



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1088 (S-1 as passed by the Senate)
Committee: Appropriations

FY 2005-06 Year-to-Date Gross Appropriation	\$1,734,443,900
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Changes from FY 2005-06 Year-to-Date:

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| 1. Per-Student Floor Funding. The Senate included a \$3,750 per-student floor that provides funds to four universities: Central (\$304,400), Grand Valley (\$3,159,900), Oakland (\$1,191,800), and Saginaw Valley (\$1,184,000). | 5,840,100 |
| 2. 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. The Senate provided a 1.8% inflation increase (based on the January 2006 Consensus Revenue Estimating Conference) for all 15 universities | 25,556,700 |
| 3. 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; Senate did not include. | 0 |
| 4. Senate Floor Adjustments. Floor amendments added \$2.3 million to allow each university to be funded at the higher of the Governor's recommendation or the Senate Appropriations Committee recommendation. Also adopted were amendments to increase by 2.0% the Agricultural Experiment Station (\$663,300) and the Cooperative Extension Service (\$572,100). | 3,496,100 |
| 5. Competitive Scholarships and Tuition Grants. For Competitive Scholarships, the Governor added \$3.0 million GF/GP to replace MHEAA revenue and transferred \$29.5 million GF/GP from the Tuition Grant Program, which she eliminated. The Governor did allow current undergraduate Tuition Grant recipients to continue to receive their grants but at the Competitive Scholarship maximum of \$1,300 instead of the \$2,000 Tuition Grant maximum. The Senate did not change either of these grant programs but did concur with the Governor's \$500,000 Federal fund reduction for Competitive Scholarships. | (500,000) |
| 6. Nursing Scholarship Program. Senate added master degree in nursing programs as eligible for funds and provided an additional \$250,000 for the Program. | 250,000 |
| 7. 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 |
| 8. Tuition Incentive Program (TIP). The Governor recommended a \$2.0 million GF/GP increase for TIP due to an increase in caseload; an FY 2006-07 appropriation of \$14.0 million would fund over 7,600 students, with \$7.4 million GF/GP and \$6.6 million from the Merit Award Trust Fund. | 2,000,000 |
| 9. 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 |
| 10. 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 |
| 11. Comparison to Governor's Recommendation. The Senate is \$36.0 million Gross and \$32.8 million GF/GP over the Governor. | |

Total Changes.....	\$43,442,900
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FY 2006-07 Senate Gross Appropriation	\$1,777,886,800
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Changes from FY 2005-06 Year to Date:

1. **University Payment Schedule.** Governor and Senate deleted reference to FY 2005-06 House formula, AES, and CES. (Sec. 212(1))
2. **Appropriations Report from Fiscal Agencies.** Governor deleted, Senate retained. (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)); Senate retained current-year program with an application deadline of July 1, 2006. (Sec. 302)
4. **State Financial Aid Payment Schedule.** Governor replaced 40%/40%/10%/10% quarterly payments with equal quarterly payments; Senate retained current schedule. (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; Senate added only a requirement for students to request FAFSA filing information. (Sec. 310(3))
6. **Nursing Scholarship Program.** Senate added master degree in nursing programs as eligible for funds. (Sec. 312)
7. **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; Senate added eligibility for independent colleges and universities. (Sec. 313)
8. **Douglas Lake.** Governor deleted legislative intent to preserve research value, Senate retained. (Sec. 402)
9. **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; Senate did not include either the Governor's or the House's formulas. (Sec. 418)
10. **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, Senate retained. (Sec. 426)
11. **Michigan Public School Employees Retirement System (MPERS).** Governor and Senate deleted legislative intent that stabilization subaccount funds be used to subsidize payroll contributions of the seven MPERS universities due to depletion of the subaccount. (Sec. 437)
12. **Per-Student Floor Funding.** Senate added \$3,750 per-student funding floor. (Sec. 450)
13. **New Academic Programs.** Governor and Senate deleted FY 2005-06 list. (Sec. 701a)
14. **Education Degrees.** Senate added requirement for reports on efforts to increase education degrees conferred for teaching of middle and high school math, physics, chemistry, biology, and certain foreign languages. (Sec. 711)
15. **Research and Technology Transfer.** Senate added requirement for reports on research, technology transfer, job creation, and graduates with advanced degrees in math, science, health care, and engineering.

Date Completed: 3-30-06

Fiscal Analyst: Ellen Jeffries

SB 1088(S-1): Higher Education
FY 2006-07: Senate Passed


	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	FY 2005-06 Year-to-Date Appropriation	2005-06 Approp. Per Student*	Foundation Funding Floor of \$3,750	Inflation Increase of 1.8%	Senate Floor Funding Adjustments	Increase Nursing, Merit, TIP, Vets; Add MiLEAD	FY 2006-07 Senate Passed	\$ Change From 2005-06	% Change From 2005-06	2006-07 Approp. Per Student*	\$ Change From Governor
UNIVERSITIES											
Central	\$80,061,900	3,736	304,400	\$1,441,100			\$81,807,400	\$1,745,500	2.2%	3,817	71,200
Eastern	76,140,600	4,019	0	1,370,500	117,000		77,628,100	1,487,500	2.0%	4,097	0
Ferris	48,634,700	4,611	0	875,400			49,510,100	875,400	1.8%	4,694	31,500
Grand Valley	61,129,900	3,151	3,159,900	1,100,300			65,390,100	4,260,200	7.0%	3,371	2,940,900
Lake Superior	12,506,300	4,827	0	225,100	257,200		12,988,600	482,300	3.9%	5,013	0
Michigan State	283,730,300	6,782	0	5,107,100	567,500		289,404,900	5,674,600	2.0%	6,918	0
Michigan Tech	48,018,800	8,095	0	864,300	(2,700)		48,880,400	861,600	1.8%	8,240	0
Northern	45,051,600	5,348	0	810,900	16,500		45,879,000	827,400	1.8%	5,446	0
Oakland	50,685,700	3,664	1,191,800	912,300			52,789,800	2,104,100	4.2%	3,816	1,070,100
Saginaw Valley	27,499,800	3,595	1,184,000	495,000			29,178,800	1,679,000	6.1%	3,815	876,100
UM-Ann Arbor	316,368,500	8,048	0	5,694,600	632,800		322,695,900	6,327,400	2.0%	8,209	0
UM-Dearborn	24,739,200	3,973	0	445,300	102,400		25,286,900	547,700	2.2%	4,061	0
UM-Flint	20,903,100	4,231	0	376,300	140,700		21,420,100	517,000	2.5%	4,335	0
Wayne State	214,666,300	8,603	0	3,864,000	429,300		218,959,600	4,293,300	2.0%	8,775	0
Western	109,695,200	4,569	0	1,974,500			111,669,700	1,974,500	1.8%	4,652	270,900
Ag Experiment Station(AES)	33,163,800				663,300		33,827,100	663,300	2.0%		663,300
Cooperative Extension(CES)	28,604,300				572,100		29,176,400	572,100	2.0%		572,100
Higher Education Database	200,000						200,000	0	0.0%		0
Midwest Higher Ed Compact	90,000						90,000	0	0.0%		0
King-Chavez-Parks	2,691,500						2,691,500	0	0.0%		0
TOTAL UNIVERSITIES	1,484,581,500	5,679	5,840,100	25,556,700	3,496,100	0	1,519,474,400	34,892,900	2.4%	5,813	6,496,100
Merit Award Trust Fund	9,500,000		0	0	0	0	9,500,000	0	0.0%		0
State GF/GP	1,475,081,500		5,840,100	25,556,700	3,496,100	0	1,509,974,400	34,892,900	2.4%		6,496,100
GRANTS & FINANCIAL AID											
Competitive Scholarships	34,630,500					(500,000)	34,130,500	(500,000)	-1.4%		(29,468,100)
Tuition Grants	58,768,100						58,768,100	0	0.0%		58,768,100
Work Study	7,326,300						7,326,300	0	0.0%		0
Part-time Independent	2,653,300						2,653,300	0	0.0%		0
Ed.Opportunity Grants(MEOG)	2,084,200						2,084,200	0	0.0%		0
Byrd Scholarship Program	1,500,000						1,500,000	0	0.0%		0
Nursing Scholarship Program	4,000,000					250,000	4,250,000	250,000	6.3%		250,000
Michigan Merit Award Program	126,400,000					1,300,000	127,700,000	1,300,000	1.0%		0
Tuition Incentive Program(TIP)	12,000,000					2,000,000	14,000,000	2,000,000	16.7%		0
Children of Veterans Tuition	500,000					500,000	1,000,000	500,000	100.0%		0
Mi. Leadership, Ed, Development	0					5,000,000	5,000,000	5,000,000	na		0
TOTAL FINANCIAL AID	249,862,400		0	0	0	8,550,000	258,412,400	8,550,000	3.4%		29,550,000
Federal	3,500,000		0	0	0	(500,000)	3,000,000	(500,000)	-14.3%		0
Merit Award Trust Fund	137,000,000		0	0	0	1,550,000	138,550,000	1,550,000	1.1%		250,000
MHEAA/Carry-Forward	7,000,000		0	0	0	(4,000,000)	3,000,000	(4,000,000)	-57.1%		3,000,000
Veterans Tax Checkoff	0		0	0	0	1,000,000	1,000,000	1,000,000	na		0
Civilian Conservation Corp	0		0	0	0	5,000,000	5,000,000	5,000,000	na		0
State GF/GP	102,362,400		0	0	0	5,500,000	107,862,400	5,500,000	5.4%		26,300,000
TOTAL HIGHER ED	1,734,443,900		5,840,100	25,556,700	3,496,100	8,550,000	1,777,886,800	43,442,900	2.5%		36,046,100
TOTAL FEDERAL	3,500,000		0	0	0	(500,000)	3,000,000	(500,000)	-14.3%		0
TOTAL STATE RESTRICTED	153,500,000		0	0	0	3,550,000	157,050,000	3,550,000	2.3%		3,250,000
TOTAL STATE GF/GP	1,577,443,900		5,840,100	25,556,700	3,496,100	5,500,000	1,617,836,800	40,392,900	2.6%		32,796,100