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SFA



BILL ANALYSIS

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FY 2001-02 Year-to-Date Gross Appropriation	\$1,925,842,366
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Changes from FY 2001-02 Year-to-Date:

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| 1. University Operations. The Governor, Senate, and House 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, Senate, and House included 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 is the Tobacco Settlement Trust Fund. | 2,000,000 |
| 3. Program Reductions. The Governor recommended reducing Project GREEN by \$191,500 and the Higher Education database by \$25,000. The Senate and House included only the database reduction. | (25,000) |
| 4. Program Eliminations. The Governor's budget eliminated 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).
* <i>The Senate and House restored these programs, but the Governor vetoed \$236,900 for the MMI and \$135,300 for Spring Arbor's prisoner education program.</i> | (372,200) |
| 5. Additional Federal Funds. The Governor, Senate, and House included \$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 created a new program that would allow awards of up to \$4,000 per year for four years to nursing students who work in Michigan for up to four years after they are licensed. The fund source for this appropriation is the Merit Award Trust Fund. Enabling legislation (Senate Bills 792 and 793) is pending. | 4,000,000 |
| 7. Michigan Merit Award Scholarship Program. The Governor, Senate, and House added \$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 |
| Total Changes | \$17,502,800 |

FY 2002-03 Enacted Appropriations Gross Appropriation	\$1,943,345,166
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*Vetoed by the Governor



Changes from FY 2001-02 Year to Date:

1. **Reports on the Internet.** Delete quarterly report requirement. (Sec. 208)
2. **Tuition Tax Credit.** Eliminate the appropriation contingent on repeal of the credit. (Sec. 214)
3. **Capital Outlay.** Legislative intent that State-funded projects are competitively bid. (Sec. 218)
4. **Tuition Grants for Ferris' Kendall College.** Delete reference to grants for academic year 2001-02. (Sec. 302(7))
5. **Spring Arbor Prisoner Education Program.** Governor eliminated the program; Senate and House retained the program and referred to Spring Arbor as "University" instead of "College"; Governor vetoed the program. (Sec. 304(3))
6. **Tuition Incentive Program (TIP).** 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)
7. **Nursing Scholarship Program.** Allow Michigan Higher Education Assistance Authority to establish and administer the Program and allow statutory provisions to supercede boilerplate. (Sec. 312)
8. **MSU-DCL Law Alliance.** Delete Legislative intent that State funds not be used to support the joint law school. (Sec. 404)
9. **Per-Student Floor Funding.** Senate deleted reference to floors of \$4,600, \$4,800, \$5,800, and \$9,100 per fiscal-year-equated student but added legislative intent to fund a \$4,500 floor if May 2002 Consensus Revenue Estimating Conference determines more revenue is available; House removed single Senate \$4,500 floor and reinserted FY 2001-02 university groupings with four floors of \$4,600, \$4,800, \$5,800, and \$9,100. The Senate concurred with the House. (Secs. 409 & 438)
10. **Bipartisan House Tier Funding Work Group.** Eliminate. (Sec. 411)
11. **Graduates in Academic Fields of Study.** Delete report requirement since data is included in Higher Education database (HEIDI). (Sec. 412)
12. **Tuition Restraint.** Restrict tuition increases to 8.5% or \$425, whichever is greater, and provide penalty for universities that exceed limits. (Sec. 436)
13. **Rare Isotope Accelerator (RIA).** Provide appropriation for development of program statement and preliminary design documents for RIA office building and for evaluation and prototyping of RIA design elements; and legislative intent that MSU work with MEDC to develop documents. (Sec. 437)
14. **Postsecondary Enrollment Options Act.** Establish House/Senate work group to make recommendations on acceptance of college credits earned under the Act. (Sec. 439)
15. **Student Performance Reporting.** Delete report requirement. (Sec. 601(3))
16. **University Audits.** Governor and Senate allowed field audits at the discretion of the Auditor General, and required review of HEIDI data for five universities; House required data review for all 15 universities. The Senate concurred with the House. (Sec. 701(1))
17. **New Academic Programs.** Add new degrees recommended by the Presidents Council. (Sec. 701a)
18. **Sections deleted by Governor, retained by Senate and House:** Buy American (Sec. 209); Report from fiscal agencies (Sec. 210(3)); 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).

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

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