mott	16,453,400	371,100	16,824,500	2.3	10,600	16,464,000	0.1
Muskegon	9,366,400	203,400	9,569,800	2.2	(3,400)	9,363,000	(0.0)
North Central	3,567,200	101,800	3,669,000	2.9	(4,500)	3,562,700	(0.1)
Northwestern	9,813,800	217,400	10,031,200	2.2	29,300	9,843,100	0.3
Oakland	22,235,400	556,900	22,792,300	2.5	11,400	22,246,800	0.1
Schoolcraft	13,263,200	356,800	13,620,000	2.7	(26,700)	13,236,500	(0.2)
Southwestern	7,019,100	137,500	7,156,600	2.0	(2,500)	7,016,600	(0.0)
St. Clair	7,393,700	194,400	7,588,100	2.6	(5,100)	7,388,600	(0.1)
Washtenaw	13,886,900	440,700	14,327,600	3.2	1,300	13,888,200	0.0
Wayne County	17,601,900	403,900	18,005,800	2.3	6,400	17,608,300	0.0
West Shore	2,605,400	87,600	2,693,000	3.4	6,700	2,612,100	0.3
Subtotal Operations:	\$325,473,400	\$8,091,400	\$333,564,800	2.5%	(\$33,400)	\$325,440,000	(0.0%)
MPSERS Normal Cost Offset	\$12,212,000	\$182,000	\$12,394,000	1.5%	\$182,000	\$12,394,000	1.5%
MPSERS Retiree Health Care	1,733,600	0	1,733,600	0.0	0	1,733,600	0.0
MPSERS Reform Costs	73,100,000	10,800,000	83,900,000	14.8	10,800,000	83,900,000	14.8
Renaissance Zone Reimbursements	2,200,000	0	2,200,000	0.0	0	2,200,000	0.0
Total Appropriations:	\$414,719,000	\$19,073,400	\$433,792,400	4.6%	\$10,948,600	\$425,667,600	2.6%
Federal Coronavirus Relief Fund	\$36,273,400	(36,273,400)	0	(100.0)	(36,273,400)	0	(100.0)
State School Aid Fund	378,445,600	55,346,800	433,792,400	14.6	47,222,000	425,667,600	12.5
GF/GP	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%



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Article 3

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	1,691,395,000	1,699,925,400	8,530,400	0.5
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,691,395,000	1,699,925,400	8,530,400	0.5
Less:				
Federal Funds	297,753,000	126,026,400	(171,726,600)	(57.7)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,393,642,000	1,573,899,000	180,257,000	12.9
Less:				
Other State Restricted Funds	185,692,700	356,063,300	170,370,600	91.7
GENERAL FUND/GENERAL PURPOSE	1,207,949,300	1,217,835,700	9,886,400	0.8
PAYMENTS TO LOCALS	0	0	0	0.0

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$1,691,395,000	\$1,207,949,300

Changes from FY 2019-20 Year-to-Date:

- | | | |
|---|-----------|-----------|
| <p>1. University Operations Increase. The Governor included a 2.5% across-the-board increase based on each university's FY 2019-20 operations funding. This item also includes a 2.5% increase for MSU AgBioResearch and Extension. The Conference did not include an increase for university operations.</p> | 0 | 0 |
| <p>2. North American Indian Tuition Waiver (ITW) Reimbursement Adjustment. The Conference included \$886,400 GF/GP to adjust the amount appropriated to universities for reimbursement of these costs. The amount was based upon the most recently-available cost data. The Conference also removed ITW passthrough payments to tribal colleges from university operations to their respective ITW reimbursement amounts. Finally, the Conference reduced the ITW passthrough to Bay Mills Community College from \$100,000 to \$0 and reallocated those funds equally between Saginaw Chippewa Tribal College and a new payment to Keweenaw Bay Ojibwa Community College.</p> | 886,400 | 886,400 |
| <p>3. Bay Mills Community College One-Time Payment. The Conference included \$1.0 million GF/GP for a one-time payment for Bay Mills Community College. The payment is for reimbursement for educational services provided to non-native students. The payment would be made via a passthrough agreement with Lake Superior State University.</p> | 1,000,000 | 1,000,000 |

4. Michigan Student Loan Refinance Program. The Governor included \$10.0 million in one-time GF/GP as seed money for a revolving fund that would allow qualifying Michigan residents to refinance up to \$50,000 in student loans at a lower interest rate. The Conference did not include this item.	0	0
5. Michigan Public School Employees' Retirement System (MPERS) Unfunded Accrued Actuarial Liability (UAAL) Stabilization Payments. The Governor and Conference included an increase for this item to reflect an increase in the State's share of costs above the statutory cap. The increase is largely due to updated plan assumptions stemming from the 2018 MPERS experience study. This change would bring total MPERS UAAL stabilization payments for universities to \$11.7 million.	6,678,000	0
6. MPERS Normal Cost Offset. The Governor and Conference reduced this item to a total of \$1.2 million. The adjustment reflects the continued reduction to the assumed rate of return for MPERS from 7.05% to 6.8%.	(34,000)	0
7. Tuition Incentive Program. The Governor included boilerplate that would limit payments to 2.5 times the average rate for in-district tuition at community colleges. This change was estimated to save \$5.3 million. The Governor also included an additional \$9.0 million to reflect an anticipated increase in demand for this program. On net, these changes would bring total funding for the program to \$68.0 million. The Conference did not include the payment limit, and included a total of \$68.8 million for the program.	0	0
8. Michigan Tuition Grant Reduction. The Governor reduced TANF support for this program to align program appropriations with anticipated expenditures. The Conference retained current-year funding for the program at \$42.0 million.	0	0
9. Michigan Tuition Grant Fund Shift. The Governor included a \$12.0 million TANF to GF/GP fund shift in this program. The Conference made a smaller fund shift at \$8.0 million.	0	8,000,000
Total Changes	\$8,530,400	\$9,886,400
FY 2020-21 Conference Report Appropriation	\$1,699,925,400	\$1,217,835,700

Boilerplate Changes from FY 2019-20 Year-to-Date:

- FY 2021-22 Anticipated Appropriations.** The Governor and Conference removed a section that states intent for FY 2021-22 appropriations and provides an estimate of FY 2021-22 MPERS costs to be included in the FY 2021-22 budget. (Sec. 236a)
- Receipt of Federal and Private Funds.** Specifies that Federal and private funds received by the State for use of a college or university are appropriated for the purposes for which they are received. The Governor and Conference removed a sentence that specifies that the acceptance of funds does not obligate the Legislature to continue the purposes for which the funds are made available. The Conference additionally provided universities with fiscal years ending June 30 with an additional month to submit their financial data to HEIDI. (Sec. 242)
- Transparency Reporting.** The Governor removed certain transparency reporting requirements as well as language that allows the State Budget Director to withhold monthly payments to universities if they fail to comply with statutory financial transparency requirements. The Conference did not significantly change these reporting requirements. (Sec. 245)
- Michigan Student Loan Refinance Program.** The Governor included a new section establishing this program. The Conference did not include this item. (Sec. 248)
- Michigan Student Loan Refinance Fund.** The Governor included a new section establishing this fund. The Fund would receive the \$10.0 million GF/GP included in Sec. 236 for FY 2020-21, as well as the proceeds from refinanced loan payments. The Conference did not include this item. (Sec. 248a)

6. **Michigan Tuition Grants - Institutional Limitation.** The Governor removed language that specifies that the \$4.8 million institutional limit for Tuition Grants does not apply to other financial aid programs. The Conference retained this language. (Sec. 252)
7. **Tuition Incentive Program - Limit Payment Size.** The Governor included new language that would limit payments made to universities under Phase I of this program to a per-credit payment that does not exceed 2.5 times the average community college in-district tuition rate. The Conference did not include this language. (Sec. 256)
8. **Tuition Incentive Program (TIP) - Program Eligibility.** The Conference changed TIP eligibility as follows: Remove application process; those who are eligible would be able to enroll any time within 4 years of high school graduation or achievement of a GED. Change expiration of benefits from six years after high school graduation to 10 years after initial enrollment in the program. (Sec. 256)
9. **Financial Aid Program Outreach.** The Conference included a new section stating the intent of the Legislature that Treasury launch an aggressive outreach campaign to inform high school students of the State's financial aid programs. (Sec. 259)
10. **Financial Aid Resources.** The Conference included a new section requiring Treasury, with the aid of various postsecondary education groups, to create a comprehensive student financial resources web page. (Sec. 260)
11. **U of M Douglas Lake Biological Station.** The Governor removed a section that designates Douglas Lake a special reserve and states the intent of the Legislature that no State programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake. The Conference retained this section. (Sec. 261)
12. **Tuition Restraint - Lower Threshold.** The Governor and Conference reduced the allowable tuition increase under this section from 4.4% or \$587 to 4.25% or \$586. (Sec. 265)
13. **Tuition Restraint - Exceeding Limit.** The Governor removed language that restricts a university that exceeds the rate cap from receiving a capital outlay planning or construction authorization, as well as language that specifies that the Legislature may adjust the appropriation to any university that exceeds the rate cap. The Conference retained this language. (Sec. 265)
14. **Performance Funding.** The Governor changed the name of "performance funding" to "student affordability funding" and replaced the funding formula with an increase of 2.5% for all universities based on their FY 2019-20 operations funding. The Conference made no changes to this section. (Sec. 265a)
15. **Academic Program Partnerships.** The Governor and Conference removed a section requiring the Michigan Community College Association, Michigan Independent Colleges and Universities, and the Michigan Association of State Universities to submit a report on academic partnership programs. (Sec. 265c)
16. **Campus Safety Programs.** The Governor removed a section stating the intent of the Legislature that a portion of State appropriations be used for campus safety, sexual assault prevention programs, and student mental health programs. The Conference retained this section. (Sec. 265e)
17. **Indian Tuition Waiver Costs.** The Conference changed the due date of the report from the Department of Civil Rights under this section from February 15 to January 15 and required that tribal colleges receiving a passthrough payment for ITW costs submit the data necessary to be included in the report. (Sec. 268)
18. **Saginaw Chippewa Tribal College ITW Passthrough.** The Conference increased the amount of this passthrough payment from \$29,700 to \$79,700 and specified the College submit data necessary to be included in the Sec. 268 report. (Sec. 269)
19. **Bay Mills Community College ITW Passthrough.** The Conference reduced the amount of this passthrough payment from \$100,000 to \$0 and specified the College submit data necessary to be included in the Sec. 268 report. (Sec. 270)
20. **Bay Mills One-Time Passthrough Payment.** The Conference included a \$1.0 million one-time passthrough payment for Bay Mills Community College to reimburse the College for costs related to education of non-native students. (Sec. 270b)
21. **Keweenaw Bay Ojibwa Community College ITW Passthrough.** The Conference included a new section establishing a passthrough payment of \$50,000 for the College, and specified the College submit data necessary to be included in the Sec. 268 report. (Sec. 270c)
22. **Discouraged Instruction Activity.** The Governor removed a section stating the intent of the Legislature that public universities not use State funds to offer instructional activities that target companies or groups of companies for unionization or decertification of a union. The Conference retained this section. (Sec. 271a)

23. **Human Embryonic Stem Cell Research.** The Governor removed a section stating the intent of the Legislature that public and private organizations stem cell research provide certain information to the Director of the Department of Health and Human Services. The Conference retained this section. (Sec. 274)
24. **Accommodation for Military Schedule.** The Conference included new language requiring colleges to provide reasonable programming and scheduling accommodations for students serving in the military. (Sec. 275[1][g])
25. **Use and Finance Noncompliance Penalty.** The Governor removed a section that imposes a 1% reduction in State funding to a community college for each violation of certain requirement of the Management and Budget Act. The Conference retained this section. (Sec. 275a)
26. **Communications with the Legislature.** The Governor removed a section urging universities not to take disciplinary action against employees who communicate with members of the Legislature or their staff. The Conference retained this section. (Sec. 275d)
27. **Free Speech Report.** The Conference included a new reporting section on planning and assessment activities relating to freedom of speech and expression. (Sec. 275f)
28. **COVID-19 Report.** The Conference included a new reporting section that would gather various data about each college's response to the COVID-19 pandemic. (Sec. 275g)
29. **60% Postsecondary Achievement Goal.** The Conference included a new section stating the intent of the Legislature that 60% of Michigan residents achieve a postsecondary credential. (Sec. 275h)
30. **Students with Dependents.** The Conference included a new report on various demographic data related to students with dependents. (Sec. 275i)
31. **King-Chavez-Parks (KCP) Programs Report.** The Conference included a new reporting requirement on the six KCP programs. (Sec. 281a)
32. **Performance Audits.** The Governor removed a section allowing the Auditor General to conduct performance audits of universities as deemed necessary. The Conference retained this section. (Sec. 291)

Date Completed: 9-22-20

Fiscal Analyst: Josh Sefton

Table 1: FY 2020-21 Higher Education Appropriations

University	FY 2019-20 Year-To-Date	Governor			Conference		
		FY 2020-21 Gov. Rec.	Dollar Change	Percent Change	FY 2020-21 Conference	Dollar Change	Percent Change
Central	\$89,227,800	\$91,418,500	\$2,190,700	2.5%	\$89,564,500	\$336,700	0.4%
Eastern	77,556,000	79,487,300	1,931,300	2.5	77,555,200	(800)	(0.0)
Ferris	56,032,800	57,408,400	1,375,600	2.5	55,934,300	(98,500)	(0.2)
Grand Valley	73,388,500	75,196,300	1,807,800	2.5	73,490,700	102,200	0.1
Lake Superior	14,361,000	14,696,200	335,200	2.3	15,252,100	891,100	6.2
Michigan State	288,799,400	295,982,700	7,183,300	2.5	288,935,700	136,300	0.0
Michigan Tech	50,568,100	51,820,600	1,252,500	2.5	50,795,200	227,100	0.4
Northern	48,909,100	50,104,300	1,195,200	2.4	48,869,700	(39,400)	(0.1)
Oakland	53,432,500	54,761,200	1,328,700	2.5	53,413,500	(19,000)	(0.0)
Saginaw Valley	30,807,700	31,572,300	764,600	2.5	30,803,300	(4,400)	(0.0)
UM-Ann Arbor	322,773,600	330,822,900	8,049,300	2.5	322,931,100	157,500	0.0
UM-Dearborn	26,327,200	26,981,400	654,200	2.5	26,334,800	7,600	0.0
UM-Flint	23,893,200	24,483,600	590,400	2.5	23,964,400	71,200	0.3
Wayne State	203,413,900	208,488,800	5,074,900	2.5	203,458,900	45,000	0.0
Western	112,290,100	115,078,200	2,788,100	2.5	112,363,900	73,800	0.1
Subtotal University Operations:	\$1,471,780,900	\$1,508,302,700	\$36,521,800	2.5%	\$1,473,667,300	\$1,886,400	0.1%
MPSERS Reimbursement	\$5,017,000	\$11,695,000	\$6,678,000	133.1%	\$11,695,000	\$6,678,000	133.1%
MPSERS Normal Cost Offset	1,234,000	1,200,000	(34,000)	(2.8)	1,200,000	(34,000)	(2.8)
MSU AgBioResearch	34,937,300	35,810,700	873,400	2.5	34,937,300	0	0.0
MSU Extension	30,136,100	30,889,500	753,400	2.5	30,136,100	0	0.0
Higher Education Database	200,000	200,000	0	0.0	200,000	0	0.0
Midwest Higher Ed Compact	115,000	115,000	0	0.0	115,000	0	0.0
King-Chavez-Parks	2,691,500	2,691,500	0	0.0	2,691,500	0	0.0
Total Universities	\$1,546,111,800	\$1,590,904,400	\$44,792,600	2.9%	\$1,554,642,200	\$8,530,400	0.6%
Federal Coronavirus Relief Fund	163,726,600	0	(163,726,600)	(100.0)	0	(163,726,600)	(100.0)
School Aid Fund	185,692,700	356,063,300	170,370,600	91.7	356,063,300	170,370,600	91.7
State GF/GP	\$1,196,692,500	\$1,234,841,100	\$38,148,600	3.2%	\$1,198,578,900	\$1,886,400	0.2%
Grants and Financial Aid							
State Competitive Scholarships	\$29,861,700	\$38,361,700	\$8,500,000	28.5%	\$29,861,700	\$0	0.0%
Tuition Grants	42,021,500	32,021,500	(10,000,000)	(23.8)	42,021,500	0	0.0
Tuition Incentive Program (TIP)	68,800,000	67,958,000	(842,000)	(1.2)	68,800,000	0	0.0
Children of Veterans & Officer's Tuition	1,400,000	1,400,000	0	0.0	1,400,000	0	0.0
Project Gear-Up	3,200,000	3,200,000	0	0.0	3,200,000	0	0.0
Michigan Student Loan Refinance Program - one time	0	10,000,000	10,000,000	N/A	0	0	N/A
Total Grants/Financial Aid	\$145,283,200	\$152,941,200	\$7,658,000	5.3%	\$145,283,200	\$0	0.0%
Federal Higher Ed Act	3,200,000	3,200,000	0	0.0	3,200,000	0	0.0
Federal TANF	130,826,400	112,826,400	(18,000,000)	(13.8)	122,826,400	(8,000,000)	(6.1)
State GF/GP	\$11,256,800	\$36,914,800	\$25,658,000	227.9%	\$19,256,800	\$8,000,000	71.1%
TOTAL HIGHER EDUCATION							
TOTAL ALL FUNDS	\$1,691,395,000	\$1,743,845,600	\$52,450,600	3.1%	\$1,699,925,400	\$8,530,400	0.5%
TOTAL FEDERAL	297,753,000	116,026,400	(181,726,600)	(61.0)	126,026,400	(171,726,600)	(57.7)
TOTAL STATE RESTRICTED	185,692,700	356,063,300	170,370,600	91.7	356,063,300	170,370,600	91.7
TOTAL STATE GF/GP	\$1,207,949,300	\$1,271,755,900	\$63,806,600	5.3%	\$1,217,835,700	\$9,886,400	0.8%

Table 2: HIGHER EDUCATION APPROPRIATIONS: CONFERENCE REPORT

University	FY 2019-20 Year-To-Date Operations	FY 2019-20 Year-To-Date ITW Reimb.	FY 2019-20 Year-To-Date Appropriation	Adjustments					Other Changes	FY 2020-21 Conference	Dollar Change From FY 2019-20	Percent Change	Appropriation Per FYES
				Remove ITW Passthrough from Ops	ITW Passthrough Reallocation	One-time Passthrough for Bay Mills	FY21 ITW Adjustment	Total University Funding Changes					
Central	\$87,629,700	\$1,598,100	\$89,227,800	(\$29,700)	\$79,700		286,700	\$336,700		\$89,564,500	\$336,700	0.4%	\$ 4,788
Eastern	77,253,700	302,300	77,556,000				(800)	(800)		77,555,200	(800)	(0.0)	\$ 5,115
Ferris	55,025,500	1,007,300	56,032,800				(98,500)	(98,500)		55,934,300	(98,500)	(0.2)	\$ 5,198
Grand Valley	72,313,500	1,075,000	73,388,500				102,200	102,200		73,490,700	102,200	0.1	\$ 3,275
Lake Superior	13,407,000	954,000	14,361,000	(100,000)	0	1,000,000	(8,900)	891,100		15,252,100	891,100	6.2	\$ 8,720
Michigan State	287,331,700	1,467,700	288,799,400				136,300	136,300		288,935,700	136,300	0.0	\$ 6,246
Michigan Tech	50,101,600	466,500	50,568,100				227,100	227,100		50,795,200	227,100	0.4	\$ 7,634
Northern	47,809,100	1,100,000	48,909,100		50,000		(89,400)	(39,400)		48,869,700	(39,400)	(0.1)	\$ 7,221
Oakland	53,147,400	285,100	53,432,500				(19,000)	(19,000)		53,413,500	(19,000)	(0.0)	\$ 3,079
Saginaw Valley	30,583,800	223,900	30,807,700				(4,400)	(4,400)		30,803,300	(4,400)	(0.0)	\$ 4,150
UM-Ann Arbor	321,970,100	803,500	322,773,600				157,500	157,500		322,931,100	157,500	0.0	\$ 6,776
UM-Dearborn	26,167,000	160,200	26,327,200				7,600	7,600		26,334,800	7,600	0.0	\$ 3,676
UM-Flint	23,616,200	277,000	23,893,200				71,200	71,200		23,964,400	71,200	0.3	\$ 3,936
Wayne State	202,996,700	417,200	203,413,900				45,000	45,000		203,458,900	45,000	0.0	\$ 8,905
Western	111,522,200	767,900	112,290,100				73,800	73,800		112,363,900	73,800	0.1	\$ 5,897
Subtotal University Operations:	\$1,460,875,200	\$10,905,700	\$1,471,780,900	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$0	\$1,473,667,300	\$1,886,400	0.1%	\$ 5,724
MPSERS Reimbursement			\$5,017,000						6,678,000	\$11,695,000	\$6,678,000	133.1%	
MPSERS Normal Cost Offset			1,234,000						(34,000)	1,200,000	(34,000)	(2.8)	
MSU AgBioResearch	34,937,300		34,937,300					0		34,937,300	0	0.0	
MSU Extension	30,136,100		30,136,100					0		30,136,100	0	0.0	
Higher Education Database			200,000							200,000	0	0.0	
Midwest Higher Ed Compact			115,000							115,000	0	0.0	
King-Chavez-Parks			2,691,500							2,691,500	0	0.0	
Total Universities			\$1,546,111,800	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$6,644,000	\$1,554,642,200	\$8,530,400	0.6%	
Federal Coronavirus Relief Fund			163,726,600	0	0	0	0	0	(163,726,600)	0	(163,726,600)	(100.0)	
School Aid Fund			185,692,700	0	0	0	0	0	170,370,600	356,063,300	170,370,600	91.7	
State GF/GP			\$1,196,692,500	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$0	\$1,198,578,900	\$1,886,400	0.2%	
Grants and Financial Aid													
State Competitive Scholarships			\$29,861,700							\$29,861,700	\$0	0.0%	
Tuition Grants			42,021,500							42,021,500	0	0.0	
Tuition Incentive Program (TIP)			68,800,000							68,800,000	0	0.0	
Children of Veterans & Officer's Tuition			1,400,000							1,400,000	0	0.0	
Project Gear-Up			3,200,000							3,200,000	0	0.0	
Total Grants/Financial Aid			\$145,283,200						\$0	\$145,283,200	\$0	0.0%	
Federal Higher Ed Act			3,200,000						0	3,200,000	0	0.0	
Federal TANF			130,826,400						(8,000,000)	122,826,400	(8,000,000)	(6.1)	
State GF/GP			\$11,256,800						\$8,000,000	\$19,256,800	\$8,000,000	71.1%	
TOTAL HIGHER EDUCATION													
TOTAL ALL FUNDS			\$1,691,395,000	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$6,644,000	\$1,699,925,400	\$8,530,400	0.5%	
TOTAL FEDERAL			297,753,000	0	0	0	0	0	(171,726,600)	126,026,400	(171,726,600)	(57.7)	
TOTAL STATE RESTRICTED			185,692,700	0	0	0	0	0	170,370,600	356,063,300	170,370,600	91.7	
TOTAL STATE GF/GP			\$1,207,949,300	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$8,000,000	\$1,217,835,700	\$9,886,400	0.8%	