



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1067 (S-1 as passed by the Senate)

Committee: Appropriations

FY 2003-04 Year-to-Date Gross Appropriation	\$1,653,663,200
Changes from FY 2003-04 Year-to-Date:	
1. FY 2003-04 Tuition Restraint Supplemental. Public Act 237 of 2003 restores 3.0% of the 5.0% Executive Order 2003-23 reduction to the base appropriation of each university, if two criteria are met: a) the school did not adopt a resident undergraduate tuition and fee rate increase after December 1, 2003, for academic year 2003-04; and b) the school certifies that it will not adopt a resident undergraduate tuition and fee rate increase for academic year 2004-05 that exceeds the increase in the fiscal year 2004-05 Detroit Consumer Price Index, as estimated at the January 2004 Consensus Revenue Estimating Conference. The Governor and the Senate assume that all 15 universities will comply.	43,903,000
2. Agricultural Experiment Station (AES) and Cooperative Extension Service (CES). The Governor proposes a 3.0% reduction for each of these programs, for total FY 2004-05 funding of \$32,168,900 for AES and \$27,746,200 for CES. The Senate retains the FY 2003-04 funding levels.	0
3. Midwest Compact Dues. The Senate inserts \$100 as a placeholder for discussion of this issue.	100
4. State Competitive Scholarships. A small amount of additional Federal funds are available for FY 2004-05, resulting in total funding of \$35,630,500; \$3,000,000 Federal and \$32,630,500 State GF/GP.	19,300
5. Tuition Grants. The Governor proposes to eliminate these need-based grants for students at independent colleges and universities; the Senate retains the current year funding of \$64,768,100.	0
6. Tuition Incentive Program (TIP). Due to an increase in TIP students attending college, an additional \$1,000,000 in Merit Award Trust Fund revenue is required for TIP.	1,000,000
7. Comparison to Governor's Recommendation. The Senate bill is \$66,621,200 Gross and GF/GP over the Governor.	
Total Changes.....	\$44,922,400
FY 2004-05 Senate Gross Recommendation.....	\$1,698,585,600

Changes from FY 2003-04 Year to Date:

1. **Buy American.** Governor and Senate add preference for Michigan businesses. (Sec. 209)
2. **Appropriations Report from Fiscal Agencies.** Governor deletes; Senate retains. (Sec. 212(3))
3. **Tuition Grants.** Governor deletes language due to proposed elimination of program; Senate retains. (Sec. 302)
4. **Quarterly Payment System for Financial Aid.** Governor revises to reflect 25%/25%/25%/25% schedule for all programs except Work Study and Byrd Scholarships; Senate retains current year schedule of 40%/40%/10%/10%. (Sec. 308)
5. **Tuition Incentive Program.** Governor and Senate remove prohibition for payments for theology and divinity courses. (Sec. 310)
6. **Joseph F. Young Psychiatric Research.** Governor reduces earmarking by 8.0%; Senate by 2.0%. (Sec. 401 (1))
7. **Douglas Lake.** Governor deletes Legislative intent to preserve long-term research value; Senate retains. (Sec. 402)
8. **Undergraduate Instruction.** Governor and Senate delete Legislative intent to recognize primacy and encourage an increase in tenured faculty for this purpose.
9. **Law Degree Students.** Governor and Senate delete prohibition on a university's use of State funds to collaborate with another university to increase first-time enrollment.
10. **Lists of Required Textbooks.** Governor deletes Legislative intent for accurate and timely access by private bookstores and the ability of students to decide where to purchase textbooks; Senate retains. (Sec. 426)
11. **Project GREEN.** Governor reduces earmarkings for AES and CES by 3.1%; Senate does not. (Sec. 433)
12. **MEDC/Universities Quarterly Reports.** Governor and Senate delete requirement.
13. **Tuition Restraint.** Governor and Senate allocate incentive amounts based on no tuition increase after December 1, 2003 for 2003-04, and tuition increase not to exceed Detroit CPI for 2004-05; allows retroactive compliance for 2003-04; Senate guarantees no reductions during FY 2004-05. (Sec. 436)
14. **Michigan Public School Employees Retirement System (MPERS).** Governor deletes Legislative intent to retain FY 2002-03 contribution rate for FY 2003-04; Senate refers to subsidy of \$4.9 million. (Sec. 437)
15. **Report on Smoking Policies in Dorms.** Governor and Senate delete requirement.
16. **Tuition and Fee Data.** Governor and Senate require submission to HEIDI by August 31, 2004, with any revisions submitted within 15 days of board adoption. (Sec. 440)
17. **Per-Student Floor Funding.** Senate adds legislative intent for per-student floor funding of \$3,800, based on FY 2002-03 fiscal-year-equated students. (Sec. 450)
18. **Student and Presidential Housing.** Senate adds report requirement. (Sec. 460)
19. **HEIDI Audits.** Governor and Senate revise definitions. (Sec. 701. (2) (a) and (3))
20. **New Academic Programs.** Governor and Senate delete FY 2003-04 list.
21. **Report on Need and Merit-Based Aid.** Governor and Senate delete requirement.
22. **Underutilized Degree Programs.** Governor requires universities to participate in a study to determine extent of such programs; Senate does not include. (Sec. 711)
23. **Tuition Restraint Policy.** Governor and Senate revise FY 2003-04 language. (Sec. 1201)
24. **Competitive Scholarships and Tuition Grants.** Senate retains requirement to notify recipients by June 30, 2004. (Sec. 1302)
25. **Repeal of Sec. 452 of 2003 PA 237.** Senate repeals previous tuition restraint language and replaces with Sec. 436 above. (Enacting Section 1)

Date Completed: 4-1-04

Fiscal Analyst: Ellen Jeffries

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

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