

# HIGHER EDUCATION: FY 2009-10

## Summary: Conference Report

### House Bill 4441 (S-1) CR-1



Analyst: Kyle I. Jen

|                   | FY 2008-09 YTD<br>as of 2/12/09 | FY 2009-10<br>Executive | FY 2009-10<br>House    | FY 2009-10<br>Senate   | FY 2009-10<br>Conference | Difference: Conference<br>From FY 2008-09 YTD |              |
|-------------------|---------------------------------|-------------------------|------------------------|------------------------|--------------------------|-----------------------------------------------|--------------|
|                   |                                 |                         |                        |                        |                          | Amount                                        | Amount       |
| <b>IDG/IDT</b>    | \$0                             | \$0                     | \$0                    | \$0                    | \$0                      | \$0                                           | --           |
| <b>Federal</b>    | 7,400,000                       | 7,400,000               | 59,607,400             | 75,638,000             | 74,138,000               | 66,738,000                                    | 901.9        |
| <b>Local</b>      | 0                               | 0                       | 0                      | 0                      | 0                        | 0                                             | --           |
| <b>Private</b>    | 0                               | 0                       | 0                      | 0                      | 0                        | 0                                             | --           |
| <b>Restricted</b> | 106,100,000                     | 166,400,100             | 166,400,100            | 26,400,200             | 30,400,100               | (75,699,900)                                  | (71.3)       |
| <b>GF/GP</b>      | 1,645,605,200                   | 1,545,605,200           | 1,600,077,200          | 1,507,705,300          | 1,507,705,200            | (137,900,000)                                 | (8.4)        |
| <b>Gross</b>      | <b>\$1,759,105,200</b>          | <b>\$1,719,405,300</b>  | <b>\$1,826,084,700</b> | <b>\$1,609,743,500</b> | <b>\$1,612,243,300</b>   | <b>(146,861,900)</b>                          | <b>(8.3)</b> |
| <b>FTEs</b>       | 1.0                             | 1.0                     | 1.0                    | 0.0                    | 1.0                      | 0.0                                           | 0.0          |

#### Overview

The line item section of the FY 2009-10 Higher Education budget bill contains three subparts:

- Subpart A covers Research Universities (Michigan State, University of Michigan-Ann Arbor, Wayne State).
- Subpart B covers State Universities (the remaining 12 public universities).
- Subpart C covers State and Regional Programs, the King-Chavez-Parks Program, and Financial Aid.

#### Major Budget Changes From FY 2008-09 YTD Appropriations

##### 1. University Operations

Exec Rec reduces operations appropriations to 15 public universities by 3.0% across the board (total reduction of \$43.9 million GF/GP) and removes \$2.6 million in funding built into university appropriations for King-Chavez-Parks (KCP) Programs. Total reduction of \$46.6 million GF/GP.

House concurs with 3.0% reduction (\$44.0 million), but not with KCP reductions. Replaces reduced GF/GP funding with funding from Education portion of State Fiscal Stabilization Fund (SFSF) under federal American Recovery and Reinvestment Act (ARRA). Adds \$3.1 million to university line items for Indian Tuition Waiver costs, funded from General Government Services portion of SFSF.

Senate and Conference concur with \$46.6 million in GF/GP reductions under Exec Rec but partially offsets the reductions with \$40.5 million in SFSF funding (Education portion), consistent with state's application to U.S. Department of Education. Net reduction of \$6.1 million—equating to a 0.4% net reduction to each university's operations line item.

Other University Operations adjustments:

- Exec Rec removes \$100,000 GF/GP for allocation from Lake Superior State University's appropriation for Indian Tuition Waiver costs at Bay Mills College. House/Senate/Conference effectively retain funding.
- House adds \$29,700 GF/GP for similar allocation from Central Michigan University's appropriation for Indian Tuition Waiver costs at Saginaw Chippewa Tribal College (pro-rated based on enrollments). Senate/Conference concur.

|              | FY 2008-09 YTD<br>(as of 2/12/09) | Conf Change<br>From YTD |
|--------------|-----------------------------------|-------------------------|
| <b>Gross</b> | <b>\$1,467,254,600</b>            | <b>(\$6,072,000)</b>    |
| Federal      | 0                                 | 40,483,100              |
| GF/GP        | \$1,467,254,600                   | (\$46,555,100)          |

**Major Budget Changes From FY 2008-09 YTD Appropriations**

|                                                                                                                                                                                                                                                          | <b>FY 2008-09 YTD<br/>(as of 2/12/09)</b> | <b>Conf Change<br/>From YTD</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------|
| <b>2. Agricultural Experiment Station and Cooperative Extension Service</b>                                                                                                                                                                              | <b>Gross \$63,951,700</b>                 | <b>(\$255,800)</b>              |
| <u>Exec Rec</u> consolidates two line items totaling \$64.0 million into a single appropriation of \$32.0 million to Michigan State University for Cooperative State Agricultural Research and Extension Service; net reduction of \$32.0 million GF/GP. | Federal 0                                 | 27,754,900                      |
|                                                                                                                                                                                                                                                          | GF/GP \$63,951,700                        | (\$28,010,700)                  |

House retains total current-year funding amounts in separate line items, but replaces 3.0% of GF/GP funding for line items with funding from Education portion of SFSF. House also adds \$3.5 million GF/GP for bioeconomy research and development at Michigan State.

Senate and Conference concur with GF/GP reduction under Exec Rec, but (1) retain separate line items, (2) partially offset the GF/GP reduction with \$27.8 million from Education portion of SFSF (consistent with state's application to U.S. Department of Education), and (3) add \$3.9 million GF/GP to equalize net reduction for line items with net reductions to university operations line items at 0.4%. Net reduction to line items of \$255,800.

**3. King-Chavez-Parks Grants**

Exec Rec removes funding of \$2.7 million GF/GP for KCP competitive grant programs, which are intended to increase participation of academically/economically-disadvantaged students in postsecondary education. House retains total funding amount, but replaces 3.0% of GF/GP funding with funding from General Government Services portion of SFSF. Senate retains total funding amount, but removes all GF/GP funding and replaces with appropriation of federal GEAR-UP funds. Conference retains current-year funding level of \$2.7 million GF/GP.

|              |                    |            |
|--------------|--------------------|------------|
| <b>Gross</b> | <b>\$2,691,500</b> | <b>\$0</b> |
| GF/GP        | \$2,691,500        | \$0        |

**4. State and Regional Programs**

Senate eliminates GF/GP funding for maintenance of state's higher education database (HEIDI; \$200,000) and state's annual dues payment to Midwestern Higher Education Compact (\$95,000). Conference retains both items, but reduces HEIDI funding to \$105,000.

|              |                  |                   |
|--------------|------------------|-------------------|
| <b>Gross</b> | <b>\$295,000</b> | <b>(\$95,000)</b> |
| GF/GP        | \$295,000        | (\$95,000)        |

**NOTE:** Exec Rec consolidates current funding of \$108.5 million for programs listed under items 5-10 below into single appropriation of \$89.8 million for proposed need-based College Access Grant Program; net reduction of \$18.8 million. House, Senate, and Conference do not concur with proposal and instead maintain/reduce/eliminate line items for those programs as shown below.

**5. State Competitive Scholarship Program**

House replaces 3.0% of GF/GP funding for need/merit-based scholarship awards with funding from General Government Services portion of SFSF. Senate reduces line item by \$19.2 million to \$16.3 million. Conference reduces line item by \$17.9 million to \$17.6 million. (Note: Overall financial aid reductions in conference report may affect state's ability to receive \$2.9 million in federal funds currently used to supplement state funding for Competitive Scholarships.)

|              |                     |                       |
|--------------|---------------------|-----------------------|
| <b>Gross</b> | <b>\$35,530,500</b> | <b>(\$17,922,000)</b> |
| Federal      | 2,900,000           | 0                     |
| GF/GP        | \$32,630,500        | (\$17,922,000)        |

**6. Tuition Grant Program**

House replaces 3.0% of GF/GP funding for need-based awards to students attending independent institutions with funding from General Government Services portion of SFSF. Senate and Conference reduce line item by \$25.0 million (44.1%) to \$31.7 million; associated boilerplate changes would (1) eliminate graduate student eligibility and (2) limit total awards at any college/university to \$3.0 million.

|              |                     |                       |
|--------------|---------------------|-----------------------|
| <b>Gross</b> | <b>\$56,668,100</b> | <b>(\$25,003,400)</b> |
| GF/GP        | 56,668,100          | (\$25,003,400)        |

**7. Michigan Work Study Program**

House replaces 3.0% of GF/GP funding for need-based financial aid program with funding from General Government Services portion of SFSF. Senate and Conference eliminate appropriation.

|              |                    |                      |
|--------------|--------------------|----------------------|
| <b>Gross</b> | <b>\$7,326,300</b> | <b>(\$7,326,300)</b> |
| GF/GP        | \$7,326,300        | (\$7,326,300)        |

| <b>Major Budget Changes From FY 2008-09 YTD Appropriations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              | <b>FY 2008-09 YTD<br/>(as of 2/12/09)</b> | <b>Conf Change<br/>From YTD</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|---------------------------------|
| <b>8. Part-Time Independent Student Program</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Gross</b> | <b>\$2,653,300</b>                        | <b>(\$2,653,300)</b>            |
| <u>House</u> replaces 3.0% of GF/GP funding for need-based financial aid program with funding from General Government Services portion of SFSF. <u>Senate</u> and <u>Conference</u> eliminate appropriation.                                                                                                                                                                                                                                                                                                                                                              | GF/GP        | \$2,653,300                               | (\$2,653,300)                   |
| <b>9. Michigan Education Opportunity Grants</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Gross</b> | <b>\$2,084,200</b>                        | <b>(\$2,084,200)</b>            |
| <u>House</u> replaces 3.0% of GF/GP funding for need-based financial aid program with funding from General Government Services portion of SFSF. <u>Senate</u> and <u>Conference</u> eliminate appropriation.                                                                                                                                                                                                                                                                                                                                                              | GF/GP        | \$2,084,200                               | (\$2,084,200)                   |
| <b>10. Nursing Scholarship Program</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Gross</b> | <b>\$4,250,000</b>                        | <b>(\$4,250,000)</b>            |
| <u>House</u> maintains current funding amount of \$4.25 million (Merit Award Trust Fund) for program. <u>Senate</u> reduces line item to \$200,000 (reduction of 95.3%). <u>Conference</u> eliminates appropriation.                                                                                                                                                                                                                                                                                                                                                      | Restricted   | 4,250,000                                 | (4,250,000)                     |
| <b>11. Promise Grant Program</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Gross</b> | <b>\$80,500,000</b>                       | <b>(\$80,500,000)</b>           |
| <u>Exec Rec</u> increases appropriation from \$80.5 million to \$140.0 million to pay costs of \$2,000/\$4,000 awards to students who became eligible for program in 2007 and have now completed two years of postsecondary education; increase of \$59.5 million (Merit Award Trust Fund). <u>House</u> concurs. <u>Senate</u> and <u>Conference</u> eliminate all funding for program (Senate included \$100 placeholder); both exam-based award payments (2008 and 2009 high school classes) and back-end award payments (2007 high school class) would be eliminated. | Restricted   | 80,500,000                                | (80,500,000)                    |
| <b>12. Merit Award Program</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Gross</b> | <b>\$5,200,000</b>                        | <b>(\$5,199,900)</b>            |
| <u>Exec Rec</u> reduces appropriation from \$5.2 million (Merit Award Trust Fund) to \$100 as a placeholder for any remaining costs of program, which ended with students graduating from high school in 2006. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.                                                                                                                                                                                                                                                                                               | Restricted   | 5,200,000                                 | (5,199,900)                     |
| <b>13. Tuition Incentive Program</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Gross</b> | <b>\$25,200,000</b>                       | <b>\$6,000,000</b>              |
| <u>Exec Rec</u> increases appropriation by \$6.0 million (23.8%; Merit Award Trust Fund) to reflect a continued increase in program participation. Program pays associate's degree tuition costs for students certifying as Medicaid eligible between 6th and 12th grades. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur. (Fund sourcing for line item is adjusted to balance overall Merit Award Trust Fund appropriations.)                                                                                                                               | Restricted   | 15,850,000                                | 14,250,000                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | GF/GP        | \$9,350,000                               | (\$8,250,000)                   |
| <b>14. Project GEAR-UP</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Gross</b> | <b>\$3,000,000</b>                        | <b>(\$1,500,000)</b>            |
| <u>Senate</u> reduces appropriation for federally-funded scholarships to students who have participated in college-exposure programs beginning in middle school by \$2.7 million, shifting funds to KCP competitive grant line items. <u>Conference</u> adjusts to reflect anticipated available funding of \$1.5 million in FY 2009-10.                                                                                                                                                                                                                                  | Federal      | 3,000,000                                 | (1,500,000)                     |
| <b>15. Indian Tuition Waiver Program</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Gross</b> | <b>NA</b>                                 | <b>\$0</b>                      |
| <u>Senate</u> adds \$100 placeholder for costs of Indian Tuition Waivers provided by public universities pursuant to state statute. <u>Conference</u> does not include placeholder.                                                                                                                                                                                                                                                                                                                                                                                       | GF/GP        | NA                                        | \$0                             |

#### **Major Boilerplate Changes From FY 2008-09**

##### **Sec. 212. Payments to Universities – RETAINED**

Provides for 11 monthly payments to universities. Exec Rec revisions: (1) Allows, rather than requires, withholding of payment if university fails to submit HEIDI data. (2) Eliminates requirement of fiscal agency report on appropriation procedures. House, Senate, and Conference retain current-year provisions.

##### **Sec. 214. Tuition Tax Credit – RETAINED**

Requires universities to submit Tuition Tax Credit notification to fiscal agencies. Exec Rec deletes; House, Senate, and Conference retain.

## **Major Boilerplate Changes From FY 2008-09**

### **Sec. 216. Postsecondary Student Data System – REVISED**

Requires universities to report on steps being taken toward and challenges associated with development of student-level data that could be submitted to state data system. Exec Rec deletes. House, Senate, and Conference replace with language requiring universities to cooperate with state measures to meet ARRA requirement to develop P-16 longitudinal data system.

### **Sec. 217. Conflicts of Interest – RETAINED**

States intent that state university governing boards examine university operations for potential conflicts of interest. Exec Rec deletes; House retains; Senate deletes; Conference retains.

### **Sec. 301. State Competitive Scholarships – REVISED**

Provides for distribution of funds appropriated for Competitive Scholarships. Exec Rec deletes; House, Senate, and Conference retain but delete statement of intent for 1.0% funding increase.

### **Sec. 302. Tuition Grants – REVISED**

Provides for distribution of funds appropriated for Tuition Grants. Exec Rec deletes. House retains but deletes statement of intent for 1.0% funding increase. Senate and Conference retain, delete statement of intent for 1.0% funding increase, limit eligibility to undergraduate students, and limit awards to students at any single college/university to \$3.0 million.

### **Sec. 303. Work Study – DELETED**

Provides for distribution of funds appropriated for Work Study. Exec Rec deletes; House retains; Senate and Conference delete.

### **Sec. 304. College Access Grants – NOT INCLUDED**

Establishes requirements for proposed College Access Grant Program to be administered by Michigan Higher Education Assistance Authority (MHEAA). Exec Rec adds new section; House, Senate, and Conference do not include.

### **Sec. 309. Needs Analysis Criteria – RETAINED**

Requires MHEAA to determine the needs analysis criteria for students to qualify for Competitive Scholarships and Tuition Grants. Exec Rec deletes; House, Senate, and Conference retain.

### **Sec. 312. Nursing Scholarship – DELETED**

Provides for distribution of funds appropriated for Nursing Scholarships. Exec Rec deletes; House and Senate retain; Conference deletes.

### **Sec. 314. Children of Veterans Tuition Grant Report – DELETED**

Requires annual report on Children of Veterans Tuition Grant Program. Exec Rec, House, Senate, and Conference delete section. (Information included in larger report under Sec. 315 of bill.)

### **Sec. 315. Financial Aid Report – REVISED**

Requires annual report on all state financial aid programs. Exec Rec moves report deadline from January 15 to March 31; House sets deadline at February 15; Senate sets deadline at February 14. Conference concurs with House.

### **Sec. 316. Financial Aid Workgroup – NEW**

States intent for workgroup to examine and make recommendations regarding state financial aid programs. House adds new section. Senate concurs and specifies organizations to be involved. Conference concurs and adds community colleges association to list of organizations.

### **Sec. 317. Intent Regarding Tuition Grants – NEW**

States intent that, if economy improves and state revenues increase, funding of Tuition Grants is one of foremost priorities in Higher Education budget. Senate and Conference add new section.

### **Sec. 318. Intent Regarding Promise Grants – NEW**

States intent that, if economy improves and state revenues increase, funding of Promise Grants is one of foremost priorities in Higher Education budget. Senate and Conference add new section.

### **Sec. 319. Intent Regarding Financial Aid Programs – NEW**

States intent that, if economy improves and state revenues increase, funding of Competitive Scholarship, Nursing Scholarship, Work Study, Part-Time Independent Student, and Michigan Education Opportunity Grant Programs are among foremost priorities in Higher Education budget. Conference adds new section.

### **Sec. 402. Douglas Lake Biological Station – RETAINED**

Designates University of Michigan Douglas Lake Biological Station as a unique resource. Exec Rec deletes; House, Senate, and Conference retain.

## **Major Boilerplate Changes From FY 2008-09**

### ***Sec. 405. Higher Education Database – RETAINED***

Provides for expenditure of funds appropriated for HEIDI database. Exec Rec and House retain; Senate deletes; Conference retains (and moves to Sec. 490).

### ***Sec. 426. Private Bookstores – REVISED***

States intent regarding access to required textbook lists by private bookstores and use of funds in university-administered accounts by students at private bookstores. Exec Rec deletes. House retains with minor revisions. Senate replaces with language stating intent that each public university establish a process to review university requirements for students to acquire textbooks and requiring report on efforts to establish such a process. Conference includes both current-year language (with minor revisions) and new language added by Senate.

### ***Sec. 433. Project GREEN – REVISED***

Allocates funds from Agricultural Experiment and Cooperative Extension line items for Project GREEN (Generating Research and Extension to meet Environmental and Economic Needs). Exec Rec revisions: (1) Allocation is increased from \$5.6 million to \$8.0 million and new allocation of \$8.0 million is added for Animal Agriculture Initiative. (2) Reporting requirements are expanded. House retains current Project GREEN allocation amount, does not include allocation amount for Animal Agriculture Initiative, and adds \$3.5 million allocation for bioeconomy research and development; concurs with expanded reporting requirements. Senate and Conference concur with House, but include statement of intent regarding bioeconomy research, rather than funding allocation.

### ***Sec. 434. Future Farmers of America – RETAINED***

Requires Michigan State University to allocate \$80,000 from its appropriation to the Future Farmers of America Association. Exec Rec and House delete; Senate and Conference retain.

### ***Sec. 436. Tuition Restraint – REVISED***

States legislative intent that universities increase institutional financial aid expenditures by at least the same percentage as resident undergraduate tuition/fees. Exec Rec replaces language with stated expectation that universities receiving federal stimulus funds will not raise resident tuition/fee rates for remainder of FY 2008-09 or for FY 2009-10. House replaces language with requirement that funds appropriated from SFSF of ARRA be used to mitigate tuition/fee increases or modernize/renovate/repair facilities, consistent with ARRA provisions; requires report on use of funds. Senate and Conference concur with House.

### ***Sec. 450. Per-Student Funding Floor – RETAINED***

States intent to allocate funds for per-student funding floor of \$3,775 from GF/GP balance at fiscal year-end. Exec Rec and House delete; Senate and Conference retain.

### ***Sec. 451. Indian Tuition Waiver Costs – RETAINED***

States intent to allocate funds for unfunded Indian Tuition Waiver costs from GF/GP balance at fiscal year-end. Exec Rec deletes; House retains; Senate deletes; Conference retains.

### ***Sec. 460. Saginaw Chippewa Tribal College Allocation – NEW***

Requires \$29,700 payment from Central Michigan's appropriation to Saginaw Chippewa Tribal College for costs of Indian Tuition Waiver Program. House adds new section; Senate and Conference concur.

### ***Sec. 461. Bay Mills Tribal College Allocation – RETAINED***

Requires \$100,000 payment from Lake Superior State's appropriation to Bay Mills Tribal College for costs of Indian Tuition Waiver Program. Exec Rec deletes; House, Senate, and Conference retain.

### ***Sec. 462. Suicide Prevention – DELETED***

States intent that universities develop an education program on preventing suicide and violence. Exec Rec, House, Senate, and Conference delete.

### ***Sec. 463. Students from Macomb County – RETAINED***

Requires universities to report regarding outreach efforts to enroll students from Macomb County. Exec Rec deletes; House retains; Senate deletes; Conference retains.

### ***Sec. 464. Research Commercialization – REVISED***

Requires universities to submit plan regarding research commercialization. Exec Rec removes prohibition on universities receiving allocation from Technology Commercialization Incentive Fund if plan is not submitted. House, Senate, and Conference concur.

### ***Sec. 467. Performance Standards – DELETED***

States intent for Legislature to establish university performance standards. Exec Rec, House, Senate, and Conference delete.

## **Major Boilerplate Changes From FY 2008-09**

### ***Sec. 471. Timely Graduation – RETAINED***

States intent that universities limit changes to general graduation requirements during a student's enrollment and provide counseling to facilitate timely graduation. Exec Rec deletes; House, Senate, and Conference retain.

### ***Sec. 472. Payment Delay/Tuition Rates – DELETED***

States intent that any university that increased its tuition rate based on the assumption it would not receive the delayed August 2007 payment rebate the tuition increase to its students. Exec Rec, House, Senate, and Conference delete.

### ***Sec. 480. Veterans Policies – NEW***

States intent that public universities consider all veterans residents of Michigan for purposes of determining tuition rates/fees and take other steps related to veterans assistance/transfer/enrollment. Senate adds new section. Conference includes revised language stating intent for universities to participate in the Yellow Ribbon GI Education Enhancement Program and requiring report on program participation.

### ***Secs. 501-507. King-Chavez-Parks Program – RETAINED***

Provides for expenditure/distribution of funds under six components of King-Chavez-Parks Program. Exec Rec deletes; House, Senate, and Conference retain.

### ***Sec. 701a. New Degree Programs – REVISED***

Lists new degree programs established by state universities for which credit hours may be reported to HEIDI. Exec Rec and House delete. Senate and Conference add new list of programs submitted by Presidents Council.

### ***Sec. 715. Nursing Education – DELETED***

Requires report from Department of Labor and Economic Growth (DELEG) on the status of nursing education in Michigan. Exec Rec, House, Senate, and Conference delete. (Similar report requirement included in DELEG bill.)

**FY 2009-10 Higher Education Budget**

Conference Report: HB 4441 (S-1) CR-1


**Research Universities**

|                                 | (1)<br><b>FY 2008-09<br/>Year-to-Date<br/>as of 2/12/09</b> | (2)<br><b>Exec Rec<br/>Reductions:<br/>Universities</b> | (3)<br><b>ARRA SFSF<br/>Restorations<br/>(Prorated)</b> | (4)<br><b>Equalize Net<br/>Reductions;<br/>Saginaw Tribal</b> | (5)<br><b>Financial Aid/<br/>Other</b> | (6)<br><b>FY 2009-10<br/>Conference<br/>Report</b> | (7)<br><b>Change from FY 2008-09<br/>\$ Amount</b> | (8)<br><b>Percent</b> |
|---------------------------------|-------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------|----------------------------------------|----------------------------------------------------|----------------------------------------------------|-----------------------|
| Michigan State                  | \$293,041,200                                               | (\$9,132,200)                                           | \$7,932,700                                             |                                                               |                                        | \$291,841,700                                      | (\$1,199,500)                                      | (0.4)                 |
| UM - Ann Arbor                  | 326,674,300                                                 | (10,102,300)                                            | 8,775,400                                               |                                                               |                                        | 325,347,400                                        | (1,326,900)                                        | (0.4)                 |
| Wayne State                     | 221,237,000                                                 | (6,911,600)                                             | 6,003,800                                               |                                                               |                                        | 220,329,200                                        | (907,800)                                          | (0.4)                 |
| Agriculture Experiment Station* | 34,336,200                                                  | (18,336,200)                                            | 16,082,900                                              | 2,116,000                                                     |                                        | 34,198,900                                         | (137,300)                                          | (0.4)                 |
| Cooperative Extension*          | 29,615,500                                                  | (13,615,500)                                            | 11,672,000                                              | 1,825,000                                                     |                                        | 29,497,000                                         | (118,500)                                          | (0.4)                 |
| <b>Subtotal</b>                 | <b>\$904,904,200</b>                                        | <b>(\$58,097,800)</b>                                   | <b>\$50,466,800</b>                                     | <b>\$3,941,000</b>                                            | <b>\$0</b>                             | <b>\$901,214,200</b>                               | <b>(\$3,690,000)</b>                               | <b>(0.4)</b>          |
| Federal - ARRA                  | 0                                                           |                                                         | 50,466,800                                              |                                                               |                                        | 50,466,800                                         | 50,466,800                                         | --                    |
| State GF/GP                     | \$904,904,200                                               | (\$58,097,800)                                          | \$0                                                     | \$3,941,000                                                   | \$0                                    | \$850,747,400                                      | (\$54,156,800)                                     | (6.0)                 |

**State Universities**

|                      |                      |                       |                     |                 |            |                      |                      |              |
|----------------------|----------------------|-----------------------|---------------------|-----------------|------------|----------------------|----------------------|--------------|
| Central Michigan     | \$82,760,500         | (\$2,696,300)         | \$2,342,100         | \$29,700        |            | \$82,436,000         | (\$324,500)          | (0.4)        |
| Eastern Michigan     | 78,551,800           | (2,586,200)           | 2,246,500           |                 |            | 78,212,100           | (339,700)            | (0.4)        |
| Ferris State         | 50,228,100           | (1,606,300)           | 1,395,300           |                 |            | 50,017,100           | (211,000)            | (0.4)        |
| Grand Valley State   | 64,021,400           | (2,003,000)           | 1,739,900           |                 |            | 63,758,300           | (263,100)            | (0.4)        |
| Lake Superior State  | 13,111,700           | (549,800)             | 477,600             | 19,700          |            | 13,059,200           | (52,500)             | (0.4)        |
| Michigan Tech        | 49,518,500           | (1,647,700)           | 1,431,300           |                 |            | 49,302,100           | (216,400)            | (0.4)        |
| Northern Michigan    | 46,633,200           | (1,484,300)           | 1,289,300           |                 |            | 46,438,200           | (195,000)            | (0.4)        |
| Oakland              | 52,452,200           | (1,761,500)           | 1,530,100           |                 |            | 52,220,800           | (231,400)            | (0.4)        |
| Saginaw Valley State | 28,639,800           | (929,700)             | 807,600             |                 |            | 28,517,700           | (122,100)            | (0.4)        |
| UM - Dearborn        | 25,548,000           | (844,400)             | 733,500             |                 |            | 25,437,100           | (110,900)            | (0.4)        |
| UM - Flint           | 21,593,700           | (722,000)             | 627,200             |                 |            | 21,498,900           | (94,800)             | (0.4)        |
| Western Michigan     | 113,243,200          | (3,627,200)           | 3,150,800           |                 |            | 112,766,800          | (476,400)            | (0.4)        |
| <b>Subtotal</b>      | <b>\$626,302,100</b> | <b>(\$20,458,400)</b> | <b>\$17,771,200</b> | <b>\$49,400</b> | <b>\$0</b> | <b>\$623,664,300</b> | <b>(\$2,637,800)</b> | <b>(0.4)</b> |
| Federal - ARRA       | 0                    |                       | 17,771,200          |                 |            | 17,771,200           | 17,771,200           | --           |
| State GF/GP          | \$626,302,100        | (\$20,458,400)        | \$0                 | \$49,400        | \$0        | \$605,893,100        | (\$20,409,000)       | (3.3)        |

**State/Regional/Grants/Financial Aid**

|                                           |                        |                       |                     |                    |                        |                        |                        |               |
|-------------------------------------------|------------------------|-----------------------|---------------------|--------------------|------------------------|------------------------|------------------------|---------------|
| Higher Education Database                 | \$200,000              |                       |                     |                    | (\$95,000)             | \$105,000              | (\$95,000)             | (47.5)        |
| Midwestern Higher Ed Compact              | 95,000                 |                       |                     |                    |                        | 95,000                 | 0                      | 0.0           |
| King-Chavez-Parks (three lines)           | 2,691,500              |                       |                     |                    |                        | 2,691,500              | 0                      | 0.0           |
| State Competitive Scholarships            | 35,530,500             |                       |                     |                    | (17,922,000)           | 17,608,500             | (17,922,000)           | (50.4)        |
| Tuition Grants                            | 56,668,100             |                       |                     |                    | (25,003,400)           | 31,664,700             | (25,003,400)           | (44.1)        |
| Michigan Work Study Program               | 7,326,300              |                       |                     |                    | (7,326,300)            | 0                      | (7,326,300)            | (100.0)       |
| Part-Time Independent Student Program     | 2,653,300              |                       |                     |                    | (2,653,300)            | 0                      | (2,653,300)            | (100.0)       |
| Michigan Education Opportunity Grants     | 2,084,200              |                       |                     |                    | (2,084,200)            | 0                      | (2,084,200)            | (100.0)       |
| Robert C. Byrd Honors Scholarship Program | 1,500,000              |                       |                     |                    |                        | 1,500,000              | 0                      | 0.0           |
| Nursing Scholarship & Grant Programs      | 4,250,000              |                       |                     |                    | (4,250,000)            | 0                      | (4,250,000)            | (100.0)       |
| Michigan Merit Award Program              | 5,200,000              |                       |                     |                    | (5,199,900)            | 100                    | (5,199,900)            | (100.0)       |
| Michigan Promise Grant Program            | 80,500,000             |                       |                     |                    | (80,500,000)           | 0                      | (80,500,000)           | (100.0)       |
| Tuition Incentive Program                 | 25,200,000             |                       |                     |                    | 6,000,000              | 31,200,000             | 6,000,000              | 23.8          |
| Children of Vets Tuition Grant Program    | 1,000,000              |                       |                     |                    |                        | 1,000,000              | 0                      | 0.0           |
| Project GEAR UP                           | 3,000,000              |                       |                     |                    | (1,500,000)            | 1,500,000              | (1,500,000)            | (50.0)        |
| <b>Subtotal</b>                           | <b>\$227,898,900</b>   | <b>\$0</b>            | <b>\$0</b>          | <b>\$0</b>         | <b>(\$140,534,100)</b> | <b>\$87,364,800</b>    | <b>(\$140,534,100)</b> | <b>(61.7)</b> |
| Federal - Other                           | 7,400,000              |                       |                     |                    | (1,500,000)            | 5,900,000              | (1,500,000)            | (20.3)        |
| Merit Award Trust Fund                    | 105,800,000            |                       |                     |                    | (75,699,900)           | 30,100,100             | (75,699,900)           | (71.6)        |
| State Restricted - Other                  | 300,000                |                       |                     |                    |                        | 300,000                | 0                      | 0.0           |
| State GF/GP                               | \$114,398,900          | \$0                   | \$0                 | \$0                | (\$63,334,200)         | \$51,064,700           | (\$63,334,200)         | (55.4)        |
| <b>TOTAL - HIGHER EDUCATION</b>           | <b>\$1,759,105,200</b> | <b>(\$78,556,200)</b> | <b>\$68,238,000</b> | <b>\$3,990,400</b> | <b>(\$140,534,100)</b> | <b>\$1,612,243,300</b> | <b>(\$146,861,900)</b> | <b>(8.3)</b>  |
| Federal                                   | 7,400,000              | 0                     | 68,238,000          | 0                  | (1,500,000)            | 74,138,000             | 66,738,000             | 901.9         |
| State Restricted                          | 106,100,000            | 0                     | 0                   | 0                  | (75,699,900)           | 30,400,100             | (75,699,900)           | (71.3)        |
| State GF/GP                               | \$1,645,605,200        | (\$78,556,200)        | \$0                 | \$3,990,400        | (\$63,334,200)         | \$1,507,705,200        | (\$137,900,000)        | (8.4)         |

\*Exec Rec proposed consolidated line item funded at \$32.0 million; column (2) reflects \$16.0 million in each line item under the Exec Rec.

9/21/09