



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 1099 (as introduced)

[Vehicle for Governor's Recommendation line items is Senate Bill 1154.](#)

Committee: Appropriations

FY 2007-08 Year-to-Date Gross Appropriation	\$1,896,375,700
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Changes from FY 2007-08 Year-to-Date:

- | | |
|---|---------------|
| 1. Restoration of August 2007 Payment Delay. This one-time payment is eliminated. | (138,736,000) |
| 2. University Operations. The Governor provided a total increase of 3.0%, with individual university increases ranging from 2.3% to 6.2%. The increases are distributed based on three factors: a) number of undergraduate Pell Grant awards; b) amount of research and commercial licensing activity; and c) number of academic degrees conferred, with a higher weight given to math, science, engineering, and health degrees. Columns 3 - 6 on the attachment outline the amounts for each factor by university. | 43,581,700 |
| 3. Agricultural Experiment Station (AES) and Cooperative Extension Service (CES). The Governor added 3.0% increases for AES (\$1,019,900) and CES (\$879,700) resulting in FY 2008-09 total appropriations of \$35,016,100 and \$30,202,000, respectively. | 1,899,600 |
| 4. Midwest Higher Education Compact. The Governor included funding for an increase in annual dues from \$90,000 to \$95,000. | 5,000 |
| 5. Michigan Merit Awards. The Governor recommended a reduction in the program from \$60.0 million in FY 2007-08 to \$5.2 million in FY 2008-09, due to the phase out of Merit Awards which have been replaced with Promise Grants. | (54,800,000) |
| 6. Michigan Promise Grants. The Governor increased funding from \$43.5 million to \$90.5 million for this program that provides \$4,000 merit-based grants to students who complete two years of postsecondary education with a GPA of at least 2.5. High school students who do well on the Merit Exam can receive half of their funding during their first two years of postsecondary study. | 47,000,000 |
| 7. Tuition Incentive Program (TIP). Due to caseload growth, the Governor increased this program from \$21.1 million in FY 2007-08 to \$25.2 million in FY 2008-09. TIP promises to pay two years of community college tuition, and up to \$2,000 at a four-year institution, for Medicaid-eligible middle school and high school students who graduate from high school. There were 9,046 TIP students in FY 2005-06 and 10,462 in FY 2006-07, an increase of 15.7%. | 4,100,000 |
| 8. Grants and Financial Aid. The Governor recommended \$3.3 million in fund shifts from State restricted revenue to State GF/GP. Except for the adjustments for Merit Awards, Promise Grants, and TIP, there were no changes from the FY 2007-08 total funding levels. | 0 |

Total Changes	(\$96,949,700)
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FY 2008-09 Governor's Recommendation	\$1,799,426,000
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Changes from FY 2007-08 Year to Date:

1. **Payments to Local Units of Government.** Governor eliminated the recording of these payments. (Sec. 201)
2. **Preference for Michigan Vehicles.** Governor deleted intent for universities to lease and/or purchase only vehicles assembled or manufactured in Michigan. (Sec. 210)
3. **Late HEIDI Data Submission.** Governor changed penalty from required to permissive. (Sec. 212(3))
4. **Appropriations Report from Fiscal Agencies.** Governor deleted. (Sec. 212(4))
5. **Tuition Tax Credit Report.** Governor deleted notification to fiscal agencies. (Sec. 214)
6. **Tuition Grants.** Governor changed application deadline from July 1 to June 1, deleted reference to a grant amount and deleted carry-forward provisions. (Sec. 302)
7. **Douglas Lake.** Governor deleted intent to preserve research value. (Sec. 402)
8. **Required Textbooks.** Governor deleted intent for timely access to lists and student accounts by private bookstores. (Sec 426)
9. **Project GREEN.** Governor increased each of the AES and CES earmarks by 3.0%. (Sec. 433)
10. **Future Farmers of America.** Governor deleted \$80,000 earmark. (Sec. 434)
11. **Tuition Restraint.** Governor added expectation that universities will limit resident undergraduate tuition increases to 2.3%. (Sec. 436)
12. **Per Student Floor Funding.** Governor deleted intent to provide \$3,775 per student. (Sec. 450)
13. **Suicide Prevention.** Governor deleted intent for universities to develop education programs. (Sec. 462)
14. **Macomb County.** Governor deleted requirement for report on county residents enrolled at public universities. (Sec. 463)
15. **Research/Technology Commercialization Report.** Governor deleted requirement. (Sec. 464)
16. **Coordination of Purchases/Services Among Universities.** Governor changed from intent to requirement. (Sec. 466)
17. **Performance Standards.** Governor deleted intent to establish for the public universities. (Sec. 467)
18. **University Operations.** Governor added description for three-part funding formula. (Sec. 468)
19. **Pell Grant Report.** Governor added requirement. (Sec. 469)
20. **Community College Transfer Students.** Governor changed from intent to requirement that universities work with community colleges to facilitate transfer of credits. (Sec. 603)
21. **Audit of HEIDI Enrollment Data.** Governor added HEIDI Advisory Committee as consultant and deleted fiscal agencies. (Sec. 701(1) and (3))
22. **New Academic Programs.** Governor deleted FY 2007-08 list of approved programs. (Sec. 701a)
23. **Federal Privacy Act.** Governor changed from intent to requirement that universities comply with disclosure provisions of the act. (Sec. 714)

Date Completed: 2-14-08

Fiscal Analyst: Ellen Jeffries



FY 2008-09 HIGHER EDUCATION APPROPRIATIONS: GOVERNOR'S RECOMMENDATION - SB 1099

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	2007-08 FY 2007-08 Adjusted Appropriation	2007-08 Approp Per Student*	Undergrad Pell Grant Factor	Formula Allocations Research/ Commercial- ization Factor	Degree Completion Factor	Minimum Increase Adjustment	AES/CES 3.0%; Compact Dues; Financial Aid Adjustments	FY 2008-09 Governor's Rec.	Dollar Change From Adjusted 2007-08	Percent Change From Adj. 2007-08	2008-09 Approp. Per Student*
UNIVERSITIES											
Central	\$81,941,100	\$3,837	\$459,800	\$81,500	\$1,231,400	\$111,900		\$83,825,700	\$1,884,600	2.3%	\$3,925
Eastern	77,774,100	4,222	585,500	155,500	997,300	50,500		79,562,900	1,788,800	2.3%	4,319
Ferris	49,730,800	4,484	616,500	0	970,900	(20,300)		51,297,900	1,567,100	3.2%	4,626
Grand Valley	63,387,500	3,057	434,200	19,800	1,116,300	(20,100)		64,937,700	1,550,200	2.4%	3,132
Lake Superior	12,981,900	5,541	635,300	0	182,100	(10,400)		13,788,900	807,000	6.2%	5,885
Michigan State	290,139,800	6,753	1,542,400	1,554,000	4,755,000	0		297,991,200	7,851,400	2.7%	6,936
Michigan Tech	49,028,200	8,160	389,000	1,117,400	671,600	(27,800)		51,178,400	2,150,200	4.4%	8,518
Northern	46,171,500	5,408	631,100	0	439,700	(8,900)		47,233,400	1,061,900	2.3%	5,532
Oakland	51,932,900	3,549	339,000	369,600	847,600	(19,900)		53,469,200	1,536,300	3.0%	3,654
Saginaw Valley	28,356,200	3,603	612,900	3,400	396,100	(12,900)		29,355,700	999,500	3.5%	3,730
UM-Ann Arbor	323,439,900	8,020	1,001,100	3,837,200	5,351,600	0		333,629,800	10,189,900	3.2%	8,272
UM-Dearborn	25,295,000	4,196	626,100	289,800	580,100	(19,100)		26,771,900	1,476,900	5.8%	4,441
UM-Flint	21,379,900	4,065	806,700	85,400	325,100	(15,600)		22,581,500	1,201,600	5.6%	4,293
Wayne State	219,046,500	8,597	3,701,200	853,500	2,382,800	0		225,984,000	6,937,500	3.2%	8,869
Western	112,122,000	5,030	374,800	668,000	1,543,400	(7,400)		114,700,800	2,578,800	2.3%	5,146
Ag Experiment Station(AES)	33,996,200						1,019,900	35,016,100	1,019,900	3.0%	
Cooperative Extension(CES)	29,322,300						879,700	30,202,000	879,700	3.0%	
Payment Delay/Restoration	0							0	0	na	
Higher Education Database	200,000							200,000	0	0.0%	
Midwest Higher Ed Compact	90,000						5,000	95,000	5,000	5.6%	
King-Chavez-Parks	2,691,500							2,691,500	0	0.0%	
Total Universities	\$1,519,027,300	\$5,734	\$12,755,600	\$9,035,100	\$21,791,000	\$0	\$1,904,600	\$1,564,513,600	\$45,486,300	3.0%	\$5,906
State GF/GP	\$1,519,027,300		\$12,755,600	\$9,035,100	\$21,791,000	\$0	\$1,904,600	\$1,564,513,600	\$45,486,300	3.0%	
GRANTS & FINANCIAL AID											
Competitive Scholarships	\$35,530,500							\$35,530,500	\$0	0.0%	
Tuition Grants	56,668,100							56,668,100	0	0.0%	
Work Study	7,326,300							7,326,300	0	0.0%	
Part-time Independent	2,653,300							2,653,300	0	0.0%	
Ed.Opportunity Grants(MEOG)	2,084,200							2,084,200	0	0.0%	
Byrd Scholarship Program	1,500,000							1,500,000	0	0.0%	
Nursing Scholarship Program	4,250,000							4,250,000	0	0.0%	
Michigan Merit Award Program	60,000,000						(54,800,000)	5,200,000	(54,800,000)	-91.3%	
Michigan Promise Grant Program	43,500,000						47,000,000	90,500,000	47,000,000	108.0%	
Tuition Incentive Program(TIP)	21,100,000						4,100,000	25,200,000	4,100,000	19.4%	
Children of Veterans Tuition	1,000,000							1,000,000	0	0.0%	
Project Gear-Up	3,000,000							3,000,000	0	0.0%	
Total Financial Aid	\$238,612,400		\$0	\$0	\$0	\$0	(\$3,700,000)	\$234,912,400	(\$3,700,000)	-1.6%	
Federal	7,400,000		0	0	0	0	0	7,400,000	0	0.0%	
Merit Award Trust Fund	123,600,000		0	0	0	0	(7,800,000)	115,800,000	(7,800,000)	-6.3%	
MHEAA Revenue	1,200,000		0	0	0	0	(1,200,000)	0	(1,200,000)	-100.0%	
Carry-Forward Funds	1,400,000		0	0	0	0	(1,400,000)	0	(1,400,000)	-100.0%	
Veterans Tax Checkoff	1,000,000		0	0	0	0	(700,000)	300,000	(700,000)	-70.0%	
State GF/GP	\$104,012,400		\$0	\$0	\$0	\$0	\$7,400,000	\$111,412,400	\$7,400,000	7.1%	
TOTAL HIGHER ED	\$1,757,639,700		\$12,755,600	\$9,035,100	\$21,791,000	\$0	(\$1,795,400)	\$1,799,426,000	\$41,786,300	2.4%	
TOTAL FEDERAL	7,400,000		0	0	0	0	0	7,400,000	0	0.0%	
TOTAL STATE RESTRICTED	127,200,000		0	0	0	0	(11,100,000)	116,100,000	(11,100,000)	-8.7%	
TOTAL STATE GF/GP	\$1,623,039,700		\$12,755,600	\$9,035,100	\$21,791,000	\$0	\$9,304,600	\$1,675,926,000	\$52,886,300	3.3%	