



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

BILL



ANALYSIS

**Telephone: (517) 373-2768**

**Fax: (517) 373-1986**

[House Bill is H.B. 4228](#)

<b>FY 2013-14 Senate-Passed Gross Appropriation.....</b>	<b>\$1,430,573,500</b>
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**House Changes to Senate-Passed:**

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| <p>1. <b>Performance Funding.</b> The House included \$4.0 million more than the Senate for performance funding. The formula used by the House scores Carnegie classification distributions as follows: 3 for improving, 2 for top 20%, and 1 for above the national median. The House modified the distribution formula for Carnegie classifications by weighting the distribution by the number of resident undergraduate FYES. The Senate changed the scoring from current year to: 3 for top 20%, 2 for above the national median, and 2 for improving. See <u>Table 1</u> for differences in funding allocations by university.</p> | 4,000,000   |
| <p>2. <b>MPSERS reimbursements.</b> The FY 2012-13 budget included \$446,200 for the purpose of offsetting a portion of the MPSERS retirement contributions. The Senate increased this appropriation by \$2.0 million GF/GP. The House did not include this increase.</p>  | (2,000,000) |
| <p>3. <b>North American Indian Tuition Waiver.</b> 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 2012-13, universities absorbed \$4.5 million of waiver costs. The Senate added \$2.0 million offset part of the shortfall. The House did not include this adjustment.</p>   | (2,000,000) |
| <p>4. <b>MSU AgBioResearch and MSU Extension.</b> The House separated the appropriations into two line items, MSU AgBioResearch \$29,706,600, and MSU Extension \$25,582,100. There is no difference in overall funding for the programs between the Governor, House, and Senate.</p>  | 0           |

Total Changes .....	0
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<b>FY 2013-14 House-Passed Gross Appropriation.....</b>	<b>\$1,430,573,500</b>
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**Changes from FY 2013-14 Senate-Passed:**

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1. **Federal and Private Funds.** Governor and House removed statement that the acceptance and use of Federal or private funds does not place an obligation upon the Legislature to continue program. Senate retained. (Sec. 242)
2. **Posting of Expenditures.** Governor removed listing of individual names and salaries and replaced with a listing of the number of employees by job classification. The Senate concurred with the Governor, the House did not. The Senate also required posting block transfer policies and reverse agreements. (Sec. 245)
3. **U of M Douglas Lake Biological Station.** Governor and House removed intent statement to protect and preserve the unique long-term research value of the biological station area and Douglas Lake. Senate retained. (Sec. 261)
4. **Textbook Cost Review.** Senate added language stating intent that universities develop policies to minimize the cost of textbooks and course materials and review any potential financial conflict of interest for faculty written materials. Requires report. (Sec 262a)
5. **Project GREEN.** House modified to reflect separating appropriations. (Sec. 263)
6. **Tuition Restraint.** House and Senate tie tuition restraint to all of performance funding instead of separate allocation. House sets at 3.0%. Senate sets at less than 4.0%. House included health insurance as part of restraint calculation, Governor and Senate did not. (Sec. 265)
7. **Performance Funding Criteria.** Differences based on performance funding methods. (Sec. 265a)
8. **Unfunded Indian Tuition Waiver Costs.** States intent that funds be allocated for unfunded North American Indian tuition waiver costs from the General Fund/General Purpose. Senate included language related to new funding and provided for new reporting requirements. (Sec. 268)
9. **Transfer Credits.** House added language requiring universities to report on the number of transfer credits, with grade of C or better, rejected for incoming students. (Sec. 272a)
10. **Counseling Degree Programs/Student's Religious Beliefs.** Legislative intent that public universities submit a report on efforts to accommodate the sincerely held religious beliefs of students enrolled in accredited counseling degree programs at the university. Governor and Senate removed, House retained. (Sec. 273)
11. **Adult Co-resident Health Benefits.** Governor and Senate removed legislative intent stating that universities not provide health insurance or other fringe benefits for any adult co-resident of a university employee who is not married to that employee or a dependent of such an adult co-resident. House retained. (Sec. 274a)
12. **Yellow Ribbon GI Education Enhancement Program.** Senate included legislative intent that universities consider veterans residents of this State for the purpose of determining tuition rates and fees, and also waive enrollment fees for veterans. (Sec. 275)
13. **Self-liquidating Projects/JCOS Compliance.** Prohibits use of funds for the construction or maintenance of a self-liquidating project. Provides penalty for noncompliance with JCOS use and finance requirements. Governor and House removed. Senate modified based on recent capital outlay reforms. (Sec. 275a)
14. **Martin Luther King, Jr.-Cesar Chavez-Rosa Parks Grant Funds.** Governor would allow unexpended funds to be used by the Workforce Development Agency for administration of programs. House did not include, Senate would lapse remaining funds to the State General Fund. (Sec. 282)
15. **New Degree Programs.** Provides that public universities may establish the degree programs listed in this section. House maintained; Governor and Senate removed. (Sec. 290)
16. **Federal Educational Rights & Privacy Act (FERPA).** Requires universities to provide information from records pursuant to written authorization from the student. Senate maintained; Governor and House removed. (Sec. 293)
17. **Building Authority Rent.** Lists amounts paid by the State for previously constructed capital outlay projects. House merges this language with section 236. (Sec. 293a)

Date Completed: 4-26-13

Fiscal Analyst: Bill Bowerman

Table 1: FY 2013-14 Higher Education Appropriation Bill

	Governor				Senate			House		
University	FY 2012-13 Year-To-Date Appropriation*	FY 2013-14 Governor's Recommendation	Dollar Change From 2012-13	Percent Change	FY 2013-14 Senate	Dollar Change From 2012-13	Percent Change From 2012-13	FY 2013-14 House	Dollar Change From 2012-13	Percent Change From 2012-13
Central	\$71,352,300	\$73,012,400	\$1,660,100	2.3%	\$73,195,200	\$1,842,900	2.6%	\$73,859,200	\$2,506,900	3.5%
Eastern	66,466,700	67,067,600	600,900	0.9%	67,124,100	657,400	1.0%	67,455,600	988,900	1.5%
Ferris	44,250,700	46,334,100	2,083,400	4.7%	46,087,100	1,836,400	4.1%	46,264,600	2,013,900	4.6%
Grand Valley	55,436,000	57,214,500	1,778,500	3.2%	57,428,000	1,992,000	3.6%	58,398,100	2,962,100	5.3%
Lake Superior	12,046,100	12,666,300	620,200	5.1%	12,736,100	690,000	5.7%	12,271,900	225,800	1.9%
Michigan State	245,037,000	247,423,800	2,386,800	1.0%	247,875,300	2,838,300	1.2%	250,094,600	5,057,600	2.1%
Michigan Tech	42,579,100	43,770,000	1,190,900	2.8%	43,764,200	1,185,100	2.8%	43,453,700	874,600	2.1%
Northern	40,856,600	41,709,000	852,400	2.1%	42,452,600	1,596,000	3.9%	41,492,200	635,600	1.6%
Oakland	44,964,100	45,660,500	696,400	1.5%	45,578,800	614,700	1.4%	46,027,100	1,063,000	2.4%
Saginaw Valley	25,656,700	26,190,400	533,700	2.1%	26,105,400	448,700	1.7%	26,187,300	530,600	2.1%
UM-Ann Arbor	274,156,700	277,235,800	3,079,100	1.1%	277,935,100	3,778,400	1.4%	278,783,600	4,626,900	1.7%
UM-Dearborn	22,237,300	22,483,600	246,300	1.1%	22,684,200	446,900	2.0%	22,470,600	233,300	1.0%
UM-Flint	19,526,600	20,478,700	952,100	4.9%	20,278,900	752,300	3.9%	20,203,600	677,000	3.5%
Wayne State	183,398,300	183,854,300	456,000	0.2%	183,908,500	510,200	0.3%	184,006,300	608,000	0.3%
Western	95,487,500	97,002,400	1,514,900	1.6%	97,167,200	1,679,700	1.8%	97,352,300	1,864,800	2.0%
Tuition Restraint Incentive*	0	6,217,300	6,217,300	---	0	0	---	0	0	0.0%
MPERSERS Reimbursement	446,200	446,200	0	0.0%	2,446,200	2,000,000	448.2%	446,200	0	0.0%
MSU AgBioResearch & Extension	54,204,600	55,288,700	1,084,100	2.0%	55,288,700	1,084,100	2.0%	55,288,700	1,084,100	2.0%
Higher Education Database	105,000	105,000	0	0.0%	105,000	0	0.0%	105,000	0	0.0%
Midwest Higher Ed Compact	95,000	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%
College Access Program	0	2,000,000	2,000,000	---	2,000,000	2,000,000	---	2,000,000	2,000,000	---
<b>Total Universities</b>	<b>\$1,300,994,000</b>	<b>\$1,328,947,100</b>	<b>\$27,953,100</b>	<b>2.1%</b>	<b>\$1,326,947,100</b>	<b>\$25,953,100</b>	<b>2.0%</b>	<b>\$1,328,947,100</b>	<b>\$27,953,100</b>	<b>2.1%</b>
<b>School Aid Fund</b>	<b>\$200,465,700</b>	<b>200,465,700</b>	<b>\$0</b>	<b>0.0%</b>	<b>200,465,700</b>	<b>0</b>	<b>0.0%</b>	<b>200,465,700</b>	<b>0</b>	<b>0.0%</b>
<b>State GF/GP</b>	<b>\$1,100,528,300</b>	<b>\$1,128,481,400</b>	<b>\$27,953,100</b>	<b>2.5%</b>	<b>\$1,126,481,400</b>	<b>25,953,100</b>	<b>2.4%</b>	<b>1,128,481,400</b>	<b>27,953,100</b>	<b>2.5%</b>
<b>Grants and Financial Aid</b>										
State Competitive Scholarships	\$18,361,700	\$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%	31,664,700	0	0.0%
Tuition Incentive Program (TIP)	43,800,000	47,000,000	3,200,000	7.3%	47,000,000	3,200,000	7.3%	47,000,000	3,200,000	7.3%
Children of Veterans & Officer's Tuition	1,200,000	1,400,000	200,000	16.7%	1,400,000	200,000	16.7%	1,400,000	200,000	16.7%
Project Gear-Up	3,200,000	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%	2,000,000	2,000,000	---	0	0	0.0%
<b>Total Grants/Financial Aid</b>	<b>\$98,226,400</b>	<b>\$101,626,400</b>	<b>\$3,400,000</b>	<b>3.5%</b>	<b>103,626,400</b>	<b>5,400,000</b>	<b>5.5%</b>	<b>101,626,400</b>	<b>3,400,000</b>	<b>3.5%</b>
<b>Federal Higher Ed Act</b>	<b>3,200,000</b>	<b>3,200,000</b>	<b>0</b>	<b>0.0%</b>	<b>3,200,000</b>	<b>0</b>	<b>0.0%</b>	<b>3,200,000</b>	<b>0</b>	<b>0.0%</b>
<b>Federal TANF</b>	<b>93,826,400</b>	<b>93,826,400</b>	<b>0</b>	<b>0.0%</b>	<b>93,826,400</b>	<b>0</b>	<b>0.0%</b>	<b>93,826,400</b>	<b>0</b>	<b>0.0%</b>
<b>Veterans Tax Check-off</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>	<b>0.0%</b>	<b>100,000</b>	<b>0</b>	<b>0.0%</b>	<b>100,000</b>	<b>0</b>	<b>0.0%</b>
<b>State GF/GP</b>	<b>\$1,100,000</b>	<b>\$4,500,000</b>	<b>\$3,400,000</b>	<b>309.1%</b>	<b>6,500,000</b>	<b>5,400,000</b>	<b>490.9%</b>	<b>4,500,000</b>	<b>3,400,000</b>	<b>309.1%</b>
<b>TOTAL HIGHER EDUCATION</b>										
<b>TOTAL ALL FUNDS</b>	<b>\$1,399,220,400</b>	<b>\$1,430,573,500</b>	<b>\$31,353,100</b>	<b>2.2%</b>	<b>\$1,430,573,500</b>	<b>\$31,353,100</b>	<b>2.2%</b>	<b>\$1,430,573,500</b>	<b>\$31,353,100</b>	<b>2.2%</b>
<b>TOTAL FEDERAL</b>	<b>97,026,400</b>	<b>97,026,400</b>	<b>0</b>	<b>0.0%</b>	<b>97,026,400</b>	<b>0</b>	<b>0.0%</b>	<b>97,026,400</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL STATE RESTRICTED</b>	<b>200,565,700</b>	<b>200,565,700</b>	<b>0</b>	<b>0.0%</b>	<b>200,565,700</b>	<b>0</b>	<b>0.0%</b>	<b>200,565,700</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL STATE GF/GP</b>	<b>\$1,101,628,300</b>	<b>\$1,132,981,400</b>	<b>\$31,353,100</b>	<b>2.8%</b>	<b>\$1,132,981,400</b>	<b>\$31,353,100</b>	<b>2.8%</b>	<b>\$1,132,981,400</b>	<b>\$31,353,100</b>	<b>2.8%</b>

\* FY 2012-13 tuition restraint incentive appropriation of \$9,054,200 has been allocated to university operation line items.