

FY 2022-23: HIGHER EDUCATION

Summary: As Passed by the Senate

Senate Bill 842 (S-2) as Amended



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	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: Senate From FY 2021-22 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0		\$0	--
Federal	128,526,400	122,426,400	391,726,400	128,526,400		0	--
Local	0	0	0	0		0	--
Private	0	0	0	0		0	--
Restricted	361,403,300	347,888,300	861,015,300	1,290,088,300		928,685,000	257.0
GF/GP	1,317,821,500	1,382,300,200	1,222,976,900	1,384,816,200		66,994,700	5.1
Gross	\$1,807,751,200	\$1,852,614,900	\$2,475,718,600	\$2,803,430,900		\$995,679,700	55.1

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (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; some retirement costs for employees who participate in the state public school employee retirement system; 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 2021-22 YTD Appropriations

1. University Operations Increase

Executive includes a net increase of \$143.9 million GF/GP for university operations, a 9.7% increase. This includes:

- \$146.0 million GF/GP (\$73.0 million GF/GP ongoing and \$73.0 million GP/GP one-time), or 10.0%, increase to operations grants for universities.
- \$12.7 million GF/GP increase to fund the first year of a four-year phase-in of a \$4,500 funding floor based on fiscal year equated students (FYES).
- Removal of \$14.6 million GF/GP one-time FY 2021-22 operations funding.
- \$344,700 GF/GP decrease based on FY 2020-21 North American Indian Tuition Waiver program costs reported by institutions.

Attainment of the ongoing and one-time operations increases, labeled operational support payments, would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 5.0% or \$722 (set at 4.2% or \$590 in the current year). Projected funding increases for universities would range from 8.4% to 20.0%. Total funding for operations would be \$1.6 billion Gross (\$1.3 billion GF/GP).

House includes a net increase of \$48.1 million Gross (reduction of \$14.9 million GF/GP) for university operations, a 3.2% increase. This includes:

- \$63.0 million SAF increase to fund a \$4,672 funding floor based on FYES.
- Removal of \$14.6 million GF/GP one-time FY 2021-22 operations funding.

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	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Senate Change
Gross	\$1,487,758,800	\$145,920,500
Restricted	343,168,300	361,000,000
GF/GP	\$1,144,590,500	(\$215,079,500)

Major Budget Changes from FY 2021-22 YTD Appropriations

1. University Operations Increase (continued)

- \$344,700 GF/GP decrease based on FY 2020-21 North American Indian Tuition Waiver program costs reported by institutions.

Attainment of all operations funding would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.4% or \$636 (set at 4.2% or \$590 in the current year). Projected funding increases for universities would range from (1.0%) to 46.1%. Total funding for operations would be \$1.5 billion Gross (\$1.1 billion GF/GP). Senate includes a net increase of \$145.9 million Gross (reduction of \$215.1 million GF/GP) for university operations, a 9.8% increase. This includes:

- \$361.0 million fund shift from GF/GP to SAF.
- \$160.7 million GF/GP (\$80.3 million GF/GP ongoing and \$80.3 million GF/GP one-time), or 11.0%, increase to operations grants for universities, which would be distributed through a revised performance funding formula. The formula would distribute 1/3 funding across-the-board, 1/3 based on FY 2020-21 degrees conferred, and 1/3 based on FY 2020-21 student headcount.
- Removal of \$14.6 million GF/GP one-time FY 2021-22 operations funding.
- \$2.3 million GF/GP decrease based on the elimination of King-Chavez-Parks (KCP) program funding that was included in university base operations funding.
- \$1.9 million GF/GP increase based on a new student retention program, which adds \$131,300 to each university's base operations funding.
- \$499,500 GF/GP increase based on pregnant and parenting student service funding, which adds \$33,300 to each university's base operations funding for a pregnant and parenting student service office.
- \$344,700 GF/GP decrease based on FY 2020-21 North American Indian Tuition Waiver program costs reported by institutions.

Attainment of performance funding would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 5.0% or \$722 (set at 4.2% or \$590 in the current year). Projected funding increases for universities would range from 6.7% to 14.2%. Total funding for operations would be \$1.6 billion Gross (\$929.5 million GF/GP).

Major Budget Changes from FY 2021-22 YTD Appropriations		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Senate Change	
2. Michigan State University Extension and AgBioResearch Programs		Gross	\$65,724,200	\$6,507,400
		GF/GP	\$65,724,200	\$6,507,400
<u>Executive</u> includes a net increase of \$5.9 million GF/GP for MSU's AgBioResearch and Extension program funding. This includes an ongoing operations increase for the MSU AgBioResearch program of \$1.7 million GF/GP, a one-time funding increase of \$1.7 million GF/GP, and removal of one-time FY 2021-22 funding of \$349,400 GF/GP. Additionally, the MSU Extension program includes a net increase of \$2.7 million GF/GP comprising an ongoing and one-time operations increase of \$1.5 million GF/GP and the removal of one-time FY 2021-22 funding of \$301,400 GF/GP. These adjustments represent a 10.0% increase for both programs. Total funding for AgBioResearch and Extension programs would be \$71.6 million GF/GP.				
<u>House</u> includes a net decrease of \$650,800 GF/GP for MSU's AgBioResearch and Extension program funding. This includes removal of one-time FY 2021-22 funding of \$349,400 GF/GP for AgBioResearch and \$301,400 GF/GP for Extension. Total funding for AgBioResearch and Extension programs would be \$65.1 million GF/GP.				
<u>Senate</u> includes a net increase of \$6.5 million GF/GP for MSU's AgBioResearch and Extension program funding. This includes an ongoing operations increase for AgBioResearch of \$1.9 million GF/GP, a one-time operations increase of \$1.9 million GF/GP, and removal of one-time FY 2021-22 funding of \$349,400 GF/GP. Additionally, the MSU Extension program includes a net increase of \$3.0 million GF/GP comprising an ongoing and one-time operations increase of \$1.7 million GF/GP and the removal of one-time FY 2021-22 funding of \$301,400 GF/GP. These adjustments represent a 11.0% increase for both programs. Total funding for AgBioResearch and Extension programs would be \$72.2 million GF/GP.				
3. Michigan Public School Employee Retirement System (MPERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment		Gross	\$13,495,000	(\$13,425,000)
		Restricted	13,495,000	(13,425,000)
		GF/GP	\$0	\$0
<u>Executive</u> decreases funding by \$13.4 million School Aid Fund (SAF) for the state's share of the universities' MPERS UAAL contribution, a 99.5% decrease. The state's share is the difference between the calculated UAAL contribution 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). The amount needed for the state share was reduced due to the one-time MPERS payment of \$84.7 million GF/GP appropriated in FY 2021-22. Total funding for the state share of MPERS UAAL would be \$70,000 SAF. <u>House</u> concurs. <u>Senate</u> concurs.				
4. MPERS Normal Cost Offset		Gross	\$4,740,000	(\$90,000)
		Restricted	4,740,000	(90,000)
		GF/GP	\$0	\$0
<u>Executive</u> decreases reimbursement funding provided to universities by \$90,000 SAF, a 1.9% decrease, for the normal cost required to maintain the assumed rate of return for MPERS at 6.8%. Total funding for the MPERS Normal Cost Offset would be \$4.7 million SAF. <u>House</u> concurs. <u>Senate</u> concurs.				

Major Budget Changes from FY 2021-22 YTD Appropriations		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Senate Change	
5. MPSERS UAAL One-Time Payment		Gross	\$84,741,700	\$496,458,300
<u>Executive</u> removes \$84.7 million GF/GP in one-time funding for the state's share of the universities' MPSERS UAAL contribution.		Restricted	0	581,200,000
<u>House</u> includes net increase of \$364.9 million Gross (increase of \$449.6 million SAF, decrease of \$84.7 million GF/GP) in one-time funding for the state's share of the universities' MPSERS UAAL contribution. Total funding for the MPSERS UAAL One-Time payment would be \$449.6 million SAF.		GF/GP	\$84,741,700	(\$84,741,700)
<u>Senate</u> includes net increase of \$496.5 million Gross (increase of \$581.2 million SAF, decrease of \$84.7 million GF/GP) in one-time funding for the state's share of the universities' MPSERS UAAL contribution. Total funding for the MPSERS UAAL One-Time payment would be \$581.2 million SAF.				
6. Michigan Achievement Scholarships		Gross	\$0	\$361,000,000
<u>Senate</u> adds \$361.0 million GF/GP for the new Michigan Achievement Scholarship program, which would provide 2022 high school or equivalent certificate graduates with up to \$3,000 annually for students attending a community college, tribal institution or qualified private training institution, or up to \$6,000 annually for students attending a public university, or nonprofit independent college or university. Total funding for Michigan Achievement Scholarships would be \$361.0 million GF/GP.		GF/GP	\$0	\$361,000,000
7. King-Chavez-Parks (KCP) Programs		Gross	\$2,691,500	(\$2,691,500)
<u>Senate</u> reduces \$2.7 million GF/GP through the elimination of the KCP Select Student Support Services, College/University Partnerships and Morris Hood, Jr. Educator Development programs. KCP programs that were funded through university operations funding were also eliminated.		GF/GP	\$2,691,500	(\$2,691,500)
8. Critical Skills Pilot Program		Gross	\$0	\$2,500,000
<u>Senate</u> adds \$2.5 million GF/GP for a pilot program located at Michigan Technological University to increase the number of critical skill degrees awarded by the university.		GF/GP	\$0	\$2,500,000
9. Tuition Incentive Program		Gross	\$71,300,000	\$0
<u>Executive</u> decreases Tuition Incentive Program (TIP) by \$6.1 million federal TANF funding, a 8.6% decrease. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The decrease is due to potential cost savings through implementation of a program reimbursement rate cap of 2.5 times the average in-district community college tuition rate. Total funding for TIP would be \$65.2 million TANF. <u>House</u> maintains current funding levels and does not include the program reimbursement rate cap. Total funding for TIP would be \$71.3 million TANF. <u>Senate</u> concurs.		Federal	71,300,000	0
		GF/GP	\$0	\$0
10. Japan Center for Michigan Universities		Gross	\$500,000	(\$500,000)
<u>Executive</u> removes \$500,000 GF/GP in one-time funding to support operations at the Japan Center for Michigan Universities hosted by Michigan State University. <u>House</u> concurs. <u>Senate</u> concurs.		GF/GP	\$500,000	(\$500,000)
11. Wayne State University Karmanos Cancer Institute Project		Gross	\$0	\$0
<u>House</u> adds \$100.0 million federal Coronavirus State Fiscal Recovery Fund for Wayne State University's Karmanos Cancer Institute project.		Federal	0	0
<u>Senate</u> does not include.		GF/GP	\$0	\$0
12. Detroit Center for Innovation Project		Gross	\$0	\$0
<u>House</u> adds \$100.0 million federal Coronavirus State Fiscal Recovery Fund for the Detroit Center for Innovation project. <u>Senate</u> does not include.		Federal	0	0
		GF/GP	\$0	\$0

Major Budget Changes from FY 2021-22 YTD Appropriations		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Senate Change
13. Michigan State University Dairy and Greenhouse Renovation Project <u>House</u> adds \$53.0 million federal Coronavirus State Fiscal Recovery Fund for Michigan State University's Dairy and Greenhouse Renovation project. <u>Senate</u> does not include.	Gross	\$0	\$0
	Federal	0	0
	GF/GP	\$0	\$0
14. Grand Valley State University Competency-Based Education Incubator Project <u>House</u> adds \$5.5 million federal Coronavirus State Fiscal Recovery Fund for the creation of the Competency-Based Education Incubator project located at Grand Valley State University. <u>Senate</u> does not include.	Gross	\$0	\$0
	Federal	0	0
	GF/GP	\$0	\$0
15. Ethical Stem Cell/Fetal Tissue Research <u>House</u> adds \$5.0 million GF/GP for research grants awarded to public research universities that agree to not conduct any research on aborted fetal tissue. <u>Senate</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
16. Healthcare Workforce and University Collaborative <u>House</u> adds \$4.7 million federal Coronavirus State Fiscal Recovery Fund for the creation of the Healthcare Workforce and University Collaborative administered by the Michigan Health and Hospital Association. <u>Senate</u> does not include.	Gross	\$0	\$0
	Federal	0	0
	GF/GP	\$0	\$0
17. Ferris State University Jim Crow Museum Expansion Project <u>House</u> adds \$1.0 million GF/GP for Ferris State University's Jim Crow Museum expansion project. <u>Senate</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
18. Pregnant and Parenting Support Services <u>House</u> adds \$500,000 SAF for pregnant and parenting services. Universities that establish and operate a pregnant and parenting student services office according to the guidelines found in 2004 PA 500 are eligible for grants to operate the office. <u>Senate</u> includes alternative funding structure where \$33,300 is added to each university's operations funding to operate a pregnant and parenting student service office according to the guidelines found in section 275j – See Major Budget Changes Item #1.	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
19. University of Michigan Electric Vehicle Teaching, Training and Development Center <u>House</u> adds \$100 GF/GP placeholder for the University of Michigan's electric vehicle teaching, training and development center. <u>Senate</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0

Major Boilerplate Changes from FY 2021-22

Sec. 236h. MPSERS One-Time Payment Detail – REVISED

Executive deletes language detailing the one-time payment for MPSERS UAAL contributions to the system for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western) and states payments will be distributed no later than December 31, 2021. House revises language detailing the \$449.6 million one-time payment for MPSERS UAAL contributions and states payments will be distributed no later than December 31, 2022. Senate revises language detailing the \$581.2 million MPSERS UAAL payoff and adds language specifying that excess amounts over UAAL fulfillment must be returned to the state.

Sec. 236j. FY 2021-22 MPSERS One-Time Payment Detail – NOT INCLUDED

House adds language detailing the FY 2021-22 one-time payment of \$200.0 million for MPSERS UAAL contributions to the system for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western) and states payments will be distributed no later than September 30, 2022. Senate does not include.

Major Boilerplate Changes from FY 2021-22

Sec. 236k. Fiscal Year Equated Student (FYES) Funding Floor – NOT INCLUDED

Executive adds language detailing the four-year implementation of a \$4,500 FYES funding floor for each university below the stated funding calculation. House adds language detailing the implementation of a \$4,672 FYES funding floor for each university below the funding calculation. Senate does not include.

Sec. 245. Transparency Website and Various Reporting Requirements – RETAINED

Requires each university to post on its website specified data on budget, revenue, expenditures, and employee compensation, as well as university performance data, information on transfer policies and opportunities for high school students to earn college credit, collective bargaining agreements, benefit plans, and audits. Requires universities submit information to the state budget director, who would compile and report the data to the House and Senate appropriation subcommittees on higher education and the House and Senate fiscal agencies. Executive deletes reporting requirement on submission of reports to the state budget director and that state budget director determine compliance and language granting authority to withhold payments for a university not in compliance. Deletes reporting requirements about institutional positions in addition to reporting on career and technical programs, dual enrollment and early middle college programs. House retains. Senate concurs with House.

Sec. 245a. Campus Safety Information and Resources, Safety Reporting Requirements – REVISED

Requires universities to develop a “campus safety information and resources” webpage, which must be linked and displayed on their home webpage. The page must display various safety information and policies, and the schools must certify compliance to the state budget director by October 1, 2021, or have monthly state payments withheld. Executive deletes certification requirement to the state budget director. House updates certification deadline to October 1, 2022. Senate concurs with House.

Sec. 248. Michigan Achievement Scholarship Program Detail – NEW

Senate adds language specifying criteria for Michigan Achievement Scholarship eligibility, specifies grant amount of up to \$3,000 for students attending a community college, tribal college or qualified private training institution or up to \$6,000 for students attending a public university of independent nonprofit college or university. Directs Department of Treasury to report on awarded scholarship details by December 1 and designates unexpended funds as a work project.

Sec. 251. Michigan Competitive Scholarship Program Detail – REVISED

Provides for distribution of funds appropriated for State Competitive Scholarships. Specifies grant amount of \$1,000, unless insufficient funds are available, in which case a report is required. Executive revises award amount from \$1,000 to \$1,200. House revises award amount from \$1,000 to \$1,500. Senate concurs with House.

Sec. 252. Tuition Grant Program Detail – REVISED

Provides for distribution of funds appropriated for Tuition Grants; specifies grant amount of \$2,800, unless insufficient funds are available, in which case a report is required. Executive revises award amount from \$2,800 to \$2,900 and deletes language that specifies that the \$4.8 million institutional cap does not apply to any other student financial aid program or in combination with any other financial aid program. House revises award amount from \$2,800 to \$3,000, raises institutional cap to \$5.0 million, and adds intent language encouraging the Department of Treasury to award both Tuition Grants and Competitive Scholarships to a student if they are eligible for both. Senate revises award amount from \$2,800 to \$3,000, requires private colleges and universities who participate in TIP to submit its annual Clery Act report and deletes Title IX and sexual assault response efforts reporting requirement.

Sec. 256. Tuition Incentive Program Detail – REVISED

Specifies criteria for Tuition Incentive Program (TIP) eligibility; provides for award conditions and limits under Phases I (associate degree and certificate programs) and II (third and fourth years toward bachelor's degree) of the program. Executive adds language that states the program will cover tuition and fees that do not exceed 2.5x the in-district community college tuition per-credit rate of the previous academic year. House adds language removing individual annual and semester credit limits, implements a semester reimbursement rate on community college mandatory fees at \$450 and changes the reimbursement rate for students enrolled at independent colleges and universities from the average in-district community college per-credit rate to lower division resident tuition and fees. Senate concurs with House on revising the reimbursement rate for independent colleges and universities.

Sec. 260. Student Loan and Financial Aid Website – REVISED

Requires the Department of Treasury, working with the Michigan College Access Network, the Michigan Association of School Counselors, the Michigan Association of State Universities (MASU), the Michigan Community College Association (MCCA), and Michigan Independent Colleges and Universities (MICU) to the extent possible, create a website for students containing various student loan and other financial aid information. Senate adds various definitions and requires Treasury to audit and update the website annually.

Major Boilerplate Changes from FY 2021-22

Sec. 261. University of Michigan's Douglas Lake Biological Station – RETAINED

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

Sec. 262. Critical Skills Pilot Program Detail – NEW

Senate adds language detailing a pilot program at Michigan Technological University to increase the number of critical skills degrees awarded and requires a report from Michigan Tech on program details by April 1.

Sec. 265. Performance Funding Tuition and Fees Restraint Requirement – REVISED

Provides tuition restraint requirements in order to receive performance funding increase. Executive revises requirements to apply to both one-time and on-going operational support payments for FY 2022-23. Revises tuition restraint cap for universities to the greater of 5.0% or \$722 (currently set at 4.2% or \$590). Deletes legislative intent language that indicates universities that violate the tuition restraint cap shall not receive a capital outlay project authorization in FY 2022-23 and FY 2023-24 and will have its appropriation adjusted. House revises requirements to apply to operations funding for FY 2022-23 and revises tuition restraint cap for universities to the greater of 4.4% or \$636 (currently set at 4.2% or \$590). Senate revises requirements to apply to both one-time and on-going operational support payments for FY 2022-23, 2023-24, and 2024-25, and revises tuition restraint cap for universities to the greater of 5.0% or \$722.

Sec. 265a. Performance Funding Formula Detail and Additional Requirements – REVISED

Includes requirements for a university to receive the performance funding increase. Executive revises language specifying funding applies to FY 2022-23 only. Replaces "performance funding" with "operational support payments and one-time operational support payments." Revises reporting date from October 1 to the last business day of August. Deletes language detailing the performance formula and revises to state that universities receive operational support payments as an across-the-board funding increase proportional to each university's share of total operations funding from the prior fiscal year. Deletes intent language about allocating more funding based on performance metrics in future years.

House revises language specifying operations funding applies to FY 2022-23 only; updates reporting date to October 1, 2022; increases the number of reverse transfer agreements from 3 to 4; revises dual enrollment credit certification; suspends the performance formula for FY 2022-23; and revises intent language on a future operations funding formula centered on fiscal year equated students. Senate revises requirements to apply to both one-time and on-going operational support payments for FY 2022-23, 2023-24, and 2024-25. Details a new performance formula that distributes 1/3 of funding in proportion to FY 2021-22 levels, 1/3 based on total number of degrees conferred and 1/3 based on student headcount based on two groupings: Michigan State, UM-Ann Arbor and Wayne State, and the remaining 12 universities. A university will receive additional funding if it does not receive at least 5%, to be taken proportionally from its corresponding group.

Sec. 265e. Distribution of Sexual Assault Prevention, Safety, and Mental Health Funds – RETAINED

Executive deletes legislative intent language that encourages universities to use a portion of operations funding for sexual assault prevention, campus safety, and student mental health programs. House retains. Senate concurs with House.

Sec. 265f. College Level Equivalent Credit Examination Requirements – NOT INCLUDED

House adds language that requires public universities to develop and implement policies for awarding academic credit for college level equivalent credit examinations, allow students to earn college credit through exams once enrolled, post the policies and opportunities for credit examinations and submit a report if the university requires exam scores higher than those recommended by the American Council on Education to earn credit through examinations. Senate does not include.

Sec. 265g. Accelerated Degree Completion Pathways Requirement – NOT INCLUDED

House adds language that requires public universities to provide all students with information on accelerated degree completion pathways within the first semester of enrollment, post the information on a public website and create accelerated degree completion pathways if they do not exist. Independent colleges and universities are encouraged to create accelerated degree completion pathways. Senate does not include.

Sec. 265h. University Graduates Remaining In State Report – NOT INCLUDED

House adds language that requires public universities to report on the percentage of graduates that remain in the state upon graduation, 1 year after graduation and 5 years after graduation for the most recent five graduating classes. Senate does not include.

Sec. 266a. University Declining Enrollment Testimony – NEW

Senate adds intent language stating public universities who have a 10% decline in enrollment since 2012 may be called to testify to the House or Senate Higher Education appropriation subcommittees to answer questions on enrollment, finances, tuition and possible consolidation of services with another public university.

Major Boilerplate Changes from FY 2021-22

Sec. 268. North American Indian Tuition Waiver Reporting Requirements – RETAINED

States legislative intent that funds be allocated for unfunded Indian Tuition Waiver costs at public universities from the General Fund. Requires Department of Civil Rights to report certain information related to the waivers by January 15, and requires universities and tribal colleges receiving waiver pass-through funding to provide data under guidelines and procedures developed by the Department of Civil Rights by January 1. Executive deletes legislative intent language that states unfunded Indian Tuition Waiver costs be allocated from the General Fund. House retains. Senate concurs with House.

Sec. 269. Saginaw Chippewa Tribal College North American Indian Tuition Waiver Funding – REVISED

Specifies an \$82,400 pass-through payment from Central Michigan's North American Indian Tuition Waiver appropriation to Saginaw Chippewa Tribal College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to the Department of Civil Rights. Executive revises payment from \$82,400 to \$31,000. House concurs. Senate concurs.

Sec. 270c. Keweenaw Bay Ojibwa Community College North American Indian Tuition Waiver Funding – REVISED

Specifies a \$50,000 pass-through payment from Northern Michigan's North American Indian Tuition Waiver appropriation to Keweenaw Bay Ojibwa Community College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to the Department of Civil Rights. Executive revises payment from \$50,000 to \$87,800. House concurs. Senate concurs.

Sec. 271a. Union-Related Activities Prohibition – RETAINED

Executive deletes legislative intent language that prohibits universities from knowingly and directly using state funds to offer instructional activity that targets specific companies or specific groups of companies for unionization or decertification of a union. House retains. Senate concurs with House.

Sec. 274. Embryonic Stem Cell Research Reporting – REVISED

Executive deletes legislative intent language that requires universities conducting research using human embryonic stem cells to report to the Department of Health and Human Services regarding compliance with federal guidelines and stem cell lines derived by university. House revises reporting dates. Senate revises reporting dates and changes report recipient to the House and Senate Higher Education appropriation subcommittees, fiscal agencies and state budget director.

Sec. 274a. Ethical Stem Cell/Fetal Tissue Research – NOT INCLUDED

House adds language that specifies a public research university will be awarded research grant funding if the university agrees to not conduct any research on aborted fetal tissue. Senate does not include.

Sec. 275. University Veteran-Friendly Policies – RETAINED

Requires universities to participate in the Yellow Ribbon GI Education Enhancement Program and provide other veterans-related services. Requires report on program participation. States universities should consider all veterans as in-state residents for determining tuition/fees and waive enrollment fees for all veterans. Requires reasons programming and scheduling accommodation for military duties and training obligations. Requires report on all services provided specific to veterans and active duty military personnel. House adds language requiring universities to provide college-level equivalent credit examination opportunities for veterans, active military members, National Guard or military reserves, and to grant college credit or create a structure that awards college credit for military service and prior experiences. Senate retains.

Sec. 275a. Self-Liquidating Projects Restriction and Capital Outlay Reporting – DELETED

Executive deletes language 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% appropriation reduction if funds are used for a self-liquidating project. House retains. Senate concurs with Executive.

Sec. 275b. Veteran-Friendly Admissions Policies – RETAINED

Requires universities, when aware that an applicant for admission is a veteran or member of the military, to notify applicant of potential availability of academic credit for college-level military training. House adds language requiring universities to inform applicants of college level equivalent credit examination opportunities. Senate retains.

Sec. 275d. Communication with the Legislature – RETAINED

Executive deletes legislative intent language that urges a university to not take disciplinary action against an employee for communicating with the legislature. House retains. Senate retains.

Sec. 275f. Free and Open Speech Policies Reporting Requirement – RETAINED

Executive deletes legislative intent language that requires universities to report on activities related to strategic planning or assessment of policies that provide for open and free speech while protecting students from hate speech and discrimination. House retains. Senate retains.

Major Boilerplate Changes from FY 2021-22

Sec. 275g. COVID-19 Federal Funding Reporting Requirement – RETAINED

Executive deletes language that requires universities to report all federal funding received related to the COVID-19 pandemic and requires report to be posted on a public website. House revises language to include the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act of 2021. Senate retains.

Sec. 275h. Campus Advocacy Policy – RETAINED

Executive deletes legislative intent language that requires universities adopt advocacy policies for distribution and demonstrations around first amendment activities and political speech. House retains. Senate retains.

Sec. 275i. University COVID-19 Vaccination Exemption Requirement – REVISED

Executive deletes exemptions and reporting requirements that universities must provide to students if a campus mandatory vaccine policy is implemented. House retains. Senate revises language specifying a public university cannot require a COVID-19 vaccination for enrollment, on-campus housing or in-person courses, cannot issue a fine or penalty to a student who does not complete a COVID-19 test, and shall have monthly operations payments withheld for violation of the policy.

Sec. 275j. Post-Secondary Degree, Certification or Credential Obtainment Goal – NOT INCLUDED

Executive adds language that states a goal is set of 60% of Michigan residents achieve a post-secondary credential, certification or degree by 2030 as Sec. 275h. House concurs but adds as Sec. 275j. Senate does not include.

Sec. 275j. Pregnant and Parenting Student Services Program Requirements – NEW

Senate adds language detailing the \$33,300 payment included in each university's operations appropriation and requirements for operating a pregnant and parenting student service office, adds a reporting requirement for universities that establish a program, and requires unexpended and unencumbered funding to be returned to the state.

Sec. 275k. Public University Operations Rainy Day Fund – NOT INCLUDED

House adds language that encourages public universities to maintain a rainy day fund that equals at least 5% of the university's general fund operating budget. Senate does not include.

Sec. 276. Martin Luther King, Jr. – Cesar Chavez – Rosa Parks (KCP) Future Faculty Program – DELETED

Provides for program, funded by allocations from public university appropriations, intended to increase number of academically or economically disadvantaged candidates pursuing faculty teaching careers, and details requirements of unexpended and unencumbered program funds. Executive adds language to include revenue collected from defaulted fellowship agreements. House concurs. Senate deletes.

Sec. 277. KCP College Day Program – DELETED

Senate deletes language that provides for program, funded by allocations from public university appropriations, intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education.

Sec. 278. KCP Select Student Support Services Program – REVISED

Provides for program, funded by distinct appropriation for grants to public/independent institutions, intended to develop academically/economically disadvantaged student retention programs. Executive adds language specifying a two-year award period. House concurs. Senate revises language detailing the \$131,300 payment included in each university's operation appropriation for student retention programs. The program must include equal university-based funding, limits administrative costs, adds a reporting requirement for universities that establish a program, and requires unexpended and unencumbered funding to be returned to the state.

Sec. 279. KCP College/University Partnership Program – DELETED

Provides for program, funded by distinct appropriation for grants to public/independent institutions, intended to increase the number of academically or economically disadvantaged students who transfer from community colleges to baccalaureate institutions. Executive adds language specifying a two-year award period. House concurs. Senate deletes.

Sec. 280. KCP Visiting Professors Program – DELETED

Provides for program, funded by allocations from public university appropriations, intended to increase the number of instructors to provide role models for academically or economically disadvantaged students, and details requirements of unexpended and unencumbered program funds. Executive adds language specifying a two-year award period. House concurs. Senate deletes.

Sec. 281a. KCP Reporting Requirements – DELETED

Executive deletes language that requires public universities to report various data about the six support programs behind the King-Chavez-Parks university programs to the Department of Labor and Economic Opportunity (LEO) by December 15 and requires LEO report the compiled information to the legislature and state budget director by February 15. House retains. Senate concurs with Executive.

Major Boilerplate Changes from FY 2021-22

Sec. 282. Unspent KCP Funds Reporting Requirement, Reallocation, and Financial Aid Restriction – DELETED
Senate deletes language that provides for reallocation of KCP grant funds from institutions that do not fully expend their funds and deletes report that details unexpended funds and plan to expend remaining funds by end of fiscal year.

Sec. 286b. Bachelor of Science in Nursing Articulation Agreements Reporting – DELETED
Executive deletes language that requires any university with a bachelor of science in nursing program to report on a summary of efforts on establishing articulation agreements with community colleges. House retains. Senate concurs with Executive.

Sec. 291. Auditor General University Performance Audits – RETAINED
Executive deletes language that permits the Office of Auditor General to conduct performance audits of public universities. House retains. Senate retains.

<u>Supplemental Recommendations for FY 2021-22 Appropriations</u>		<u>FY 2021-22 Recommendation</u>
1. FY 2021-22 MPERS One-Time Payment	Gross	\$0
<u>House</u> adds \$200.0 million SAF for a one-time payment for MPERS UAAL Restricted		0
contributions to the system for the seven universities with MPERS employees GF/GP		\$0
(Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western).		
<u>Senate</u> does not include.		

FY 2022-23 University Operations Appropriations As Passed by the Senate

University	Base Changes			Performance Formula Measures						Indian Tuition Waiver				Change From		
	FY 2021-22 Indian Tuition Waiver	FY 2021-22 One-Time Payment	*FY 2021-22 Base Appropriation	King- Chavez- Parks Removal	Student Retention & Pregnant Parenting Services	33.3% Across-the- Board	33.3% Degrees Conferred	33.3% Student Headcount	Total On- Going Performance Funding Payment	Total One- Time Performance Funding Payment	Indian Tuition Waiver Pass- through payments	Indian Tuition Waiver Adjustment	Total FY23 Indian Tuition Waiver Payment	Proposed FY 2022-23 Appropriation	Percent Change	Change From FY 2021-22 Total
Central	\$1,964,500	\$876,000	\$87,600,000	(195,400)	\$164,600	\$1,606,000	\$1,611,136	\$1,399,758	\$4,616,900	\$4,616,900	\$31,000	(\$171,400)	\$1,793,100	\$98,596,100	9.0%	\$8,155,600
Eastern	279,700	772,500	77,253,700	(210,100)	164,600	1,416,318	1,347,991	1,324,179	4,088,500	4,088,500	0	73,900	353,600	85,738,800	9.5%	7,432,900
Ferris	965,800	550,300	55,025,500	(91,000)	164,600	1,008,801	1,119,932	904,349	3,033,100	3,033,100	0	(138,900)	826,900	61,992,200	9.6%	5,450,600
Grand Valley	1,177,200	723,100	72,313,500	(75,300)	164,600	1,325,747	1,816,953	1,897,606	5,040,300	5,040,300	0	102,100	1,279,300	83,762,700	12.9%	9,548,900
Lake Superior	926,500	133,100	13,307,000	(54,400)	164,600	243,962	166,032	154,490	564,500	564,500	0	(137,700)	788,800	15,335,000	6.7%	968,400
Michigan State	1,932,800	2,873,300	287,331,700	(312,000)	164,600	5,267,748	5,672,935	5,975,349	16,916,100	16,916,100	0	113,600	2,046,400	323,062,900	10.6%	30,925,100
Michigan Tech	769,300	501,000	50,101,600	(148,400)	164,600	918,529	561,062	558,717	2,038,300	2,038,300	0	78,100	847,400	55,041,800	7.1%	3,669,900
Northern	1,051,500	478,100	47,809,100	(78,000)	164,600	876,500	518,771	604,227	1,999,500	1,999,500	87,800	109,800	1,161,300	53,056,000	7.5%	3,717,300
Oakland	334,000	531,500	53,147,400	(172,000)	164,600	974,369	1,451,369	1,507,682	3,933,400	3,933,400	0	21,300	355,300	61,362,100	13.6%	7,349,200
Saginaw Valley	153,900	305,800	30,583,800	(64,600)	164,600	560,703	490,890	652,419	1,704,000	1,704,000	0	34,400	188,300	34,280,100	10.4%	3,236,600
UM-Ann Arbor	1,075,600	3,219,700	321,970,100	(276,400)	164,600	5,902,785	6,258,863	5,760,359	17,922,000	17,922,000	0	(237,900)	837,700	358,540,000	9.9%	32,274,600
UM-Dearborn	165,000	261,700	26,167,000	(71,300)	164,600	479,728	740,252	713,776	1,933,800	1,933,800	0	81,200	246,200	30,374,100	14.2%	3,780,400
UM-Flint	345,000	236,200	23,616,200	(67,900)	164,600	432,964	510,940	554,816	1,498,700	1,498,700	0	39,400	384,400	27,094,700	12.0%	2,897,300
Wayne State	469,700	2,030,000	202,996,700	(251,300)	164,600	3,721,606	2,960,341	3,156,432	9,838,400	9,838,400	0	(116,600)	353,100	222,939,900	8.5%	17,443,500
Western	795,300	1,115,200	111,522,200	(210,400)	164,600	2,044,574	1,552,868	1,616,175	5,213,600	5,213,600	0	(196,000)	599,300	122,502,900	8.0%	9,070,200
TOTAL:	\$12,405,800	\$14,607,500	\$1,460,745,500	(\$2,278,500)	\$2,469,000	\$26,780,330	\$26,780,331	\$26,780,330	\$80,341,100	\$80,341,100	\$118,800	(\$344,700)	\$12,061,100	\$1,633,679,300	9.8%	145,920,500
Performance Funding Increase:			\$160,682,000													
Percent Increase:			11.0%													

Performance formula groups Michigan State, UM-Ann Arbor and Wayne State into one group and the remaining 12 universities into a second group

Requirements to receive performance funding for FY 2022-23, 2023-24, and 2024-25:

1. Restrain FY 2022-23 resident undergraduate tuition/fee rate increase to 5.0% or \$722 (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

Requirements to avoid a 10% reduction in operations funding:

1. Submit Sec. 274c & 274d Title IX reports
2. Comply with various Title IX requirements listed in Sec. 265b

*Does not include one-time funding for FY 2021-22