

**FY 2017-18 EDUCATION OMNIBUS BUDGET**  
**Summary: Conference Report**  
**House Bill 4313 (H-1) CR-1**



Mary Ann Cleary, Director

**TOTAL APPROPRIATIONS BY BUDGET AREA**

Budget Area (Bill Page) [Summary Page]	FY 2017-18		
	Gross	SAF	GF/GP
School Aid (3) [2]	\$14,580,173,900	\$12,543,130,300	\$215,000,000
Community College (305) [19]	399,326,500	398,301,500	1,025,000
Higher Education (332) [23]	1,629,224,400	238,343,500	1,279,254,500
<b>TOTAL</b>	<b>\$16,608,724,800</b>	<b>\$13,179,775,300</b>	<b>\$1,495,279,500</b>

*Note: Appropriation figures include all proposed appropriation amounts, including amounts designated as one-time.*

**FY 2017-18: SCHOOL AID**  
**Summary: Conference Report**  
**Article I, House Bill 4313 (H-1) CR-1**



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	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	Difference: Conference From FY 2016-17 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	1,818,632,700	1,726,943,500	1,726,943,500	1,726,943,500	1,726,943,500	(91,689,200)	(5.0)
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	12,124,309,400	12,360,145,300	12,367,507,200	12,365,762,000	12,638,230,400	513,921,000	4.2
<b>GF/GP</b>	218,900,000	215,000,000	215,000,000	195,000,000	215,000,000	(3,900,000)	(1.8)
<b>Gross</b>	<b>\$14,161,842,100</b>	<b>\$14,302,088,800</b>	<b>\$14,309,450,700</b>	<b>\$14,287,705,500</b>	<b>\$14,580,173,900</b>	<b>\$418,331,800</b>	<b>3.0</b>

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The School Aid budget makes appropriations to the state's 536 local school districts, 300 public school academies, the Education Achievement System, and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Educational Performance and Information, the Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

**Major Budget Changes From FY 2016-17 YTD Appropriations**

**1. Foundation Allowance – Increase (Secs. 22a and 22b)**

Executive increases foundation allowances from \$50 to \$100 using the 2x formula at a cost of \$128.0 million. The minimum foundation allowance would increase from \$7,511 to \$7,611, and the state maximum guaranteed foundation allowance would increase from \$8,229 to \$8,279.

	FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change
<b>Gross</b>	<b>\$9,105,000,000</b>	<b>\$153,300,000</b>
Restricted	8,932,597,200	153,300,000
GF/GP	\$172,402,800	\$0

House increases foundation allowances by \$100 per pupil across the board at a cost of \$143.0 million. The minimum foundation allowance would increase from \$7,511 to \$7,611, and the state maximum guaranteed foundation allowance would increase from \$8,229 to \$8,329.

Senate increases foundation allowances from \$88 to \$176 using the 2x formula at a cost of \$228.0 million. The minimum foundation allowance would increase from \$7,511 to \$7,687 and the maximum guaranteed foundation allowance would increase from \$8,229 to \$8,317.

Conference increases foundation allowances from \$60 to \$120 using the 2x formula at a cost of \$153.3 million. The minimum foundation allowance would increase from \$7,511 to \$7,631, and the state maximum guaranteed foundation allowance would increase from \$8,229 to \$8,289.

**2. Foundation Allowance – Cyber Schools (Sec. 22b)**

Executive reduces cyber foundation allowances to 80% of the minimum foundation allowance after the 1st year of operation, saving \$16.0 million.

House and Senate maintain cyber school foundations at 100% of the minimum foundation allowance.

Conference concurs with House and Senate.

<b>Gross</b>	<b>\$80,000,000</b>	<b>\$0</b>
Restricted	80,000,000	0
GF/GP	\$0	\$0

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
<b>3. Shared-time Instruction for Nonpublic and Homeschool Pupils (Sec. 23f)</b>		<b>Gross</b>	<b>\$115,000,000</b>	<b>(\$2,000,000)</b>
<u>Executive</u> revises state support for shared-time instruction programs where districts provide nonessential courses to nonpublic and home-schooled students from a per pupil foundation allowance to a categorical funding program. Caps total funding at \$60.0 million which is estimated to be a \$55.0 million reduction from current-year shared-time costs. Districts would receive prorated funding if total funding requests exceeded the appropriation.		Restricted	115,000,000	(2,000,000)
<u>House</u> maintains current law and funds shared-time instruction through the foundation allowance.		GF/GP	\$0	\$0
<u>Senate</u> concurs with House to fund shared-time instruction through the foundation allowance. However, caps the maximum FTE for which a nonpublic school pupil may be counted in a shared-time program at 0.75 FTE, reducing costs by \$2.0 million. See major boilerplate changes in Sec.6(4)(ii) and Sec. 166b.				
<u>Conference</u> concurs with Senate.				
<b>4. At-Risk (Sec. 31a)</b>		<b>Gross</b>	<b>\$378,988,200</b>	<b>\$120,011,800</b>
<u>Executive</u> increases by \$150.0 million to a total of \$529.0 million. Expands to include hold harmless and out-of-formula districts that are currently excluded. Also revises the distribution formula from		Restricted	378,988,200	120,011,800
<ul style="list-style-type: none"><li>• 11.5% x District Foundation x Free Lunch Eligible Pupils to</li><li>• 11.5% x Statewide Weighted Average Foundation x Economically Disadvantaged Pupils.</li></ul>		GF/GP	\$0	\$0
Economically disadvantaged pupils are currently collected and reported by CEPI to the US Department of Education and include pupils who are eligible for both free and reduced-price lunch, Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), or are homeless, migrant, or in foster care. The expanded definition is estimated to increase the number of pupils for whom districts receive funding by 131,000.				
<u>House</u> increases by \$129.1 million to a total of \$508.1 million. Concurs with Executive change regarding eligible pupils. House concurs with the revised distribution formula but caps the at-risk per-pupil allocation for newly eligible hold harmless and out-of-formula districts at 50% of their total before any proration.				
<u>Senate</u> increases by \$100.0 million to a total of \$479.0 million. Concurs with Executive change regarding eligible pupils. Senate allocates \$433.0 million under existing formula to currently eligible districts, an increase of \$54.0 million. Allocates \$41.0 million to all districts on an equal per pupil basis, approximately \$60 per eligible pupil. Earmarks \$5.0 million to districts providing WIDA Access or Alternate Access assessments and services for English language learners.				
<u>Conference</u> increases by \$120.0 million to a total of \$499.0 million and concurs with formula revisions proposed by Executive but caps newly eligible Hold Harmless and Out-of-Formula districts at 30% funding. Fully funding the new formula would cost \$575.0 million, but payments would be prorated. Currently eligible districts would receive an estimated \$777 per eligible pupil and newly eligible districts would receive an estimated \$233 per pupil. Moves Senate funding for English language learners to Sec. 41.				
<b>5. MPSERS Cost Offset (Sec.147a(1))</b>		<b>Gross</b>	<b>\$100,000,000</b>	<b>\$0</b>
<u>Executive</u> maintains current funding of \$100.0 million to offset a share of MPSERS costs.		Restricted	100,000,000	0
<u>House</u> concurs with Executive.		GF/GP	\$0	\$0
<u>Senate</u> eliminates current funding.				
<u>Conference</u> concurs with Executive and House.				

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
<b>6. MPSERS Assumed Rate of Return (AROR) – Employer Normal Cost Increase Offset (Sec. 147a(2)) – NEW</b>		<b>Gross</b>	<b>\$0</b>	<b>\$48,969,000</b>
<u>Executive</u> reimburses districts, ISDs, and district libraries for the employer normal cost increases related to the AROR reduction from 8.0% to 7.5% at a cost of \$48.9 million for FY 2017-18 and a total cost of \$97.8 million in FY 2018-19, once fully phased-in over 2 years.		Restricted	0	48,940,000
<u>House and Senate</u> concur with Executive.		GF/GP	\$0	\$29,000
<u>Conference</u> concurs with Executive, House, and Senate.				
<b>7. MPSERS Assumed Rate of Return (AROR) – Unfunded Liability State Share (Sec. 147c(1))</b>		<b>Gross</b>	<b>\$982,800,000</b>	<b>(\$22,016,000)</b>
<u>Executive</u> proposes a 2-year phase-in to reduce the MPSERS AROR from 8.0% to 7.5% at a cost of \$90.8 million FY 2017-18 and double that in FY 2018-19. The FY 2017-18 cost increase is offset by savings due to improved health care cost experience and higher rates of investment returns during the most recent 5-year actuarial smoothing period. Total costs for the State Share are reduced by \$22.0 million to \$960.8 million for FY 2017-18.		Restricted	982,200,000	(22,070,000)
<u>House and Senate</u> concur with Executive.		GF/GP	\$600,000	\$54,000
<u>Conference</u> concurs with Executive, House, and Senate.				
<b>8. MPSERS One-Time Deposit (Sec. 147c(2))</b>		<b>Gross</b>	<b>\$0</b>	<b>\$200,000,000</b>
<u>Conference</u> appropriates \$200.0 million to make additional payments toward reducing the amortization period of the 2010 early retirement incentive costs.		Restricted	0	200,000,000
		GF/GP	\$0	\$0
<b>9. MPSERS Employer Defined Contribution Match (Sec. 147e) – NEW</b>		<b>Gross</b>	<b>\$0</b>	<b>\$23,100,000</b>
<u>Conference</u> appropriates \$23.1 million from the MPSERS retirement obligation reform reserve fund to reimburse districts, ISDs, and community colleges for the costs of a higher hybrid plan normal cost and a larger employer contribution for the new Defined Contribution plan as proposed in Senate Bill 401 and House Bill 4647.		Restricted	0	23,100,000
		GF/GP	\$0	\$0
<b>10. High School Per Pupil Bonus (Sec. 22n) – NEW</b>		<b>Gross</b>	<b>\$0</b>	<b>\$11,000,000</b>
<u>Executive</u> includes \$22.0 million to provide districts with an additional \$50 per pupil for each pupil in grades 9 to 12 to reflect the higher costs of high school instruction.		Restricted	0	0
<u>House and Senate</u> do not include this section.		GF/GP	\$0	\$11,000,000
<u>Conference</u> includes \$11.0 million to provide \$25 per pupil in grades 9-12.				
<b>11. Declining Enrollment (Sec. 29) – NEW</b>		<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> includes \$7.0 million to districts that have experienced enrollment declines of more than 5% over the last 2 years. Funding would equal 1/3 of a district's foundation allowance multiplied by the difference between a 2-year average pupil membership blend and the district's actual membership blend. A district would be eligible for this funding for 2 years.		Restricted	0	0
<u>House and Senate</u> do not include this section.		GF/GP	\$0	\$0
<u>Conference</u> concurs with House and Senate.				
<b>12. Career and Technical Education (CTE) Programs (Sec. 61a)</b>		<b>Gross</b>	<b>\$36,690,300</b>	<b>\$1,160,000</b>
<u>Executive</u> maintains current funding for CTE added costs and eliminates \$79,000 GF/GP to fund a non-profit organization that provides curriculum and training to CTE programs in restaurant management and culinary training.		Restricted	36,690,300	1,160,000
<u>House</u> concurs with Executive and adds \$1.0 million for competitive grants to up to 3 intermediate school districts (ISDs) to hire career and technical education counselors. Gives priority to the ISD with the greatest number of pupils, with the additional ISDs chosen in a way that distributes funding among urban and rural communities.		GF/GP	\$0	\$0
<u>Senate</u> maintains current funding for both CTE added costs and CTE programs in restaurant management and culinary training.				
<u>Conference</u> maintains current funding for both CTE added costs and CTE programs in restaurant management and culinary training, concurs with House addition of \$1.0 million for CTE counselors and adds another \$160,000 for 2 school districts for CTE counselors.				

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
<b>13. Career and Technical Education (CTE) – Early/Middle College (Sec. 61b)</b>		<b>Gross</b>	<b>\$9,000,000</b>	<b>(\$1,000,000)</b>
<u>Executive</u> maintains funding to expand CTE early/middle colleges.		Restricted	9,000,000	(1,000,000)
<u>House</u> eliminates this program.		GF/GP	\$0	\$0
<u>Senate</u> concurs with Executive.				
<u>Conference</u> reduces by \$1.0 million to a total of \$8.0 million.				
<b>14. Career and Technical Education (CTE) – Equipment Upgrades (Sec. 61c)</b>		<b>Gross</b>	<b>\$3,200,000</b>	<b>\$6,400,000</b>
<u>Executive</u> increases by \$16.8 million to expand the CTE equipment grant program begun in FY 2016-17. Eliminates the \$200,000 earmark to the Hudson School District Mechatronics program. Revises from a formula allocation to regional career education planning districts and replaces it with a competitive grant program for districts or ISDs administered by both MDE and the department of Talent and Economic Development (TED). Grants could be between \$250,000 and \$1,000,000.		Restricted	3,200,000	6,400,000
<u>House</u> increases by \$6.8 million to a total of \$10.0 million. Concurs with Executive in revising to a competitive grant program, but gives priority to districts that lease equipment from private industry partners. Increases the allocation for grants to districts with mechatronics programs from \$200,000 to \$1.0 million.		GF/GP	\$0	\$0
<u>Senate</u> increases by \$4.3 million to a total of \$7.5 million. Eliminates the \$200,000 earmark to the Hudson School District Mechatronics program. Revises the use of the funding from CTE programs supporting and driving economic development to those CTE programs identified in the highest 5 career cluster rankings in any of the 10 regional strategic plans approved for training on new equipment, professional development relating to computer science or coding, or new and emerging certified CTE programs to provide programming to enhance economic development.				
<u>Conference</u> increases by \$6.4 million to a total of \$9.6 million and includes a \$300,000 earmark to district mechatronic grants.				
<b>15. Flint Water Emergency Funds (Sec. 11s)</b>		<b>Gross</b>	<b>\$10,142,600</b>	<b>(\$1,412,500)</b>
<u>Executive</u> reduces funding by \$1.4 million to Flint School District and Genesee ISD related to providing additional services for early childhood and supplemental school services, bringing the total to \$8.7 million for FY 2017-18. Funds would be allocated to expanded Great Start Readiness Program (GSRP) eligibility (\$3.0 million), school nurses and social workers (\$2.6 million) in Flint schools, ISD support to Flint residents that attend districts other than Flint (\$2.5 million), and nutrition programs (\$605,000).		Restricted	0	0
<u>House and Senate</u> concur with Executive.		GF/GP	\$10,142,600	(\$1,412,500)
<u>Conference</u> concurs with Executive, House, and Senate.				
<b>16. Categorical Offset Payments (Sec. 20f)</b>		<b>Gross</b>	<b>\$18,000,000</b>	<b>\$0</b>
<u>Executive and House</u> maintain current year funding levels which maintain a base that ensured a minimum net increase of \$5 for all districts for FY 2013-14 and a minimum net increase of \$25 for all districts for FY 2015-16 after categorical reductions in those years reduced total district funding more than foundation allowance increases.		Restricted	18,000,000	0
<u>Senate</u> increases total funding to \$19.4 million to ensure no district has a net decrease after adding increases in the foundation allowance and at risk payments with the elimination of MPSERS offset payments.		GF/GP	\$0	\$0
<u>Conference</u> concurs with Executive and House.				
<b>17. State School Reform/Redesign (SRO) (Sec. 21)</b>		<b>Gross</b>	<b>\$5,000,000</b>	<b>(\$5,000,000)</b>
<u>Executive</u> maintains current law for funding to districts in which the SRO has assigned a CEO.		Restricted	5,000,000	(5,000,000)
<u>House</u> eliminates.		GF/GP	\$0	\$0
<u>Senate</u> provides a \$100 placeholder for districts with SRO CEOs and sets aside \$8.0 million in Sec. 21j, available by legislative transfer for purposes under Sec. 21 or 21h.				
<u>Conference</u> concurs with House.				

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
<b>18. Competency Based Funding Pilot (Sec. 21g)</b>		<b>Gross</b>	<b>\$500,000</b>	<b>(\$500,000)</b>
<u>Executive</u> eliminates funding for a competency-based transcript and market place pilot.		Restricted	0	0
<u>House</u> provides a \$100 placeholder to expand competency-based education programs.		GF/GP	\$500,000	(\$500,000)
<u>Senate</u> concurs with Executive.				
<u>Conference</u> concurs with Executive and Senate.				
<b>19. Competency-Based Education District Grants (Sec. 21j) – NEW</b>		<b>Gross</b>	<b>\$0</b>	<b>\$500,000</b>
<u>Conference</u> adds \$500,000 for competitive grants to districts that provide an education model that allows the use of multiple and innovative methods to determine pupils' achievement of grade-level competencies and Michigan merit curriculum credit.		Restricted	0	0
		GF/GP	\$0	\$500,000
<b>20. Partnership Model Districts (Sec. 21h) – NEW</b>		<b>Gross</b>	<b>\$0</b>	<b>\$6,000,000</b>
<u>Executive</u> provides \$3.0 million (along with \$641,800 and 4.0 FTEs in the MDE budget) for interventions in districts identified as needing additional academic supports. Target districts would be districts not yet under the authority of the School Reform Office.		Restricted	0	6,000,000
<u>House</u> does not include this section.		GF/GP	\$0	\$0
<u>Senate</u> provides a \$100 placeholder for partnership model districts. Sets aside \$8.0 million in Sec. 21j, available by legislative transfer for purposes under Sec. 21 or 21h.				
<u>Conference</u> includes \$6.0 million.				
<b>21. Consolidation Incentive Grants (Sec. 22g)</b>		<b>Gross</b>	<b>\$3,000,000</b>	<b>(\$3,000,000)</b>
<u>Executive</u> eliminates funding for competitive assistance grants to districts or ISDs for reimbursement of transition costs associated with the dissolution, consolidation, or annexation of districts or ISDs.		Restricted	3,000,000	(3,000,000)
<u>House</u> reduces to \$1.0 million.		GF/GP	\$0	\$0
<u>Senate</u> concurs with Executive.				
<u>Conference</u> concurs with Executive and Senate.				
<b>22. Technology Regional Data Hubs (Sec. 22m) – NEW</b>		<b>Gross</b>	<b>\$0</b>	<b>\$2,200,000</b>
<u>Executive</u> provides \$2.2 million to support the Michigan Data Hub Network which was begun with former Sec. 22i Technology Readiness Infrastructure grants. The regional data hubs are designed to improve the efficiency of local school data collection and create common data reporting as required under Sec. 19.		Restricted	0	2,200,000
<u>House</u> appropriates \$1.2 million.		GF/GP	\$0	\$0
<u>Senate</u> appropriates \$1.1 million for a competitive grant process to a network for upgrading data infrastructure, promoting data integration systems, promoting 100% district adoption of the Michigan data hub network, ensuring data security and privacy, providing actionable and consistent statewide reports and dashboards, creating a governance model to facilitate a sustainable model for the future, and evaluating future data initiatives.				
<u>Conference</u> concurs with Executive funding level and Senate purpose revisions.				
<b>23. Strict Discipline Academy (Sec. 25f)</b>		<b>Gross</b>	<b>\$750,000</b>	<b>\$0</b>
<u>Executive</u> eliminates funding for the added costs of educating strict discipline academy pupils.		Restricted	750,000	0
<u>House and Senate</u> maintain current funding.		GF/GP	\$0	\$0
<u>Conference</u> concurs with House and Senate.				
<b>24. Dropout Recovery Programs (Sec. 25g)</b>		<b>Gross</b>	<b>\$750,000</b>	<b>\$0</b>
<u>Executive</u> eliminates funding for the additional costs of educating pupils in a year-round dropout recovery program.		Restricted	750,000	0
<u>House and Senate</u> maintain current funding.		GF/GP	\$0	\$0
<u>Conference</u> concurs with House and Senate.				

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
<b>25. School Based Health Centers (Sec.31a(7))</b>		<b>Gross</b>	<b>\$5,557,300</b>	<b>\$500,000</b>
<u>Executive</u> maintains current funding for school based health centers.		Restricted	5,557,300	500,000
<u>House</u> concurs with Executive.		GF/GP	\$0	\$0
<u>Senate</u> increases by \$500,000 and changes the spending directive from child and adolescent health centers to funding primary health care services provided to children and adolescents up to age 21.				
<u>Conference</u> concurs with Senate.				
<b>26. Year-Round Instruction Programs (Sec. 31b)</b>		<b>Gross</b>	<b>\$1,500,000</b>	<b>\$0</b>
<u>Executive</u> increases the total for year-round, balanced-calendar instruction grants to \$3.0 million. Grants support districts with funds for building modifications or other nonrecurring costs related to the transition to a balanced-calendar.		Restricted	1,500,000	0
<u>House and Senate</u> maintain current year appropriation.		GF/GP	\$0	\$0
<u>Conference</u> concurs with House and Senate.				
<b>27. Local Produce in School Meals (Sec. 31j)</b>		<b>Gross</b>	<b>\$250,000</b>	<b>\$125,000</b>
<u>Executive</u> eliminates funding for a pilot project to support districts in the purchase of locally grown fruits and vegetables for use in school lunches.		Restricted	0	0
<u>House</u> concurs with Executive.		GF/GP	\$250,000	\$125,000
<u>Senate</u> maintains current funding.				
<u>Conference</u> adds \$125,000 for Prosperity Region 9.				
<b>28. Early Learning Cooperative (Sec. 32q)</b>		<b>Gross</b>	<b>\$175,000</b>	<b>\$0</b>
<u>Executive</u> eliminates funding for a preschool early learning cooperative pilot.		Restricted	175,000	0
<u>House</u> concurs with Executive.		GF/GP	\$0	\$0
<u>Senate</u> maintains current funding and updates intent language to provide that it is the 2nd of 3 years of funding.				
<u>Conference</u> concurs with Senate.				
<b>29. Early Literacy District Grants (Sec. 35 and 35a)</b>		<b>Gross</b>	<b>\$24,900,000</b>	<b>\$5,500,000</b>
<u>Executive</u> adds \$3.0 million to a total of \$6.0 million for early literacy coaches and eliminates \$1.0 million for Michigan Education Corps. Maintains funding for department implementation (\$1.0 million) professional development (\$950,000), screening and diagnostic tools (\$1.5 million), and added instructional time (\$17.5 million).		Restricted	22,900,000	3,000,000
<u>House</u> eliminates department implementation (\$1.0 million) and concurs to eliminate the Michigan Education Corps (\$1.0 million). House rolls up remaining funding along with a \$500,000 increase for a total of \$25.4 million distributed to eligible districts in an amount equal to \$245 for each 1 <sup>st</sup> grade pupil. Allows districts to use funds for all of the currently funded activities including professional development, screening and diagnostic tools, early literacy coaches, and additional instructional time.		GF/GP	\$2,000,000	\$2,500,000
<u>Senate</u> concurs with Executive but increases Michigan Education Corps by \$1.5 million to a total of \$2.5 million.				
<u>Conference</u> concurs with Senate to increase early literacy coaches by \$3.0 million bringing it to a total of \$6.0 million and Michigan Education Corps by \$1.5 million bringing it to \$2.5 million. Maintains \$1.0 million for department implementation. Concurs with House to roll up a total of \$20.9 million for professional development, diagnostic tools funding, and added instructional time and distribute to districts in an amount equal to \$210 per 1 <sup>st</sup> grade FTE. Caps the funding that may be used for professional development at 5% and for diagnostic tools at 5%.				
<b>30. Bilingual/English Language Learners (Sec. 41)</b>		<b>Gross</b>	<b>\$1,200,000</b>	<b>\$4,800,000</b>
<u>Executive, House, and Senate</u> maintain current funding of \$1.2 million.		Restricted	1,200,000	4,800,000
<u>Conference</u> replaces the current bilingual education grants with \$6.0 million allocated to districts that use the WIDA Access and WIDA Alternative Access assessments to provide services to English Language learners. Allocates \$620 per FTE with scores between 1.0 and 1.9 and \$410 per FTE with scores between 2.0 and 2.9.		GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>31. Michigan Behavior and Learning Support Initiative (MiBLSI) (Sec. 54b)</b> <u>Executive</u> increases by \$475,000 to a total \$1.6 million to continue to pilot the implementation of positive behavioral intervention and supports and to support a statewide structure to support local initiatives for an integrated behavior and reading program. <u>House and Senate</u> concur with Executive. <u>Conference</u> concurs with Executive, House, and Senate.	<b>Gross</b>	<b>\$1,125,000</b>	<b>\$475,000</b>
	Restricted	1,125,000	475,000
	GF/GP	\$0	\$0
<b>32. Conductive Learning Study (Sec. 55)</b> <u>Executive</u> eliminates this section because intent language stated that FY 2016-17 was the 2nd of 2 years of funding. <u>House</u> concurs with Executive. <u>Senate</u> maintains funding at \$150,000 and revises intent language to say that this is the 3rd of 3 years of funding. <u>Conference</u> concurs with Senate.	<b>Gross</b>	<b>\$150,000</b>	<b>\$0</b>
	Restricted	150,000	0
	GF/GP	\$0	\$0
<b>33. Information Technology Certifications (Sec. 64d/99u) – NEW</b> <u>Executive</u> does not include this section. <u>House</u> adds \$1.0 million for a competitive grant to provide information technology education opportunities to students attending districts, ISDs, or PSAs, CTE programs, and Community Colleges. (Sec. 64d) <u>Senate</u> concurs with House but appropriates \$2.3 million for the 1 <sup>st</sup> of 3 years. (Sec. 99u) <u>Conference</u> concurs with House for the 1 <sup>st</sup> of 3 years.	<b>Gross</b>	<b>\$0</b>	<b>\$1,000,000</b>
	Restricted	0	0
	GF/GP	\$0	\$1,000,000
<b>34. Detroit PreCollege Engineering (Sec. 65)</b> <u>Executive</u> eliminates funding for the Detroit PreCollege Engineering program. <u>House</u> concurs with Executive. <u>Senate</u> maintains current funding. <u>Conference</u> concurs with Senate.	<b>Gross</b>	<b>\$340,000</b>	<b>\$0</b>
	Restricted	0	0
	GF/GP	\$340,000	\$0
<b>35. Online Career Preparation (Sec. 67a)</b> <u>Conference</u> includes \$1.0 million for an online career preparation tool.	<b>Gross</b>	<b>\$0</b>	<b>\$1,000,000</b>
	GF/GP	\$0	\$1,000,000
<b>36. School Bus Driver Safety Instruction (Sec. 74)</b> <u>Executive</u> maintains current funding for payments to state colleges and or universities and intermediate districts providing school bus driver safety instruction. <u>House</u> concurs with Executive. <u>Senate</u> adds \$400,000 for school bus driver safety instruction. <u>Conference</u> concurs with Senate.	<b>Gross</b>	<b>\$1,625,000</b>	<b>\$400,000</b>
	Restricted	1,625,000	400,000
	GF/GP	\$0	\$0
<b>37. Statewide School Drinking Water Quality Program (Sec. 78) – NEW</b> <u>Executive</u> transfers this program, begun in FY 2016-17, from the MDE budget to the School Aid budget. Reimburses districts and nonpublic schools with up to \$950 per school building for the costs of voluntary water testing. <u>House and Senate</u> do not include this section. <u>Conference</u> concurs with House and Senate.	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
	Restricted	0	0
	GF/GP	\$0	\$0
<b>38. ISD General Operations Support (Sec. 81)</b> <u>Executive</u> maintains current funding for ISD general operations support. <u>House</u> concurs with Executive. <u>Senate</u> increases ISD funding by 1.5%, or \$1.0 million, to a total of \$68.1 million. <u>Conference</u> concurs with Executive and House.	<b>Gross</b>	<b>\$67,108,000</b>	<b>\$0</b>
	Restricted	67,108,000	0
	GF/GP	\$0	\$0
<b>39. Advanced Placement (AP) Incentive Program (Sec. 94)</b> <u>Executive</u> maintains current funding for the AP incentive Program, which the department awards funds to cover all or part of the test or registration fees for the AP test or international baccalaureate. <u>House</u> concurs with Executive. <u>Senate</u> increases by \$750,000 for a total of \$1.0 million. <u>Conference</u> increases by \$500,000 for a total of \$750,000.	<b>Gross</b>	<b>\$250,000</b>	<b>\$500,000</b>
	Restricted	250,000	500,000
	GF/GP	\$0	\$0



<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>40. Center for Educational Performance and Information (CEPI) (Sec. 94a)</b>	<b>Gross</b>	<b>\$12,366,700</b>	<b>\$4,042,800</b>
	Federal	193,500	0
	GF/GP	\$12,173,200	\$4,042,800
<p><u>Executive</u> provides an additional \$4.0 million in ongoing support for CEPI to replace Federal funds that have been available through work projects for several years which are used for the support of longitudinal data collection and a web-based school data portal.</p> <p><u>House</u> increases by \$2.0 million.</p> <p><u>Senate</u> increases by \$1.0 million.</p> <p><u>Conference</u> concurs with Executive recommendation.</p>			
<b>41. Educator Evaluations (Sec. 95a)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
	Restricted	0	0
	GF/GP	\$0	\$0
<p><u>Executive</u> includes \$7.0 million to fund professional development and training for teachers and administrators in implementing educator evaluations as required under PA 173 of 2015. Initial funding of \$14.8 million was provided in the FY 2015-16 budget, but carried forward as a work project into the current year. This would represent the cost of training the remaining evaluators.</p> <p><u>House</u> and <u>Senate</u> do not include this section.</p> <p><u>Conference</u> concurs with House and Senate.</p>			
<b>42. Value-added Growth Model (Sec. 95b) – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$2,500,000</b>
	Restricted	0	0
	GF/GP	\$0	\$2,500,000
<p><u>Executive</u> does not include this section.</p> <p><u>House</u> provides \$2.5 million GF/GP to adopt a statewide value-added growth and projection analytics system.</p> <p><u>Senate</u> does not include this section.</p> <p><u>Conference</u> concurs with House.</p>			
<b>43. Michigan Virtual University (Sec. 98)</b>	<b>Gross</b>	<b>\$7,387,500</b>	<b>\$0</b>
	Restricted	0	0
	GF/GP	\$7,387,500	\$0
<p><u>Executive</u> maintains current funding for the Michigan Virtual University</p> <p><u>House</u> concurs with Executive.</p> <p><u>Senate</u> reduces by \$887,500 GF/GP to a total \$6.5 million GF/GP.</p> <p><u>Conference</u> concurs with Executive and House.</p>			
<b>44. Civic Education (Sec. 99c)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$60,000</b>
	Restricted	0	0
	GF/GP	\$0	\$60,000
<p><u>Executive</u> and <u>House</u> do not include this section.</p> <p><u>Senate</u> includes \$60,000 GF/GP for a grant for the delivery of programs that exemplify best practices in civic education.</p> <p><u>Conference</u> concurs with Senate.</p>			
<b>45. FIRST Robotics (Sec. 99h)</b>	<b>Gross</b>	<b>\$2,500,000</b>	<b>\$300,000</b>
	Restricted	0	0
	GF/GP	\$2,500,000	\$300,000
<p><u>Executive</u> maintains current year appropriation levels for FIRST Robotics.</p> <p><u>House</u> concurs with Executive.</p> <p><u>Senate</u> adds \$250,000 GF/GP for competitive grants to nonpublic schools for FIRST Robotics.</p> <p><u>Conference</u> adds \$300,000 GF/GP for competitive grants to nonpublic schools for FIRST Robotics or Science Olympiad programs.</p>			
<b>46. Cyber Security Competition Grants (Sec. 99k) – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$500,000</b>
	Restricted	0	0
	GF/GP	\$0	\$500,000
<p><u>Executive</u> adds \$500,000 for competitive grants to districts to support teams of pupils in grades 6-12 participating in cybersecurity competitive events through either the Michigan High School Cyber Challenge or CyberPatriot.</p> <p><u>House</u> does not include this section.</p> <p><u>Senate</u> concurs with Executive.</p> <p><u>Conference</u> concurs with Executive and Senate.</p>			

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
<b>47. MiSTEM Grants (Sec. 99r and 99s)</b>		<b>Gross</b>	<b>\$9,549,300</b>	<b>\$3,235,000</b>
<u>Executive</u> increases by nearly \$1.0 million but adds \$1.5 million in additional state funds which are offset by a loss of \$549,300 in federal funds. Significantly revises the funding allocations as follows:		Federal	5,249,300	(549,300)
<ul style="list-style-type: none"><li>\$50,000 for MiSTEM Advisory Council Administration (No Change).</li><li>\$3.0 million for MiSTEM Advisory Council grants (increase of \$2.0 million).</li><li>\$7.5 million for the MiSTEM Centers Network which would replace 33 existing MathScience Centers with 10 regional MiSTEM Centers (decrease of \$549,300).</li><li>Eliminates \$250,000 for Science Olympiad.</li><li>Eliminates \$250,000 for VanAndel Education Institute.</li></ul>		Restricted	3,000,000	3,234,300
		GF/GP	\$1,300,000	\$550,000
<u>House</u> concurs with Executive funding levels except provides \$2.85 million for MiSTEM Advisory Council grants and \$150,000 for VanAndel Education Institute.				
<u>Senate</u> increases gross funding by nearly \$1.0 million including \$1.5 million in additional state funds which are offset by a loss of \$549,300 in federal funds. Increases MiSTEM grants by nearly \$1.0 million. Backfills the loss of federal funds for Math and Science Centers with state funds, and does not include the Governor's proposal to reduce the number of and reorganize the centers. Maintains current year allocations for Science Olympiad (\$250,000) and Van Andel Education Institute (\$250,000).				
<u>Conference</u> revises to an increase of \$3.2 million and includes the following:				
<ul style="list-style-type: none"><li>Adds \$250,000 for a director and staff for the MiSTEM Network in Sec. 99r.</li><li>Maintains \$50,000 for MiSTEM Advisory Council administration.</li><li>Increases to \$2.9 million for MiSTEM Council grants.</li><li>Maintains \$3.3 million SAF and decreases to \$4.7 million Federal for the last year of existing Math/Science Centers.</li><li>Adds \$1.5 million for ISD transition costs (\$85,000) and partial-year costs of starting the MiSTEM Network regional centers (\$1.4 million).</li><li>Decreases to \$150,000 for Van Andel Institute.</li></ul>				
<b>48. Online Algebra Tool (Sec. 99t)</b>		<b>Gross</b>	<b>\$1,500,000</b>	<b>(\$400,000)</b>
<u>Executive</u> eliminates funding for statewide access to an online algebra tool.		GF/GP	\$1,500,000	(\$400,000)
<u>House</u> reduces by \$500,000 for a total of \$1.0 million to continue the contract for FY 2017-18. Allocates a \$100 placeholder for an additional online math tool.				
<u>Senate</u> reduces by \$300,000 to a total of \$1.2 million.				
<u>Conference</u> reduces by \$400,000 to a total of \$1.1 million.				
<b>49. Online Mathematics Tool (Sec. 99u)</b>		<b>Gross</b>	<b>\$0</b>	<b>\$1,000,000</b>
<u>Conference</u> adds \$1.0 million for an online mathematics tool for students statewide aligned to state standards with personalized learning pathways and highly qualified, live teachers.		GF/GP	\$0	\$1,000,000
<b>50. Financial Data Analysis Tools (Sec. 102d)</b>		<b>Gross</b>	<b>\$1,500,000</b>	<b>\$0</b>
<u>Executive</u> eliminates funding to reimburse districts and ISDs for the licensing of school data analytical tools.		Restricted	1,500,000	0
<u>House</u> maintains current funding.		GF/GP	\$0	\$0
<u>Senate</u> increases by \$250,000.				
<u>Conference</u> concurs with House.				

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>51. Statewide Student Assessments (Sec. 104)</b>	<b>Gross</b>	<b>\$40,144,400</b>	<b>\$815,000</b>
<u>Executive</u> reduces by \$185,000 to reflect the elimination of funding for the kindergarten readiness assessment pilot.	Restricted	33,894,400	815,000
<u>House</u> maintains total funding levels but allocates \$1.1 million from the total for the implementation of an assessment digital literacy preparation pilot project for pupils enrolled in grades K to 8 through a district contract with a third party experienced in the assessment of digital literacy skills.	Federal	6,250,000	0
<u>Senate</u> concurs with Executive's reduction for the kindergarten readiness assessment pilot (\$185,000), but adds \$1.0 million for implementation of a Michigan kindergarten entry observation tool for an ISD in prosperity region 9 with at least 3,000 kindergarten students.	GF/GP	\$0	\$0
<u>Conference</u> concurs with Senate.			
<b>52. Computer Adaptive Tests (Sec. 104d)</b>	<b>Gross</b>	<b>\$4,000,000</b>	<b>\$0</b>
<u>Executive</u> eliminates funding to reimburse districts for the purchase of computer adaptive tests and benchmark assessments.	Restricted	4,000,000	0
<u>House</u> maintains current funding.	GF/GP	\$0	\$0
<u>Senate</u> increases by \$1.0 million.			
<u>Conference</u> concurs with House.			
<b>53. Digital Literacy Preparation Pilot (Sec. 104e)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$250,000</b>
<u>Conference</u> includes \$250,000 for the implementation of a pilot to assess pupil digital literacy skill levels.	GF/GP	\$0	\$250,000
<b>54. Adult Education (Sec. 107)</b>	<b>Gross</b>	<b>\$25,000,000</b>	<b>\$2,000,000</b>
<u>Executive</u> maintains current funding for Adult Education	Restricted	25,000,000	2,000,000
<u>House</u> concurs with Executive.	GF/GP	\$0	\$0
<u>Senate</u> adds \$2.5 million for grants to not more than 5 pilot programs at \$500,000, which are additional to the currently funded pilot program in a prosperity region with 2 or more subregions, to connect adult education participants with employers. Provides specific geographic requirements to be an eligible pilot program.			
<u>Conference</u> adds \$2.0 million but concurs with Senate pilots.			
<b>55. Nonpublic School Reimbursement (Sec. 152b)</b>	<b>Gross</b>	<b>\$2,500,000</b>	<b>\$0</b>
<u>Executive</u> eliminates funding to reimburse nonpublic schools for the costs of complying with state statute.	Restricted	0	0
<u>House</u> maintains \$2.5 million for reimbursements but revises language to specify that reimbursements are for complying with state statutory or administrative rule requirements related to the health, safety, and welfare of students. Also adds \$250,000 for competitive grants to nonpublic schools for FIRST Robotics and Science Olympiad programs.	GF/GP	\$2,500,000	\$0
<u>Senate</u> maintains \$2.5 million current year appropriation.			
<u>Conference</u> concurs with Senate.			
<b>56. Program Eliminations</b>	<b>Gross</b>	<b>\$5,410,000</b>	<b>(\$5,410,000)</b>
<u>Executive, House, and Senate</u> eliminate an additional 4 categorical programs including the following:	Restricted	5,410,000	(5,410,000)
<ul style="list-style-type: none"> <li>• Sec. 20g – Dissolved District Transition Grants (\$1.9 million)</li> <li>• Sec. 31c – Gang Prevention Programs (\$3.0 million)</li> <li>• Sec. 31h – Cooperative Education (Marshall/Albion) (\$300,000)</li> <li>• Sec. 63 – ISD Health Department Partnership for CTE/Health (\$250,000)</li> </ul>	GF/GP	\$0	\$0
<u>Conference</u> concurs with Executive, House, and Senate.			
<b>57. School Breakfast and Lunch Programs (Sec. 31d and 31f)</b>	<b>Gross</b>	<b>\$538,195,100</b>	<b>\$12,000,000</b>
<u>Executive</u> increases by a total of \$12.0 million including \$10.0 million additional Federal funds for the school lunch program and an additional \$2.0 million SAF for the school breakfast program to reflect updated reimbursement cost estimates.	Federal	513,200,000	10,000,000
<u>House and Senate</u> concur with Executive.	Restricted	24,995,100	2,000,000
<u>Conference</u> concurs with Executive, House, and Senate.	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>58. Federal Grant Reductions (Sec. 39a)</b>	<b>Gross</b>	<b>\$852,739,900</b>	<b>(\$91,139,900)</b>
<u>Executive</u> reduces Federal grants estimated under the Every Student Succeeds Act (ESSA) to reflect revised estimates for anticipated federal funds, the majority of which are being reduced for FY 2016-17 as well.	Federal	852,739,900	(91,139,900)
<u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	GF/GP	\$0	\$0
<u>Conference</u> concurs with <u>Executive</u> , <u>House</u> , and <u>Senate</u> .			
<b>59. Foundation Allowance – Cost Revisions (Secs. 22a and 22b)</b>	<b>Gross</b>	<b>\$9,105,000,000</b>	<b>(\$38,000,000)</b>
<u>Executive</u> reduces the state share of foundation allowance costs to reflect estimated increases in the local share due to increased taxable values and estimated decreases in pupils.	Restricted	8,932,597,200	(15,564,200)
<u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	GF/GP	\$172,402,800	(\$22,435,800)
<u>Conference</u> revises to recognize updated consensus cost estimates.			
<b>60. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)</b>	<b>Gross</b>	<b>\$1,414,046,100</b>	<b>(\$26,300,000)</b>
<u>Executive</u> updated to reflect revised consensus cost estimates based on actual FY 2015-16 year-end special education cost data.	Federal	441,000,000	(10,000,000)
<u>House</u> concurs with <u>Executive</u> .	Restricted	973,046,100	(16,800,000)
<u>Senate</u> provides \$500,000 in section 51a for ISDs to ensure that PSAs within their boundaries comply with sections 1701A, 1703, 1704, 1751, 1752, 1756, and 1757 of the revised school code, applicable rules, and the individuals with disabilities education act public law 108-446.	GF/GP	\$0	\$500,000
<u>Conference</u> revises to reflect updated cost estimates and concurs with <u>Senate</u> addition.			
<b>61. Other Major Cost Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> revises the following sections to reflect updated cost estimates:	Restricted	NA	0
11j – School Bond Redemption Fund reduced by \$1.0 million to \$125.5 million.	GF/GP	NA	\$0
11m – Cash Flow Borrowing Costs increased by \$3.5 million to \$6.5 million.			
26a – Renaissance Zone Reimbursements decreased by \$2.0 million to \$18.0 million.			
26c – Promise Zone Funding increased by \$500,000 to \$1.5 million.			
<u>House</u> and <u>Senate</u> concur with <u>Executive</u> .			
<u>Conference</u> concurs but reduces Renaissance Zones by \$3.0 million to \$17.0 million to reflect revised cost estimates.			

#### **Major Boilerplate Changes From FY 2016-17**

##### **Secs. 3(1)(2) and 4(1). Achievement Authority, Achievement School, Education Achievement System – DELETED**

Executive deletes definitions and references throughout the budget to the Education Achievement Authority, as it will be dissolved at the end of the current fiscal year.

House, Senate, and Conference concur with Executive.

##### **Sec. 6(4)(ii). Pupil Membership - Counting Shared-Time Pupils – REVISED**

Executive and House do not include.

Senate revises the pupil membership definition to cap the maximum FTE for which a nonpublic school pupil may be counted in a shared-time program at 0.75 FTE.

Conference concurs with Senate.

##### **Sec. 6(4)(jj). Pupil Membership - Counting Dual Enrollment Across State Border– REVISED**

Executive and House do not include this subdivision.

Senate revises the pupil membership definition to allow for a district that borders another state or a public school academy operating at least grades 9 to 12 and is within 20 miles of a border with another state to count in membership a pupil who is enrolled in a course at a college or university that is located in the bordering state and within 20 miles of the border.

Conference concurs with Senate.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 6(4)(kk). Pupil Membership - Counting Middle College Pupils – REVISED***

Executive and Senate do not include this subdivision.

House revises the pupil membership definition to allow for a pupil in a middle college program to be counted for more than 1.0 FTE if the pupil is enrolled in more than the minimum number of instructional days and hours required under section 101 such that the pupil is expected to complete the 5-year program with both a high school diploma and 60 transferable college credits or an associate's degree in fewer than 5 years.

Conference concurs with House.

### ***Sec. 8b(3). Cyber Public School Academies (PSAs) - Assignment of District Codes – REVISED***

Executive provides that for a cyber PSA that does not provide instruction at a specific location, and is authorized by a non-statewide entity, the ISD of assignment shall be the ISD that would normally provide programs and services to the resident school district in which the administrative office of the cyber PSA is located. Also provides that the ISD required to provide programs and services remains the same for as long as the cyber PSA is operating.

House, Senate, and Conference concur with Executive.

### ***Sec. 31a. At-Risk – REVISED***

Executive does the following:

- (1) Expands the goals of the program from A) English Language Arts (ELA) proficiency in grade 3 and B) college and career ready high school graduates to include C) math proficiency in grade 8 and D) pupils attending school regularly.
- (2) Deletes the prohibition of funding to hold harmless or out-of-formula districts.
- (3) Expands the requirement that the district uses a multi-tiered systems of supports (MTSS) from K-3 to K-8.
- (4) Revises to base the district allocation formula on economically disadvantaged pupils rather than free lunch eligible pupils. Economically disadvantaged pupils are currently collected and reported by CEPI to the US Department of Education and include pupils who are eligible for both free and reduced-price lunch, Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), or are homeless, migrant, or in foster care. The expanded definition is estimated to increase the number of pupils for whom districts receive funding by 131,000.
- (5) Revises to base the district allocation formula on 11.5% times a statewide weighted average foundation allowance rather than each district's foundation allowance to eliminate the variation in per pupil funding among districts.
- (6) Requires a district to use at-risk funds for 4 goals or metrics that will be used to measure a district's success beginning in FY 2020-21 including chronic absenteeism rates, ELA proficiency in grade 3, Math proficiency in grade 8 and that at least 65% of high school pupils enroll in CTE, advanced placement, international baccalaureate, or dual-enrollment programs and that at least 80% of those pupils have successfully completed the courses.
- (7) Allows a district to use up to 5% of its funds for professional development related to MTSS and improving the goal metrics.
- (8) Revises the definition of at-risk pupil for the provision of services to pupils who are economically disadvantaged or English language learners and who failed or is at risk of failing to be proficient in grade 3 ELA or grade 8 math or is chronically absent.
- (9) Requires that MDE identify districts that do not meet the goal metrics by FY 2020-21 and partner with the district to review and revise district programs and practices.

House concurs with Executive except does not allow a district to use up to 5% of its funds for professional development; requires MDE to identify districts that do not meet the goal metrics by FY 2018-19 rather than FY 2020-21; and requires that the form and manner prescribed by MDE for the district report on use of at-risk funds be prescribed in a way that does not limit a district's ability to use funds on any activity permissible under this section.

Senate concurs with the Executive except for the following: expands allowable professional development expenditures to include implementing K to 3 early literacy as required in Sec. 1280f of the Revised School Code; adds that in accounting for economically disadvantaged pupils in a community district in FY 2017-18 those pupils that were enrolled in the education achievement system in FY 2016-17 would be counted as pupils in the Detroit community district for FY 2016-17.

Conference concurs with Executive on points 1, 2, 3, 4, 5, 7, and 8 as outlined above. Does not include new metrics as outlined in (6) and (9) above. Concurs with House and Senate that the MDE reporting form may not limit a district's ability to use funds as permissible in this section. Concurs with Senate to count EAA eligible pupils in the Detroit community district.

### ***Secs. 31a and 39a(1)(f). Transportation Reimbursement/Voucher – NOT INCLUDED***

Executive does not include this section.

House adds intent language for FY 2018-19 that a portion funds appropriated in Sections 31a (At-Risk) and 39a(1)(f) (federal Title I) shall be used to reimburse districts that provide transportation or transportation vouchers or passes to students attending a district that is not their resident district or a public school academy.

Senate does not include this section.

Conference concurs with Senate.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec 32d. Great Start Readiness Program (GSRP) – REVISED***

Executive revises to require that 100% rather than 90% of GSRP participants meet the income eligibility of family income less than 250% of the federal poverty level. Deletes provision that allows a program to serve children in families with income up to 300% of the federal poverty level if all of the eligible children under 250% are served.

House concurs with Executive, but makes the following revisions: bars an entity that has an approved GSRP curriculum from being eligible for a grant to conduct a longitudinal evaluation of children who have participated in GSRP programs; adds Connect4Learning as an age-appropriate educational curriculum for GSRP.

Senate maintains current law.

Conference concurs with Senate regarding child eligibility, concurs with House regarding the Connect4Learning curriculum, and includes 2 new subsections: (20) Requires MDE to implement a process to review and approve at least 2 GSRP age-appropriate assessments by April 1, 2018; and (21) Allows an ISD to approve the use of supplemental curricula and would require MDE to create a review process if the department objects to a supplemental curriculum.

### ***Sec. 39. Great Start Readiness Program (GSRP) Formula Allocation – REVISED***

Executive eliminates the process whereby ISDs individually estimate the number of children eligible for the program and replaces it with an estimate provided by the MDE based on American Community Survey Census data.

Revises the formula allocation from being based on a half-day slot to number of children served in a school day program. The allocation for a child in a school day program would remain \$7,250 per day, or \$3,625 if in blended GSRP/Head Start program. An ISD would be allocated under the initial round of funding an amount equal to the amount they received in the prior year or an amount necessary to fund their available capacity if it is less than the prior year.

Creates a statewide benchmark of the percent of eligible children that were served by the program in previous year, currently at 60%. If funds remain after the initial allocations, remaining funding would be distributed to ISDs based on their proportional share of children unserved if they are below the state benchmark.

House, Senate, and Conference concur with Executive.

### ***Sec. 51a (14)(15)(16). Special Education in Public School Academies – REVISED***

Executive and House maintains current law. Subsection (14) provides that in the absence of an agreement special education for a student enrolled in a charter school is the responsibility of the resident district and ISD. Subsection (15) provides for a 10% state aid penalty if a district, PSA, or ISD fails to comply with state and federal rules regarding the provision of special education. Senate revises to do the following: Revises (14) such that a PSA must enter into a written agreement with a resident district or ISD regarding the provision and payment of special education services, and in the absence of that agreement the PSA may not charge and is not eligible for any payment from the resident district or ISD. Eliminates the penalty under (15) and requires the MDE to allocate any federal IDEA funds directly to a PSA rather than to the ISD in which it is located. Adds (16) which requires that the ISD in which a PSA is located must ensure that the PSA complies with state and federal special education rules and law. Allocates up to \$500,000 in funds to reimburse the ISDs for the added costs of ensuring this compliance.

Conference revises as follows: (14) a PSA that is not a cyber must enter into an agreement with the ISD in which it is located, and if it doesn't, it may not charge either the ISD in which it is located nor the resident ISD. (15) Eliminates the penalty and requires that a cyber school shall directly receive its share of federal special education funds from the ISD in which it is located, and if the ISD fails to do so, MDE may. (16) Requires that the ISD in which a cyber school is located must ensure that the cyber school complies with state and federal special education rules and law. Allocates up to \$500,000 in funds to reimburse the ISDs for the added costs of ensuring this compliance.

### ***Sec. 104c. State Student Assessments – REVISED***

Executive requires that MDE begin to develop and implement pilot programs or field testing of test content for the statewide use of benchmark assessments for grades 3 to 8 up to 3 times per year beginning in the 2018-2019 school year. Additionally, these benchmark assessments shall be fully aligned to the state content standards for English language arts and mathematics and may be computer-adaptive in nature.

House requires that MDE implement a request for information for a common formative assessment that is aligned with the state's content standards, but allows MDE to use information compiled from a request for proposal in 2016-2017 to satisfy this request.

Senate concurs with Executive.

Conference requires that MDE issue an RFP for a statewide summative assessment for grades 3 through 7 in Math and ELA that does not exceed 3 hours by October 1, 2017. Requires that by January 1, 2018 MDE shall approve a statewide summative assessment from that RFP. Requires that by October 1, 2017 MDE shall issue an RFP for not less than 3 benchmark assessments in grades 3 through 7 in Math and ELA that is computer adaptive and provides results within 48 hours. Requires that by January 1, 2018, MDE approve at least 2 benchmark assessments from that RFP.

### ***Sec. 107. Adult Education – REVISED***

Executive and House maintain current law.

Senate revises to push back the 2<sup>nd</sup> phase of the implementation of the new (began in FY 2014-15) funding formula by one year.

Conference concurs with Senate.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 147b. MPSERS Retirement Obligation Reform Reserve Fund – REVISED***

Conference deposits \$55.0 million into the reserve fund to pay for the increased costs in Sec. 147e related to the new hybrid and new DC plans proposed in HB 4647 and SB 401.

### ***Sec. 147c(1). MPSERS UAAL State Share – REVISED***

Conference revises to require that funds appropriated for the state share be first allocated toward the pension UAAL and if there are remaining funds after then they be allocated toward other postemployment benefits (OPEB) for retiree healthcare.

### ***Sec. 152b. Nonpublic Schools Reimbursements– REVISED***

Conference revises to require that funds reimburse nonpublic schools for actual costs of complying with a health, safety, or welfare requirement mandated by state law or administrative rule. Adds that the cost of taking attendance, training fees, inspection fees, and criminal background checks be considered as costs of complying with the health, safety, and welfare requirements. Allows FY 2016-17 unexpended funds to be carried forward as a work project.

### ***Sec. 160. Labor Day Waiver Hearing – NEW***

Executive and House do not include this section.

Senate includes a new requirement that if a district requests a waiver to begin school before Labor Day, the district must hold a joint hearing with the MDE to be held in the district before said waiver can be granted.

Conference concurs with Senate.

### ***Sec. 164g. Legal Action Against the State – NEW***

Executive does not include this section.

House establishes a penalty in an amount equal to the amount spent if a district or ISD uses funds appropriated under this act to pay for an expense relating to any legal action initiated by the district or ISD against the state.

Senate does not include this section.

Conference concurs with House.

### ***Sec. 164h. Collective Bargaining Agreement Penalty – NEW***

Executive does not include this section.

House establishes a penalty equal to 5% of total state aid if a district or ISD enters into a collective bargaining agreement that does any of the following: establishes racial and religious preferences for employees; automatically deducts union dues from employee compensation; is in conflict with any state or federal laws regarding district transparency; includes a method of compensation that does not comply with the requirements of section 1250 of the Revised School Code, MCL 380.1250.

Senate does not include this section.

Conference concurs with House.

### ***Sec. 166b. Nonpublic Shared-Time Instruction – REVISED***

Conference revises to eliminate requirement that shared-time instruction for nonpublic students be nonessential courses that occur during the regular school day and revises the requirement that it be "offered" to other students to be "available". Defines nonessential courses for K-8 and 9-12 and provides that courses taken for postsecondary credit and college courses are nonessential, while remedial courses for an essential course is also essential.

<b><u>Supplemental Recommendations for FY 2016-17 Appropriations</u></b>		<b><u>FY 2016-17 Recommendation</u></b>
<b><i>1. Cash Flow Borrowing (Sec. 11m)</i></b>	<b>Gross</b>	<b>\$2,500,000</b>
<u>Executive</u> increases by \$2.5 million to a total of \$5.5 million to reflect updated cost estimates for the interest costs of inter-fund borrowing between the School Aid Fund and the General Fund to balance the timing of revenue collections and required state aid payments.	Restricted	2,500,000
<u>House, Senate, and Conference</u> concur with Executive.	GF/GP	\$0
<b><i>2. State Aid Payment Adjustments ( Sec. 15)</i></b>	<b>Gross</b>	<b>NA</b>
<u>House</u> revises to permit the department to waive all or a portion of a district's adjusted school aid repayments and to extend repayment from a total of 5 to 10 years if the following all apply: district would experience a significant hardship in satisfying financial obligations; district would experience a significant hardship in its responsibility to provide instruction to its pupils; the district has taken corrective action to ensure that the circumstance that necessitated the adjustment does not recur.	Restricted	NA
<u>Senate</u> does not include.	GF/GP	NA
<u>Conference</u> concurs with House.		
<b><i>3. School Reform Office (Sec. 21)</i></b>	<b>Gross</b>	<b>(\$5,000,000)</b>
<u>Conferences</u> revises to eliminate funding.	Restricted	(5,000,000)
	GF/GP	\$0

**Supplemental Recommendations for FY 2016-17 Appropriations****FY 2016-17  
Recommendation****4. Foundation Allowances (Secs. 22a and 22b)**

Executive increases by \$10.0 million to a total of \$9,115.0 million to reflect updated consensus cost estimates for pupil membership counts and taxable values. Also provides technical revisions to shift the reimbursement for the Detroit Community School District's absence of local school operating revenue with revenue from the Community District Education Trust Fund from Sec. 22a to Sec. 22b to align with the requirements of PA 193 of 2016.

House and Senate concur with Executive.

Conferences revises to an increase of \$15.0 million based on updated cost estimates bringing it to a total of \$9,120.0 million.

<b>Gross</b>	<b>\$15,000,000</b>
Restricted	15,000,000
GF/GP	\$0

**5. Renaissance Zone Reimbursements (Sec. 26a)**

Executive reduces reimbursement payments by \$2.0 million to a total of \$18.0 million to reflect the reduction in required payments due to both expiring renaissance zones and the impact of reimbursements for personal property tax reductions through the Local Community Stabilization Authority under PA 86 of 2014.

House and Senate concur with Executive.

Conference revises to a reduction of \$3.0 million based on updated cost estimates to a total of \$17.0 million.

<b>Gross</b>	<b>(\$3,000,000)</b>
Restricted	(3,000,000)
GF/GP	\$0

**6. School Breakfast Programs (Sec. 31f)**

Executive increases by \$2.0 million to a total of \$4.5 million to reflect actual FY 2015-16 costs. The initial FY 2016-17 appropriation had been reduced based on a one-time decline in required reimbursements in FY 2014-15.

House, Senate, and Conference concur with Executive.

<b>Gross</b>	<b>\$2,000,000</b>
Restricted	2,000,000
GF/GP	\$0

**7. Federal ESSA Grants (Sec. 39a)**

Executive reduces Federal grants estimated under the Every Student Succeeds Act (ESSA) to reflect the following revised estimates for anticipated federal funds:

- \$30.0 million reduction in anticipated Title 1 grant funding bringing it to \$535.0 million.
- \$6.6 million reduction in anticipated School Improvement Grants (SIG) to \$18.0 million.
- \$40.5 million reduction in the Student Support and Academic Enrichment grants, which were newly added to the FY 2016-17 budget, down to a total of \$15.4 million.

House, Senate, and Conference concur with Executive.

<b>Gross</b>	<b>(\$77,900,000)</b>
Federal	(77,900,000)
GF/GP	\$0

**8. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)**

Executive reduces by a total of \$38.0 million to reflect revised consensus cost estimates based on actual FY 2015-16 year-end special education cost data. Total estimated special education costs for FY 2016-17 are \$1.4 billion (\$945.0 million SAF, \$431.0 million Federal).

House and Senate concur with Executive.

Conference reduces by \$41.1 million to reflect revised consensus cost estimates.

<b>Gross</b>	<b>(\$41,100,000)</b>
Federal	(13,100,000)
Restricted	(28,000,000)
GF/GP	\$0

**9. Career and Technical Education (CTE) – Early/Middle College (Sec. 61b)**

Executive maintains current law for funding to expand CTE early/middle colleges.

House reduces appropriation by \$1.0 million to a total of \$8.0 million.

Senate concurs with Executive.

Conference concurs with the House.

<b>Gross</b>	<b>(\$1,000,000)</b>
Restricted	(1,000,000)
GF/GP	\$0

**10. CEPI (Sec. 94)**

Conference reduces current year funding levels by \$2.0 million GF/GP which will require the office to use the remaining balance in Federal work project funds.

<b>Gross</b>	<b>(\$2,000,000)</b>
Restricted	0
GF/GP	(\$2,000,000)

**11. Civic Education (Sec. 99c)**

Executive and House do not include this section.

Senate includes \$60,000 GF/GP for a grant for the delivery of programs that exemplify best practices in civic education.

Conference concurs with the Senate.

<b>Gross</b>	<b>\$60,000</b>
Restricted	0
GF/GP	\$60,000

**12. MiSTEM Council Staff (Sec. 99r)**

Conference adds \$75,000 for the transitional MiSTEM Network Director and staff.

<b>Gross</b>	<b>\$75,000</b>
GF/GP	\$75,000



# SCHOOL AID LINE ITEM SUMMARY



Sec.	
11j	School Bond Redemption Fund
11m	Cash Flow Borrowing Costs
11s	Flint Declaration of Emergency
20f	Categorical Offset Payments
20g	Dissolved District Transition Grants
21	State School Reform/Redesign
21g	Competency-Based Funding Pilot
21h	Partnership Model Districts - <b>NEW</b>
21j	Academic Early Warning Restricted Fund - <b>NEW</b>
21j	Competency-Based Education District Grants - <b>NEW</b>
22a	Foundations: Proposal A Obligation Payment
22b	Foundations: Discretionary Payment
22d	Isolated District Funding
22g	Consolidation Innovation Grants
22m	Technology Regional Data Hubs - <b>NEW</b>
22n	High School Per Pupil Bonus - <b>NEW</b>
23f	Shared Time Pupils - <b>NEW</b>
24	Court-Placed Pupils
24a	Juvenile Detention Facility Programs
24c	Youth Challenge Program
25f	Strict Discipline Academy
25g	Dropout Recovery Programs
26a	Renaissance Zone Reimbursement
26b	PILT Reimbursement
26c	Promise Zone Funding
29	Declining Enrollment Support - <b>NEW</b>
31a	"At Risk" Pupil Support
31a(7)	School Based Health Centers
31a(8)	Hearing and Vision Screening
31b	Year-round Instruction Grants
31c	Gang Prevention and Intervention Programs
31d	State School Lunch Programs
31d	Federal School Lunch Programs
31f	School Breakfast Program
31h	Cooperative Education Grant
31j	Local Produce in School Meals
32d	Great Start Readiness Program
32p	Early Childhood Block Grants
32q	Early Learning Cooperative
35	Early Literacy Implementation
35a(1)	Early Literacy District Grants
35a(2)	Early Literacy Professional Development
35a(3)	Early Literacy Diagnostic Tools
35a(4)	Early Literacy Teacher Coaches
35a(5)	Early Literacy Added Instructional Time
35a(6)	Early Literacy - Michigan Education Corps
39a(1)	Federal NCLB/ESSA Grant Funds
39a(2)	Other Federal Funding
41	English Language Learner Grants
51a(1)	Special Education - Federal Reimbursement
51a(2)	Special Ed ISD Foundation and Costs
51a(3)	Special Ed ISD Hold Harmless Payment
51a(6)	Special Ed Admin Rules Changes
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs
51a(16)	Special Ed ISD Compliance Reimbursement
51c	Special Ed Headlee Obligation (Durant)
51d	Special Education - Other Federal Grants
53a	Special Ed for Court Placed Pupils
54	Special Ed Michigan School Blind/Deaf
54b	Special Education Task Force Reforms (MIBLSI)
55	Conductive Learning Study
56	Special Ed ISD Millage Equalization
61a	Career & Tech Ed Programs
61b	Career & Tech Ed Early/Middle College
61c	Career & Tech Ed Equipment Upgrades
62	ISD Career & Tech Ed Millage Equalization
63	ISD/Health Department Partnership for CTE/Health

FY 2016-17		
SB 801 (PA 249) Enacted	Change from FY17 YTD	HB 4313 (H-1) CR-1 Revised Supplemental
\$126,500,000		\$126,500,000
\$3,000,000	\$2,500,000	\$5,500,000
\$10,142,600		\$10,142,600
\$18,000,000		\$18,000,000
\$1,860,000		\$1,860,000
\$5,000,000	(\$5,000,000)	\$0
\$500,000		\$500,000
\$0		\$0
\$0		\$0
\$0		\$0
\$5,205,000,000	\$2,000,000	\$5,207,000,000
\$3,900,000,000	\$13,000,000	\$3,913,000,000
\$5,000,000		\$5,000,000
\$3,000,000		\$3,000,000
\$0		\$0
\$0		\$0
\$0		\$0
\$22,000,000		\$22,000,000
\$0		\$0
\$8,000,000		\$8,000,000
\$1,328,100		\$1,328,100
\$1,632,400		\$1,632,400
\$750,000		\$750,000
\$750,000		\$750,000
\$20,000,000	(\$3,000,000)	\$17,000,000
\$4,405,100		\$4,405,100
\$1,000,000		\$1,000,000
\$0		\$0
\$378,988,200		\$378,988,200
\$5,557,300		\$5,557,300
\$5,150,000		\$5,150,000
\$1,500,000		\$1,500,000
\$3,000,000		\$3,000,000
\$22,495,100		\$22,495,100
\$513,200,000		\$513,200,000
\$2,500,000	\$2,000,000	\$4,500,000
\$300,000		\$300,000
\$250,000		\$250,000
\$243,900,000		\$243,900,000
\$13,400,000		\$13,400,000
\$175,000		\$175,000
\$1,000,000		\$1,000,000
\$0		\$0
\$950,000		\$950,000
\$1,450,000		\$1,450,000
\$3,000,000		\$3,000,000
\$17,500,000		\$17,500,000
\$1,000,000		\$1,000,000
\$821,939,900	(\$77,900,000)	\$744,039,900
\$30,800,000		\$30,800,000
\$1,200,000		\$1,200,000
\$370,000,000		\$370,000,000
\$271,600,000	(\$10,900,000)	\$260,700,000
\$1,100,000	(\$100,000)	\$1,000,000
\$2,200,000		\$2,200,000
\$3,700,000	(\$200,000)	\$3,500,000
\$0		\$0
\$644,500,000	(\$19,900,000)	\$624,600,000
\$71,000,000	(\$10,000,000)	\$61,000,000
\$10,500,000		\$10,500,000
\$1,688,000		\$1,688,000
\$1,125,000		\$1,125,000
\$150,000		\$150,000
\$37,758,100		\$37,758,100
\$36,690,300		\$36,690,300
\$9,000,000	(\$1,000,000)	\$8,000,000
\$3,200,000		\$3,200,000
\$9,190,000		\$9,190,000
\$250,000		\$250,000

FY 2017-18	
Change from FY17 YTD	Exec Rec
(\$1,000,000)	\$125,500,000
\$3,500,000	\$6,500,000
(\$1,412,500)	\$8,730,100
	\$18,000,000
(\$1,860,000)	\$0
	\$5,000,000
(\$500,000)	\$0
\$3,000,000	\$3,000,000
	\$0
	\$0
	\$0
(\$98,000,000)	\$5,107,000,000
\$50,000,000	\$3,950,000,000
	\$5,000,000
(\$3,000,000)	\$0
\$2,200,000	\$2,200,000
\$22,000,000	\$22,000,000
\$60,000,000	\$60,000,000
	\$8,000,000
\$10,900	\$1,339,000
(\$104,000)	\$1,528,400
(\$750,000)	\$0
(\$750,000)	\$0
	\$18,000,000
	\$4,405,100
\$500,000	\$1,500,000
\$7,000,000	\$7,000,000
\$150,000,000	\$528,988,200
	\$5,557,300
	\$5,150,000
\$1,500,000	\$3,000,000
(\$3,000,000)	\$0
	\$22,495,100
\$10,000,000	\$523,200,000
\$2,000,000	\$4,500,000
(\$300,000)	\$0
(\$250,000)	\$0
	\$243,900,000
	\$13,400,000
(\$175,000)	\$0
	\$1,000,000
	\$0
	\$25,400,000
	\$950,000
	\$1,450,000
\$3,000,000	\$6,000,000
	\$17,500,000
(\$1,000,000)	\$0
(\$90,339,900)	\$731,600,000
(\$800,000)	\$30,000,000
	\$1,200,000
	\$370,000,000
(\$5,600,000)	\$266,000,000
(\$100,000)	\$1,000,000
	\$2,200,000
(\$100,000)	\$3,600,000
	\$0
(\$4,100,000)	\$640,400,000
(\$10,000,000)	\$61,000,000
	\$10,500,000
	\$1,688,000
\$475,000	\$1,600,000
(\$150,000)	\$0
	\$37,758,100
(\$79,000)	\$36,611,300
	\$9,000,000
\$16,800,000	\$20,000,000
	\$9,190,000
(\$250,000)	\$0

FY 2017-18	
Change from FY17 YTD	HB 4313 (H-1) House Passed
(\$1,000,000)	\$125,500,000
\$3,500,000	\$6,500,000
(\$1,412,500)	\$8,730,100
	\$18,000,000
(\$1,860,000)	\$0
(\$5,000,000)	\$0
(\$499,900)	\$100
	\$100
	\$0
	\$0
	\$0
(\$27,000,000)	\$5,178,000,000
\$125,000,000	\$4,025,000,000
	\$5,000,000
(\$2,000,000)	\$1,000,000
\$1,200,000	\$1,200,000
	\$0
	\$0
	\$8,000,000
\$10,900	\$1,339,000
(\$104,000)	\$1,528,400
	\$750,000
	\$750,000
(\$2,000,000)	\$18,000,000
	\$4,405,100
\$500,000	\$1,500,000
	\$0
\$129,111,800	\$508,100,000
	\$5,557,300
	\$5,150,000
	\$1,500,000
(\$3,000,000)	\$0
	\$22,495,100
\$10,000,000	\$523,200,000
\$2,000,000	\$4,500,000
(\$300,000)	\$0
(\$250,000)	\$0
	\$243,900,000
	\$13,400,000
(\$175,000)	\$0
	\$1,000,000
(\$1,000,000)	\$0
	\$25,400,000
	\$950,000
	\$1,450,000
(\$3,000,000)	\$6,000,000
(\$17,500,000)	\$0
(\$1,000,000)	\$0
(\$90,339,900)	\$731,600,000
(\$800,000)	\$30,000,000
	\$1,200,000
	\$370,000,000
(\$5,600,000)	\$266,000,000
(\$100,000)	\$1,000,000
	\$2,200,000
(\$100,000)	\$3,600,000
	\$0
(\$4,100,000)	\$640,400,000
(\$10,000,000)	\$61,000,000
	\$10,500,000
	\$1,688,000
\$475,000	\$1,600,000
(\$150,000)	\$0
	\$37,758,100
	\$36,690,300
	\$9,000,000
\$6,800,000	\$10,000,000
	\$9,190,000
(\$250,000)	\$0

FY 2017-18	
Change from FY17 YTD	SB 149 (S-1) Senate Passed
(\$1,000,000)	\$125,500,000
\$3,500,000	\$6,500,000
(\$1,412,500)	\$8,730,100
\$1,400,000	\$19,400,000
(\$1,860,000)	\$0
(\$4,999,900)	\$100
(\$500,000)	\$0
	\$100
\$8,000,000	\$8,000,000
	\$0
	\$0
(\$29,000,000)	\$5,176,000,000
\$210,000,000	\$4,110,000,000
	\$5,000,000
(\$3,000,000)	\$0
\$1,100,000	\$1,100,000
	\$0
	\$0
	\$8,000,000
\$10,900	\$1,339,000
(\$104,000)	\$1,528,400
	\$750,000
	\$750,000
(\$2,000,000)	\$18,000,000
	\$4,405,100
\$500,000	\$1,500,000
	\$0
\$100,000,000	\$478,988,200
\$500,000	\$6,057,300
	\$5,150,000
	\$1,500,000
(\$3,000,000)	\$0
	\$22,495,100
\$10,000,000	\$523,200,000
\$2,000,000	\$4,500,000
(\$300,000)	\$0
	\$243,900,000
	\$13,400,000
	\$175,000
	\$1,000,000
	\$0
	\$950,000
	\$1,450,000
\$3,000,000	\$6,000,000
	\$17,500,000
\$1,500,000	\$2,500,000
(\$90,339,900)	\$731,600,000
(\$800,000)	\$30,000,000
	\$1,200,000
	\$370,000,000
(\$5,600,000)	\$266,000,000
(\$100,000)	\$1,000,000
	\$2,200,000
(\$100,000)	\$3,600,000
	\$0
(\$4,100,000)	\$640,400,000
(\$10,000,000)	\$61,000,000
	\$10,500,000
	\$1,688,000
\$475,000	\$1,600,000
	\$150,000
	\$37,758,100
	\$36,690,300
	\$9,000,000
\$4,300,000	\$7,500,000
	\$9,190,000
(\$250,000)	\$0

FY 2017-18	
Change from FY17 YTD	HB 4313 (H-1) CR-1 Conference
(\$1,000,000)	\$125,500,000
\$3,500,000	\$6,500,000
(\$1,412,500)	\$8,730,100
	\$18,000,000
(\$1,860,000)	\$0
(\$5,000,000)	\$0
(\$500,000)	\$0
\$6,000,000	\$6,000,000
	\$0
\$500,000	\$500,000
(\$23,200,000)	\$5,181,800,000
\$137,500,000	\$4,037,500,000
	\$5,000,000
(\$3,000,000)	\$0
\$2,200,000	\$2,200,000
\$11,000,000	\$11,000,000
	\$0
	\$8,000,000
\$10,900	\$1,339,000
(\$104,000)	\$1,528,400
	\$750,000
	\$750,000
(\$3,000,000)	\$17,000,000
	\$4,405,100
\$500,000	\$1,500,000
	\$0
\$120,011,800	\$499,000,000
\$500,000	\$6,057,300
	\$5,150,000
	\$1,500,000
(\$3,000,000)	\$0
	\$22,495,100
\$10,000,000	\$523,200,000
\$2,000,000	\$4,500,000
(\$300,000)	\$0
\$125,000	\$375,000
	\$243,900,000
	\$13,400,000
	\$175,000
	\$1,000,000
	\$0
	\$950,000
	\$1,450,000
\$3,000,000	\$6,000,000
	\$3,400,000
	\$20,900,000
	\$1,500,000
(\$90,339,900)	\$731,600,000
(\$800,000)	\$30,000,000
	\$1,200,000
	\$370,000,000
(\$7,400,000)	\$264,200,000
(\$100,000)	\$1,000,000
	\$2,200,000
(\$100,000)	\$3,600,000
	\$0
(\$9,200,000)	\$635,300,000
(\$10,000,000)	\$61,000,000
	\$10,500,000
	\$1,688,000
\$475,000	\$1,600,000
	\$150,000
	\$37,758,100
	\$37,850,300
	\$8,000,000
	\$9,600,000
	\$9,190,000
(\$250,000)	\$0

# SCHOOL AID LINE ITEM SUMMARY



Sec.												
64b	Dual Enrollment Incentive Payments	\$1,750,000		\$1,750,000		\$1,750,000		\$1,750,000		\$1,750,000		\$1,750,000
64d/99u	Information Technology Certifications - <b>NEW</b>	\$0		\$0		\$0		\$1,000,000	\$1,000,000	\$2,300,000	\$1,000,000	\$1,000,000
65	Detroit PreCollege Engineering	\$340,000		\$340,000	(\$340,000)	\$0	(\$340,000)	\$0		\$340,000		\$340,000
67	Career and College Readiness Tools	\$3,050,000		\$3,050,000	(\$50,000)	\$3,000,000	(\$50,000)	\$3,000,000	(\$50,000)	\$3,000,000	(\$50,000)	\$3,000,000
67a	Online Career Preparation - <b>NEW</b>	\$0		\$0		\$0		\$0		\$0	\$1,000,000	\$1,000,000
74	School Bus Driver Safety Instruction	\$1,625,000		\$1,625,000		\$1,625,000		\$1,625,000		\$400,000	\$2,025,000	\$2,025,000
74	School Bus Inspections	\$1,695,600		\$1,695,600	\$9,700	\$1,705,300	\$9,700	\$1,705,300	\$9,700	\$1,705,300	\$9,700	\$1,705,300
78	Statewide School Drinking Water Quality Program - <b>NEW</b>	\$0		\$0	\$4,500,000	\$4,500,000		\$0		\$0		\$0
81	ISD General Operations Support	\$67,108,000		\$67,108,000		\$67,108,000		\$67,108,000		\$1,000,000	\$68,108,000	\$67,108,000
94	Advanced Placement (AP) Incentive Program	\$250,000		\$250,000		\$250,000		\$250,000		\$750,000	\$1,000,000	\$750,000
94a	Center for Educational Performance and Information	\$12,173,200	(\$2,000,000)	\$10,173,200	\$4,042,800	\$16,216,000	\$2,042,800	\$14,216,000	\$1,042,800	\$13,216,000	\$4,042,800	\$16,216,000
94a	Center for Educational Performance and Info - Federal	\$193,500		\$193,500		\$193,500		\$193,500		\$193,500		\$193,500
95a	Educator and Administrator Evaluations	\$0		\$0	\$7,000,000	\$7,000,000		\$0		\$0		\$0
95b	Statewide Evaluation Tool - <b>NEW</b>	\$0		\$0		\$0	\$2,500,000	\$2,500,000		\$0	\$2,500,000	\$2,500,000
98	Michigan Virtual University	\$7,387,500		\$7,387,500		\$7,387,500		\$7,387,500	(\$887,500)	\$6,500,000		\$7,387,500
99c	Civic Education	\$0	\$60,000	\$60,000		\$0		\$0	\$60,000	\$60,000	\$60,000	\$60,000
99h	FIRST Robotics	\$2,500,000		\$2,500,000		\$2,500,000		\$2,500,000	\$250,000	\$2,750,000	\$300,000	\$2,800,000
99k	Cyber Security Competitions - <b>NEW</b>	\$0		\$0	\$500,000	\$500,000		\$0	\$500,000	\$500,000	\$500,000	\$500,000
99r	MiSTEM Staff - <b>NEW</b>	\$0	\$75,000	\$75,000		\$0		\$0		\$0	\$250,000	\$250,000
99s(2)(3)	MiSTEM Council and Grants - Council	\$1,050,000		\$1,050,000	\$2,000,000	\$3,050,000	\$1,850,000	\$2,900,000	\$950,700	\$2,000,700	\$1,850,000	\$2,900,000
99s(4)	MiSTEM Grants - Math and Science Centers - State	\$2,750,000		\$2,750,000		\$2,750,000		\$2,750,000	\$549,300	\$3,299,300	\$549,300	\$3,299,300
99s(4)	MiSTEM Grants - Math and Science Centers - Federal	\$5,249,300		\$5,249,300	(\$549,300)	\$4,700,000	(\$549,300)	\$4,700,000	(\$549,300)	\$4,700,000	(\$549,300)	\$4,700,000
99s(5)(6)	MiSTEM Centers Transition - <b>NEW</b>	\$0		\$0		\$0		\$0		\$0	\$1,485,000	\$1,485,000
99s(5)	MiSTEM Grants - Science Olympiad	\$250,000		\$250,000	(\$250,000)	\$0	(\$250,000)	\$0		\$250,000	(\$250,000)	\$0
99s(6)	MiSTEM Grants - Van Andel Education Institute	\$250,000		\$250,000	(\$250,000)	\$0	(\$100,000)	\$150,000		\$250,000	(\$100,000)	\$150,000
99t	Online Algebra Tool	\$1,500,000		\$1,500,000	(\$1,500,000)	\$0	(\$500,000)	\$1,000,000	(\$300,000)	\$1,200,000	(\$400,000)	\$1,100,000
99u	Online Mathematics Tool - <b>NEW</b>	\$0		\$0		\$0		\$0		\$0	\$1,000,000	\$1,000,000
102d	Financial Data Analysis Tools	\$1,500,000		\$1,500,000	(\$1,500,000)	\$0		\$1,500,000	\$250,000	\$1,750,000		\$1,500,000
104	Education Assessments - State	\$33,894,400		\$33,894,400	(\$185,000)	\$33,709,400	(\$185,000)	\$33,709,400	\$815,000	\$34,709,400	\$815,000	\$34,709,400
104	Education Assessments - Federal	\$6,250,000		\$6,250,000		\$6,250,000		\$6,250,000		\$6,250,000		\$6,250,000
104d	Computer Adaptive Test	\$4,000,000		\$4,000,000	(\$4,000,000)	\$0		\$4,000,000	\$1,000,000	\$5,000,000		\$4,000,000
104e	Digital Learning Prep - <b>NEW</b>	\$0		\$0		\$0		\$0		\$0	\$250,000	\$250,000
107	Adult Education	\$25,000,000		\$25,000,000		\$25,000,000		\$25,000,000	\$2,500,000	\$27,500,000	\$2,000,000	\$27,000,000
147a	MPSERS Cost Offset	\$100,000,000		\$100,000,000		\$100,000,000		\$100,000,000	(\$100,000,000)	\$0		\$100,000,000
147a(2)	MPSERS Normal Cost Offset - <b>NEW</b>	\$0		\$0	\$48,969,000	\$48,969,000	\$48,969,000	\$48,969,000	\$48,969,000	\$48,969,000	\$48,969,000	\$48,969,000
147c(1)	MPSERS State Share of Unfunded Liability Payments	\$982,800,000		\$982,800,000	(\$22,016,000)	\$960,784,000	(\$22,016,000)	\$960,784,000	(\$22,016,000)	\$960,784,000	(\$22,016,000)	\$960,784,000
147c(2)	MPSERS Extra Early Retirement Incentive Payment	\$0		\$0		\$0		\$0		\$0	\$200,000,000	\$200,000,000
147e	MPSERS SB 401/HB 4647 Added Costs	\$0		\$0		\$0		\$0		\$0	\$23,100,000	\$23,100,000
152a	Adair - Database Payment	\$38,000,500		\$38,000,500		\$38,000,500		\$38,000,500		\$38,000,500		\$38,000,500
152b	Nonpublic School Reimbursement	\$2,500,000		\$2,500,000	(\$2,500,000)	\$0	\$250,000	\$2,750,000		\$2,500,000		\$2,500,000
<b>TOTAL APPROPRIATIONS</b>		<b>\$14,161,842,100</b>	<b>(\$110,365,000)</b>	<b>\$14,051,477,100</b>	<b>\$140,246,700</b>	<b>\$14,302,088,800</b>	<b>\$147,608,600</b>	<b>\$14,309,450,700</b>	<b>\$125,863,400</b>	<b>\$14,287,705,500</b>	<b>\$418,331,800</b>	<b>\$14,580,173,900</b>
												\$418,331,800
<b>REVENUE BY SOURCE</b>												
Federal Aid		\$1,818,632,700	(\$87,900,000)	\$1,730,732,700	(\$91,689,200)	\$1,726,943,500	(\$91,689,200)	\$1,726,943,500	(\$91,689,200)	\$1,726,943,500	(\$91,689,200)	\$1,726,943,500
School Aid Fund		\$12,052,309,300	\$17,335,000	\$12,069,644,300	\$235,835,900	\$12,288,145,200	\$243,197,800	\$12,295,507,100	\$241,452,600	\$12,293,761,900	\$490,821,000	\$12,543,130,300
MPSERS retirement obligation reform Reserve Fund		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,100,000	\$23,100,000
Community District Trust Fund/Other Restricted Fund		\$72,000,100		\$72,000,100		\$72,000,100		\$72,000,100		\$72,000,100		\$72,000,100
General Fund/General Purpose		\$218,900,000	(\$39,800,000)	\$179,100,000	(\$3,900,000)	\$215,000,000	(\$3,900,000)	\$215,000,000	(\$23,900,000)	\$195,000,000	(\$3,900,000)	\$215,000,000
<b>TOTAL REVENUE</b>		<b>\$14,161,842,100</b>	<b>(\$110,365,000)</b>	<b>\$14,051,477,100</b>	<b>\$140,246,700</b>	<b>\$14,302,088,800</b>	<b>\$147,608,600</b>	<b>\$14,309,450,700</b>	<b>\$125,863,400</b>	<b>\$14,287,705,500</b>	<b>\$418,331,800</b>	<b>\$14,580,173,900</b>

**FY 2017-18: COMMUNITY COLLEGES**  
**Summary: Conference Report**  
**Article II, House Bill 4313 (H-1) CR-1**



**Analyst: Perry Zielak**

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	<i>Difference: Conference From FY 2016-17 YTD</i>	
						<i>Amount</i>	<i>%</i>
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	260,414,800	395,142,600	395,142,600	395,142,600	398,301,500	137,886,700	52.9
<b>GF/GP</b>	135,510,800	3,025,000	0	6,183,900	1,025,000	(134,485,800)	(99.2)
<b>Gross</b>	<b>\$395,925,600</b>	<b>\$398,167,600</b>	<b>\$395,142,600</b>	<b>\$401,326,500</b>	<b>\$399,326,500</b>	<b>\$3,400,900</b>	<b>0.9</b>

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Community Colleges budget supports the 28 public community colleges located throughout the state. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associates' degrees, career and technical education, developmental and remedial education, continuing education, and, after 2012, baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>			
<b>1. Community College Operations Grants</b>	<b>Gross</b>	<b>\$315,892,000</b>	<b>\$3,158,900</b>
<u>Executive</u> shifts funding by \$130.4 million from GF/GP to School Aid Fund (SAF), as the entirety of operations grants are funded through SAF. Maintains current FY 2016-17 funding levels for community colleges operations grants of \$315.9 million.	Restricted	185,481,200	133,569,700
<u>House</u> concurs.	GF/GP	\$130,410,800	(\$130,410,800)
<u>Senate</u> concurs with funding shift and increases funding by \$3.2 million GF/GP, a 1.0% increase. This includes \$1.8 million GF/GP for performance formula funding, and \$1.4 million GF/GP for Personal Property Tax (PPT) related adjustments.			
<u>Conference</u> concurs with Senate although makes funding increase \$3.2 million SAF. Funding for Operations grants would total \$319.1 million SAF.			
<b>2. Michigan Public School Employee Retirement System (MPERS)</b>	<b>Gross</b>	<b>\$73,200,000</b>	<b>(\$2,395,000)</b>
<u>Executive</u> reduces funding by \$2.4 million SAF for MPERS. This includes a reduction of \$9.1 million SAF for the state's share of colleges' unfunded liability to MPERS and a \$6.7 million SAF increase to cover the reduction in the assumed rate of return for MPERS from 8% to 7.5%. The state's share is the difference between the actuarial accrued liability to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement act (MCL 38.1341). Total funding for the state share of MPERS would be \$70.8 million SAF.	Restricted	73,200,000	(2,395,000)
<u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$0	\$0
<b>3. MPERS Normal Cost Offset</b>	<b>Gross</b>	<b>\$0</b>	<b>\$3,612,000</b>
<u>Executive</u> includes \$3.6 million SAF to reimburse community colleges for their normal cost portion to reduce the assumed rate of return for MPERS from 8% to 7.5%.	Restricted	0	3,612,000
<u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$0	\$0

<b><u>Major Budget Changes From FY 2016-17 YTD Appropriations</u></b>		<b><u>FY 2016-17 Year-to-Date (as of 2/8/17)</u></b>	<b><u>FY 2017-18 Conference Change</u></b>	
<b>4. Renaissance Zone Reimbursements</b>		<b>Gross</b>	<b>\$5,100,000</b>	<b>(\$2,000,000)</b>
<u>Executive</u> reduces funding by \$2.0 million GF/GP for Renaissance Zone reimbursements to community colleges. Estimated reimbursement payments required by statute have decreased due to recent Personal Property Tax reforms. Also includes funding shift of \$3.1 million from GF/GP to SAF, bringing total funding to \$3.1 million SAF.		Restricted	0	3,100,000
<u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.		GF/GP	\$5,100,000	(\$5,100,000)
<b>5. Michigan Transfer Network</b>		<b>Gross</b>	<b>\$0</b>	<b>\$1,025,000</b>
<u>Executive</u> includes \$1.0 million GF/GP in one-time funds to support the enhancement of the Michigan Transfer Network website. The new site will better assist students in transferring credits between different institutions of Higher Education within the state.		GF/GP	\$0	\$1,025,000
<u>House</u> does not include. <u>Senate</u> concurs with Executive.				
<u>Conference</u> concurs with Senate and Executive.				
<b>6. Independent Part-Time Student Grant</b>		<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> includes \$2.0 million GF/GP for a pilot program that provides financial support to part-time adult students who have earned 15 credits or more. The grants are limited to students enrolled at community colleges who are near the completion of a degree or certificate.		GF/GP	\$0	\$0
<u>House</u> does not include. <u>Senate</u> concurs with Executive.				
<u>Conference</u> does not include.				

#### **Major Boilerplate Changes From FY 2016-17**

##### **Sec. 201(7). Independent Part-Time Student Grants – NOT INCLUDED**

Executive specifies that priority for grants will be given to students with greatest financial need as determined by each institution if applicants exceed anticipated numbers. Also requires report in FY 2018-19 from community colleges on number of students who received a grant and number of students who received a grant and completed a degree or certificate program. House does not include. Senate concurs with Executive. Conference does not include.

##### **Sec. 201(8). Independent Part-Time Student Grants – NOT INCLUDED**

Executive states that community colleges that fail to submit the report specified in 201(7), shall not receive further Independent Part-Time Student Grants. Adds that Department of Treasury will report information by November 1. House does not include. Senate concurs with Executive. Conference does not include.

##### **Sec. 201(7). Michigan Transfer Network – NEW**

Executive specifies that the \$1,025,000 appropriation to the Michigan Community College Association (MCCA) is to enhance the transfer network website. Requires MCCA to update appropriations committees, fiscal agencies and State Budget Office on project status until completion. House does not include. Senate concurs with Executive. Conference concurs with Senate and Executive.

##### **Sec. 206. Community Colleges Activities Classification Structure (ACS) Data – REVISED**

Executive specifies required information and datasets that community colleges must report to the Center of Educational Performance and Information (CEPI) by November 1. House concurs. Senate concurs. Conference concurs.

##### **Sec. 208. Self-Liquidating Projects – RETAINED**

Executive deletes language that prohibits colleges from using state funds for construction or maintenance of self-liquidating projects. Requires colleges to comply with Joint Capital Outlay Subcommittee (JCOS) use and finance policy for any capital outlay project. Subjects colleges that fail to comply with a penalty of 1% of the operations funding for each violation. House retains. Senate retains. Conference retains.

##### **Sec. 209. Community College Transparency – REVISED**

Executive deletes from college transparency reporting requirements a requirement to post the estimated cost resulting from the Affordable Care Act. Deletes requirement that each college's board of trustees post a resolution of compliance with best practices for the local strategic value component. Also deletes a provision authorizing state budget director to withhold payment from a college that failed to comply with the reporting requirements.

House retains deleted sections and concurs with minor technical changes. Senate concurs with House but deletes subsection related to costs resulting from the Affordable Care Act. Conference concurs with Senate.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 210b. Colleges and Universities Transfer Agreement – REVISED***

Executive revises language around reporting requirements for the Michigan Community College Association and the Michigan Association of State Universities on course transfer agreements between community colleges and state universities. House concurs. Senate concurs. Conference concurs.

### ***Sec. 210e. Academic Program Partnerships – DELETED***

Conference deletes section requiring a report on the number of academic program partnerships between community colleges, public universities and private colleges and universities.

### ***Sec. 212. Cost Containment Initiatives – RETAINED***

Executive deletes language that encourages colleges to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, increasing web-based instruction, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance and group purchasing. House retains. Senate retains. Conference retains.

### ***Sec. 217. Activities Classification Structure (ACS) Data – REVISED***

Executive deletes language requiring CEPI to assist community colleges in complying with state and federal audits. House concurs. Senate concurs. Conference concurs.

### ***Sec. 222. Financial Statements – REVISED***

Executive revises language requiring community colleges to submit annual audits to CEPI by November 15 and states that CEPI will make audits available to the House and Senate subcommittees on Community Colleges, the House and Senate fiscal agencies and the State Budget Director. House retains. Senate concurs with Executive. Conference concurs with Senate but requires CEPI to provide the information to the subcommittees, fiscal agencies, and the State Budget Director.

### ***Sec. 223. North American Indian Tuition Waiver – REVISED***

Executive changes reporting requirement for community colleges from prior fiscal year to prior academic year. House concurs. Senate concurs. Conference concurs.

### ***Sec. 224. Aggregate Academic Status – REVISED***

Executive specifies that CEPI will use reported community college data in its P-20 longitudinal data system to inform high schools and the public of the aggregate academic status of each institution's students for the previous academic year. House concurs but does retain language stating that community colleges shall cooperate with CEPI. Senate concurs with Executive. Conference concurs with House.

### ***Sec. 225. Tuition Rate Reports – REVISED***

Executive revises language that indicates community colleges will submit tuition and fee reports to CEPI by August 31 and CEPI will make information available to the fiscal agencies and State Budget Office. House concurs but revises language to require CEPI to provide information to the fiscal agencies and State Budget Office. Senate concurs with Executive. Conference concurs with House.

### ***Sec. 227. Community College Automobile Purchases – RETAINED***

Executive deletes language that forbids lease or purchase of foreign-made vehicles if vehicles made in Michigan or elsewhere in the U.S. are competitively priced and of comparable quality. House retains. Senate retains. Conference retains.

### ***Sec. 228. Communication with the Legislature – RETAINED***

Executive deletes language that forbids a community college from taking disciplinary action against an employee for communicating with the legislature. House retains. Senate retains. Conference retains.

**FY 2017-18 Community College Operations Appropriations  
Conference Report**

	30%	10%	10%	10%	30%	5%	5%	100%					
			Performance-	Performance-				Total					
	FY 2016-17 Base	Sustainability	Improvement	Completion	Completion	Contact	Local Strategic	Formula	PPT Related	Total	%	FY 2017-18	
				Number	Rate	Hours	Administrative	Value	Distribution	Adjustments	Adjustments	Change	Appropriation
Alpena	5,544,700	9,469	6,122	1,933	4,769	4,588	2,864	1,578	31,300	51,500	82,800	1.5%	\$5,627,500
Bay de Noc	5,560,900	9,497	2,532	2,293	4,808	4,883	2,479	1,583	28,100	0	28,100	0.5%	5,589,000
Delta	14,907,700	25,458	7,847	10,531	6,789	24,225	3,902	4,243	83,000	0	83,000	0.6%	14,990,700
Glen Oaks	2,586,900	4,418	1,178	1,438	3,517	3,040	191	736	14,500	0	14,500	0.6%	2,601,400
Gogebic	4,577,800	7,818	2,085	1,263	4,998	3,573	2,127	1,303	23,200	114,400	137,600	3.0%	4,715,400
Grand Rapids	18,450,500	31,509	9,426	10,044	8,402	37,853	3,814	5,251	106,300	0	106,300	0.6%	18,556,800
Henry Ford	22,176,000	37,871	15,993	8,167	12,698	37,897	4,272	6,312	123,200	0	123,200	0.6%	22,299,200
Jackson	12,397,600	21,172	5,646	5,200	7,986	15,322	3,809	3,529	62,700	129,800	192,500	1.6%	12,590,100
Kalamazoo Valley	12,873,900	21,985	5,863	7,484	8,133	23,507	4,117	3,664	74,800	0	74,800	0.6%	12,948,700
Kellogg	10,087,500	17,227	6,626	4,785	6,946	13,415	4,223	2,871	56,100	0	56,100	0.6%	10,143,600
Kirtland	3,270,000	5,584	1,489	1,880	1,489	4,723	3,268	931	19,400	0	19,400	0.6%	3,289,400
Lake Michigan	5,492,800	9,380	2,501	2,340	2,501	10,445	2,117	1,563	30,800	0	30,800	0.6%	5,523,600
Lansing	31,677,300	54,096	15,362	17,040	16,746	42,842	3,627	9,016	158,600	488,300	646,900	2.0%	32,324,200
Macomb	33,681,800	57,520	15,339	15,950	17,594	62,111	3,718	9,587	181,800	0	181,800	0.5%	33,863,600
Mid-Michigan	4,834,100	8,255	2,201	4,002	2,201	10,789	2,653	1,376	31,500	103,300	134,800	2.8%	4,968,900
Monroe County	4,636,700	7,918	2,444	2,631	2,112	8,512	3,876	1,320	28,800	0	28,800	0.6%	4,665,500
Montcalm	3,343,100	5,709	1,522	1,985	1,522	3,957	3,911	952	19,600	83,600	103,200	3.1%	3,446,300
Mott	16,115,500	27,521	8,903	10,837	9,621	25,873	3,535	4,587	90,900	51,700	142,600	0.9%	16,258,100
Muskegon	9,150,600	15,627	11,393	2,935	4,167	11,407	4,242	2,604	52,400	0	52,400	0.6%	9,203,000
North Central	3,290,400	5,619	1,498	1,700	3,991	5,708	3,576	937	23,000	39,800	62,800	1.9%	3,353,200
Northwestern	9,318,000	15,913	5,882	4,196	4,243	12,933	3,322	2,652	49,100	141,800	190,900	2.0%	9,508,900
Oakland	21,770,900	37,179	9,914	15,052	9,914	53,114	3,437	6,196	134,800	0	134,800	0.6%	21,905,700
Schoolcraft	12,909,300	22,046	5,879	9,333	8,322	28,626	4,096	3,674	82,000	0	82,000	0.6%	12,991,300
Southwestern	6,732,500	11,497	5,511	2,979	3,066	6,910	1,871	1,916	33,700	94,500	128,200	1.9%	6,860,700
St. Clair	7,259,300	12,397	3,306	3,344	5,800	10,823	3,030	2,066	40,800	0	40,800	0.6%	7,300,100
Washtenaw	13,534,000	23,112	8,839	14,544	8,507	34,798	3,713	3,852	97,400	0	97,400	0.7%	13,631,400
Wayne County	17,234,200	29,431	9,494	14,919	7,848	34,323	3,165	4,905	104,100	0	104,100	0.6%	17,338,300
West Shore	2,478,000	4,232	5,024	1,015	1,128	3,264	952	705	16,300	62,000	78,300	3.2%	2,556,300
	315,892,000	539,460	179,820	179,820	179,820	539,460	89,910	89,910	1,798,200	1,360,700	3,158,900	1.0%	\$319,050,900

**FY 2017-18: HIGHER EDUCATION**  
**Summary: Conference Report**  
**Article III, House Bill 4313 (H-1) CR-1**



**Analyst: Perry Zielak**

	FY 2016-17 YTD as of 2/8/17	FY 2017-18 Executive	FY 2017-18 House	FY 2017-18 Senate	FY 2017-18 Conference	<i>Difference: Conference From FY 2016-17 YTD</i> Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	101,526,400	111,526,400	111,526,400	111,526,400	111,526,400	10,000,000	9.8
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	237,209,500	235,743,500	235,743,500	235,743,500	238,443,500	1,234,000	0.5
<b>GF/GP</b>	1,243,904,500	1,289,954,500	1,273,854,500	1,282,954,500	1,279,254,500	35,350,000	2.8
<b>Gross</b>	<b>\$1,582,640,400</b>	<b>\$1,637,224,400</b>	<b>\$1,621,124,400</b>	<b>\$1,630,224,400</b>	<b>\$1,629,224,400</b>	<b>\$46,584,000</b>	<b>2.9</b>

Notes: (1) FY 2016-17 year-to-date figures include mid-year budget adjustments through February 8, 2017. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Higher Education budget, contained in Article III of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University, various financial aid programs for students attending public and independent colleges and universities in the state, and several other smaller higher education-related programs.

**Major Budget Changes From FY 2016-17 YTD Appropriations**

**1. University Operations Grants**

Executive increases university operations funding by \$35.0 million GF/GP, a 2.5% increase. The increase is distributed under the performance funding formula, where 50% is allocated based on each university's share of operational funding appropriated in the baseline year of FY 2010-11, while the remaining increase is distributed based on other formula components (weighted completions, research and development spending, and comparison to Carnegie peers). Attainment of performance funding would be conditioned on restraining resident undergraduate tuition and fee increases to 3.8%, which is double the rate of inflation (set at 4.2% in the current year), or \$475. Projected funding increases for individual universities range from 1.9 to 3.4%.

House increases university operations funding by \$26.6 million GF/GP, a 1.9% increase. The House concurs with the use of the performance formula distribution measures and the condition that resident undergraduate tuition and fee increases must be restrained to 3.8% or \$475, whichever is greater. Projected funding increases for individual universities range from 1.5 to 2.6%.

Senate increases university operations funding by \$28.0 million GF/GP, a 2.0% increase. The Senate concurs with the use of the performance formula distribution measure and restricting resident undergraduate tuition and fee increases to 3.8% or \$475, whichever is greater. Projected funding increases for individual universities range from 1.5 to 2.7%.

Conference concurs with Senate.

	<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>Gross</b>	<b>\$1,400,345,000</b>	<b>\$28,000,000</b>
Restricted	231,219,500	0
GF/GP	\$1,169,125,500	\$28,000,000

Major Budget Changes From FY 2016-17 YTD Appropriations		FY 2016-17 Year-to-Date (as of 2/8/17)	FY 2017-18 Conference Change	
<b>2. Michigan Competitive Scholarship</b>		<b>Gross</b>	<b>\$18,361,700</b>	<b>\$8,000,000</b>
<u>Executive</u> increases funding for Michigan Competitive Scholarships by \$8.0 million GF/GP, a 43.6% increase, awarded to students with a qualifying ACT/SAT score and demonstrated financial need. The increase raises the maximum per-student annual award from \$575 to \$1,000. Total funding for the scholarship would be \$26.4 million (\$8.0 million GF/GP).		Federal	18,361,700	0
		GF/GP	\$0	\$8,000,000
<u>House</u> increases funding by \$4.0 million GF/GP, a 17.9% increase. The House raises the maximum per-student annual award from \$575 to \$775. Total funding for the scholarship would be \$22.4 million (\$4.0 million GF/GP). <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with Senate.				
<b>3. Tuition Incentive Program</b>		<b>Gross</b>	<b>\$53,000,000</b>	<b>\$5,300,000</b>
<u>Executive</u> increases funding for Tuition Incentive Program by \$5.3 million in federal Temporary Assistance for Needy Families (TANF) funds, a 10% increase, which pays for Medicaid-eligible students' tuition costs for associate's degrees. Also includes a fund shift of \$4.7 million from GF/GP to federal TANF funding, bringing total funding to \$58.3 million TANF.		Federal	48,300,000	10,000,000
<u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.		GF/GP	\$4,700,000	(\$4,700,000)
<b>4. Tuition Grant Program</b>		<b>Gross</b>	<b>\$35,021,500</b>	<b>\$3,000,000</b>
<u>Executive</u> increases funding for Tuition Grant program by \$3.0 million GF/GP, an 8.6% increase, which provides need-based tuition assistance to students at Michigan independent (i.e. private, non-profit) colleges and universities. The increase raises the maximum per-student annual award from \$1,512 to \$2,000. Total funding for the program would be \$38.0 million (\$6.4 million GF/GP).		Federal	31,664,700	0
		GF/GP	\$3,356,800	\$3,000,000
<u>House</u> increases funding by \$1.5 million GF/GP, a 4.3% increase. The House raises the maximum per-student annual award from \$1,512 to \$1,750. Total funding for the program would be \$36.5 million (\$4.9 million GF/GP). <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with Senate and Executive.				
<b>5. Michigan Public School Employee Retirement System (MPERS)</b>		<b>Gross</b>	<b>\$5,890,000</b>	<b>\$815,000</b>
<u>Executive</u> reduces funding by \$1.9 million School Aid Fund (SAF) for MPERS. This includes a reduction of \$4.3 million SAF for the state's share of the universities' unfunded liability to MPERS and a \$2.4 million SAF increase to cover the reduction in the assumed rate of return for MPERS from 8% to 7.5%. The state's share is the difference between the unfunded accrued liability to the system and the employer contribution cap of 25.73% of payroll for the seven universities with MPERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Total funding for the state share of MPERS would be \$4.0 million SAF.		Restricted	5,890,000	815,000
<u>House</u> concurs. <u>Senate</u> concurs.		GF/GP	\$0	\$0
<u>Conference</u> concurs and adds \$2.7 million SAF to lower the annual payroll growth assumption in determining universities' share of unfunded accrued liability costs from 3.5% to 2%. Total funding for the state share of MPERS would be \$6.7 million SAF.				
<b>6. MPERS Normal Cost Offset</b>		<b>Gross</b>	<b>\$0</b>	<b>\$419,000</b>
<u>Executive</u> includes \$419,000 SAF to reimburse universities for the normal cost increase to reduce the assumed rate of return for MPERS from 8% to 7.5%.		Restricted	0	419,000
<u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.		GF/GP	\$0	\$0
<b>7. MSU AgBioResearch and Extension Programs</b>		<b>Gross</b>	<b>\$61,915,700</b>	<b>\$1,250,000</b>
<u>Executive</u> increases funding for Michigan State's AgBioResearch program by \$831,100 GF/GP and Extension program by \$718,900 GF/GP, a 2.5% increase for both.		GF/GP	\$61,915,700	\$1,250,000
<u>House</u> concurs. <u>Senate</u> increases funding for AgBioResearch by \$670,000 GF/GP and Extension program by \$580,000, a 2.0% increase for both. <u>Conference</u> concurs with Senate.				



<b>Major Budget Changes From FY 2016-17 YTD Appropriations</b>		<b>FY 2016-17 Year-to-Date (as of 2/8/17)</b>	<b>FY 2017-18 Conference Change</b>
<b>8. Removal of One-Time Funding</b>	<b>Gross</b>	<b>\$500,000</b>	<b>(\$500,000)</b>
<u>Executive</u> eliminates \$500,000 GF/GP of one-time funding for MSU's Diagnostic Center for Population and Animal Health.	GF/GP	\$500,000	(\$500,000)
<u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.			
<b>9. North American Indian Tuition Waiver Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$300,000</b>
<u>Senate</u> adds \$300,000 GF/GP to partially address the estimated \$6.1 million difference between state aid and the cost to universities for the tuition waivers. <u>Conference</u> concurs with <u>Senate</u> .	GF/GP	\$0	\$300,000
<b>10. Michigan State University Fruit and Vegetable Laboratory</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>House</u> adds \$1.5 million GF/GP of one-time funding for MSU's Fruit and Vegetable Processing Teaching laboratory. <u>Senate</u> does not include. <u>Conference</u> does not include, moved to Department of Agriculture and Rural Development (MDARD) budget.	GF/GP	\$0	\$0
<b>11. Michigan State University Animal Agriculture Initiative</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> adds \$2.5 million GF/GP in one-time funding for an initiative between MSU, the Department of Agricultural and Rural Development (MDARD), and the animal agricultural industry to address issues such as food safety and infectious disease that limit industry growth and sustainability. <u>House</u> does not include. <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> does not include, moved to MDARD budget.	GF/GP	\$0	\$0
<b>12. MSU Agriculture Workforce Initiative</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> adds \$1.2 million GF/GP in one-time funding for an initiative between MSU, MDARD, and the agricultural industry to support workforce development in food processing, education, and agriculture technology. <u>House</u> does not include. <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> does not include, moved to MDARD budget.	GF/GP	\$0	\$0

#### **Major Boilerplate Changes From FY 2016-17**

##### **Sec. 236e. FY 2016-17 Supplemental Funding – NEW**

Executive requests \$2.6 million in federal TANF funding for the Tuition Incentive Program (TIP) in DTMB Letter 2017-2. Total FY 2016-17 program funding would be \$55.6 million. House does not include. Senate concurs with Executive. Conference concurs with revised Executive request of \$5.0 million in federal TANF funding. Total FY 2016-17 TIP funding would be \$58 million.

##### **Sec. 239a. University Automobile Purchases – NOT INCLUDED**

House adds language which states intent that funds appropriated to universities not be used to purchase or lease vehicles assembled outside the U.S. Senate does not include. Conference concurs with Senate.

##### **Sec. 242. Federal or Private Funds – RETAINED**

Executive deletes language specifying that acceptance of federal or private funds does not place an ongoing obligation on the legislature. House retains. Senate retains. Conference retains.

##### **Sec. 244. Postsecondary Student Data System – REVISED**

Executive specifies that universities must provide its longitudinal data sets for the prior academic year to the Center for Educational Performance and Information (CEPI) by October 15. House concurs. Senate concurs. Conference concurs.

##### **Sec. 245. University Transparency – RETAINED**

Executive deletes requirement that state budget director determine compliance and language granting authority to withhold payments for a university not in compliance. House retains. Senate retains. Conference retains.

##### **Sec. 249. Children of Veterans and Officer's Survivor Tuition Grant Programs – NEW**

Executive adds language that funds appropriated for Children of Veterans and Officer's Survivor Tuition Grant Programs are restricted funding and unexpended funds shall not lapse to the general fund at the end of the fiscal year. House concurs. Senate concurs. Conference concurs.

##### **Sec. 250. Free Application for Federal Student Aid (FAFSA) Filing Requirement – NEW**

Executive adds language that students must file a FAFSA to be considered for any grant or scholarship program administered by the Department of Treasury. House concurs. Senate does not include. Conference concurs with House.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 251. State Competitive Scholarship Program – REVISED***

Executive revises language that increases award amount for the Competitive Scholarship Program to \$1,000.

House revises award amount to \$775 and adds language stating unexpended and unencumbered program funds shall carry forward to the next fiscal year as a work project. Senate increases award amount to \$1,000 and concurs with House on carry forward language. Conference concurs with Senate.

### ***Sec. 252. Tuition Grant Program – REVISED***

Executive adds language that starting with the 2018-2019 academic year, students must apply before June 1 to be considered for a tuition grant award. Includes language that a tuition grant may not be renewed for more than 10 semesters or its equivalent in trimesters or quarters, or if a student has not completed using the grant within 10 years of determined eligibility by the Department of Treasury. Increases award amount to \$2,000. Deletes requirement for unexpended funds to continue to be available in the next fiscal year as a work project.

House concurs but revises language that a grant may not be renewed for more than 10 semesters beginning with the 2018-2019 academic year. Revises award amount to \$1,750. Increases cap on individual colleges' total award amount to \$3.5 million. Retains requirement for unexpended funds to continue to be available in the next fiscal year as a work project. Revises reporting requirement deadline for independent colleges and universities from September 30 to October 31.

Senate concurs with House but revises language that students must apply before March 1 for consideration of a tuition grant award. Increases award amount to \$2,000. Maintains reporting requirement date of September 30.

Conference concurs with Senate but revises reporting requirement date for independent colleges and universities to October 31.

### ***Sec. 254. Financial Aid Payment Schedule – REVISED***

Executive revises payment schedule for the Tuition Incentive Program (TIP) to indicate universities receive 65% of TIP payments in the state's first fiscal quarter and 35% during the state's second fiscal quarter. House concurs. Senate concurs. Conference concurs.

### ***Sec. 256. Tuition Incentive Program – REVISED***

Executive adds language indicating that students must be enrolled in a certificate or associate's degree program to qualify for TIP Phase 1 funding. Adds restrictions on program eligibility to students under 21 if attended a middle college and less than 6 years removed from high school graduation or achievement of equivalent certificate. Includes new language that starting in FY 2018-19, TIP will cover fees and tuition that does not exceed 2 times the in-district tuition rate. Also adds reporting requirements to colleges on students receiving grants and recipients who complete a certificate or degree. Includes penalties for institutions that fail to comply with the reporting requirement.

House concurs but revises language that TIP will cover fees and tuition that does not exceed 3 times the in-district tuition rate. Adds requirement for unexpended program funds to continue to be available in the next fiscal year as a work project.

Senate concurs with House but does not include any program tuition and fee cap.

Conference concurs with House.

### ***Sec. 261. Douglas Lake Biological Station – RETAINED***

Executive deletes legislative intent section that designates University of Michigan's Douglas Lake Biological Station as a unique research resource and aims to protect the lake area. House retains. Senate retains. Conference retains.

### ***Sec. 263a. MSU AgBioResearch and Extension Programs – REVISED***

Executive revises various reporting metrics of AgBioResearch and Extension programs around increasing the agricultural sector's economic impact. Deletes metric that aims to increase jobs in the food and agricultural sector by 10%. House concurs. Senate concurs. Conference concurs.

### ***Sec. 265. Performance Funding Criteria: Tuition Restraint – REVISED***

Executive revises tuition restraint cap for universities to 3.8% or \$475.00, whichever is greater. Deletes language that defines fees to include the cost of a university-affiliated health insurance policy for a university that compels resident undergraduate students to have health insurance coverage. Deletes legislative intent language that indicates universities that violate the tuition restriction cap shall not receive a capital outlay project authorization in FY 2017-18 and FY 2018-19 and have an adjustment made to its appropriation.

House concurs with tuition restraint cap of 3.8% or \$475.00, whichever is greater. Retains definition of fee language and legislative intent language about violation of the tuition restriction cap. Senate concurs with House. Conference concurs with House.

### ***Sec. 265a. Performance Funding Criteria and Formula – REVISED***

Executive deletes legislative intent language to lower score for three-year improvement criteria from 2 points to 1 point, revises language with updated Carnegie classification categories.

House concurs with updated Carnegie classification categories but retains intent language to lower score for three-year improvement criteria starting in FY 2018-19. Senate concurs with House but adds intent language stating that more funding will be based on performance metrics in future years. Conference concurs with Senate.

## **Major Boilerplate Changes From FY 2016-17**

### ***Sec. 268. Indian Tuition Waivers – REVISED***

Executive deletes legislative intent language that states unfunded Indian Tuition Waiver costs be allocated from the general fund. Changes reporting requirement from prior fiscal year to prior academic year.

House retains legislative intent language but concurs with reporting requirement changes. Senate concurs with House but adds language related to distribution of the \$300,000 appropriation to partially close the difference in program costs to universities. Conference concurs with Senate.

### ***Sec. 271a. Instructional Activity Pertaining to Unionization – RETAINED***

Executive deletes legislative intent language that instructs public universities not to use appropriations to offer instructional activity that targets companies or groups of companies for unionization or decertification of a union. House retains. Senate retains. Conference retains.

### ***Sec. 274. Embryonic Stem Cell Research – RETAINED***

Executive deletes legislative intent language that instructs organizations conducting research using human embryonic stem cells report to the Department of Health and Human Services regarding compliance with federal guidelines and detailing usage of stem cell lines. House retains. Senate retains. Conference retains.

### ***Sec. 274d. Sexual Assault Reports – NEW***

House adds requirement that universities must submit a Title IX annual report on sexual assault incidents, as required under the Campus Save Act of 2013, to the House and Senate subcommittees on Higher Education, the House and Senate fiscal agencies, and the State Budget Director. Senate does not include. Conference concurs with House.

### ***Sec. 275. Veterans' Policies and Reports – REVISED***

Executive replaces legislative intent language with statement encouraging universities to provide veteran-related services. Deletes report requirement regarding participation in the Yellow Ribbon GI Education Enhancement Program. House revises language to require universities to provide veteran-related service and retains reporting requirement. Senate retains current law with minor reference changes. Conference concurs with House.

### ***Sec. 275a. Capital Outlay Requirements – RETAINED***

Executive deletes section that prohibits use of state funds for self-liquidating projects and requires compliance with Joint Capital Outlay Subcommittee reporting requirements, with specified penalty of 1.0% of appropriation for failure to comply. House retains. Senate retains. Conference retains.

### ***Sec. 275c. Meningococcal Meningitis Vaccine Information – NEW***

Senate adds language requiring universities to provide information around the causes and symptoms of meningococcal meningitis and to provide detail on where vaccines against meningitis may be obtained. Conference concurs with Senate.

### ***Sec. 282. Reallocation of King-Chavez-Parks (KCP) Funds – REVISED***

Executive adds requirement that each institution shall submit a plan by April 15 to expend remaining program funds by the end of the fiscal year. House concurs. Senate concurs. Conference concurs.

### ***Sec. 283. Student Performance Reporting to High Schools – REVISED***

Executive specifies that CEPI will use reported university data in its P-20 longitudinal data system to inform high schools and the public of the aggregate academic status of each institution's students for the previous academic year. House concurs. Senate concurs. Conference concurs.

### ***Sec. 284. Student Performance Reporting to Community Colleges – REVISED***

Executive specifies that CEPI will use reported university data in its P-20 longitudinal data system to inform community colleges of the academic status of community college transfer students for the previous academic year. House concurs. Senate concurs. Conference concurs.

### ***Sec. 286a. Academic Program Partnerships – DELETED***

Senate deletes a report on the number of academic program partnerships between community colleges, public universities and private colleges and universities. Conference concurs.

### ***Sec. 289. Audit of Higher Education Institutional Data Inventory (HEIDI) Data – RETAINED***

Executive revises language that the Auditor General may periodically audit the HEIDI data and selected universities if necessary. House retains. Senate retains. Conference retains.

## **Supplemental Recommendations for FY 2016-17 Appropriations**

### ***1. Tuition Incentive Program***

Executive increases funding by \$2.6 million in federal TANF funds to meet anticipated costs of Tuition Incentive Program, increasing total appropriation to \$55.6 million (\$4.7 million GF/GP). House does not include. Senate concurs. Conference concurs with revised request that would increase funding by \$5.0 million in federal TANF funds. Total appropriation would be \$58 million.

		<b><u>FY 2016-17 Recommendation</u></b>
<b>Gross</b>		<b>\$5,000,000</b>
Federal		5,000,000
GF/GP		\$0

## Summary: FY 2017-18 University Performance Funding Increases Conference Report

	Proportional to FY 2010-11		Performance Funding Proportional to Share of Total				Performance Funding Scored vs. National Carnegie Peers															
	% of formula:	50.0%		11.1%		5.6%		33.3%														
	Funding per unit:	\$0.0094 per dollar		\$175.07 per completion		\$0.0012 per dollar		\$6.02 per weighted point														
	FY 2016-17 Year-to-Date Appropriation	FY 2010-11 Appropriation	Funding	Critical Skills Undergrad Completions	Funding	Research & Development Expenditures	Funding	6-year Grad Rate	Total Degrees	Instl. Support as % of Expend.	% Students Receiving Pell Grants	Total Points	2016 Undergrad FYES	FYES- Weighted Points	Funding	*Total Performance Funding Increase	Proposed FY 2017-18 Appropriation	Percent Change				
Michigan State	\$275,862,100	\$283,685,200	\$2,796,217	2,967	\$546,758	\$328,397,061	\$402,143	2	3	2	0	7	36,765	257,355	\$1,631,916	\$5,377,000	\$281,239,100	1.9%				
UM-Ann Arbor	308,639,000	\$316,254,500	3,117,245	3,033	558,932	\$701,964,000	859,599	3	3	2	0	8	27,880	223,041	1,414,327	\$5,950,100	314,589,100	1.9%				
Wayne State	196,064,500	\$214,171,400	2,111,036	958	176,544	\$146,978,189	179,984	2	2	0	3	7	14,366	100,565	637,692	3,105,300	199,169,800	1.6%				
Central	83,925,500	\$80,132,000	789,842	858	158,115	\$11,746,601	14,384	2	3	0	2	7	17,270	120,890	766,577	1,728,900	85,654,400	2.1%				
Michigan Tech	48,097,500	\$47,924,200	472,377	922	169,898	\$52,321,902	64,071	3	2	2	0	7	5,595	39,168	248,370	954,700	49,052,200	2.0%				
Western	107,440,900	\$109,615,100	1,080,450	1,102	202,988	\$16,982,080	20,796	0	2	2	2	6	16,603	99,616	631,677	1,935,900	109,376,800	1.8%				
Eastern	73,593,800	\$76,026,200	749,372	901	166,040	\$3,160,633	3,870	0	3	2	2	7	14,798	103,585	656,842	1,576,100	75,169,900	2.1%				
Oakland	49,920,700	\$50,761,300	500,342	1,214	223,628	\$8,744,299	10,708	2	2	2	0	6	15,258	91,548	580,516	1,315,200	51,235,900	2.6%				
Grand Valley	68,227,900	\$61,976,400	610,887	1,350	248,864			3	3	2	0	8	19,957	159,657	1,012,401	1,872,200	70,100,100	2.7%				
Saginaw Valley	29,114,000	\$27,720,700	273,236	465	85,692			2	2	2	0	6	7,706	46,233	293,171	652,100	29,766,100	2.2%				
UM-Dearborn	24,803,300	\$24,726,200	243,720	438	80,624			2	2	2	2	8	5,801	46,411	294,295	618,600	25,421,900	2.5%				
UM-Flint	22,549,300	\$20,898,000	205,987	581	107,069			0	2	2	2	6	5,241	31,446	199,405	512,500	23,061,800	2.3%				
Ferris	52,259,900	\$48,619,200	479,228	1,357	250,027			2	3	2	2	9	10,624	95,616	606,312	1,335,600	53,595,500	2.6%				
Northern	46,279,200	\$45,140,300	444,937	562	103,510			2	3	2	0	7	6,978	48,846	309,738	858,200	47,137,400	1.9%				
Lake Superior	13,567,400	\$12,694,200	125,124	176	32,422			2	2	0	0	4	1,975	7,900	50,095	207,600	13,775,000	1.5%				
TOTAL:	\$1,400,345,000	\$1,420,344,900	\$14,000,000	16,882	\$3,111,111	\$1,270,294,765	\$1,555,556	27	37	24	15	103	206,818	1,471,877	\$9,333,333	\$28,000,000	\$1,428,345,000	2.0%				

Data Notes			
Component	Source	Years	Notes
Critical skills undergrad completions	State HEIDI	FYs 2015-2016	STEM/health/etc.
Research & develop expend	Federal IPEDS	FY 2015	Carnegie research universities only
Six-year graduation rate	Federal IPEDS^	FYs 2011-2014	First-time, full-time degree seeking students
Total degree completions	Federal IPEDS^	FYs 2011-2014	Includes graduate degrees
Inst support as % of core expend	Federal IPEDS^	FYs 2011-2014	Measure of administrative costs
Pell grant students	Federal IPEDS^	FYs 2012-2014	Federal need-based aid for undergrads
Undergrad FYES	State HEIDI	FY 2016	Includes nonresident students
^ via Business Leaders for Michigan and Anderson Economic Group			

Scoring Based on Carnegie Peers	
Top 20% nationally	3
Above national median	2
Improving over 3 years	2

\*Requirements to receive funding increase:

1. Restrain FY 2017-18 resident undergraduate tuition/fee rate increase to 3.8% or \$475 (whichever is greater)
2. Participate in at least three reverse transfer agreements with community colleges
3. Maintain a dual enrollment credit policy that does not consider whether credits were used toward high school graduation
4. Actively participate in and submit timely updates to the Michigan Transfer Network