



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1088 (as introduced)
Committee: Appropriations

FY 2005-06 Year-to-Date Gross Appropriation	\$1,734,443,900
Changes from FY 2005-06 Year-to-Date:	
1. Across-the-Board Increases for University Operations. The Governor recommended a 2.0% increase for Michigan State, University of Michigan-Ann Arbor, and Wayne State, and a 1.0% increase for the other 12 State universities.	22,346,000
2. Formula Funding. At 12 of the State universities, the Governor allocated \$1.5 million to each of four categories based on tuition revenue, financial aid expenditures, Pell Grant awards, and degree completions.	6,050,800
3. State Competitive Scholarships. The Governor reflected a loss of \$500,000 in Federal revenue, added \$3.0 million GF/GP to replace MHEAA revenue, and transferred \$29.5 million GF/GP from the Tuition Grant Program. The Governor recommended that current Tuition Grant recipients continue to receive their grants as sophomores, juniors, and seniors (but not as graduate students), and at the State Competitive Scholarship Grant maximum of \$1,300 instead of the \$2,000 Tuition Grant maximum.	28,968,100
4. Tuition Grants. The Governor eliminated this line-item but \$29.5 million GF/GP is transferred to State Competitive Scholarships to allow for a phase-out of Tuition Grants.	(58,768,100)
5. Michigan Merit Awards. The Governor projected total FY 2006-07 expenditures of \$127.7 million, with \$55.9 million for the second payment for the class of 2005 and \$55.4 million for the first payment for the class of 2006; no payments are included for class of 2006 out-of-State students. The FY 2005-06 appropriation is \$126.4 million.	1,300,000
6. Tuition Incentive Program (TIP). The Governor recommended a \$2.0 million increase for TIP due to an increase in caseload; an FY 2006-07 appropriation of \$14.0 million would fund more than 7,600 students.	2,000,000
7. Children of Veterans Tuition Grants. The Governor replaced \$500,000 in State GF/GP with State Restricted revenue and provided an additional \$500,000 in State Restricted revenue from an income tax check-off for full-year funding of the tuition grants at \$1.0 million.	500,000
8. Michigan Leadership, Education and Development (MiLEAD). The Governor added a new program, funded from the Civilian Conservation Corps Fund in DNR, that would link academic learning at postsecondary institutions with conservation-based community service needs.	5,000,000
Total Changes.....	\$7,396,800
FY 2006-07 Governor's Recommendation.....	\$1,741,840,700

Changes from FY 2005-06 Year to Date:

1. **University Payment Schedule.** Governor deleted reference to FY 2005-06 House formula, AES, and CES. (Sec. 212(1))
2. **Appropriations Report from Fiscal Agencies.** Governor deleted. (Sec. 212(3))
3. **Tuition Grants.** Governor eliminated program but allows current freshmen grant recipients to continue to receive their grants as undergraduates, at the same grant maximum as State Competitive Scholarships. (Sec. 301(6))
4. **State Financial Aid Payment Schedule.** Governor replaced 40%/40%/10%/10% quarterly payments with equal quarterly payments. (Sec. 308)
5. **Tuition Incentive Program (TIP).** Governor added FAFSA filing as a criterion for Phase I eligibility, and achievement of junior-level status at a four-year institution as a criterion for Phase II eligibility. (Sec. 310(3))
6. **Michigan Leadership, Education and Development (MiLEAD) Initiative.** Governor added a new program to provide \$1.0 million grants to higher education institutions for residential programs for at-risk youth to earn college credits while they perform conservation-based community service. (Sec. 313)
7. **Douglas Lake.** Governor deleted legislative intent to preserve research value. (Sec. 402)
8. **FY 2005-06 House Formula/Senate Per-Student Floor Funding.** Governor replaced with new four-part formula for all State universities (except MSU, UM-Ann Arbor, and Wayne State) based on tuition revenue, financial aid expenditures, Pell Grant awards, and weighted degree completions. (Sec. 418)
9. **Lists of Required Textbooks.** Governor deleted legislative intent for timely access to lists by private bookstores/student groups, and intent to allow students to decide where to purchase textbooks. (Sec. 426)
10. **Michigan Public School Employees Retirement System (MPERS).** Governor deleted legislative intent that stabilization subaccount funds be used to subsidize payroll contributions of the seven MPERS universities. (Sec. 437)
11. **New Academic Programs.** Governor deletes FY 2005-06 list. (Sec. 701a)

Date Completed: 3-6-06

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