



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

BILL



ANALYSIS

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House Bill 5314 (H-2) CR 1:
FY 2014-15 Education Omnibus Appropriation Bill

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General Omnibus Appropriation Bill House Bill 5313 (H-1) CR-1		
Department/Budget Area	FY 2014-15 Gross Appropriation	FY 2014-15 GF/GP Appropriation
Agriculture and Rural Development	\$84,462,200	\$45,916,200
Attorney General	93,822,300	38,267,100
Civil Rights	16,644,200	13,448,200
Community Health	18,215,375,900	3,239,701,400
Corrections	2,040,521,700	1,980,798,400
Education	287,096,100	82,083,000
Environmental Quality	502,591,800	40,875,900
Executive	5,916,100	5,916,100
Human Services	5,755,174,700	995,452,600
Insurance and Financial Services	65,189,700	55,000
Judiciary	287,767,600	186,527,400
Legislative Auditor General	22,158,800	14,937,300
Legislature	131,930,500	127,420,700
Licensing and Regulatory Affairs	542,488,200	40,033,800
Military and Veterans Affairs	166,943,700	49,154,500
Natural Resources	384,685,400	48,591,500
State	223,984,900	17,539,000
State Police	639,573,000	384,171,000
Technology, Management, and Budget	1,262,810,400	479,098,500
Transportation	3,701,098,600	286,147,900
Treasury-Debt Service	152,395,000	152,395,000
Treasury-Operations	605,186,400	177,668,300
Treasury-Revenue Sharing	1,226,312,400	0
Treasury-Strategic Fund Agency	964,129,900	183,992,500
Total Budget Area Appropriations	\$37,378,259,500	\$8,590,191,300
Budget Stabilization Fund Appropriation	\$94,000,000	\$94,000,000
Total General Omnibus Appropriations	\$37,472,259,500	\$8,684,191,300

Education Omnibus Appropriation Bill House Bill 5314 (H-2) CR-1		
Department/Budget Area	FY 2014-15 Gross Appropriation	FY 2014-15 GF/GP Appropriation
Community Colleges	\$364,724,900	\$167,110,800
Higher Education	1,516,496,300	1,214,902,000
School Aid K-12	13,870,325,600	114,900,000
Total Education Omnibus Appropriations	\$15,751,546,800	\$1,496,912,800

	FY 2014-15 Gross Appropriation	FY 2014-15 GF/GP Appropriation
TOTAL GENERAL/EDUCATION APPROPRIATIONS	\$53,223,806,300	\$10,181,104,100



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FY 2013-14 Year-to-Date Gross Appropriation \$13,322,291,100

Changes from FY 2013-14 Year-to-Date:

Items Included by the Senate and House

- | | |
|--|---------------|
| 1. MPSERS Rate Cap. Governor, Senate, and House increased required funding for the Michigan Public School Employees' Retirement System (MPSERS) rate cap, where school employers pay no more than 20.96% of payroll toward unfunded accrued liabilities (UAL). | 268,800,000 |
| 2. Great Start Readiness Program (GSRP). Governor, Senate, and House proposed another \$65.0 million increase in GSRP funding to provide preschool to at-risk four-year-olds. Of the increase, \$25.0 million is set aside in a reserve fund that would be spent upon legislative transfer. | 65,000,000 |
| 3. Federal Grants. Governor, Senate, and House increased Federal funds by \$43.7 million. | 43,741,400 |
| 4. Technical Cost Adjustments. Technical cost adjustments were included for the foundation allowance, special education, debt service, and PILT and Promise Zone payments. | (126,257,800) |
| 5. Program Transfers. Governor, Senate, and House proposed transferring out MPSERS rate cap costs and Renaissance Zone reimbursement for libraries. | (4,500,000) |
| 6. Economic Adjustments. Included a negative \$85,400 Gross and a negative \$69,700 GF/GP for OPEB and \$218,600 Gross and \$157,400 GF/GP for economics. | 133,200 |

Conference Agreement on Items of Difference

- | | |
|--|--------------|
| 7. MPSERS Rate Cap Lowering. Governor and House proposed to repurpose an existing \$100.0 million in MPSERS grants to districts to instead lower the rate cap on UAL from 20.96% of payroll to 19.76% of payroll. Senate rolled into foundation. Conference retained current law, meaning the cost offset grants are funded at \$100.0 million and the rate cap remains 20.96%. | 0 |
| 8. Foundation Allowance Increase. Governor proposed a modified '2x', where all districts would receive a \$55 increase, plus something between \$28 and \$56 per pupil, costing \$150.0 million. Senate retained the standard 2x formula, with increases ranging between \$150 and \$300. House had 2x plus across the board. Conference funds a straight \$50 across-the-board, and up to \$125 equity payment, such that minimum operational funding would increase from \$7,076 to \$7,251. | 177,000,000 |
| 9. Educator Evaluations. Governor proposed a new \$27.8 million appropriation to fund teacher and administrator evaluations. Senate and House did not include. Conference funded at \$14.8 million in a reserve, that would be expended upon enactment of House Bills 5223 and 5224. | 14,800,000 |
| 10. Fiscal Emergency Fund. Governor and House proposed a new \$10.0 million District Fiscal Emergency Contingency Fund. Senate did not include. Conference funded at \$4.0 million. | 4,000,000 |
| 11. New or Increased Programs. Conference added \$108.0 million for an additional MPSERS liability payment, \$3.0 million for bus conversion, \$1.8 million for teacher certification review, \$1.2 million for nutrition education, \$4.7 million to fully fund pupil performance, \$6.2 million for additional assessment costs, \$250,000 for a career readiness study, \$1.75 million for encouraging dual enrollment, \$3.0 million for ISDs, \$2.5 million for CEPI, and \$330,000 for STEM. | 132,717,700 |
| 12. Program Reductions or Eliminates. Conference reduced Best Practices \$5.0 million (and criteria are changed), reduced consolidation incentive grants \$3.0 million, reduced MVU (\$2.0 million), reduced FIRST robotics (\$1.0 million) eliminated student-centric grants (\$8.0 million), eliminated year-round schools (\$2.0 million), eliminated postsecondary transfer grants (\$1.0 million), eliminated IT opportunities (\$3.9 million), and eliminated principal evaluator training (\$0.5 million). | (27,400,000) |

Total Changes..... \$548,034,500

FY 2014-15 Conference Report Ongoing/One-Time Gross Appropriation..... \$13,870,325,600

Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2013-14 Year-to-Date:Items Included by the Senate and House

1. **Earmark for Online Test Conversion.** Governor proposed earmarking \$8.5 million out of the \$50.0 million for technology grants to convert existing student assessments to online assessments, for providing paper and pencil test versions to districts not prepared for online assessments, and expanding writing assessments. Funding was moved to Section 104 (assessments). (Sec. 22i and Sec. 104)
2. **Teacher and Administrator Evaluations.** Governor required the DTMB and MDE to request proposals from vendors for educator and administrator observation tools, as specified in the Revised School Code (RSC). Funding would be distributed on a per-pupil basis to implement one of the four teacher observation tools and one of the two administrator observation tools specified in the RSC. Of the \$27.8 million cost, \$2.7 million is for educator-student rosters necessary for calculations of student growth data and \$3.0 million for value-added modeling components, an electronic reporting system, and piloting alternative evaluations for districts with special populations. Conference established a reserve for this funding, to be expended upon enactment of House Bills 5223 and 5224. (Sec. 95a)

Conference Agreement on Items of Difference

3. **Online Learning.** Governor proposed numerous language changes to the section allowing for enrollment in online courses statewide, including changing the age eligibility from grades 5 to 12 to grades 7 to 12, allowing more than two courses per term if pupil has demonstrated previous success, allowing the district to deny enrollment if the cost of the online course exceeds 6.25% of the minimum foundation allowance, allowing intermediate districts (ISDs) to offer online courses, and requiring districts and ISDs to report on online enrollments and completion rates. Conference changed grade eligibility to 6 to 12, added language requiring enrollment in prior term, and changed reimbursement to 8.33% of the minimum foundation allowance. (Sec 21f)
4. **At-Risk Allowable Uses.** Governor proposed significant changes to the allowable uses of At-Risk funds by eliminating all existing language and replacing it with the allowable uses of ensuring that third graders are proficient in reading by the end of third grade and that high school graduates are career and college ready. Conference concurred.(Sec. 31a)
5. **Great Start Readiness Program.** Governor and Conference proposed allowing ISDs to provide slots to children in families with income levels at or below 300% of the Federal poverty level (FPL) if all children in the ISD in families with income levels at or below 250% of the FPL are being served. Conference did not increase per-pupil slot funding, but did earmark \$150 per pupil for transportation, and allowed enrollment across ISD boundaries. (Sec 32d and 39)
6. **Days and Hours.** House and Conference increased days of instruction to 180 beginning in FY 2016-17. (Sec. 101)
7. **Deficit Districts.** Governor proposed significant changes to the Deficit District section and proposed new periodic reporting for districts in financial distress. Conference did not include. (Sec. 102 and 102a)
8. **Assessments.** Conference earmarked \$3.0 million out of the increased funding request for implementing a summative assessment under Sec. 104c. Conference earmarked \$3.2 million for the development or selection of an online reporting tool to provide student-level assessment data in a secure environment immediately after assessments are scored. Conference did not include interim assessments. Conference added a requirement that MDE develop a new MEAP for use in 2014-15 and a summative assessment for 2015-16. (Secs. 104, 104b, and 104c)
9. **Adult Education.** Governor proposed to eliminate the existing structure for adult education providers (grants to districts) and replace it with one that provides funding to ISDs based on 10 prosperity regions and the numbers of persons not high school graduates or those lacking basic English proficiency in the regions. The change in funding would be phased-in, with 67% of the funding in FY 2014-15 based on the previous formula, but summed to the prosperity regions on an ISD basis, and 33% of the funding based on the new measurement. Conference concurred. (Sec. 107)
10. **MPSERS Cost Offset/Rate Cap.** Governor proposed to 'repurpose' the existing \$100.0 million in MPSERS cost offset grants to districts and instead use that money to lower the amount that districts pay toward the unfunded accrued liability from 20.96% of payroll to 19.76% of payroll. Governor also proposes a \$50.0 million transfer from the School Aid Fund to the MPSERS Reserve Fund. Conference did not concur and instead retained MPSERS cost offset grants and the rate cap remains at 20.96% of payroll. No further deposit is made to the MPSERS reserve fund. (Secs. 147, 147a, 147b, and 147c)

Date Completed: 06-10-14

Fiscal Analyst: Kathryn Summers



**Revised Estimates for FY 2013-14 and
Governor's, Senate, House, and Conference Recommendations for FY 2014-15 (Dollars in Thousands)**

Line Item Description	Revised FY 2013-14 SB 775 CR-1	Gov's Rec FY 2014-15 \$83-\$111 Per Pupil	FY 2014-15 Senate	Change from Gov's Rec	FY 2014-15 House	Change from Gov's Rec	FY 2014-15 Conference	Change from Gov's Rec
Sec. 11g Durant Non-plaintiff Debt Service	\$39,500.0	\$39,500.0	\$39,500.0	\$0.0	\$39,500.0	\$0.0	\$39,500.0	\$0.0
Sec. 11j School Bond Loan Fund Payments - Debt Service	\$131,660.0	\$142,600.0	\$142,600.0	\$0.0	\$142,600.0	\$0.0	\$126,000.0	(\$16,600.0)
Sec. 11m Cash Flow Borrowing Costs	\$2,500.0	\$4,000.0	\$4,000.0	\$0.0	\$4,000.0	\$0.0	\$4,000.0	\$0.0
Sec. 11r District Fiscal Emergency Contingency Fund - NEW	\$0.0	\$10,000.0	\$0.0	(\$10,000.0)	\$10,000.0	\$0.0	\$4,000.0	(\$6,000.0)
Sec. 11s Education Reserve Fund - NEW	\$0.0	\$0.0	\$0*	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Sec. 20F Hold Harmless in Per-Pupil Funding - NEW	\$6,000.0	\$6,000.0	\$31,000.0	\$25,000.0	\$6,000.0	\$0.0	\$6,000.0	\$0.0
Sec. 20G Student Transition Grants in Dissolved Districts	\$7,200.0	\$2,200.0	\$2,200.0	\$0.0	\$2,200.0	\$0.0	\$2,200.0	\$0.0
Sec. 20h Per-Pupil Grants - NEW	\$0.0	\$0.0	\$0.0	\$0.0	\$25,000.0	\$25,000.0	\$0.0	\$0.0
Sec 22a Proposal A Obligation Payment	\$5,526,000.0	\$5,403,000.0	\$5,403,000.0	\$0.0	\$5,403,000.0	\$0.0	\$5,393,000.0	(\$10,000.0)
Sec. 22b Discretionary Payment - State	\$3,335,000.0	\$3,578,000.0	\$3,818,000.0	\$240,000.0	\$3,569,000.0	(\$9,000.0)	\$3,492,000.0	(\$86,000.0)
Sec. 22c Equity Payment	\$36,000.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$103,000.0	\$103,000.0
Sec. 22d Isolated Districts Funding	\$2,584.6	\$2,584.6	\$2,713.8	\$129.2	\$2,025.0	(\$559.6)	\$2,584.6	\$0.0
Sec. 22f Best Practices	\$80,000.0	\$80,000.0	\$0.0	(\$80,000.0)	\$78,700.0	(\$1,300.0)	\$75,000.0	(\$5,000.0)
Sec. 22g Consolidation Innovation Grants	\$5,000.0	\$5,000.0	\$0.0	(\$5,000.0)	\$5,000.0	\$0.0	\$2,000.0	(\$3,000.0)
Sec. 22i Technology Infrastructure and iSchool	\$50,000.0	\$50,000.0	\$50,000.0	\$0.0	\$50,000.0	\$0.0	\$41,500.0	(\$8,500.0)
Sec. 22j Pupil Performance	\$46,400.0	\$46,400.0	\$0.0	(\$46,400.0)	\$51,100.0	\$4,700.0	\$51,100.0	\$4,700.0
Sec. 22k Competitive Student-Centric Grants - NEW	\$8,000.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Sec. 24 Court-Placed Pupils	\$8,000.0	\$8,000.0	\$8,000.0	\$0.0	\$8,000.0	\$0.0	\$8,000.0	\$0.0
Sec. 24a Juvenile Detention Facilities	\$2,167.5	\$2,195.5	\$2,195.5	\$0.0	\$2,195.5	\$0.0	\$2,195.5	\$0.0
Sec. 24c Challenge Program	\$1,500.0	\$1,500.0	\$1,550.0	\$50.0	\$1,500.0	\$0.0	\$1,500.0	\$0.0
Sec. 25f Strict Discipline Academies - NEW	\$2,000.0	\$0.0	\$2,000.0	\$2,000.0	\$0.0	\$0.0	\$2,000.0	\$2,000.0
Sec. 26a Renaissance Zone Costs	\$29,500.0	\$26,300.0	\$26,300.0	\$0.0	\$26,300.0	\$0.0	\$26,300.0	\$0.0
Sec. 26b PILT Reimbursement	\$4,009.5	\$4,210.0	\$4,210.0	\$0.0	\$4,210.0	\$0.0	\$4,210.0	\$0.0
Sec. 26c Promise Zone	\$266.2	\$293.1	\$293.1	\$0.0	\$293.1	\$0.0	\$293.1	\$0.0
Sec. 31a "At Risk" Pupil Support	\$308,988.2	\$308,988.2	\$308,988.2	\$0.0	\$308,988.2	\$0.0	\$308,988.2	\$0.0
Sec. 31a Vision/Hearing Screening	\$5,150.0	\$5,150.0	\$5,150.0	\$0.0	\$5,150.0	\$0.0	\$5,150.0	\$0.0
Sec. 31a Child and Adolescent Health Centers	\$3,557.3	\$3,557.3	\$3,557.3	\$0.0	\$3,557.3	\$0.0	\$3,557.3	\$0.0
Sec. 31b Year-Round Schools Pilot Program - NEW	\$2,000.0	\$2,000.0	\$2,000.0	\$0.0	\$2,000.0	\$0.0	\$0.0	(\$2,000.0)
Sec. 31d School Lunch Programs - State Share	\$22,495.1	\$22,495.1	\$22,495.1	\$0.0	\$22,495.1	\$0.0	\$22,495.1	\$0.0
Sec. 31d School Lunch Programs - Federal Share	\$463,200.0	\$513,200.0	\$513,200.0	\$0.0	\$513,200.0	\$0.0	\$513,200.0	\$0.0
Sec. 31f School Breakfast	\$5,625.0	\$5,625.0	\$5,625.0	\$0.0	\$5,625.0	\$0.0	\$5,625.0	\$0.0
Sec. 31g Nutrition Program - NEW	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$1,200.0	\$1,200.0
Sec. 32d Great Start - School Readiness	\$174,575.0	\$239,575.0	\$239,575.0	\$0.0	\$239,575.0	\$0.0	\$239,575.0	\$0.0
Sec. 32p Great Start Early Childhood Block Grants	\$10,900.0	\$10,900.0	\$10,900.0	\$0.0	\$10,900.0	\$0.0	\$10,900.0	\$0.0
Sec. 32r Race to the Top - Early Learning Challenge - Federal	\$51,737.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Sec. 39a(1) NCLB Federal DOE Grants	\$811,828.5	\$807,969.9	\$807,969.9	\$0.0	\$807,969.9	\$0.0	\$807,969.9	\$0.0
Sec 39a(2) Other Non-NCLB Federal DOE Grants	\$31,700.0	\$31,300.0	\$31,300.0	\$0.0	\$31,300.0	\$0.0	\$31,300.0	\$0.0
Sec. 41 Bilingual Education	\$1,200.0	\$1,200.0	\$1,200.0	\$0.0	\$1,200.0	\$0.0	\$1,200.0	\$0.0
Sec. 43 Teacher Certification Test Review	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,800.0	\$1,800.0
Sec. 51c Special Education Headlee - State Share	\$613,200.0	\$630,500.0	\$630,500.0	\$0.0	\$630,500.0	\$0.0	\$630,500.0	\$0.0
Sec. 51a(2) Spec. Ed. Foundations - State Share	\$247,000.0	\$252,000.0	\$252,000.0	\$0.0	\$252,000.0	\$0.0	\$252,000.0	\$0.0
Sec. 51a(3) Spec. Ed. Hold Harmless to ISDs - State Share	\$1,000.0	\$1,000.0	\$1,000.0	\$0.0	\$1,000.0	\$0.0	\$1,000.0	\$0.0
Sec. 51a(11) Spec. Ed. Non Sec. 52 to ISDs - State Share	\$3,500.0	\$3,300.0	\$3,300.0	\$0.0	\$3,300.0	\$0.0	\$3,300.0	\$0.0
Sec. 51a(6) Spec. Ed. Rules Change - State Share	\$2,200.0	\$2,200.0	\$2,200.0	\$0.0	\$2,200.0	\$0.0	\$2,200.0	\$0.0
Sec. 53a Court-Placed Spec. Ed. FTEs - State Share	\$13,500.0	\$10,500.0	\$10,500.0	\$0.0	\$10,500.0	\$0.0	\$10,500.0	\$0.0
Sec. 54 MI School for Deaf and Blind - State Share	\$1,688.0	\$1,688.0	\$1,688.0	\$0.0	\$1,688.0	\$0.0	\$1,688.0	\$0.0
Sec. 56 Spec. Ed. Millage Equalization - State Share	\$37,758.1	\$37,758.1	\$37,758.1	\$0.0	\$37,758.1	\$0.0	\$37,758.1	\$0.0
Sec. 51a Special Education - Federal IDEA	\$370,000.0	\$370,000.0	\$370,000.0	\$0.0	\$370,000.0	\$0.0	\$370,000.0	\$0.0
Sec. 51d Special Education - Other Federal	\$74,000.0	\$74,000.0	\$74,000.0	\$0.0	\$74,000.0	\$0.0	\$74,000.0	\$0.0
Sec. 61a Vocational Education	\$27,611.3	\$27,611.3	\$27,611.3	\$0.0	\$28,611.3	\$1,000.0	\$27,611.3	\$0.0
Sec. 62 ISD Vocational Ed Millage Equalization	\$9,190.0	\$9,190.0	\$9,190.0	\$0.0	\$9,190.0	\$0.0	\$9,190.0	\$0.0



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Governor's, Senate, House, and Conference Recommendations for FY 2014-15 (Dollars in Thousands)**

Line Item Description	Revised FY 2013-14 SB 775 CR-1	Gov's Rec FY 2014-15 \$83-\$111 Per Pupil	FY 2014-15 Senate	Change from Gov's Rec	FY 2014-15 House	Change from Gov's Rec	FY 2014-15 Conference	Change from Gov's Rec
Sec. 64a District and Postsecondary Articulation/Transfer	\$1,000.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Sec. 64b Dual Enrollment Incentive Payments - NEW	\$0.0	\$1,750.0	\$1,750.0	\$0.0	\$1,750.0	\$0.0	\$1,750.0	\$0.0
Sec. 64c Career Readiness Study - NEW	\$0.0	\$250.0	\$0.0	(\$250.0)	\$0.0	(\$250.0)	\$250.0	\$0.0
Sec. 64d Information Technology Opportunities - NEW	\$3,900.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Sec. 74 Bus Driver Safety Instruction	\$1,625.0	\$1,625.0	\$1,625.0	\$0.0	\$1,625.0	\$0.0	\$1,625.0	\$0.0
Sec. 74 School Bus Inspections	\$1,674.0	\$1,691.5	\$1,691.5	\$0.0	\$1,691.5	\$0.0	\$1,691.5	\$0.0
Sec. 74a Bus Conversion from Diesel to Natural Gas - NEW	\$0.0	\$0.0	\$5,000.0	\$5,000.0	\$0.0	\$0.0	\$3,000.0	\$3,000.0
Sec. 81 ISD General Operations Support	\$62,115.0	\$62,115.0	\$66,682.0	\$4,567.0	\$62,115.0	\$0.0	\$65,115.0	\$3,000.0
Sec. 81(7) ISD Best Practices	\$2,000.0	\$2,000.0	\$0.0	(\$2,000.0)	\$0.0	(\$2,000.0)	\$2,000.0	\$0.0
Sec. 94 Advanced Placement (AP) Incentive Program - NEW	\$250.0	\$250.0	\$250.0	\$0.0	\$250.0	\$0.0	\$250.0	\$0.0
Sec. 94a Center for Educ. Perf. and Information - State Share	\$9,535.1	\$12,022.8	\$12,022.8	\$0.0	\$12,022.8	\$0.0	\$12,022.8	\$0.0
Sec. 94a Center for Educ. Perf. and Information - Federal	\$193.5	\$193.5	\$193.5	\$0.0	\$193.5	\$0.0	\$193.5	\$0.0
Sec. 95 Principal Educator Evaluation Training	\$500.0	\$0.0	\$500.0	\$500.0	\$0.0	\$0.0	\$0.0	\$0.0
Sec. 95a Educator Evaluations - NEW	\$0.0	\$27,800.0	\$0.0	(\$27,800.0)	\$0.1	(\$27,799.9)	\$14,800.0	(\$13,000.0)
Sec. 97 Postsecondary Urban Education Partnership - NEW	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.0	\$0.0
Sec. 98 Michigan Virtual High School - State	\$9,387.5	\$9,387.5	\$0.0	(\$9,387.5)	\$7,387.5	(\$2,000.0)	\$7,387.5	(\$2,000.0)
Sec. 99 Math/Science Centers - State	\$3,225.0	\$3,225.0	\$3,225.0	\$0.0	\$3,725.0	\$500.0	\$3,225.0	\$0.0
Sec. 99 Math/Science Centers - Federal	\$5,249.3	\$5,249.3	\$5,249.3	\$0.0	\$5,249.3	\$0.0	\$5,249.3	\$0.0
Sec. 99b STEM Professional Development - NEW	\$0.0	\$0.0	\$330.0	\$330.0	\$0.0	\$0.0	\$330.0	\$330.0
Sec. 99h FIRST Robotics	\$3,000.0	\$2,000.0	\$2,000.0	\$0.0	\$2,000.0	\$0.0	\$2,000.0	\$0.0
Sec. 102b Reimbursement for School Data Analytical Tools - NEW	\$0.0	\$0.0	\$0.0	\$0.0	\$3,000.0	\$3,000.0	\$0.0	\$0.0
Sec. 104 MEAP Testing - State Share	\$26,694.4	\$33,894.4	\$26,694.4	(\$7,200.0)	\$26,694.4	(\$7,200.0)	\$41,394.4	\$7,500.0
Sec. 104 MEAP Testing - Federal Share	\$8,250.0	\$6,250.0	\$6,250.0	\$0.0	\$6,250.0	\$0.0	\$6,250.0	\$0.0
Sec. 107 Adult Education - State	\$22,000.0	\$22,000.0	\$22,000.0	\$0.0	\$22,000.0	\$0.0	\$22,000.0	\$0.0
Sec. 147a MPSERS District Reimbursement	\$100,000.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$100,000.0	\$100,000.0
Sec. 147b MPSERS Reserve for Retirement Obligation Reform	\$0.0	\$0*	\$0.0	\$0.0	\$0*	\$0.0	\$0.0	\$0.0
Sec. 147c MPSERS Rate Cap (Section 41 of MPSERS Act)	\$406,800.0	\$783,944.0	\$674,700.0	(\$109,244.0)	\$783,944.0	\$0.0	\$674,700.0	(\$109,244.0)
Sec. 147d MPSERS Liability Extra Payment	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$108,000.0	\$108,000.0
Sec. 152. Adair v State of Michigan	\$38,000.5	\$38,000.5	\$38,000.5	\$0.0	\$38,000.5	\$0.0	\$38,000.5	\$0.0
TOTAL SCHOOL AID APPROPRIATIONS	\$13,322,291.1	\$13,797,139.6	\$13,777,434.3	(\$19,705.3)	\$13,781,230.3	(\$15,909.3)	\$13,870,325.6	\$73,186.0
TOTAL REVENUE								
Federal Aid	\$1,816,158.8	\$1,808,162.7	\$1,808,162.7	\$0.0	\$1,808,162.7	\$0.0	\$1,808,162.7	\$0.0
School Aid Fund (SAF)	\$11,200,232.3	\$11,790,976.9	\$11,921,271.6	\$130,294.7	\$11,775,067.6	(\$15,909.3)	\$11,929,262.9	\$138,286.0
General Fund/General Purpose	\$149,900.0	\$180,000.0	\$30,000.0	(\$150,000.0)	\$180,000.0	\$0.0	\$114,900.0	(\$65,100.0)
MPSERS Reforms Fund	\$156,000.0	\$18,000.0	\$18,000.0	\$0.0	\$18,000.0	\$0.0	\$18,000.0	\$0.0
TOTAL REVENUE	\$13,322,291.1	\$13,797,139.6	\$13,777,434.3	(\$19,705.3)	\$13,781,230.3	(\$15,909.3)	\$13,870,325.6	\$73,186.0

*Governor and House are recommending a \$50 million transfer of SAF into the MPSERS reserve fund, which would require an appropriation later to spend the funds.

*Senate is recommending a \$32.4m transfer of SAF into the Education Reserve Fund in Sec. 11s, which would require an appropriation later to spend the funds.



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FY 2013-14 Year-to-Date Gross Appropriation \$335,977,600

Changes from FY 2013-14 Year-to-Date:

Items Included by the Senate and House

- 1. **Performance Funding.** Governor included an \$8.9 million GF/GP (3.0%) increase for community college operations distributed through the same Performance Indicators Task Force Formula that has been used in recent budgets. Governor included a new tuition and fee restraint prerequisite (3.2%) in order to qualify for any funding increase. Senate and House did not include the tuition restraint prerequisite but concurred with the Governor's distribution of performance funding. Table 1 provides details on funding allocations. 8,947,300
- 2. **Virtual Learning Collaborative.** The FY 2013-14 budget included \$1.1 million GF/GP in one-time funding for improvements. (1,100,000)
- 3. **Michigan Public School Employees Retirement System (MPSERS) Rate Cap.** Governor, Senate, and House increased funding from \$31,400,000 to \$52,300,000 to fund the increase related to the difference between the employer's (community college's) capped contribution rate for unfunded accrued liabilities (20.96%) and the actual unfunded actuarial accrued liability contributions rate. 20,900,000

Conference Agreement on Items of Difference

- 4. **MPSERS Rate Cap Reduction.** Governor and House included \$8,533,600 to fund reducing the capped rate by 1.2%, from 20.96% to 19.76%. Governor and House partially offset the cost increase by eliminating funding for other MPSERS reimbursements that were originally appropriated to partially offset retiree health care costs (Item #5). Senate did not include funding for the capped rate reduction. Conference concurred with Senate. 0
- 5. **MPSERS Retiree Health Care.** Beginning in FY 2012-13 the budget included a \$1,733,600 appropriation from the State School Aid Fund for the purpose of partially offsetting increasing MPSERS retiree health care costs. Governor and House transferred this funding to the appropriation for MPSERS capped rate reduction (Item #4). Senate maintained the \$1,733,600 and increased funding by \$6.8 million (the funding associated with the Governor's proposal to lower the capped rate to 19.76%) for a total appropriation of \$8,533,600. Conference maintained current year appropriation level of \$1,733,600. 0
- 6. **Funding Shift.** Senate shifted \$150.0 million from the State School Aid Fund to the State General Fund. Governor and House did not include the funding shift. Conference did not include the funding shift. 0
- 7. **Local Strategic Value.** Governor and House maintained separate roll-up line item for Local Strategic Value (LSV) appropriation. Senate included LSV as a part of each college's performance funding allocation. Conference concurred with Senate. 0

Total Changes \$28,747,300

FY 2014-15 Conference Report Ongoing/One-Time Gross Appropriation \$364,724,900

Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2013-14 Year-to-Date:Items Included by the Senate and House

1. **Virtual Learning Collaborative.** Governor, Senate, and House eliminated language associated with one-time FY 2013-14 appropriation for the Virtual Learning Collaborative. (Sec. 201(7))
2. **Tuition Restraint.** Governor included language conditioning receipt of funding increases on limiting FY 2014-15 tuition and fee increases to 3.2%. Senate and House did not include tuition restraint. (Sec. 230A)
3. **Restored Sections.** Senate and House restored the following sections that were deleted by the Governor: prohibition on use of appropriations for purchase or lease of foreign automobiles (Sec. 227); and prohibition on disciplinary action against an employee for communicating with a member of the Legislature or legislative staff (Sec. 228).

Conference Agreement on Items of Difference

4. **MPSERS Reform Costs.** Governor and House included language reducing the maximum employer rate for the unfunded accrued liability by 1.2%, from 20.96% to 19.76%. Senate maintained the current cap of 20.96%. Conference concurred with Senate. (Sec. 207B)
5. **Transparency.** Requires each community college to make certain information available on its website. Governor and House eliminated estimated costs incurred due to Affordable Health Care Act, posting a copy of Board resolution on compliance with best practices, the authorization for the State Budget Director to determine compliance and withhold State aid payments for noncompliance. The Senate maintained current year requirements and included a new subsection (5) that requires a new report on opportunities for earning college credit at each community college through various programs (e.g., concurrent enrollment, dual enrollment, early/middle college, etc.). Conference concurred with Senate, but changed Subsection 5 reporting to CEPI and other minor adjustments. (Sec. 209)
6. **Military Status.** States legislative intent that community colleges include in its admission application process a specific question as to whether an applicant for admission is a veteran, an active member of the military, a member of the national guard or military reserves, or the spouse or dependent of a veteran, active member of the military, or member of the national guard or military reserves, in order to more quickly identify potential educational assistance available to that applicant. Senate and House revised language consistent with what the American Council on Education recommends as the best practice for determining if students are veterans. Minor wording differences existed between House and Senate versions. Conference concurred with House. (Sec. 229)
7. **Performance Indicators Task Force.** Provides that it is the intent of the Legislature that performance measures be reviewed and more fully implemented in future. Delineates formula components. Governor, Senate, and House removed the statement regarding the formula being more fully implemented in future years. Governor and House removed the requirement for board of trustees' resolution regarding meeting requirements for local strategic value, and included date revisions. Senate and Conference restored board of trustees' resolution requirement, added "concurrent enrollment" to listing in subsection (3)(b)(i), and included the Governor's other changes. (Sec. 230).
8. **Other Sections.** Senate restored the following sections that were deleted by the Governor and House: MPSERS reimbursement (Sec. 207A); prohibits use of appropriations for construction or maintenance of self-liquidating projects and requires compliance with Section 238 of the Management and Budget Act and JCOS use and finance requirements -- includes penalty for noncompliance (Sec. 208); block transfer implementation report (Sec. 210b); encourages community colleges to achieve efficiencies through collaborations (Sec. 212); requires that all data items used to determine State aid comply with the Manual for Uniform Financial Reporting and the ACS -- Senate added workgroup for the purpose of reviewing and updating the ACS (Sec. 217); and reporting student educational outcomes in the employment market (Sec. 229b).

Conference restored sections 207A, 208, 210b, 212, and included a new version of Sec. 217 that provides for the administration and review of the ACS. Conference concurred with the Governor and House in removing Sec. 229b. Conference concurred with Senate in restoring "legislative intent" statements in Sec. 210, Sec. 213, and Sec. 222,

Date Completed: 6-9-14

Fiscal Analyst: Bill Bowerman

Table 1: FY 2014-15 Community College Appropriation

College	FY 2013-14 Enacted	FY 2014-15 Gov. Rec.			FY 2014-15 Senate			FY 2014-15 House			FY 2014-15 Conference		
		Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change
Alpena	\$5,236,500	\$154,200	\$5,390,700	2.9%	\$154,200	\$5,390,700	2.9%	\$154,200	\$5,390,700	2.9%	\$154,200	\$5,390,700	2.9%
Bay de Noc	5,279,300	140,200	5,419,500	2.7%	140,200	5,419,500	2.7%	140,200	5,419,500	2.7%	140,200	5,419,500	2.7%
Delta	14,063,500	435,400	14,498,900	3.1%	435,400	14,498,900	3.1%	435,400	14,498,900	3.1%	435,400	14,498,900	3.1%
Glen Oaks	2,441,500	74,600	2,516,100	3.1%	74,600	2,516,100	3.1%	74,600	2,516,100	3.1%	74,600	2,516,100	3.1%
Gogebic	4,330,300	121,100	4,451,400	2.8%	121,100	4,451,400	2.8%	121,100	4,451,400	2.8%	121,100	4,451,400	2.8%
Grand Rapids	17,454,900	492,600	17,947,500	2.8%	492,600	17,947,500	2.8%	492,600	17,947,500	2.8%	492,600	17,947,500	2.8%
Henry Ford	21,060,000	563,800	21,623,800	2.7%	563,800	21,623,800	2.7%	563,800	21,623,800	2.7%	563,800	21,623,800	2.7%
Jackson	11,758,200	329,100	12,087,300	2.8%	329,100	12,087,300	2.8%	329,100	12,087,300	2.8%	329,100	12,087,300	2.8%
Kalamazoo Valley	12,122,500	380,600	12,503,100	3.1%	380,600	12,503,100	3.1%	380,600	12,503,100	3.1%	380,600	12,503,100	3.1%
Kellogg	9,522,000	291,500	9,813,500	3.1%	291,500	9,813,500	3.1%	291,500	9,813,500	3.1%	291,500	9,813,500	3.1%
Kirtland	3,055,700	112,000	3,167,700	3.7%	112,000	3,167,700	3.7%	112,000	3,167,700	3.7%	112,000	3,167,700	3.7%
Lake Michigan	5,178,100	164,800	5,342,900	3.2%	164,800	5,342,900	3.2%	164,800	5,342,900	3.2%	164,800	5,342,900	3.2%
Lansing	30,023,700	853,900	30,877,600	2.8%	853,900	30,877,600	2.8%	853,900	30,877,600	2.8%	853,900	30,877,600	2.8%
Macomb	31,931,200	885,400	32,816,600	2.8%	885,400	32,816,600	2.8%	885,400	32,816,600	2.8%	885,400	32,816,600	2.8%
Mid Michigan	4,517,900	164,100	4,682,000	3.6%	164,100	4,682,000	3.6%	164,100	4,682,000	3.6%	164,100	4,682,000	3.6%
Monroe	4,342,600	150,300	4,492,900	3.5%	150,300	4,492,900	3.5%	150,300	4,492,900	3.5%	150,300	4,492,900	3.5%
Montcalm	3,121,200	105,500	3,226,700	3.4%	105,500	3,226,700	3.4%	105,500	3,226,700	3.4%	105,500	3,226,700	3.4%
Mott	15,247,100	439,000	15,686,100	2.9%	439,000	15,686,100	2.9%	439,000	15,686,100	2.9%	439,000	15,686,100	2.9%
Muskegon	8,653,500	247,500	8,901,000	2.9%	247,500	8,901,000	2.9%	247,500	8,901,000	2.9%	247,500	8,901,000	2.9%
North Central	3,064,400	108,000	3,172,400	3.5%	108,000	3,172,400	3.5%	108,000	3,172,400	3.5%	108,000	3,172,400	3.5%
Northwestern	8,825,300	253,500	9,078,800	2.9%	253,500	9,078,800	2.9%	253,500	9,078,800	2.9%	253,500	9,078,800	2.9%
Oakland	20,483,100	640,200	21,123,300	3.1%	640,200	21,123,300	3.1%	640,200	21,123,300	3.1%	640,200	21,123,300	3.1%
St. Clair	6,860,100	201,500	7,061,600	2.9%	201,500	7,061,600	2.9%	201,500	7,061,600	2.9%	201,500	7,061,600	2.9%
Schoolcraft	12,112,200	401,500	12,513,700	3.3%	401,500	12,513,700	3.3%	401,500	12,513,700	3.3%	401,500	12,513,700	3.3%
Southwestern	6,404,300	172,100	6,576,400	2.7%	172,100	6,576,400	2.7%	172,100	6,576,400	2.7%	172,100	6,576,400	2.7%
Washtenaw	12,610,800	466,500	13,077,300	3.7%	466,500	13,077,300	3.7%	466,500	13,077,300	3.7%	466,500	13,077,300	3.7%
Wayne County	16,194,300	533,300	16,727,600	3.3%	533,300	16,727,600	3.3%	533,300	16,727,600	3.3%	533,300	16,727,600	3.3%
West Shore	2,349,800	65,100	2,414,900	2.8%	65,100	2,414,900	2.8%	65,100	2,414,900	2.8%	65,100	2,414,900	2.8%
Subtotal Operations:	\$298,244,000	\$8,947,300	\$307,191,300	3.0%	\$8,947,300	\$307,191,300	3.0%	\$8,947,300	\$307,191,300	3.0%	\$8,947,300	\$307,191,300	3.0%
Virtual Learning Collaborative	1,100,000	(1,100,000)	0	-100.0%	(1,100,000)	0	-100.0%	(1,100,000)	0	-100.0%	(1,100,000)	0	-100.0%
MPERS Retiree Health Care	1,733,600	(1,733,600)	0	-100.0%	6,800,000	8,533,600	392.2%	(1,733,600)	0	-100.0%	0	1,733,600	0.0%
MPERS Reform Costs	31,400,000	29,433,600	60,833,600	93.7%	20,900,000	52,300,000	66.6%	29,433,600	60,833,600	93.7%	20,900,000	52,300,000	66.6%
Renaissance Zone Reimbursements	3,500,000	0	3,500,000	0.0%	0	3,500,000	0.0%	0	3,500,000	0.0%	0	3,500,000	0.0%
Total Appropriations:	\$335,977,600	\$35,547,300	\$371,524,900	10.6%	\$35,547,300	\$371,524,900	10.6%	\$35,547,300	\$371,524,900	10.6%	\$28,747,300	\$364,724,900	8.6%
State School Aid Fund	197,614,100	0	\$197,614,100	0.0%	(150,000,000)	47,614,100	-75.9%	0	197,614,100	0.0%	0	197,614,100	0.0%
GF/GP	\$138,363,500	\$35,547,300	\$173,910,800	25.7%	\$185,547,300	\$323,910,800	134.1%	\$35,547,300	\$173,910,800	25.7%	\$28,747,300	\$167,110,800	20.8%



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BILL ANALYSIS



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FY 2013-14 Year-to-Date Gross Appropriation \$1,430,573,500

Changes from FY 2013-14 Year-to-Date:

Items Included by the Senate and House

- 1. **Tuition Incentive Program (TIP).** The Governor, House, and Senate increased this program by \$1.5 million GF/GP (3.2%), from \$47.0 million to \$48.5 million. 1,500,000
- 2. **Higher Education Database Modernization and Conversion.** This funding provides support for the maintenance of the Higher Education Institutional Data Inventory (HEIDI). The Governor, Senate, and House increased funding from \$105,000 to \$200,000. 95,000

Conference Agreement on Items of Difference

- 3. **University Operations Increase.** The Governor included a \$76.9 million (6.1%) increase, distributed through the same performance metrics as FY 2013-14 with certain modifications. The changes include distributing half the increase proportionally to universities based on FY 2010-11 appropriations, and adding Pell grants to the metrics that are based on Carnegie classifications. The Senate concurred with the Governor. The House reduced funding by \$6,462,000. Conference included an overall 5.9% increase. See Tables 1 and 2. 74,637,500
- 4. **Prohibited Instruction Activity.** The Senate reduced funding for MSU by \$500,000 based on new language (Sec. 271A) stating intent that a public university shall not participate in any instructional activity that encourages or discourages union organizing. Conference removed the reduction and modified Sec. 271A. 0
- 5. **MSU AgBioResearch.** AgBioResearch performs agricultural research to promote efficient production, marketing, distribution, and use of farm products. The Governor and Senate increased funding by \$1,844,900 (6.1%), from \$30,243,900 to \$32,088,800. The House reduced the increase by \$161,500 (a 5.6% increase). Conference included a 5.9% increase. 1,784,000
- 6. **MSU Extension.** The MSU Extension Services identifies and solves farm, home, and community problems. The Governor and Senate increased funding by \$1,588,700 (6.1%), from \$26,044,800 to \$27,633,500. The House reduced the increase by \$139,000 (a 5.6% increase). Conference included 5.9% increase. 1,536,300
- 7. **North American Indian Tuition Waiver.** Public Act 174 of 1976 provides for free tuition for Michigan resident North American Indians who attend Michigan public community colleges, universities, and certain Federal tribally controlled community colleges. State appropriations have not kept pace with actual costs. In FY 2013-14, universities absorbed \$4.7 million of waiver costs. The Senate added \$500,000 to partially offset the shortfall. Conference concurred with the Senate. 500,000
- 8. **Tuition Grants.** The House increased funding by \$1,762,500 (5.6%), from \$31,664,700 to 33,427,200. Conference provided a 5.9% increase. 1,867,800
- 9. **FY 2014-15 One-Time Appropriations-Michigan Public School Employees Retirement System (MPERS) Reform.** The Senate included \$15.0 million appropriated from the State School Aid Fund to provide funding assistance to universities that have employees who are members of the MPERS (Central, Eastern, Ferris, Lake Superior, Michigan Tech, Northern, and Western). Conference reduced funding to \$4.0 million (School Aid Fund), and designated the funding as one-time. 4,002,200

Total Changes \$85,922,800

FY 2014-15 Conference Report Ongoing/One-Time Gross Appropriation \$1,516,496,300

Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2013-14 Year-to-Date:Items Included by the Senate and House

1. **Tuition Incentive Program.** The Governor, Senate, and House specified that the application for certification must be before August 31, and require compliance with satisfactory academic progress policy. (Sec. 256)
2. **Tuition Restraint.** Governor set the maximum tuition and fee increase for FY 2014-15 at 3.2% and eliminated cost of mandated health insurance from calculation. Senate and House concurred with the 3.2% tuition restraint but maintained current year requirements regarding the calculation for compliance. (Sec. 265)
3. **Performance Funding Criteria.** Reflects FY 2014-15 distribution. Governor eliminated intent language that would change the score for improving universities from 2 to 1 in the next year. Senate and House restored. (Sec. 265a)
4. **Transfer Credits.** Requires report on the number of transfer credits rejected for incoming students. Governor, Senate, and House limited report to credits earned by resident students at Michigan postsecondary institutions. (Sec. 272a)
5. **King-Chavez-Parks-Hood Unexpended Grant Funds.** Governor provided up to \$100,000 in unexpended funds may be used by Workforce Development Agency for administration. Senate and House did not concur. (Sec. 282)
6. **Restored Sections.** Senate and House restored the following sections that were removed by the Governor: Purchase of foreign automobiles prohibition (Sec. 239a); acceptance of Federal or private funds does not obligate Legislature to continue program (part of Sec. 242); protection/preservation of Douglas Lake Biological Station (Sec. 261); policies to minimize the cost of textbooks/course materials (Sec 262a); counseling degree programs/student's religious beliefs (Sec. 273); human embryonic stem cell research report (Sec. 274); adult co-resident health benefits (Sec. 274a); Yellow Ribbon GI Program reporting requirements (part of Sec. 275); compliance with Section 238 of 1984 PA 431/ JCOS rules (Sec. 275a); and Federal Educational Rights & Privacy Act compliance (Sec. 293).

Conference Agreement on Items of Difference

7. **Posting of Expenditures.** Governor eliminated State Budget Director's authority to determine whether a university complied with this section and withhold a public university's monthly installments for noncompliance. Senate and House retained current year requirements with minor wording changes. Senate added new reporting on dual enrollment. Conference concurred with Senate but changed submission of the new report to CEPI. (Sec. 245)
8. **MPSERS Reimbursement.** Conference modified this section based on new funding and changed the distribution from being based on health care premiums to based on combined MPSERS payroll. (Sec. 246)
9. **State Tuition Grant Program.** Governor changed the application deadline, eliminated carry-forward authorization, and required submission of annual P-20 longitudinal data system sets and annual reports on the number of tuition grant students that successfully complete a program or graduate, the number of tuition grant students taking remedial classes, and Pell grant students that successfully complete a program or graduate. Senate did not include the Governor's changes. House increased cap for single institution from \$3.0 million to \$3.5 million and required reporting on number of tuition grant students that complete programs or graduate, take remedial education courses or receive Pell Grants. Conference concurred with House but set cap at \$3.2 million. (Sec. 252)
10. **Indian Tuition Waiver.** Governor removed legislative intent to allocated funding from the General Fund for North American Indian tuition waiver costs. Senate and House restored. Senate modified language providing criteria for distribution of funds the Senate added for the program. Conference concurred with Senate. (Sec. 268)
11. **Prohibited Instruction Activity.** Senate added new language stating intent that a public university shall not participate in any instructional activity that encourages or discourages union organizing of employees and included \$500,000 penalty. Conference modified to instead state intent that a public university shall not knowingly and directly use any portion of State funds to offer any instructional activity that targets specific companies or specific groups of companies for unionization or decertification of a union. (Sec. 271A)
12. **Health Insurance Report.** Senate added new language requiring a report on the number of students who had health insurance, the number of students who did not have health insurance, and how much each university spent on health services for uninsured students. Conference removed. (Sec. 271B)
13. **Yellow Ribbon GI Education Enhancement Program.** House and Conference added subsection (2) requiring each public university to report on services provided specifically to veterans and active military duty personnel. (Sec. 275)

Date Completed: 6-5-14

Fiscal Analyst: Bill Bowerman

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.

Table 1: FY 2014-15 Higher Education Appropriation Bill

University	FY 2013-14 Year-To-Date	Governor			Senate			House			Conference		
		FY 2014-15 Gov. Rec.	Dollar Change	Percent Change	FY 2014-15 Senate	Dollar Change	Percent Change	FY 2014-15 House	Dollar Change	Percent Change	FY 2014-15 Conference	Dollar Change	Percent Change
Central	\$73,540,100	\$79,283,400	\$5,743,300	7.8%	\$79,283,400	\$5,743,300	7.8%	\$78,800,700	\$5,260,600	7.2%	\$79,115,000	\$5,574,900	7.6%
Eastern	67,275,400	71,906,800	4,631,400	6.9%	71,906,800	4,631,400	6.9%	71,517,600	4,242,200	6.3%	71,771,100	4,495,700	6.7%
Ferris	45,636,500	49,191,200	3,554,700	7.8%	49,191,200	3,554,700	7.8%	48,892,500	3,256,000	7.1%	49,087,000	3,450,500	7.6%
Grand Valley	57,823,500	63,296,500	5,473,000	9.5%	63,296,500	5,473,000	9.5%	62,836,500	5,013,000	8.7%	63,136,000	5,312,500	9.2%
Lake Superior	12,231,000	12,799,100	568,100	4.6%	12,799,100	568,100	4.6%	12,751,500	520,500	4.3%	12,782,500	551,500	4.5%
Michigan State	249,597,800	264,877,200	15,279,400	6.1%	264,377,200	14,779,400	5.9%	263,593,100	13,995,300	5.6%	264,429,100	14,831,300	5.9%
Michigan Tech	43,473,800	45,997,100	2,523,300	5.8%	45,997,100	2,523,300	5.8%	45,785,000	2,311,200	5.3%	45,923,100	2,449,300	5.6%
Northern	41,741,400	44,353,800	2,612,400	6.3%	44,353,800	2,612,400	6.3%	44,134,200	2,392,800	5.7%	44,277,200	2,535,800	6.1%
Oakland	45,651,600	48,446,100	2,794,500	6.1%	48,446,100	2,794,500	6.1%	48,211,200	2,559,600	5.6%	48,364,100	2,712,500	5.9%
Saginaw Valley	25,991,000	27,659,100	1,668,100	6.4%	27,659,100	1,668,100	6.4%	27,518,900	1,527,900	5.9%	27,610,200	1,619,200	6.2%
UM-Ann Arbor	279,232,700	295,655,600	16,422,900	5.9%	295,655,600	16,422,900	5.9%	294,275,400	15,042,700	5.4%	295,174,100	15,941,400	5.7%
UM-Dearborn	22,510,400	23,724,900	1,214,500	5.4%	23,724,900	1,214,500	5.4%	23,622,900	1,112,500	4.9%	23,689,300	1,178,900	5.2%
UM-Flint	19,938,200	21,380,000	1,441,800	7.2%	21,380,000	1,441,800	7.2%	21,258,800	1,320,600	6.6%	21,337,700	1,399,500	7.0%
Wayne State	183,398,300	190,734,900	7,336,600	4.0%	190,734,900	7,336,600	4.0%	190,118,400	6,720,100	3.7%	190,519,800	7,121,500	3.9%
Western	97,279,000	102,907,000	5,628,000	5.8%	102,907,000	5,628,000	5.8%	102,434,000	5,155,000	5.3%	102,742,000	5,463,000	5.6%
Subtotal University Operations:	\$1,265,320,700	\$1,342,212,700	\$76,892,000	6.1%	\$1,341,712,700	\$76,392,000	6.0%	\$1,335,750,700	\$70,430,000	5.6%	\$1,339,958,200	\$74,637,500	5.9%
MPSERS Reimbursement	2,446,200	2,446,200	0	0.0%	2,446,200	0	0.0%	2,446,200	0	0.0%	2,446,200	0	0.0%
MPSERS Reform	0	0	0	0.0%	15,000,000	15,000,000	--	0	0	0.0%	4,002,200	4,002,200	--
MSU AgBioResearch	30,243,900	32,088,800	1,844,900	6.1%	32,088,800	1,844,900	6.1%	31,927,300	1,683,400	5.6%	32,027,900	1,784,000	5.9%
MSU Extension	26,044,800	27,633,500	1,588,700	6.1%	27,633,500	1,588,700	6.1%	27,494,500	1,449,700	5.6%	27,581,100	1,536,300	5.9%
Higher Education Database	105,000	200,000	95,000	90.5%	200,000	95,000	90.5%	200,000	95,000	90.5%	200,000	95,000	90.5%
Midwest Higher Ed Compact	95,000	95,000	0	0.0%	95,000	0	0.0%	95,000	0	0.0%	95,000	0	0.0%
King-Chavez-Parks	2,691,500	2,691,500	0	0.0%	2,691,500	0	0.0%	2,691,500	0	0.0%	2,691,500	0	0.0%
College Access Program	2,000,000	2,000,000	0	0.0%	2,000,000	0	0.0%	2,000,000	0	0.0%	2,000,000	0	--
Total Universities	\$1,328,947,100	\$1,409,367,700	\$80,420,600	6.1%	\$1,423,867,700	\$94,920,600	7.1%	\$1,402,605,200	\$73,658,100	5.5%	\$1,411,002,100	\$82,055,000	6.2%
School Aid Fund	\$200,465,700	200,465,700	\$0	0.0%	215,465,700	15,000,000	7.5%	200,465,700	0	0.0%	204,467,900	4,002,200	2.0%
State GF/GP	\$1,128,481,400	\$1,208,902,000	\$80,420,600	7.1%	\$1,208,402,000	79,920,600	7.1%	\$1,202,139,500	73,658,100	6.5%	1,206,534,200	78,052,800	6.9%
Grants and Financial Aid													
State Competitive Scholarships	\$18,361,700	\$18,361,700	\$0	0.0%	\$18,361,700	0	0.0%	18,361,700	0	0.0%	18,361,700	0	0.0%
Tuition Grants	31,664,700	31,664,700	0	0.0%	31,664,700	0	0.0%	33,427,200	1,762,500	5.6%	33,532,500	1,867,800	5.9%
Tuition Incentive Program (TIP)	47,000,000	48,500,000	1,500,000	3.2%	48,500,000	1,500,000	3.2%	48,500,000	1,500,000	3.2%	48,500,000	1,500,000	3.2%
Children of Veterans & Officer's Tuition	1,400,000	1,400,000	0	0.0%	1,400,000	0	0.0%	1,400,000	0	0.0%	1,400,000	0	0.0%
Project Gear-Up	3,200,000	3,200,000	0	0.0%	3,200,000	0	0.0%	3,200,000	0	0.0%	3,200,000	0	0.0%
North American Indian Tuition Waiver	0	0	0	0.0%	500,000	500,000	--	0	0	0.0%	500,000	500,000	0.0%
Total Grants/Financial Aid	\$101,626,400	\$103,126,400	\$1,500,000	1.5%	\$103,626,400	2,000,000	2.0%	\$104,888,900	3,262,500	3.2%	105,494,200	3,867,800	3.8%
Federal Higher Ed Act	3,200,000	3,200,000	0	0.0%	3,200,000	0	0.0%	3,200,000	0	0.0%	3,200,000	0	0.0%
Federal TANF	93,826,400	93,826,400	0	0.0%	93,826,400	0	0.0%	93,826,400	0	0.0%	93,826,400	0	0.0%
Veterans Tax Check-off	100,000	100,000	0	0.0%	100,000	0	0.0%	100,000	0	0.0%	100,000	0	0.0%
State GF/GP	\$4,500,000	\$6,000,000	\$1,500,000	33.3%	\$6,500,000	2,000,000	44.4%	\$7,762,500	3,262,500	72.5%	\$8,367,800	3,867,800	86.0%
TOTAL HIGHER EDUCATION													
TOTAL ALL FUNDS	\$1,430,573,500	\$1,512,494,100	\$81,920,600	5.7%	\$1,527,494,100	\$96,920,600	6.8%	\$1,507,494,100	\$76,920,600	5.4%	\$1,516,496,300	\$85,922,800	6.0%
TOTAL FEDERAL	97,026,400	97,026,400	0	0.0%	97,026,400	0	0.0%	97,026,400	0	0.0%	97,026,400	0	0.0%
TOTAL STATE RESTRICTED	200,565,700	200,565,700	0	0.0%	215,565,700	15,000,000	7.5%	200,565,700	0	0.0%	204,567,900	4,002,200	2.0%
TOTAL STATE GF/GP	\$1,132,981,400	\$1,214,902,000	\$81,920,600	7.2%	\$1,214,902,000	\$81,920,600	7.2%	\$1,209,902,000	\$76,920,600	6.8%	\$1,214,902,000	\$81,920,600	7.2%

Table 2: FY 2014-15 Higher Education Conference Committee Details

FY 2014-15 Conference Adjustments										
University	FY 2013-14 Year-To-Date Appropriation	Formula Allocations				Total Formula Distribution	Other Changes	FY 2014-15 Conference	Dollar Change From 2013-14	Percent Change
		Proportional to FY 11 Base	Critical Skills	Research & Development	Metrics based on Carnegie Peers					
Central	\$73,540,100	2,105,422	385,414	31,857	3,052,167	5,574,900		\$79,115,000	\$5,574,900	7.6%
Eastern	67,275,400	1,997,545	369,553		2,128,556	4,495,700		71,771,100	4,495,700	6.7%
Ferris	45,636,500	1,277,442	690,720		1,482,329	3,450,500		49,087,000	3,450,500	7.6%
Grand Valley	57,823,500	1,628,394	722,722		2,961,401	5,312,500		63,136,000	5,312,500	9.2%
Lake Superior	12,231,000	333,533	96,319		121,640	551,500		12,782,500	551,500	4.5%
Michigan State	249,597,800	7,453,666	1,512,787	1,026,915	4,838,050	14,831,300		264,429,100	14,831,300	5.9%
Michigan Tech	43,473,800	1,259,181	515,753	181,524	492,815	2,449,300		45,923,100	2,449,300	5.6%
Northern	41,741,400	1,186,036	271,425		1,078,318	2,535,800		44,277,200	2,535,800	6.1%
Oakland	45,651,600	1,333,724	569,356	36,229	773,237	2,712,500		48,364,100	2,712,500	5.9%
Saginaw Valley	25,991,000	728,346	219,004		671,853	1,619,200		27,610,200	1,619,200	6.2%
UM-Ann Arbor	279,232,700	8,309,406	1,526,631	2,301,744	3,803,622	15,941,400		295,174,100	15,941,400	5.7%
UM-Dearborn	22,510,400	649,667	207,873		321,355	1,178,900		23,689,300	1,178,900	5.2%
UM-Flint	19,938,200	549,083	242,936		607,489	1,399,500		21,337,700	1,399,500	7.0%
Wayne State	183,398,300	5,627,231	367,605	494,067	632,597	7,121,500		190,519,800	7,121,500	3.9%
Western	97,279,000	2,880,074	594,958	74,190	1,913,738	5,463,000		102,742,000	5,463,000	5.6%
Subtotal University Operations:	\$1,265,320,700	\$37,318,750	\$8,293,056	\$4,146,526	\$24,879,167	\$74,637,500	\$0	\$1,339,958,200	\$74,637,500	5.9%
MPSERS Reimbursement	2,446,200						0	2,446,200	0	0.0%
MPSERS Reimbursement (1-time)	0						4,002,200	4,002,200	4,002,200	---
MSU AgBioResearch	30,243,900						1,784,000	32,027,900	1,784,000	5.9%
MSU Extension	26,044,800						1,536,300	27,581,100	1,536,300	5.9%
Higher Education Database	105,000						95,000	200,000	95,000	90.5%
Midwest Higher Ed Compact	95,000						0	95,000	0	0.0%
King-Chavez-Parks	2,691,500						0	2,691,500	0	0.0%
College Access Program	2,000,000						0	2,000,000	0	0.0%
Total Universities:	\$1,328,947,100	\$37,318,750	\$8,293,056	\$4,146,526	\$24,879,167	\$74,637,500	\$7,417,500	\$1,411,002,100	\$82,055,000	6.2%
School Aid Fund	\$200,465,700	0	0	0	0	0	\$4,002,200	204,467,900	\$4,002,200	2.0%
State GF/GP	\$1,128,481,400	\$37,318,750	\$8,293,056	\$4,146,526	\$24,879,167	\$74,637,500	\$3,415,300	\$1,206,534,200	\$78,052,800	6.9%
Grants and Financial Aid										
State Competitive Scholarships	\$18,361,700						\$0	\$18,361,700	\$0	0.0%
Tuition Grants	31,664,700						1,867,800	33,532,500	1,867,800	5.9%
Tuition Incentive Program (TIP)	47,000,000						1,500,000	48,500,000	1,500,000	3.2%
Children of Veterans & Officer's Tuition	1,400,000						0	1,400,000	0	0.0%
Project Gear-Up	3,200,000						0	3,200,000	0	0.0%
North American Indian Tuition Waiver	0						500,000	500,000	500,000	---
Total Grants/Financial Aid:	\$101,626,400						3,867,800	\$105,494,200	\$3,867,800	3.8%
Federal Higher Ed Act	3,200,000						0	3,200,000	0	0.0%
Federal TANF	93,826,400						0	93,826,400	0	0.0%
Veterans Tax Check-off	100,000						0	100,000	0	0.0%
State GF/GP	\$4,500,000						\$3,867,800	\$8,367,800	\$3,867,800	86.0%
TOTAL HIGHER EDUCATION										
TOTAL ALL FUNDS	\$1,430,573,500	\$37,318,750	\$8,293,056	\$4,146,526	\$24,879,167	\$74,637,500	\$11,285,300	\$1,516,496,300	\$85,922,800	6.0%
TOTAL FEDERAL	97,026,400	0	0	0	0	0	0	97,026,400	0	0.0%
TOTAL STATE RESTRICTED	200,565,700	0	0	0	0	0	4,002,200	204,567,900	4,002,200	2.0%
TOTAL STATE GF/GP	\$1,132,981,400	\$37,318,750	\$8,293,056	\$4,146,526	\$24,879,167	\$74,637,500	\$7,283,100	\$1,214,902,000	\$81,920,600	7.2%