



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4441 (as introduced)
Committee: Appropriations

FY 2008-09 Year-to-Date Gross Appropriation	\$1,759,105,200
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Changes from FY 2008-09 Year-to-Date:

1. **King-Chavez-Parks Initiative.** The Governor eliminated the six programs in this Initiative whose purpose is to increase the number of academically or economically disadvantaged students and faculty at Michigan's colleges and universities: College Day (\$1,191,235), Future Faculty (\$1,206,611), Visiting Professors (\$168,870), and competitive grants to increase student retention, transfers, and completion of K-12 teacher education (\$2,691,500). (5,258,300)
2. **Pass-through from Lake Superior to Bay Mills for Indian Tuition.** Governor eliminated. (100,000)
3. **University Operations.** The Governor reduced each university by 3.0%. Column 5 of the attached table lists the amount for each university. (43,937,700)
4. **Agricultural Experiment Station (AES) and Cooperative Extension Service (CES).** The Governor eliminated the AES (\$34.3 million) and CES (\$29.6 million) line items, reduced funding by 50.0%, and created a new \$32.0 million line item for "Cooperative State Agricultural Research and Extension Service". (31,951,700)
5. **Michigan College Access Grants.** The Governor eliminated \$108.5 million for six need-based financial aid programs: State Competitive Scholarships (\$35.5 million), Tuition Grants for students at independent colleges (\$56.7 million), Work Study Grants (\$7.3 million), Part-Time Independent Grants (\$2.7 million), Education Opportunity Grants (\$2.1 million), and Nursing Scholarships (\$4.2 million), and replaced them with a new \$89.8 million program, Michigan College Access Grants. The result is a net reduction in State need-based financial aid of \$18.8 million. (18,752,300)
6. **Michigan Merit Awards.** \$100 is retained as a placeholder as the program continues to phase out. (5,199,900)
7. **Michigan Promise Grants.** This program provides merit-based grants of up to \$4,000 to students who score well on the high school Merit Exam and/or complete two years of postsecondary education with at least a 2.5 grade point average. Costs for the portion of the grants paid after completion of two years of postsecondary education will begin in FY 2009-10. The Governor added \$59.5 million for FY 2009-10 to reflect these new costs; the total appropriation would be \$140.0 million. 59,500,000
8. **Tuition Incentive Program (TIP).** Due to caseload growth, the Governor increased this program from \$25.2 million in FY 2008-09 to \$31.2 million in FY 2009-10. 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 10,462 TIP students in FY 2006-07 and 12,041 in FY 2007-08, an increase of 15.1%. 6,000,000

Total Changes.....	(\$39,699,900)
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FY 2009-10 Governor's Recommendation.....	\$1,719,405,300
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Changes from FY 2008-09 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 changed from intent to requirement if the vehicle is competitively priced and of comparable value. (Sec. 210)
3. **Late HEIDI Data Submission.** Governor changed penalty from required to permissive. (Sec. 212(2))
4. **Appropriations Report from Fiscal Agencies.** Governor deleted. (Sec. 212(3))
5. **Tuition Tax Credit Report.** Governor deleted notification to fiscal agencies. (Sec. 214)
6. **Postsecondary Student Data System.** Governor deleted requirement for progress report. (Sec. 216)
7. **Conflicts of Interest.** Governor deleted intent for each university governing board to examine its operations for potential conflicts of interest. (Sec. 217)
8. **State Competitive Scholarships.** Governor deleted due to program elimination. (Sec. 301)
9. **Tuition Grants.** Governor deleted due to program elimination. (Sec. 302)
10. **Work Study.** Governor deleted due to program elimination. (Sec. 303)
11. **Michigan College Access Grants.** Governor established new needs-based financial aid program that uses an expected family contribution of \$7,750 or less from the FAFSA as a qualification for the grant. The grant is estimated to be \$1,000 annually per student and could be received for no more than 10 semesters. (Sec. 304)
12. **Student Wages.** Governor deleted consideration of student wages in determining financial aid awards. (Sec. 309)
13. **Michigan Nursing Scholarship Act.** Governor deleted reference due to program elimination. (Sec. 312)
14. **Children of Veterans Tuition Grant Program.** Governor deleted report requirement. (Sec. 314)
15. **Financial Aid Report.** Governor changed due date from January 15 to March 31. (Sec. 315)
16. **Douglas Lake.** Governor deleted intent to preserve research value. (Sec. 402)
17. **Required Textbooks.** Governor deleted intent for timely access by private bookstores of lists/accounts. (Sec. 426)
18. **Combined AES and CES.** Governor increased GREEN earmark to \$8.0 million, added \$8.0 million earmark for animal agriculture initiative, and expanded reporting requirements. (Sec. 433)
19. **Future Farmers of America.** Governor deleted \$80,000 earmark. (Sec. 434)
20. **Tuition Restraint.** Governor added expectation that any public university receiving Federal stimulus funds will not raise tuition and fees in 2008-09 or 2009-10. (Sec. 436)
21. **Per Student Floor Funding.** Governor deleted intent to provide \$3,775 per student. (Sec. 450)
22. **Indian Tuition.** Governor deleted intent to pay for unfunded costs from FY 2007-08 balances. (Sec. 451)
23. **Bay Mills Indian Tuition.** Governor deleted \$100,000 pass through from Lake Superior State. (Sec. 461)
24. **Suicide Prevention.** Governor deleted intent for universities to develop education programs. (Sec. 462)
25. **Macomb County.** Governor deleted enrollment report requirement. (Sec. 463)
26. **Research Commercialization Report.** Governor deleted penalty for late submission. (Sec. 464)
27. **Performance Standards.** Governor deleted intent to establish for public universities. (Sec. 467)
28. **Pell Grant Report.** Governor restricted report to undergraduate students. (Sec. 469)
29. **Timely Graduation.** Governor deleted intent for universities to facilitate. (Sec. 471)
30. **King-Chavez-Parks Programs.** Governor deleted due to program elimination. (Secs. 501-507)
31. **Enrollment Audit Consultants.** Governor added HEIDI Advisory Committee and deleted fiscal agencies. (Sec. 701)
32. **New Academic Programs.** Governor deleted FY 2008-09 list of approved programs. (Sec. 701a)
33. **Nursing Education/Shortage.** Governor moved status report requirement to DELEG bill. (Sec. 715)

Date Completed: 3-18-09

Fiscal Analyst: Ellen Jeffries

FY 2009-10 Higher Education Appropriations: Governor's Recommendation										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
UNIVERSITIES	FY 2008-09 Year-to-Date Appropriation	FY 2008-09 Approp. Per Student*	Eliminate King-Chavez- Parks Program	Eliminate Bay Mills Indian Tuition; Combine & Reduce AES & CES	Across-the- Board Reduction of (3.0)%	Add Funds for Promise & TIP; Eliminate Six Financial Aid Programs	FY 2009-10 Gov's Rec.	Dollar Change From 2008-09	Percent Change From 2008-09	2009-10 Approp. Per Student*
Central	\$82,760,500	\$3,915	(\$220,100)		(\$2,476,200)		\$80,064,200	(\$2,696,300)	-3.3%	\$3,787
Eastern	78,551,800	4,365	(236,700)		(2,349,500)		75,965,600	(2,586,200)	-3.3%	4,221
Ferris	50,228,100	4,409	(102,500)		(1,503,800)		48,621,800	(1,606,300)	-3.2%	4,268
Grand Valley	64,021,400	3,056	(84,900)		(1,918,100)		62,018,400	(2,003,000)	-3.1%	2,960
Lake Superior	13,111,700	5,594	(61,300)	(100,000)	(388,500)		12,561,900	(549,800)	-4.2%	5,359
Michigan State	293,041,200	6,769	(351,500)		(8,780,700)		283,909,000	(9,132,200)	-3.1%	6,558
Michigan Tech	49,518,500	7,916	(167,200)		(1,480,500)		47,870,800	(1,647,700)	-3.3%	7,653
Northern	46,633,200	5,533	(87,900)		(1,396,400)		45,148,900	(1,484,300)	-3.2%	5,357
Oakland	52,452,200	3,527	(193,700)		(1,567,800)		50,690,700	(1,761,500)	-3.4%	3,409
Saginaw Valley	28,639,800	3,578	(72,700)		(857,000)		27,710,100	(929,700)	-3.2%	3,462
UM-Ann Arbor	326,674,300	7,950	(311,400)		(9,790,900)		316,572,000	(10,102,300)	-3.1%	7,704
UM-Dearborn	25,548,000	4,201	(80,400)		(764,000)		24,703,600	(844,400)	-3.3%	4,062
UM-Flint	21,593,700	3,924	(76,500)		(645,500)		20,871,700	(722,000)	-3.3%	3,793
Wayne State	221,237,000	8,963	(283,000)		(6,628,600)		214,325,400	(6,911,600)	-3.1%	8,683
Western	113,243,200	5,149	(237,000)		(3,390,200)		109,616,000	(3,627,200)	-3.2%	4,984
Ag Experiment Station (AES)	34,336,200			(34,336,200)			0	(34,336,200)	-100.0%	
Cooperative Extension (CES)	29,615,500			(29,615,500)			0	(29,615,500)	-100.0%	
Coop Ag Research/Extension	0			32,000,000			32,000,000	32,000,000	na	
Higher Education Database	200,000						200,000	0	0.0%	
Midwest Higher Ed Compact	95,000						95,000	0	0.0%	
King-Chavez-Parks	2,691,500		(2,691,500)				0	(2,691,500)	-100.0%	
Total Universities	\$1,534,192,800	\$5,776	(\$5,258,300)	(\$32,051,700)	(\$43,937,700)	\$0	\$1,452,945,100	(\$81,247,700)	-5.3%	\$5,593
State GF/GP	\$1,534,192,800		(\$5,258,300)	(\$32,051,700)	(\$43,937,700)	\$0	\$1,452,945,100	(\$81,247,700)	-5.3%	
Grants and Financial Aid										
Competitive Scholarships	\$35,530,500					(\$35,530,500)	\$0	(\$35,530,500)	-100.0%	
Tuition Grants	56,668,100					(56,668,100)	0	(56,668,100)	-100.0%	
Work Study	7,326,300					(7,326,300)	0	(7,326,300)	-100.0%	
Part-time Independent	2,653,300					(2,653,300)	0	(2,653,300)	-100.0%	
Ed. Opportunity Grants (MEOG)	2,084,200					(2,084,200)	0	(2,084,200)	-100.0%	
Michigan College Access Grants	0					89,760,100	89,760,100	89,760,100	na	
Byrd Scholarship Program	1,500,000					0	1,500,000	0	0.0%	
Nursing Scholarship Program	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					59,500,000	140,000,000	59,500,000	73.9%	
Tuition Incentive Program (TIP)	25,200,000					6,000,000	31,200,000	6,000,000	23.8%	
Children of Veterans Tuition	1,000,000					0	1,000,000	0	0.0%	
Project Gear-Up	3,000,000					0	3,000,000	0	0.0%	
Total Grants/Financial Aid	\$224,912,400		\$0	\$0	\$0	\$41,547,800	\$266,460,200	\$41,547,800	18.5%	
Federal	7,400,000		0	0	0	0	7,400,000	0	0.0%	
Merit Award Trust Fund	105,800,000		0	0	0	60,300,100	166,100,100	60,300,100	57.0%	
Veterans Tax Checkoff	300,000		0	0	0	0	300,000	0	0.0%	
State GF/GP	\$111,412,400		\$0	\$0	\$0	(\$18,752,300)	\$92,660,100	(\$18,752,300)	-16.8%	
TOTAL HIGHER ED	\$1,759,105,200		(\$5,258,300)	(\$32,051,700)	(\$43,937,700)	\$41,547,800	\$1,719,405,300	(\$39,699,900)	-2.3%	
TOTAL FEDERAL	7,400,000		0	0	0	0	7,400,000	0	0.0%	
TOTAL STATE RESTRICTED	106,100,000		0	0	0	60,300,100	166,400,100	60,300,100	56.8%	
TOTAL STATE GF/GP	\$1,645,605,200		(\$5,258,300)	(\$32,051,700)	(\$43,937,700)	(\$18,752,300)	\$1,545,605,200	(\$100,000,000)	-6.1%	

* FY 2007-08 Fiscal-Year-Equated Students (FYES)