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SFA BILL ANALYSIS

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Senate Bill 1105 (S-1 as amended by the Committee of the Whole)
Committee: Appropriations

FY 2001-02 Year-to-Date Gross Appropriation	**$1,925,842,366**
Changes from FY 2001-02 Year-to-Date:	
1. **University Operations.** The Governor and the Senate propose to retain the FY 2001-02 funding levels for the Operations line-items of the 15 public universities, with no reductions for FY 2002-03, if universities agree to increase resident undergraduate tuition no more than 8.5%, or $425, whichever is greater. If a university raises their tuition more than that, their appropriation would be reduced by an amount equal to the excess revenue, and the funds would be redistributed (based on each university's percent share of FY 2001-02 base appropriations) to those universities that honor the tuition restraint commitment.	0
2. **Rare Isotope Accelerator (RIA).** The Governor and the Senate include new funding for design and architectural studies related to the RIA facilities which Michigan State University hopes to build if they are awarded the Federal RIA project. The fund source for this appropriation would be the Tobacco Settlement Trust Fund.	2,000,000
3. **Program Reductions.** The Governor recommends reducing Project GREEEN by $191,500 and the Higher Education database by $25,000. The Senate recommends only the database reduction.	(25,000)
4. **Program Eliminations.** The Governor's budget eliminates funding for three programs: the Michigan Molecular Institute ($236,900), the Spring Arbor University education program at Jackson State Prison ($135,300), and Midwest Higher Education Compact dues ($82,500). The Senate does not concur with any of these program eliminations.	0
5. **Additional Federal Funds.** The Governor and the Senate include $300,000 in new Federal funds for State Competitive Scholarships and $300,000 for Robert Byrd Honors Scholarships.	600,000
6. **Nursing Scholarship Program.** The Senate creates a new program that would allow awards of up to $3,000 per year for four years to nursing students who work in Michigan for at least five years after they are licensed. The fund source for this appropriation would be the Merit Award Trust Fund.	4,000,000
7. **Michigan Merit Award Scholarship Program.** The Governor and the Senate add $11,300,000 to the Program for an FY 2002-03 total of $114,323,850. The Department of Treasury reports that 48,760 students qualified from the class of 2001, and 37,780 of those students had indicated their postsecondary education choice. If all 37,780 students receive the $2,500 maximum grant, there would be FY 2001-02 expenditures of $94,450,000.	11,300,000
8. **Comparison to Governor's Recommendation.** The Senate bill is $4,646,200 Gross over the Governor and $646,200 GF/GP over the Governor.	
Total Changes	$17,875,000
FY 2002-03 Senate Appropriations Gross Appropriation	**$1,943,717,366**

Changes from FY 2001-02 Year to Date:

1. **Reports on the Internet.** Governor and Senate delete quarterly report requirement. (Sec. 208)
2. **Tuition Tax Credit.** Governor and Senate eliminate the appropriation contingent on repeal of the credit. (Sec. 214)
3. **Tuition Grants for Ferris' Kendall College.** Governor and Senate delete reference to grants for academic year 2001-02. (Sec. 302(7))
4. **Spring Arbor Prisoner Education Program.** Governor eliminates the program; Senate retains the program and refers to Spring Arbor as "University"instead of "College". (Sec. 304(3))
5. **Tuition Incentive Program (TIP).** Governor and Senate delete subsections that: allow statutory provisions to supercede TIP boilerplate (subsection 12); require Department of Treasury to continue outreach just as the Family Independence Agency did (subsection 14); and appropriate State General Fund if Merit Trust Fund dollars are insufficient (subsection 15). (Sec. 310)
6. **Nursing Scholarship Program.** Allow Michigan Higher Education Assistance Authority to establish and administer the Program, as provided by law. (Sec. 312)
7. **MSU-DCL Law Alliance.** Governor and Senate delete Legislative intent that State funds not be used to support the joint law school. (Sec. 404)
8. **Per-Student Floor Funding.** Senate deletes reference to floors of $4,600, $4,800, $5,800, and $9,100 per fiscal-year-equated student but adds legislative intent to fund a $4,500 floor if May 2002 Consensus Revenue Estimating Conference determines more revenue is available.
9. **Bipartisan House Tier Funding Work Group.** Governor and Senate eliminate. (Sec. 411)
10. **Graduates in Academic Fields of Study.** Governor and Senate delete report requirement since data is included in Higher Education database (HEIDI). (Sec. 412)
11. **Tuition Restraint.** Governor and Senate restrict tuition increases to 8.5% or $425, whichever is greater, and provide penalty for universities that exceed limits. (Sec. 436)
12. **Rare Isotope Accelerator (RIA).** Governor and Senate provide appropriation for development of program statement and preliminary design documents for RIA office building and for evaluation and prototyping of RIA design elements. (Sec. 437)
13. **Student Performance Reporting.** Governor and Senate delete report requirement. (Sec. 601(3))
14. **University Audits.** Governor and Senate allow field audits at the discretion of the Auditor General, and include review of HEIDI data. (Sec. 701(1))
15. **New Academic Programs.** Governor and Senate delete prior year list of approved programs. (Sec. 701a)
16. **Sections deleted by Governor, retained by Senate:** Buy American (Sec. 209); Report from fiscal agencies (Sec. 210(4)); Tuition tax credit report (Sec. 214); Restricted revenue report (Sec. 216); Douglas Lake (Sec. 402); Undergraduate instruction primacy (Sec. 408); Private bookstores (Sec. 426); Need and merit-based financial aid report (Sec. 710).

Date Completed: 2/20/02 Fiscal Analyst: Ellen Jeffries