



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4441 (H-1 as passed by the House)
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:

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| 1. University Operations. The Governor reduced each university by 3.0%; House restored the 3.0% (\$44.0 million) but funded it from Federal stimulus revenue. | 0 |
| 2. 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). The House restored KCP but funded 3.0% (\$80,700) from Federal stimulus funds instead of GF/GP. | 0 |
| 3. Pass-through from Lake Superior to Bay Mills for Indian Tuition. Governor eliminated; House retained and added a pass-through from Central to Saginaw Chippewa Tribal College. | 29,700 |
| 4. Indian Tuition. The House added Federal stimulus dollars for unfunded waiver costs. | 3,149,700 |
| 5. 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". The House retained current year funding but financed 3.0% from Federal stimulus revenue; the House also added \$3.5 million GF/GP for bioeconomy research at Michigan State University. | 3,500,000 |
| 6. 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. The House retained current year programs but funded 3.0% (\$3.0 million) from Federal stimulus dollars instead of GF/GP. | 0 |
| 7. Michigan Merit Awards. \$100 is retained as a placeholder as the program phases out. | (5,199,900) |
| 8. Michigan Promise Grants. These are merit-based grants of up to \$4,000 for 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. \$59.5 million was added to reflect these new costs; the total appropriation would be \$140.0 million. | 59,500,000 |
| 9. Tuition Incentive Program (TIP). Due to caseload growth, TIP is increased 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 |
| 10. Comparison to Governor's Recommendation. The House is \$106.7 million Gross and \$54.5 million GF/GP over the Governor. | |

Total Changes.....	\$66,979,500
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FY 2009-10 House-Passed Gross Appropriation	\$1,826,084,700
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Changes from FY 2008-09 Year to Date:

1. **Payments to Local Units of Government.** Governor did not record these payments; House did. (Sec. 201)
2. **Preference for Michigan Vehicles.** Governor changed from intent to requirement if the vehicle is competitively priced and of comparable value; House retained intent. (Sec. 210)
3. **Late HEIDI Data Submission.** Governor changed penalty from required to permissive; House retained requirement. (Sec. 212(2))
4. **Appropriations Report from Fiscal Agencies.** Governor deleted; House retained. (Sec. 212(3))
5. **Tuition Tax Credit Report.** Governor deleted notification to fiscal agencies; House retained (Sec. 214)
6. **Postsecondary Student Data System.** Governor and House deleted requirement for progress report. (Sec. 216)
7. **American Recovery/Reinvestment Act (ARRA).** House required universities to comply. (Sec. 216)
8. **Conflicts of Interest.** Governor deleted intent for each university governing board to examine its operations for potential conflicts of interest; House retained. (Sec. 217)
9. **State Competitive Scholarships.** Governor deleted due to program elimination; House retained. (Sec. 301)
10. **Tuition Grants.** Governor deleted due to program elimination; House retained. (Sec. 302)
11. **Work Study.** Governor deleted due to program elimination; House retained. (Sec. 303)
12. **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; grant is estimated to be \$1,000 annually per student and could be received for no more than 10 semesters; House did not include. (Sec. 304)
13. **Student Wages.** Governor deleted consideration in determining financial aid awards; House retained. (Sec. 309)
14. **Michigan Nursing Scholarship Act.** Governor deleted due to program elimination; House retained. (Sec. 312)
15. **Children of Veterans Tuition Grant Program.** Governor and House deleted report requirement. (Sec. 314)
16. **Financial Aid Report.** Governor changed due date from January 15 to March 31; House changed to February 15. (Sec. 315)
17. **Financial Aid Workgroup.** House added intent for House/Senate workgroup to examine State programs. (Sec. 316)
18. **Douglas Lake.** Governor deleted intent to preserve research value; House retained. (Sec. 402)
19. **Required Textbooks.** Governor deleted intent for timely access by private bookstores of lists/accounts; House retained and added option of fixed fee for access. (Sec. 426)
20. **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; House did not concur with combination or with new earmarks; added \$3.5 million for bioeconomy research at MSU. (Sec. 433)
21. **Future Farmers of America.** Governor and House deleted \$80,000 earmark. (Sec. 434)
22. **Tuition Restraint.** Governor added expectation that any university receiving Federal stimulus funds not raise tuition and fees in 2008-09 or 2009-10; House required tuition mitigation and facility renovation with ARRA funds. (Sec. 436)
23. **Per Student Floor Funding.** Governor and House deleted intent to provide \$3,775 per student. (Sec. 450)
24. **Indian Tuition.** Governor deleted intent to pay for unfunded costs from year-end balances; House retained. (Sec. 451)
25. **Saginaw Chippewa Indian Tuition.** House added \$29,700 pass through from Central. (Sec. 460)
26. **Bay Mills Indian Tuition.** Governor deleted \$100,000 pass through from Lake Superior; House retained. (Sec. 461)
27. **Suicide Prevention.** Governor and House deleted intent for universities to develop education programs. (Sec. 462)
28. **Macomb County.** Governor deleted enrollment report requirement; House retained. (Sec. 463)
29. **Research Commercialization Report.** Governor and House deleted penalty for late submission. (Sec. 464)
30. **Performance Standards.** Governor and House deleted intent to establish for public universities. (Sec. 467)
31. **Pell Grant Report.** Governor and House restricted report to undergraduate students. (Sec. 469)
32. **Timely Graduation.** Governor deleted intent for universities to facilitate; House retained. (Sec. 471)
33. **King-Chavez-Parks Programs.** Governor deleted due to program elimination; House retained. (Secs. 501-507)
34. **Enrollment Audit Consultants.** Governor/House added HEIDI Advisory Committee, deleted fiscal agencies. (Sec. 701)
35. **New Academic Programs.** Governor and House deleted FY 2008-09 list of approved programs. (Sec. 701a)
36. **Nursing Education/Shortage.** Governor and House moved status report requirement to DELEG bill. (Sec. 715)

Date Completed: 4-8-09

Fiscal Analyst: Ellen Jeffries



FY 2009-10 HIGHER EDUCATION APPROPRIATIONS: HB 4441 - HOUSE PASSED

	(1) FY 2008-09 Year-To-Date Appropriation	(2) Reduce Most GF/GP Lines By -3.0%	(3) Replace GF/GP With Federal Stimulus 3.0%	(4) Indian Tuition Waiver Costs	(5) Saginaw Tribal Pass-Thru; MSU Bioecon; Financial Aid	(6) FY 2008-09 House Subcommittee	(7) Dollar Change From 2008-09	(8) Percent Change From 2008-09	(9) 2009-10 Approp. Per Student*	(10) Dollar Change From Governor
Universities										
Central	\$82,760,500	(\$2,482,800)	\$2,482,800	\$453,800	\$29,700	\$83,244,000	\$483,500	0.6%	\$3,937	\$3,179,800
Eastern	78,551,800	(2,356,600)	2,356,600	198,300		78,750,100	198,300	0.3%	4,376	2,784,500
Ferris	50,228,100	(1,506,800)	1,506,800	185,800		50,413,900	185,800	0.4%	4,425	1,792,100
Grand Valley	64,021,400	(1,920,600)	1,920,600	350,300		64,371,700	350,300	0.5%	3,073	2,353,300
Lake Superior	13,111,700	(393,400)	393,400	199,600		13,311,300	199,600	1.5%	5,679	749,400
Michigan State	293,041,200	(8,791,200)	8,791,200	235,200		293,276,400	235,200	0.1%	6,775	9,367,400
Michigan Tech	49,518,500	(1,485,600)	1,485,600	160,600		49,679,100	160,600	0.3%	7,942	1,808,300
Northern	46,633,200	(1,399,000)	1,399,000	231,500		46,864,700	231,500	0.5%	5,561	1,715,800
Oakland	52,452,200	(1,573,600)	1,573,600	217,900		52,670,100	217,900	0.4%	3,542	1,979,400
Saginaw Valley	28,639,800	(859,200)	859,200	25,800		28,665,600	25,800	0.1%	3,581	955,500
UM-Ann Arbor	326,674,300	(9,800,200)	9,800,200	336,300		327,010,600	336,300	0.1%	7,958	10,438,600
UM-Dearborn	25,548,000	(766,400)	766,400	66,400		25,614,400	66,400	0.3%	4,212	910,800
UM-Flint	21,593,700	(647,800)	647,800	41,400		21,635,100	41,400	0.2%	3,931	763,400
Wayne State	221,237,000	(6,637,100)	6,637,100	242,400		221,479,400	242,400	0.1%	8,973	7,154,000
Western	113,243,200	(3,397,300)	3,397,300	204,400		113,447,600	204,400	0.2%	5,158	3,831,600
Ag Experiment Station(AES)	34,336,200	(1,030,100)	1,030,100		2,350,000	36,686,200	2,350,000	6.8%		36,686,200
Cooperative Extension(CES)	29,615,500	(888,500)	888,500		1,150,000	30,765,500	1,150,000	3.9%		30,765,500
Coop Ag Research/Extension	0					0	0	na		(32,000,000)
Higher Education Database	200,000					200,000	0	0.0%		0
Midwest Higher Ed Compact	95,000					95,000	0	0.0%		0
King-Chavez-Parks	2,691,500	(80,700)	80,700			2,691,500	0	0.0%		2,691,500
Total Universities	\$1,534,192,800	(\$46,016,900)	\$46,016,900	\$3,149,700	\$3,529,700	\$1,540,872,200	\$6,679,400	0.4%	\$5,789	\$87,927,100
Federal Stimulus	\$0	\$0	\$46,016,900	\$3,149,700	\$0	\$49,166,600	\$49,166,600	na		49,166,600
State GF/GP	\$1,534,192,800	(\$46,016,900)	\$0	\$0	\$3,529,700	\$1,491,705,600	(\$42,487,200)	-2.8%		\$38,760,500
Grants and Financial Aid										
Competitive Scholarships	\$35,530,500	(\$978,900)	\$978,900			\$35,530,500	\$0	0.0%		\$35,530,500
Tuition Grants	56,668,100	(1,700,000)	1,700,000			56,668,100	0	0.0%		56,668,100
Work Study	7,326,300	(219,800)	219,800			7,326,300	0	0.0%		7,326,300
Part-time Independent	2,653,300	(79,600)	79,600			2,653,300	0	0.0%		2,653,300
Ed.Opportunity Grants(MEOG)	2,084,200	(62,500)	62,500			2,084,200	0	0.0%		2,084,200
Michigan College Access Grants	0					0	0	na		(89,760,100)
Byrd Scholarship Program	1,500,000					1,500,000	0	0.0%		0
Nursing Scholarship Program	4,250,000					4,250,000	0	0.0%		4,250,000
Michigan Merit Award Program	5,200,000				(5,199,900)	100	(5,199,900)	-100.0%		0
Michigan Promise Grant Program	80,500,000				59,500,000	140,000,000	59,500,000	73.9%		0
Tuition Incentive Program(TIP)	25,200,000				6,000,000	31,200,000	6,000,000	23.8%		0
Children of Veterans Tuition	1,000,000					1,000,000	0	0.0%		0
Project Gear-Up	3,000,000					3,000,000	0	0.0%		0
Total Grants/Financial Aid	\$224,912,400	(\$3,040,800)	\$3,040,800	\$0	\$60,300,100	\$285,212,500	\$60,300,100	26.8%		\$18,752,300
Federal	7,400,000	0	0	0	0	7,400,000	0	0.0%		0
Federal Stimulus	0	0	3,040,800	0	0	3,040,800	3,040,800	na		3,040,800
Merit Award Trust Fund	105,800,000	0	0	0	60,300,100	166,100,100	60,300,100	57.0%		0
Veterans Tax Checkoff	300,000	0	0	0	0	300,000	0	0.0%		0
State GF/GP	\$111,412,400	(\$3,040,800)	\$0	\$0	\$0	\$108,371,600	(\$3,040,800)	-2.7%		\$15,711,500
TOTAL HIGHER ED	\$1,759,105,200	(\$49,057,700)	\$49,057,700	\$3,149,700	\$63,829,800	\$1,826,084,700	\$66,979,500	3.8%		\$106,679,400
TOTAL FEDERAL	7,400,000	0	49,057,700	3,149,700	0	59,607,400	52,207,400	705.5%		52,207,400
TOTAL STATE RESTRICTED	106,100,000	0	0	0	60,300,100	166,400,100	60,300,100	56.8%		0
TOTAL STATE GF/GP	\$1,645,605,200	(\$49,057,700)	\$0	\$0	\$3,529,700	\$1,600,077,200	(\$45,528,000)	-2.8%		\$54,472,000