

**HIGHER EDUCATION: FY 2010-11
Summary: As Passed by the Senate
Senate Bill 1157 (S-1)**



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IDG/IDT	FY 2009-10 YTD as of 2/11/10	FY 2010-11 Executive	FY 2010-11 Senate	FY 2010-11 House	FY 2010-11 Enacted	Difference: Senate From FY 2009-10 YTD	
						Amount	%
	\$0	\$0	\$0			\$0	--
Federal							
ARRA	68,238,000	0	0			(68,238,000)	(100.0)
Non-ARRA	5,900,000	4,500,000	11,800,000			5,900,000	100.0
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	30,400,100	30,400,000	30,400,000			(100)	(0.0)
GF/GP	1,507,705,200	1,543,378,500	1,527,238,500			19,533,300	1.3
Gross	1,612,243,300	1,578,278,500	1,569,438,500			(42,804,800)	(2.7)
FTEs	1.0	1.0	1.0			0.0	0.0

Notes: (1) FY 2009-10 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 11, 2010. (2) "ARRA" represents temporary funds received under the federal American Recovery and Reinvestment Act.

Overview

The Higher Education budget contains funding for operational support of the state's 15 public universities, various financial aid programs for students attending public and independent colleges and universities in the state, and several other higher education-related programs. Appropriations for the 15 public universities are separated into two separate subparts: Research Universities (Michigan State, UM-Ann Arbor, and Wayne State) and State Universities (remaining 12 universities).

Major Budget Changes From FY 2009-10 YTD Appropriations	FY 2009-10 YTD (as of 2/11/10)	Senate Change From YTD
1. University Operations	Gross \$1,461,182,600	(\$45,807,700)
Executive replaces \$40.5 million in funding available for FY 2009-10 only from the State Fiscal Stabilization Fund (SFSF) under the American Recovery and Reinvestment Act (ARRA) with an equal amount of GF/GP funding, holding each university's Gross appropriation flat from FY 2009-10. Senate concurs with baseline adjustment but applies 3.1% reduction to each of the 15 university operations line items for a total Gross reduction of \$45.8 million.	ARRA 40,483,100	(40,483,100)
	GF/GP \$1,420,699,500	(\$5,324,600)
2. Agricultural Experiment Station	Gross \$34,198,900	(\$1,072,200)
Executive replaces \$16.1 million in funding available for FY 2009-10 only from the SFSF under ARRA with an equal amount of GF/GP funding, holding Gross appropriation flat from FY 2009-10. Senate concurs with baseline adjustment but applies 3.1% reduction (\$1.1 million) to line item from Gross FY 2009-10 level.	ARRA 16,082,900	(16,082,900)
	GF/GP \$18,116,000	\$15,010,700
3. Cooperative Extension Service	Gross \$29,497,000	(\$924,800)
Executive replaces \$11.7 million in funding available for FY 2009-10 only from the SFSF under ARRA with an equal amount of GF/GP funding, holding Gross appropriation flat from FY 2009-10. Senate concurs with baseline adjustment but applies 3.1% reduction (\$924,800) to line item from Gross FY 2009-10 level.	ARRA 11,672,000	(11,672,000)
	GF/GP \$17,825,000	\$10,747,200

Major Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 2/11/10)	Senate Change From YTD
4. State Competitive Scholarship Program	Gross	\$17,608,500	(\$1,400,000)
<u>Executive</u> removes \$1.4 million in federal funds no longer available for the program due to overall reductions in need-based state financial aid funding. <u>Senate</u> concurs.	Federal	2,900,000	(1,400,000)
	GF/GP	\$14,708,500	\$0
5. Tuition Grant Program	Gross	\$31,664,700	\$0
<u>Executive</u> eliminates \$31.7 million GF/GP appropriation for Tuition Grant Program, a need-based program for students attending independent colleges and universities. <u>Senate</u> maintains funding at current-year level	GF/GP	\$31,664,700	\$0
6. Merit Award Program	Gross	\$100	(\$100)
<u>Executive</u> removes \$100 placeholder included in FY 2009-10 budget for any remaining costs of program, which ended with students graduating from high school in 2006. <u>Senate</u> concurs.	Restricted	100	(100)
7. Tuition Incentive Program	Gross	\$31,200,000	\$6,200,000
<u>Executive</u> assumes projected cost increase of \$6.2 million due to continued increase in number of Medicaid-eligible students graduating from high school and enrolling in associate's degree programs. Proposed policy changes to (1) limit reimbursed costs for associate's degree students at public universities to average community college tuition rate and (2) eliminate second phase of program (up to \$2,000 toward bachelor's degree) would save an estimated \$7.3 million. Proposed net reduction in program funding is \$1.1 million; remaining \$30.1 million funded from Merit Award Trust Fund. <u>Senate</u> includes \$7.3 million in assumed Temporary Assistance to Needy Families (TANF) funding above <u>Executive</u> funding level to fund projected program costs under current provisions.	Federal	0	7,300,000
	Restricted	30,100,000	0
	GF/GP	\$1,100,000	(\$1,100,000)
8. Children of Veterans and Officer's Survivor Tuition Program	Gross	\$1,000,000	\$200,000
<u>Executive</u> includes increase of \$200,000 GF/GP for (1) transfer of Officer's Survivor Tuition Program funding from State Police budget (\$48,500 in FY 2009-10) and (2) anticipated increase in costs for Children of Veterans Tuition Grant Program. A portion of this line item (\$300,000) is funded from income tax check-off contributions. <u>Senate</u> concurs.	Restricted	300,000	0
	GF/GP	\$700,000	\$200,000
9. Other Higher Education Programs	Gross	\$5,891,500	\$0
Appropriations for remaining programs in the Higher Education budget are all maintained at current FY 2009-10 levels by both <u>Executive</u> and <u>Senate</u> : King-Chavez-Parks grant programs, Higher Education Database (HEIDI), Midwestern Higher Education Compact dues, Robert C. Byrd Honors Scholarship Program, and Project GEAR UP.	Federal	3,000,000	0
	GF/GP	\$2,891,500	\$0

Major Boilerplate Changes From FY 2009-10

Sec. 211. Deprived and Depressed Communities – NOT INCLUDED

Directs universities to ensure that businesses in deprived and depressed communities compete for and perform contracts. Executive adds new section; Senate does not include.

Sec. 212. Payments to Universities – RETAINED

Provides for 11 monthly payments to universities. Executive revisions: (1) Allows, rather than requires, withholding of payment if university fails to submit HEIDI data. (2) Eliminates requirement of fiscal agency report on appropriation procedures. Senate retains current language.

Sec. 214. Tuition Tax Credit – RETAINED

Requires universities to submit Tuition Tax Credit notification to fiscal agencies. Executive deletes; Senate retains.

Sec. 217. Conflicts of Interest – DELETED

States intent that state university governing boards examine university operations for potential conflicts of interest. Executive deletes; Senate concurs.

Sec. 302. Tuition Grants – RETAINED

Provides for distribution of funds appropriated for Tuition Grants. Executive deletes (along with funding); Senate retains.

Major Boilerplate Changes From FY 2009-10

Sec. 310. Tuition Incentive Program (TIP) – MODIFIED

Provides for TIP eligibility/awards. Executive revisions would (1) limit reimbursed costs for associate's degree students at public universities to average community college in-district tuition rate and (2) eliminate second phase of program (up to \$2,000 toward bachelor's degree). Adds prohibition on eligibility for incarcerated individuals. Senate does not include proposed reimbursement limit or elimination of second phase; does include prohibition for incarcerated individuals.

Sec. 316. Financial Aid Workgroup – DELETED

States intent for workgroup to examine and make recommendations regarding state financial aid programs. Executive deletes; Senate concurs.

Sec. 317. Intent Regarding Tuition Grants – RETAINED

States intent that, if economy improves and state revenues increase, funding of Tuition Grants is one of foremost priorities in Higher Education budget. Executive deletes; Senate retains.

Sec. 318. Intent Regarding Promise Grants – DELETED

States intent that, if economy improves and state revenues increase, funding of Promise Grants is one of foremost priorities in Higher Education budget. Executive deletes; Senate concurs.

Sec. 319. Intent Regarding Financial Aid Programs – MODIFIED

States intent that, if economy improves and state revenues increase, funding of Competitive Scholarship, Nursing Scholarship, Work Study, Part-Time Independent Student, and Michigan Education Opportunity Grant Programs are among foremost priorities in Higher Education budget. Executive deletes; Senate retains but includes only intent regarding Competitive Scholarships.

Sec. 402. Douglas Lake Biological Station – RETAINED

Designates University of Michigan Douglas Lake Biological Station as a unique resource. Executive deletes; Senate retains.

Sec. 426. Private Bookstores – MODIFIED

States intent regarding private bookstore access to required textbook lists and university-administered financial accounts; states intent regarding university review process for textbook requirements. Executive deletes. Senate replaces with new language stating intent that each university develop policies for minimizing the costs of textbooks and course materials and submit a report on those policies.

Sec. 433. Project GREEN – MODIFIED

Allocates funds from Agricultural Experiment and Cooperative Extension line items for Project GREEN (Generating Research and Extension to meet Environmental and Economic Needs). Executive deletes subsection stating intent for additional funding for bioeconomy research. Senate concurs.

Sec. 434. Future Farmers of America – RETAINED

Requires Michigan State University to allocate \$80,000 from its appropriation to the Future Farmers of America Association. Executive deletes; Senate retains.

Sec. 436. ARRA Funding – DELETED

Requires that funds appropriated from SFSF of ARRA be used to mitigate tuition/fee increases or modernize/renovate/repair facilities, consistent with ARRA provisions. Executive deletes; Senate concurs. (ARRA funds for Higher Education available in FY 2009-10 only.)

Sec. 450. Per-Student Funding Floor – RETAINED

States intent to allocate funds for per-student funding floor of \$3,775 from GF/GP balance at fiscal year-end. Executive deletes; Senate retains

Sec. 451. Indian Tuition Waiver Costs – DELETED

States intent to allocate funds for unfunded Indian Tuition Waiver costs from GF/GP balance at fiscal year-end. Executive deletes; Senate concurs.

Sec. 463. Students from Macomb County – DELETED

Requires universities to report regarding outreach efforts to enroll students from Macomb County. Executive deletes; Senate concurs.

Sec. 471. Timely Graduation – DELETED

States intent that universities limit changes to general graduation requirements during a student's enrollment and provide counseling to facilitate timely graduation. Executive deletes; Senate concurs.

Sec. 480. Veterans Policies – RETAINED

States intent for universities to participate in the Yellow Ribbon GI Education Enhancement Program and implement other veterans-related policies. Executive deletes reporting requirement; Senate retains requirement.

Major Boilerplate Changes From FY 2009-10

Sec. 482. Competitive Bidding – NEW

States intent that each university submit a report on the university's use of competitive bid processes for procurement of services, including custodial and food services. Senate adds new section.

Sec. 484. Embryonic Stem Cells – NEW

States intent that each university conducting research using human embryonic stem cells derived from donated human embryos submit a report to the Department of Community Health regarding that research. Senate adds new section.

Sec. 486. Student Religious Beliefs – NEW

States intent that universities report on efforts to accommodate the sincerely-held religious beliefs of students enrolled in counseling degree programs. Senate adds new section.

Sec. 701a. New Degree Programs – DELETED

Lists new degree programs established by state universities for which credit hours may be reported to HEIDI. Executive deletes; Senate retains. (New list pending from Presidents Council.)

FY 2010-11 Higher Education Budget

As Passed by the Senate



Research Universities

	(1) FY 2009-10 Year-to-Date as of 2/11/10	(2) Replace ARRA Funds with GF/GP	(3) 3.1% Across- the-Board Reduction	(4) Financial Aid Changes	(5) FY 2010-11 Senate- Passed	(6) Change from FY 2009-10 \$ Amount	(7) Percent	(8) Change from Exec Rec
Michigan State	\$291,841,700	\$0	(\$9,149,200)		\$282,692,500	(\$9,149,200)	(3.1)	(\$9,149,200)
UM - Ann Arbor	325,347,400	0	(10,199,600)		315,147,800	(10,199,600)	(3.1)	(10,199,600)
Wayne State	220,329,200	0	(6,907,300)		213,421,900	(6,907,300)	(3.1)	(6,907,300)
Agricultural Experiment Station	34,198,900	0	(1,072,200)		33,126,700	(1,072,200)	(3.1)	(1,072,200)
Cooperative Extension	29,497,000	0	(924,800)		28,572,200	(924,800)	(3.1)	(924,800)
Subtotal	\$901,214,200	\$0	(\$28,253,100)	\$0	\$872,961,100	(\$28,253,100)	(3.1)	(\$28,253,100)
Federal - ARRA	50,466,800	(50,466,800)			0	(50,466,800)	--	0
State GF/GP	\$850,747,400	\$50,466,800	(\$28,253,100)	\$0	\$872,961,100	\$22,213,700	2.6	(\$28,253,100)

State Universities

Central Michigan	\$82,436,000	\$0	(\$2,584,400)		\$79,851,600	(\$2,584,400)	(3.1)	(\$2,584,400)
Eastern Michigan	78,212,100	0	(2,451,900)		75,760,200	(2,451,900)	(3.1)	(2,451,900)
Ferris State	50,017,100	0	(1,568,000)		48,449,100	(1,568,000)	(3.1)	(1,568,000)
Grand Valley State	63,758,300	0	(1,998,800)		61,759,500	(1,998,800)	(3.1)	(1,998,800)
Lake Superior State	13,059,200	0	(409,400)		12,649,800	(409,400)	(3.1)	(409,400)
Michigan Tech	49,302,100	0	(1,545,600)		47,756,500	(1,545,600)	(3.1)	(1,545,600)
Northern Michigan	46,438,200	0	(1,455,800)		44,982,400	(1,455,800)	(3.1)	(1,455,800)
Oakland	52,220,800	0	(1,637,100)		50,583,700	(1,637,100)	(3.1)	(1,637,100)
Saginaw Valley State	28,517,700	0	(894,000)		27,623,700	(894,000)	(3.1)	(894,000)
UM - Dearborn	25,437,100	0	(797,400)		24,639,700	(797,400)	(3.1)	(797,400)
UM - Flint	21,498,900	0	(674,000)		20,824,900	(674,000)	(3.1)	(674,000)
Western Michigan	112,766,800	0	(3,535,200)		109,231,600	(3,535,200)	(3.1)	(3,535,200)
Subtotal	\$623,664,300	\$0	(\$19,551,600)	\$0	\$604,112,700	(\$19,551,600)	(3.1)	(\$19,551,600)
Federal - ARRA	17,771,200	(17,771,200)			0	(17,771,200)	--	0
State GF/GP	\$605,893,100	\$17,771,200	(\$19,551,600)	\$0	\$604,112,700	(\$1,780,400)	(0.3)	(\$19,551,600)

State/Regional/Grants/Financial Aid

Higher Education Database	\$105,000				\$105,000	\$0	0.0	\$0
Midwestern Higher Ed Compact	95,000				95,000	0	0.0	0
King-Chavez-Parks (three lines)	2,691,500				2,691,500	0	0.0	0
State Competitive Scholarships	17,608,500			(1,400,000)	16,208,500	(1,400,000)	(8.0)	0
Tuition Grants	31,664,700				31,664,700	0	0.0	31,664,700
Robert C. Byrd Honors Scholarship Program	1,500,000				1,500,000	0	0.0	0
Michigan Merit Award Program	100			(100)	0	(100)	(100.0)	0
Tuition Incentive Program	31,200,000			6,200,000	37,400,000	6,200,000	19.9	7,300,000
Children of Vets and Officer's Survivor Programs	1,000,000			200,000	1,200,000	200,000	20.0	0
Project GEAR UP	1,500,000				1,500,000	0	0.0	0
Subtotal	\$87,364,800	\$0	\$0	\$4,999,900	\$92,364,700	\$4,999,900	5.7	\$38,964,700
Federal - Other	5,900,000			5,900,000	11,800,000	5,900,000	100.0	7,300,000
Merit Award Trust Fund	30,100,100			(100)	30,100,000	(100)	(0.0)	0
State Restricted - Other	300,000				300,000	0	0.0	0
State GF/GP	\$51,064,700	\$0	\$0	(\$900,000)	\$50,164,700	(\$900,000)	(1.8)	\$31,664,700
TOTAL - HIGHER EDUCATION	\$1,612,243,300	\$0	(\$47,804,700)	\$4,999,900	\$1,569,438,500	(\$42,804,800)	(2.7)	(\$8,840,000)
Federal	74,138,000	(68,238,000)	0	5,900,000	11,800,000	(62,338,000)	(84.1)	7,300,000
State Restricted	30,400,100	0	0	(100)	30,400,000	(100)	(0.0)	0
State GF/GP	\$1,507,705,200	\$68,238,000	(\$47,804,700)	(\$900,000)	\$1,527,238,500	\$19,533,300	1.3	(\$16,140,000)