



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

FY 2010-11 Year-to-Date Gross Appropriation	\$13,134,236,200
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Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

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| 1. Technical and Caseload Cost Adjustments. Senate and House both included technical cost adjustments in pupils, special education, and taxable value totaling \$180.0 million in savings, and additional debt service cost of \$88.4 million. Other adjustments affecting education costs at Department of Human Services facilities and Federal special education funding were included. Both budgets included the noncontinuation of \$316.3 million in Federal Ed Jobs Funds. | (399,065,600) |
| 2. Bus Inspections. House and Senate included full funding for the Michigan State Police to continue conducting school bus inspections. | 1,095,800 |
| 3. Categoricals. House and Senate eliminated declining enrollment grants, bilingual education, middle college grants, precollege engineering grants, agriculture education funding at SVSU, and Pontiac's crisis intervention. House and Senate also reduced intermediate school district operational funding by 5.0%, or \$3.3 million. | (29,573,900) |

Conference Agreement on Items of Difference

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| 4. Foundation Allowance. Conference concurred with Governor to reduce foundation allowances by \$470 per pupil. This is a combination of rebasing the foundation allowance for the existing \$170 per-pupil reduction in State aid, along with an additional \$300 per-pupil reduction. | (452,500,000) |
| 5. Half Funding for Half-Day Kindergarten. Conference did not include the Senate's proposal to reduce funding for half-day kindergarten programs in FY 2011-12. However, Conference included language making this change for FY 2012-13. | 0 |
| 6. District-Specific Adjustments. Conference reduced foundation allowance adjustments for Wayne-Westland, Gibraltar, Huron, and Garden City by 50.0%. The Governor had eliminated these adjustments in their entirety. Conference added language stating the adjustments would be eliminated in FY 2012-13. Conference also eliminated class size reduction adjustments on an ongoing basis but restored 68.5% as a one-time adjustment – see item 8. | (24,000,000) |
| 7. Other Categoricals. Conference concurred with House not to reduce Renaissance Zone or Court-Placed Pupils. A technical adjustment for PILT was concurred in, and ISD special education FICA payments were eliminated. Conference further reduced ECIC/ISD Collaboratives grants by \$100,000 but increased Great Start Readiness grants by \$6.0 million. Conference retained \$700,000 in funding for MBT hold harmless grants and Section 6(4)(y) declining enrollment grants for small, rural districts. Conference retained isolated district funding at current-year levels. Conference changed the pupil membership formula from 75/25 to 90/10 (weighting on fall of current year plus spring of prior year). State Aid to Libraries was reduced \$195,700 in this budget. | (26,619,600) |
| 8. FY 2011-12 One-Time Appropriations. Conference included four target agreement one-time funding items totaling \$455.5 million. These include \$154.0 million for a financial "best practices" categorical to pay \$100 per pupil to eligible districts, and \$155.0 million for payments to districts to partially offset MPSERS costs. Also, Conference included \$133.0 million for a reserve for MPSERS retirement obligation reform. The fourth item was funding class size reduction grants at 68.5% of FY 2010-11 amounts, or \$13.5 million. | |

Total Changes	(\$930,663,300)
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FY 2011-12 Enacted Gross Appropriation.....	\$12,203,572,900
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Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **Proration Language.** Governor, House, and Senate proposed to change the proration formula to include the school aid support of community colleges and universities. In other words, if a shortfall in School Aid Fund occurred and proration was implemented, a reduction would be spread proportionally across K-12, community colleges, and universities in proportion to their share of the total SAF appropriation. (Sec. 296)
2. **FY 2012-13 Earmark of Foundation Allowance Funding.** Governor earmarked \$300.0 million of foundation allowance funding that would be available only to those districts that charged their employees the same percentage of health care costs that State employees pay. If districts did not do so, their foundation allowance payment would be further reduced beyond the level enacted for FY 2011-12. (Sec. 22b(12)) Senate and House did not include.
3. **ISD Operational Funding Guarantee.** Governor, House, and Senate proposed to eliminate language protecting ISD operational funding from falling below certain levels paid in 1994-95. (Sec. 81(6))
4. **MPSERS Retirement Contribution Rate.** For employees hired before July 1, 2010, the MPSERS contribution rate is 24.46% of payroll in FY 2011-12 and 27.37% of payroll in FY 2012-13. For employees hired on or after July 1, 2010, the MPSERS contribution rate in FY 2011-12 is 23.23% of payroll and, in FY 2012-13, the rate is 26.14%. (Sec. 147)

Conference Agreement on Items of Difference

5. **Pupil Count Day.** Conference concurred with the Governor and Senate to change the pupil count day from the last Wednesday in September to the first Wednesday in October. House did not include this change. (Sec. 6)
6. **Half-Day Kindergarten.** Senate included a change in funding for kindergarten such that programs that operate half day would receive half funding, rather than current-law full funding. The Senate made this change effective for the upcoming school year, FY 2011-12. House included this change, but made it effective in FY 2012-13. Conference concurred with the House to make the change effective in FY 2012-13. (Sec. 6(4)(r))
7. **Counting Certain Vocational Education Pupils in Membership.** Senate included language allowing educating districts to count certain vocational education pupils in membership, without the approval of the district of residence. Conference did not include these definitions. (Sec. 6 (6)(p)(q) and (r))
8. **FY 2012-13 Appropriations.** Senate included language stating the intent of the Legislature to appropriate funding in FY 2012-13 at FY 2011-12 levels, adjusted for caseload and cost factors. House included actual FY 2012-13 appropriations, throughout the bill. Conference concurred with Senate. (Sec. 12)
9. **Reporting of Health Care Bids.** Senate included a new requirement that districts post the health care bids required under the Public Employees' Health Benefit Act to their web sites. Conference concurred. (Sec. 18)
10. **Best Practices Incentive Grants.** Senate included \$200.0 million for FY 2011-12 for best practices incentive grants. House included the grant, but without an appropriation. Conference appropriated \$154.0 million to provide \$100 per-pupil one-time grants to districts meeting four of five criteria: providing a dashboard with indicators, obtaining competitive bids on non-instructional services, charging employees at least 10% of health costs, holding the policy for medical benefit plans (if directly employing staff), and continuing to implement consolidation plans. (Sec. 22f)
11. **Dearborn and Baldwin At-Risk Earmarks.** Conference concurred with Governor to remove Dearborn and Baldwin from the list of districts eligible for At-Risk funding. The funding tied to those two districts (totaling \$5.0 million) will remain and be redistributed to remaining eligible grantees. (Sec. 31a)
12. **Early Childhood Language.** House included numerous changes to various sections of early childhood funding, including intent to consolidate funding into a block grant in FY 2012-13, changing fiduciary agents, maintaining the use of GSRP funds for Parents in Education programming, not including the definition of full-day GSRP programming, and other items. Conference concurred with House. (Sections 32b, 32d, 32j)
13. **MPSERS Reserve for Retirement Obligation Reform.** Conference included a new section allocating from the FY 2010-11 estimated year-end balance \$133.0 million to the MPSERS reserve for retirement obligation reform. Conference included language stating the intent of the legislature to appoint a workgroup to examine potential reforms. (Sec. 147b)
14. **Health Care Costs.** Senate included language encouraging districts to review their health care costs and consider additional employee cost sharing. House did not include this language. Conference did not include. (Sec. 166f)

Date Completed: 6-22-11

Fiscal Analyst: Kathryn Summers



Senate Fiscal Agency

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FY 2010-11 Year-to-Date Gross Appropriation	\$295,880,500
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Changes from FY 2010-11 Year-to-Date:Items Included by the Senate and House

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| <p>1. At-Risk Student Success Program. The Governor maintained funding for the at-risk program at the FY 2010-11 level. The House, Senate, and Conference eliminated the \$3,322,700 separate appropriation line item for at-risk payments and rolled the FY 2011-12 distribution into the operation line items of each community college. The At-Risk Student Success Program originated in FY 1989-90 and was designed to address the needs of students who test at a level that would indicate that they will not be successful in college without additional preparatory assistance. Of the amount appropriated, \$1,120,000 is allocated for base grants of \$40,000 to each community college and the balance is distributed proportionately based on each college's most recent three years total developmental/ preparatory contact hours. <u>Table 1</u> lists the distribution to each college.</p> | 0 |
| <p>2. Funding Shift to School Aid Fund. The Governor, House, and Senate shifted \$195,880,500 from the State General Fund to the School Aid Fund.</p> | 0 |

Conference Agreement on Items of Difference

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| <p>3. Operations. The Governor maintained funding for community college operations at the FY 2010-11 level. The Senate reduced funding for community college operations by \$10.0 million (3.4%). The reduction was allocated based on the Performance Indicators Task Force Formula that was developed pursuant to Section 242 of Public Act 154 of 2005, and Section 304 of Public Act 165 of 2010. The House reduced funding for community colleges by \$43,883,700 (15.0%), applying the reductions across-the-board instead of using the Performance Indicators Task Force Formula. The Conference reduced funding by \$12.0 million. Half of the reduction was across-the-board and half was based on the Performance Indicators Task Force Formula. <u>Table 1</u> lists the impact on each college.</p> | (12,000,000) |
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Total Changes.....	(\$12,000,000)
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FY 2011-12 Enacted Gross Appropriation.....	\$283,880,500
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Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **Restored Sections.** Compliance with the DMB Act, buy American intent language, depressed and deprived communities, equal opportunities, and efficiencies.
2. **School Aid Fund Proration.** Process to adjust appropriation if is revenue below appropriations. (Sec. 296)

Conference Agreement on Items of Difference

3. **Internet Reports.** Requires use of the Internet to fulfill reporting requirements unless otherwise specified. Governor and Senate deleted; House restored. Conference concurred with House. (Sec. 203)
4. **JCOS Compliance.** Governor deleted compliance with JCOS policy. Senate and Conference restored and included penalty of 1.0% appropriations reduction for each violation. House included different penalty. (Sec. 208)
5. **Transparency.** The House and Conference included language requiring colleges to develop on public accessible Internet site a comprehensive report categorizing all institutional general fund expenditures. (Sec. 209(1))
6. **Collaboration with Four-Year Universities.** Encourages community colleges to explore ways of increasing collaboration and cooperation with universities. Governor/House deleted; Senate/Conference restored. (Sec. 210)
7. **Foreign Automobile Prohibition.** Prohibits lease or purchase if competitively priced/comparable quality Michigan/USA automobiles available. Governor/House deleted; Senate/Conference included. (Sec. 227)
8. **Communications with Legislators.** Senate and Conference included language stating a college shall not take disciplinary action against an employee for communicating with member of the legislature or their staff. (Sec. 228)
9. **Block Transfers.** House and Conference included new language creating a committee to develop a process to improve the transferability of core college courses between colleges and universities. (Sec. 210A)
10. **Reverse Transfer.** House and Conference included language providing that colleges work with public universities to implement reverse transfer agreements (transfer university credits to college for an associate's degree). (Sec. 213)
11. **Common Cut Score.** House and Conference included language creating a committee to develop a common set of scores using the ACT assessment to determine placement in developmental courses, requires report. (Sec. 214)
12. **FY 2011-12 Budget Report.** House and Conference included language requiring report on FY 2011-12 budgeted revenue sources, and expenditures by November 15, 2011. (Sec. 209(2))
13. **Statutory Mandates.** House and Conference included legislative intent for a review of statutory mandates imposed on community colleges. Determine whether necessary and costs/benefit analysis. Provides for report. (Sec. 216)
14. **Military Status.** Conference included intent that colleges include in their admission application process a specific question as to the military/national guard/reserves/veteran status of an applicant (or the spouse or dependent thereof) in order to more quickly identify potential educational assistance available to that applicant. (Sec. 229)
15. **Performance Indicators Task Force.** Legislative intent that performance measures be reviewed and more fully implemented and that the performance indicators task force review and implement one or more measurable data items for the local strategic value indicator and one or more measurable data items for an administrative cost formula component. Governor and House deleted; Senate and Conference included. (Sec. 230)
16. **Indian Tuition Waivers.** States colleges shall use the criteria cited in 1976 PA 174, MCL 390.1251 to 390.1253, to determine eligibility for tuition waivers, and shall grant those waivers to individuals who meet the criteria and request tuition waivers. Governor and Senate included; House and Conference deleted. (Sec. 223)
17. **Anticipated Appropriations for Fiscal Year 2012-13.** The Governor and House included line-item appropriations for FY 2012-13. The Senate and Conference did not include line items and instead included boilerplate stating intent to provide appropriations for FY 2012-13 at the FY 2011-12 level except for changes in caseload and related costs, Federal fund match rates, economic factors, and available revenue. (Sec. 201A)

Date Completed: 6-22-11

Fiscal Analyst: Bill Bowerman



Table 1: FY 2011-12 Community College Appropriation Bill

College	FY 2010-11 Enacted	FY 2011-12 Governor		FY 2011-12 House Passed				FY 2011-12 Senate Passed				FY 2011-12 Enacted			
		Amount	Percent Change	Reduction & SAF Shift	Percent Change	Roll At-Risk Into Base	House	Reduction & SAF Shift	Percent Change	Roll At-Risk Into Base	Senate	Reduction & SAF Shift	Percent Change	Roll At-Risk Into Base	Total Appropriation
Alpena	5,126,100	5,126,100	0.0	(768,900)	(15.0)	\$79,000	4,436,200	(192,900)	(3.8)	\$79,000	5,012,200	(220,800)	(4.3)	\$79,000	4,984,300
Bay de Noc	5,178,400	5,178,400	0.0	(776,800)	(15.0)	88,200	4,489,800	(200,200)	(3.9)	88,200	5,066,400	(226,400)	(4.4)	88,200	5,040,200
Delta	13,751,600	13,751,600	0.0	(2,062,700)	(15.0)	109,500	11,798,400	(404,900)	(2.9)	109,500	13,456,200	(524,900)	(3.8)	109,500	13,336,200
Glen Oaks	2,304,800	2,304,800	0.0	(345,700)	(15.0)	102,000	2,061,100	(64,300)	(2.8)	102,000	2,342,500	(85,900)	(3.7)	102,000	2,320,900
Gogebic	4,275,200	4,275,200	0.0	(641,300)	(15.0)	54,700	3,688,600	(169,200)	(4.0)	54,700	4,160,700	(189,400)	(4.4)	54,700	4,140,500
Grand Rapids	17,219,800	17,219,800	0.0	(2,583,000)	(15.0)	139,700	14,776,500	(594,300)	(3.5)	139,700	16,765,200	(709,800)	(4.1)	139,700	16,649,700
Henry Ford	20,898,900	20,898,900	0.0	(3,134,800)	(15.0)	177,200	17,941,300	(837,700)	(4.0)	177,200	20,238,400	(931,100)	(4.5)	177,200	20,145,000
Jackson	11,542,300	11,542,300	0.0	(1,731,300)	(15.0)	159,800	9,970,800	(409,700)	(3.5)	159,800	11,292,400	(482,400)	(4.2)	159,800	11,219,700
Kalamazoo Valley	11,888,600	11,888,600	0.0	(1,783,300)	(15.0)	89,000	10,194,300	(351,800)	(3.0)	89,000	11,625,800	(454,900)	(3.8)	89,000	11,522,700
Kellogg	9,311,800	9,311,800	0.0	(1,396,800)	(15.0)	130,800	8,045,800	(339,600)	(3.6)	130,800	9,103,000	(394,700)	(4.2)	130,800	9,047,900
Kirtland	2,842,800	2,842,800	0.0	(426,400)	(15.0)	126,200	2,542,600	(63,000)	(2.2)	126,200	2,906,000	(96,100)	(3.4)	126,200	2,872,900
Lake Michigan	5,012,100	5,012,100	0.0	(751,800)	(15.0)	147,000	4,407,300	(197,500)	(3.9)	147,000	4,961,600	(221,400)	(4.4)	147,000	4,937,700
Lansing	29,762,500	29,762,500	0.0	(4,464,400)	(15.0)	141,900	25,440,000	(1,070,100)	(3.6)	141,900	28,834,300	(1,252,500)	(4.2)	141,900	28,651,900
Macomb	31,773,900	31,773,900	0.0	(4,766,200)	(15.0)	81,300	27,089,000	(1,188,800)	(3.7)	81,300	30,666,400	(1,364,900)	(4.3)	81,300	30,490,300
Mid Michigan	4,289,200	4,289,200	0.0	(643,400)	(15.0)	123,700	3,769,500	(96,800)	(2.3)	123,700	4,316,100	(146,100)	(3.4)	123,700	4,266,800
Monroe	4,142,800	4,142,800	0.0	(621,400)	(15.0)	100,900	3,622,300	(107,700)	(2.6)	100,900	4,136,000	(149,700)	(3.6)	100,900	4,094,000
Montcalm	2,981,600	2,981,600	0.0	(447,200)	(15.0)	66,700	2,601,100	(67,700)	(2.3)	66,700	2,980,600	(101,500)	(3.4)	66,700	2,946,800
Mott	15,016,400	15,016,400	0.0	(2,252,500)	(15.0)	142,800	12,906,700	(541,300)	(3.6)	142,800	14,617,900	(632,800)	(4.2)	142,800	14,526,400
Muskegon	8,518,600	8,518,600	0.0	(1,277,800)	(15.0)	96,600	7,337,400	(306,500)	(3.6)	96,600	8,308,700	(358,500)	(4.2)	96,600	8,256,700
North Central	2,893,600	2,893,600	0.0	(434,000)	(15.0)	100,500	2,560,100	(80,500)	(2.8)	100,500	2,913,600	(107,600)	(3.7)	100,500	2,886,500
Northwestern	8,682,000	8,682,000	0.0	(1,302,300)	(15.0)	130,200	7,509,900	(339,400)	(3.9)	130,200	8,472,800	(381,900)	(4.4)	130,200	8,430,300
Oakland	20,133,700	20,133,700	0.0	(3,020,100)	(15.0)	145,300	17,258,900	(683,800)	(3.4)	145,300	19,595,200	(823,100)	(4.1)	145,300	19,455,900
St. Clair	6,729,800	6,729,800	0.0	(1,009,500)	(15.0)	91,200	5,811,500	(248,200)	(3.7)	91,200	6,572,800	(286,900)	(4.3)	91,200	6,534,100
Schoolcraft	11,767,000	11,767,000	0.0	(1,765,000)	(15.0)	118,000	10,120,000	(277,500)	(2.4)	118,000	11,607,500	(407,700)	(3.5)	118,000	11,477,300
Southwestern	6,276,900	6,276,900	0.0	(941,500)	(15.0)	156,600	5,492,000	(268,600)	(4.3)	156,600	6,164,900	(289,800)	(4.6)	156,600	6,143,700
Washtenaw	12,149,000	12,149,000	0.0	(1,822,300)	(15.0)	109,400	10,436,100	(303,100)	(2.5)	109,400	11,955,300	(431,100)	(3.5)	109,400	11,827,300
Wayne County	15,889,900	15,889,900	0.0	(2,383,500)	(15.0)	178,200	13,684,600	(527,100)	(3.3)	178,200	15,541,000	(642,200)	(4.0)	178,200	15,425,900
West Shore	2,198,500	2,198,500	0.0	(329,800)	(15.0)	136,300	2,005,000	(67,800)	(3.1)	136,300	2,267,000	(85,900)	(3.9)	136,300	2,248,900
SUBTOTAL OPERATIONS:	\$292,557,800	\$292,557,800	0.0	(\$43,883,700)	(15.0)	\$3,322,700	\$251,996,800	(\$10,000,000)	(3.4)	\$3,322,700	\$285,880,500	(\$12,000,000)	(4.1)	\$3,322,700	\$283,880,500
At Risk	3,322,700	3,322,700	0.0	0	0.0	(3,322,700)	0	0	0.0	(3,322,700)	0		0.0	(3,322,700)	0
TOTAL APPROPRIATION:	\$295,880,500	\$295,880,500	0.0	(\$43,883,700)	(14.8)	\$0	\$251,996,800	(\$10,000,000)	(3.4)	\$0	\$285,880,500	(\$12,000,000)	(4.1)	\$0	283,880,500
State School Aid Fund	0	195,880,500	---	195,880,500	---	0	195,880,500	195,880,500	---	0	195,880,500	195,880,500	---	0	195,880,500
GF/GP	\$295,880,500	\$100,000,000	(66.2)	(\$239,764,200)	(81.0)	\$0	\$56,116,300	(\$205,880,500)	(69.6)	\$0	\$90,000,000	(\$207,880,500)	(70.3)	\$0	88,000,000



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FY 2010-11 Year-to-Date Gross Appropriation	\$1,578,278,500
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Changes from FY 2010-11 Year-to-Date:

Items Included by the Senate and House

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| 1. Tuition Grants/State Competitive Scholarships. The Governor eliminated the \$31,664,700 Tuition Grant Program and the \$19,861,700 State Competitive Scholarship Program to fund a new Pathway to Higher Education Program. The House, Senate and Conference maintained the existing programs. | 0 |
| 2. Cooperative Extension Service (CES) and Agriculture Experiment Station (AES). The Governor reduced the CES and the AES by 15.0% and rolled the programs into one line item. The House, Senate, and Conference concurred. | (9,289,900) |
| 3. Tuition Incentive Program (TIP). The Governor, House, Senate, and Conference increased funding from \$37.4 million to \$43.8 million based on individuals eligible for funding and costs associated with the program. | 6,400,000 |
| 4. Federal Funding Shifts. The Governor, House, Senate, and Conference shifted \$93,826,400 in funding for financial aid programs to Temporary Assistance for Needy Families (TANF), offsetting a like amount in State General Fund and State Restricted sources of funding. This eliminates all General Fund support for financial aid except for \$1.0 million appropriated for Children of Veterans and Officer's Survivor Tuition Programs. | 0 |

Conference Agreement on Items of Difference

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| 5. School Aid Funding Shift. The Governor shifted \$699,719,500 from the State General Fund to the School Aid Fund (SAF) for support of university operation line items. The House concurred with the Governor. The Senate reduced SAF support to \$200.0 million. The Conference included \$200,019,500 in School Aid Fund revenue. | 0 |
| 6. University Operations Reductions. The Governor reduced university operations funding by \$213,110,200 (15.0%). The Senate concurred. The House included a 15.0% reduction, but applied 14.0% across-the-board and 1.0% based on a sliding scale formula with larger reductions for universities receiving a higher amount of State funding per student. The Conference concurred with the Governor and Senate. <u>Table 1</u> lists reductions by institution. | (213,110,200) |
| 7. Tuition Restraint Incentive - Operations Reduction. The Governor and House reduced university operations by \$83.0 million and appropriated that amount in a separate tuition restraint incentive line item for each university. Individual university incentive amounts are based on that university's average tuition/fee rate increase over the last five years, ranging from 5.1% to 9.8% of proposed FY 2011-12 appropriations. The incentive would be paid only if a university held its FY 2011-12 tuition/fee rate increase below the prior five-year statewide average of 7.1%. The Senate eliminated tuition restraint and restored funding to operation line items. The Conference concurred with the Governor and House. | 0 |
| 8. FY 2011-12 One-Time Appropriations. Included: \$500,000 for the EMU Autism Collaborative Center, \$1.2 million for the MSU Facility for Rare Isotope Beams, and \$200,000 for WMU economic development and commercialization. | |

Total Changes.....	(\$216,000,100)
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FY 2011-12 Enacted Gross Appropriation.....	\$1,362,278,400
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Changes from FY 2010-11 Year to Date:Items Included by the Senate and House

1. **Restored Sections.** Compliance with the DMB Act, use of Internet for reporting, buy American, depressed and deprived communities, the U of M Douglas Lake Biological Station, GI Education Enhancement Program (Conference included intent that universities include in admission application process a question regarding veteran or active military/national guard/reserve status, or the spouse or dependent thereof, in order to more quickly identify potential educational assistance available to that applicant), new degree programs, and various reporting requirements.
2. **Deleted Sections.** The Governor, House, and Senate deleted Tuition Tax Credit notification, intent regarding per-student floor funding, Macomb County Report, research technology report, and urban centers.
3. **New Sections.** Reports on efforts to accommodate religious beliefs of students enrolled in accredited counseling degree programs, and reports on stem cell research were added by the House and Senate. (Sec. 273 & 274) School Aid Fund revenue proration mechanism included by Governor, House, and Senate. (Sec. 296)

Conference Agreement on Items of Difference

4. **Research University.** Defines. House deleted. Senate modified to include "high" research. Conference included Senate change and also included "doctoral" research in the definition. (Sec. 237A)
5. **Foreign Vehicle.** Prohibits lease or purchase if competitively priced/comparable quality Michigan/USA automobiles available. Governor and House removed; Senate and Conference included. (Sec. 239A)
6. **Budget Transparency.** House and Conference added more detailed reporting. (Sec. 245)
7. **Grant Programs.** House and Conference adjusted maximum grant award to reflect current amounts. Governor and House adjusted TIP allocations; Conference revised quarterly allocation for all programs. (Sec. 251, 252 & 254)
8. **Tuition Restraint - Criteria.** Included by Governor, House, and Conference; deleted by Senate. (Sec. 265)
9. **Funding Formula.** Beginning FY 2012-13, university funding shall be allocated by formula developed by the Budget Director. Senate deleted. House and Conference included formula - developed by the Legislature. (Sec. 266)
10. **Purchases of Goods and Services.** Requires public universities to coordinate purchases of goods and services whenever possible. Requires report. Governor and House deleted; Senate and Conference restored. (Sec. 270A)
11. **Academic Program Accreditation.** House and Conference section requiring report on direct expenditures for academic program accreditation. (Sec. 271)
12. **Transfer Credit Reporting.** House and Conference require universities to report regarding the number of transfer credits rejected for incoming students, reported both by academic area and prior institution. (Sec. 272)
13. **Adult Co-resident Health Benefits-5.0% Penalty.** House language would withhold 5.0% of amount appropriated to each university unless the university verifies that it is not providing fringe benefits for any adult co-resident of a university employee who is not married to that employee or a dependent of such an adult co-resident. Conference replaced with legislative intent that benefits not be provided, removes penalty, and requires report. (Sec. 274A)
14. **Joint Capital Outlay Subcommittee (JCOS) Requirements.** Senate and Conference included 1.0% penalty for each violation of JCOS requirements. House included different penalty. (Sec. 275A)
15. **Community College Issues.** The House revised current-year language to create a committee to improve transferability of core college courses between community colleges and universities on a statewide basis. Senate and Conference maintained current-year language. (Sec. 285) House and Conference included a new section stating intent that universities work with community colleges to implement transfer of credits from a university to a community college to enable award of credentials. (Sec. 286)
16. **Anticipated Appropriations for FY 2012-13.** Governor and House included line-item appropriations for FY 2012-13. Senate and Conference did not include line items, and instead included boilerplate stating intent to fund at the FY 2011-12 level, except for adjustments for economics, caseloads, Federal match rates, and available revenue. (Sec. 236A)
17. **University Financial Aid.** Intent that universities increase expenditures for financial aid by at least the same percentage as increases in tuition and fees. Senate included; Governor, House, and Conference deleted.

Date Completed: 6-22-11

Fiscal Analyst: Bill Bowerman

TABLE 1: FY 2011-12 HIGHER EDUCATION APPROPRIATIONS

	FY 2010-11 Year-To-Date Appropriation	FY 2011-12 Governor*	Gov % Chg to YTD	FY 2011-12 House	House % Chg to YTD	FY 2011-12 Senate	Senate % Chg to YTD	FY 2011-12 Enacted	Enacted % Chg to YTD	FY 2011-12 Approp. per Student**	Enacted Change to House	Enacted Change to Senate
Universities												
Central	\$80,132,000	\$68,108,900	(15.0)	\$68,416,700	(14.6)	\$68,108,900	(15.0)	\$68,108,900	(15.0)	3,112	(307,800)	0
Eastern	76,026,200	64,619,100	(15.0)	64,850,900	(14.7)	64,619,100	(15.0)	64,619,100	(15.0)	3,521	(231,800)	0
Ferris	48,619,200	41,324,300	(15.0)	41,474,000	(14.7)	41,324,300	(15.0)	41,324,300	(15.0)	3,505	(149,700)	0
Grand Valley	61,976,400	52,677,400	(15.0)	53,005,200	(14.5)	52,677,400	(15.0)	52,677,400	(15.0)	2,365	(327,800)	0
Lake Superior	12,694,200	10,789,500	(15.0)	10,856,700	(14.5)	10,789,500	(15.0)	10,789,500	(15.0)	4,707	(67,200)	0
Michigan State	283,685,200	241,120,800	(15.0)	240,918,200	(15.1)	241,120,800	(15.0)	241,120,800	(15.0)	5,461	202,600	0
Michigan Tech	47,924,200	40,733,600	(15.0)	40,761,200	(14.9)	40,733,600	(15.0)	40,733,600	(15.0)	6,125	(27,600)	0
Northern	45,140,300	38,367,400	(15.0)	38,422,100	(14.9)	38,367,400	(15.0)	38,367,400	(15.0)	4,468	(54,700)	0
Oakland	50,761,300	43,145,000	(15.0)	43,378,600	(14.5)	43,145,000	(15.0)	43,145,000	(15.0)	2,719	(233,600)	0
Saginaw Valley	27,720,700	23,561,500	(15.0)	23,692,000	(14.5)	23,561,500	(15.0)	23,561,500	(15.0)	2,665	(130,500)	0
UM-Ann Arbor	316,254,500	268,803,300	(15.0)	268,002,300	(15.3)	268,803,300	(15.0)	268,803,300	(15.0)	6,399	801,000	0
UM-Dearborn	24,726,200	21,016,300	(15.0)	21,105,900	(14.6)	21,016,300	(15.0)	21,016,300	(15.0)	3,223	(89,600)	0
UM-Flint	20,898,000	17,762,400	(15.0)	17,855,800	(14.6)	17,762,400	(15.0)	17,762,400	(15.0)	2,788	(93,400)	0
Wayne State	214,171,400	182,036,900	(15.0)	181,151,700	(15.4)	182,036,900	(15.0)	182,036,900	(15.0)	7,225	885,200	0
Western	109,615,100	93,168,300	(15.0)	93,343,400	(14.8)	93,168,300	(15.0)	93,168,300	(15.0)	4,269	(175,100)	0
Restraint (Operations Reduction)***	0	(82,996,900)	---	(83,021,200)	---	0	0.0	(82,996,900)	---		24,300	(82,996,900)
Tuition Incentive	0	82,996,900	---	83,021,200	---	0	0.0	82,996,900	---		(24,300)	82,996,900
Subtotal: University Operations	1,420,344,900	1,207,234,700	(15.0)	1,207,234,700	(15.0)	1,207,234,700	(15.0)	1,207,234,700	(15.0)		0	0
Ag Experiment Station (AES)	33,243,100	0	(100.0)	0	(100.0)	0	(100.0)	0	(100.0)		0	0
Cooperative Extension (CES)	28,672,600	0	(100.0)	0	(100.0)	0	(100.0)	0	(100.0)		0	0
AES CES Roll-up Line		52,625,800		52,625,800	---	52,625,800	---	52,625,800	---		0	0
Higher Education Database	105,000	105,000	0.0	105,000	0.0	105,000	0.0	105,000	0.0		0	0
Midwest Higher Ed Compact	95,000	95,000	0.0	95,000	0.0	95,000	0.0	95,000	0.0		0	0
King-Chavez-Parks	2,691,500	2,691,500	0.0	2,691,500	0.0	2,691,500	0.0	2,691,500	0.0		0	0
Subtotal: Other	64,807,200	55,517,300	(14.3)	55,517,300	(14.3)	55,517,300	(14.3)	55,517,300	(14.3)		0	0
Total Universities	\$1,485,152,100	\$1,262,752,000	(15.0)	\$1,262,752,000	(15.0)	\$1,262,752,000	(15.0)	\$1,262,752,000	(15.0)		0	0
School Aid Fund	\$0	699,719,500	--	699,719,500	---	200,000,000	---	200,019,500	---		(499,700,000)	19,500
State GF/GP	\$1,485,152,100	\$563,032,500	(62.1)	563,032,500	(62.1)	1,062,752,000	(28.4)	1,062,732,500	(28.4)		499,700,000	(19,500)
Grants and Financial Aid												
State Competitive Scholarships	\$19,861,700	\$0	(100.0)	19,861,700	0.0	19,861,700	0.0	19,861,700	0.0		0	0
Tuition Grants	31,664,700	0	(100.0)	31,664,700	0.0	31,664,700	0.0	31,664,700	0.0		0	0
Pathway to Higher Education	0	51,526,400	---	0	0.0	0	0.0	0	0.0		0	0
Byrd Scholarship Program	1,500,000	1,500,000	0.0	1,500,000	0.0	1,500,000	0.0	1,500,000	0.0		0	0
Tuition Incentive Program (TIP)	37,400,000	43,800,000	17.1	43,800,000	17.1	43,800,000	17.1	43,800,000	17.1		0	0
Children of Veterans Tuition	1,200,000	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0	1,200,000	0.0		0	0
Project Gear-Up	1,500,000	1,500,000	0.0	1,500,000	0.0	1,500,000	0.0	1,500,000	0.0		0	0
Total Grants/Financial Aid	\$93,126,400	\$99,526,400	6.9	\$99,526,400	6.9	\$99,526,400	6.9	\$99,526,400	6.9		0	0
Federal Higher Ed Act	4,500,000	4,500,000	0.0	4,500,000	0.0	4,500,000	0.0	4,500,000	0.0		0	0
Federal TANF	0	93,826,400	---	93,826,400	---	93,826,400	---	93,826,400	---		0	0
Merit Award Trust Fund	30,100,000	0	(100.0)	0	(100.0)	0	(100.0)	0	(100.0)		0	0
Veterans Tax Check-off	300,000	200,000	(33.3)	200,000	(33.3)	200,000	(33.3)	200,000	(33.3)		0	0
State GF/GP	\$58,226,400	\$1,000,000	(98.3)	1,000,000	(98.3)	\$1,000,000	(98.3)	\$1,000,000	(98.3)		0	0
TOTAL HIGHER EDUCATION												
TOTAL ALL FUNDS	\$1,578,278,500	\$1,362,278,400	(13.7)	\$1,362,278,400	(13.7)	\$1,362,278,400	(13.7)	\$1,362,278,400	(13.7)		0	0
TOTAL FEDERAL	4,500,000	98,326,400	2,085.0	98,326,400	2,085.0	98,326,400	2,085.0	98,326,400	2,085.0		0	0
TOTAL STATE RESTRICTED	30,400,000	699,919,500	2,202.4	699,919,500	2,202.4	200,200,000	558.6	200,219,500	558.6		(499,700,000)	19,500
TOTAL STATE GF/GP	\$1,543,378,500	\$564,032,500	(63.5)	\$564,032,500	(63.5)	\$1,063,752,000	(31.1)	\$1,063,732,500	(31.1)		499,700,000	(19,500)

* Allocations for Governor's Recommendation are based on "Schedule of Programs" contained in proposed budget bills.

** FY 2009-10 Fiscal-Year-Equated Students (FYES).

*** Tuition Restraint/Incentive for each institution based on five-year average of tuition/fee percentage increases.