

# SENATE BILL NO. 167

March 18, 2025, Introduced by Senator MCCANN and referred to Committee on Appropriations.

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 236 and 241 (MCL 388.1836 and 388.1841), as  
amended by 2024 PA 120.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 236. ~~(1)~~—Subject to the conditions set forth in this  
2 article, the amounts listed in this section are appropriated for  
3 higher education for the fiscal year ending September 30, ~~2025,~~  
4 **2026**, from the funds indicated in this section. The following is a  
5 summary of the appropriations in this section. ~~and sections 236d~~

1 and 236j:

2 (a) The gross appropriation is ~~\$2,324,292,600.00.~~ **\$100.00.**

3 After deducting total interdepartmental grants and  
4 intradepartmental transfers in the amount of \$0.00, the adjusted  
5 gross appropriation is ~~\$2,324,292,600.00.~~ **\$100.00.**

6 (b) The sources of the adjusted gross appropriation described  
7 in subdivision (a) are as follows:

8 (i) Total federal revenues, ~~\$3,200,000.00.~~ **\$0.00.**

9 (ii) Total local revenues, \$0.00.

10 (iii) Total private revenues, \$0.00.

11 (iv) Total other state restricted revenues,  
12 ~~\$461,668,300.00.~~ **\$50.00.**

13 (v) State general fund/general purpose money,  
14 ~~\$1,859,424,300.00.~~ **\$50.00.**

15 ~~(c) The totals and subtotals reflected in subdivisions (a) and~~  
16 ~~(b) do not include amounts appropriated under subsection (7)(f) or~~  
17 ~~(8)(b) to avoid duplicating totals of amounts appropriated in this~~  
18 ~~section and section 236j.~~

19 ~~(2) Amounts appropriated for public universities are as~~  
20 ~~follows:~~

21 ~~(a) The appropriation for Central Michigan University is~~  
22 ~~\$96,833,700.00, \$93,819,600.00 for operations, \$1,407,300.00 for~~  
23 ~~operations increase, and \$1,606,800.00 for costs incurred under the~~  
24 ~~North American Indian tuition waiver.~~

25 ~~(b) The appropriation for Eastern Michigan University is~~  
26 ~~\$84,381,000.00, \$82,738,700.00 for operations, \$1,241,100.00 for~~  
27 ~~operations increase, and \$401,200.00 for costs incurred under the~~  
28 ~~North American Indian tuition waiver.~~

29 ~~(c) The appropriation for Ferris State University is~~

1 ~~\$60,548,400.00, \$58,932,300.00 for operations, \$884,000.00 for~~  
2 ~~operations increase, and \$732,100.00 for costs incurred under the~~  
3 ~~North American Indian tuition waiver.~~

4 ~~(d) The appropriation for Grand Valley State University is~~  
5 ~~\$98,876,100.00, \$96,111,200.00 for operations, \$1,441,700.00 for~~  
6 ~~operations increase, and \$1,323,200.00 for costs incurred under the~~  
7 ~~North American Indian tuition waiver.~~

8 ~~(e) The appropriation for Lake Superior State University is~~  
9 ~~\$15,838,800.00, \$14,251,800.00 for operations, \$213,800.00 for~~  
10 ~~operations increase, and \$1,373,200.00 for costs incurred under the~~  
11 ~~North American Indian tuition waiver.~~

12 ~~(f) The appropriation for Michigan State University is~~  
13 ~~\$396,479,600.00, \$316,765,400.00 for operations, \$4,751,500.00 for~~  
14 ~~operations increase, \$2,143,100.00 for costs incurred under the~~  
15 ~~North American Indian tuition waiver, \$39,096,200.00 for MSU~~  
16 ~~AgBioResearch, and \$33,723,400.00 for MSU Extension.~~

17 ~~(g) The appropriation for Michigan Technological University is~~  
18 ~~\$55,245,300.00, \$53,658,800.00 for operations, \$804,900.00 for~~  
19 ~~operations increase, and \$781,600.00 for costs incurred under the~~  
20 ~~North American Indian tuition waiver.~~

21 ~~(h) The appropriation for Northern Michigan University is~~  
22 ~~\$54,263,000.00, \$52,069,300.00 for operations, \$781,000.00 for~~  
23 ~~operations increase, and \$1,412,700.00 for costs incurred under the~~  
24 ~~North American Indian tuition waiver.~~

25 ~~(i) The appropriation for Oakland University is~~  
26 ~~\$73,327,600.00, \$71,957,000.00 for operations, \$1,079,400.00 for~~  
27 ~~operations increase, and \$291,200.00 for costs incurred under the~~  
28 ~~North American Indian tuition waiver.~~

29 ~~(j) The appropriation for Saginaw Valley State University is~~

1 ~~\$34,394,500.00, \$33,690,600.00 for operations, \$505,400.00 for~~  
2 ~~operations increase, and \$198,500.00 for costs incurred under the~~  
3 ~~North American Indian tuition waiver.~~

4 ~~(k) The appropriation for University of Michigan — Ann Arbor~~  
5 ~~is \$362,128,600.00, \$355,278,300.00 for operations, \$5,329,000.00~~  
6 ~~for operations increase, and \$1,521,300.00 for costs incurred under~~  
7 ~~the North American Indian tuition waiver.~~

8 ~~(l) The appropriation for University of Michigan — Dearborn is~~  
9 ~~\$31,722,500.00, \$31,048,000.00 for operations, \$465,700.00 for~~  
10 ~~operations increase, and \$208,800.00 for costs incurred under the~~  
11 ~~North American Indian tuition waiver.~~

12 ~~(m) The appropriation for University of Michigan — Flint is~~  
13 ~~\$26,695,600.00, \$26,013,500.00 for operations, \$390,200.00 for~~  
14 ~~operations increase, and \$291,900.00 for costs incurred under the~~  
15 ~~North American Indian tuition waiver.~~

16 ~~(n) The appropriation for Wayne State University is~~  
17 ~~\$227,735,900.00, \$223,950,900.00 for operations, \$3,359,300.00 for~~  
18 ~~operations increase, and \$425,700.00 for costs incurred under the~~  
19 ~~North American Indian tuition waiver.~~

20 ~~(o) The appropriation for Western Michigan University is~~  
21 ~~\$121,845,400.00, \$119,440,200.00 for operations, \$1,791,600.00 for~~  
22 ~~operations increase, and \$613,600.00 for costs incurred under the~~  
23 ~~North American Indian tuition waiver.~~

24 ~~(3) The amount appropriated in subsection (2) for public~~  
25 ~~universities is \$1,740,316,000.00, appropriated from the following:~~

26 ~~(a) State school aid fund, \$443,168,300.00.~~

27 ~~(b) State general fund/general purpose money,~~  
28 ~~\$1,297,147,700.00.~~

29 ~~(4) The amount appropriated for Michigan public school~~

1 ~~employees' retirement system reimbursement is \$0.00.~~

2 ~~(5) The amount appropriated for state and regional programs is~~  
 3 ~~\$316,800.00, appropriated from general fund/general purpose money~~  
 4 ~~and allocated as follows:~~

5 ~~(a) Higher education database modernization and conversion,~~  
 6 ~~\$200,000.00.~~

7 ~~(b) Midwestern Higher Education Compact, \$116,800.00.~~

8 ~~(6) The amount appropriated for the Martin Luther King, Jr.~~  
 9 ~~Cesar Chavez - Rosa Parks program is \$2,691,500.00, appropriated~~  
 10 ~~from general fund/general purpose money and allocated as follows:~~

11 ~~(a) Select student support services, \$1,956,100.00.~~

12 ~~(b) Michigan college/university partnership program,~~  
 13 ~~\$586,800.00.~~

14 ~~(c) Morris Hood, Jr. educator development program,~~  
 15 ~~\$148,600.00.~~

16 ~~(7) Subject to subsection (8), the amount appropriated for~~  
 17 ~~grants and financial aid is \$542,453,600.00, allocated as follows:~~

18 ~~(a) State competitive scholarships, \$19,930,900.00.~~

19 ~~(b) Tuition grants, \$41,522,700.00.~~

20 ~~(c) Tuition incentive program, \$93,800,000.00.~~

21 ~~(d) Children of veterans and officer's survivor tuition grant~~  
 22 ~~programs, \$2,000,000.00.~~

23 ~~(e) Project GEAR-UP, \$3,200,000.00.~~

24 ~~(f) Michigan achievement scholarships, \$330,000,000.00. From~~  
 25 ~~this amount, up to \$10,000,000.00 may be used to award skills~~  
 26 ~~scholarships under section 248a.~~

27 ~~(g) Michigan reconnect, \$52,000,000.00.~~

28 ~~(8) The money appropriated in subsection (7) for grants and~~  
 29 ~~financial aid is appropriated from the following:~~

1       ~~(a) Federal revenues under the United States Department of~~  
2 ~~Education, Office of Elementary and Secondary Education, GEAR-UP~~  
3 ~~program, \$3,200,000.00.~~

4       ~~(b) Postsecondary scholarship fund, \$330,000,000.00.~~

5       ~~(c) State general fund/general purpose money, \$209,253,600.00.~~

6       ~~(d) At the close of the fiscal year, state general~~  
7 ~~fund/general purpose money appropriated in subsection (7) for~~  
8 ~~grants and scholarships that is unspent must be deposited into the~~  
9 ~~postsecondary scholarship fund created in section 236j.~~

10       ~~(9) For fiscal year 2024-2025 only, in addition to the~~  
11 ~~allocation under subsection (4), from the appropriations described~~  
12 ~~in subsection (1), there is allocated an amount not to exceed~~  
13 ~~\$8,500,000.00 for payments to participating public universities,~~  
14 ~~appropriated from the state school aid fund. A public university~~  
15 ~~that receives money under this subsection shall use that money~~  
16 ~~solely for the purpose of offsetting the normal cost contribution~~  
17 ~~rate. As used in this subsection, "participating public~~  
18 ~~universities" means public universities that are a reporting unit~~  
19 ~~of the Michigan public school employees' retirement system under~~  
20 ~~the public school employees retirement act of 1979, 1980 PA 300,~~  
21 ~~MCL 38.1301 to 38.1437, and that pay contributions to the Michigan~~  
22 ~~public school employees' retirement system for the state fiscal~~  
23 ~~year.~~

24       ~~(10) For fiscal year 2024-2025 only, from the appropriation~~  
25 ~~described in subsection (1), \$1,000,000.00 is appropriated from the~~  
26 ~~state general fund/general purpose money for Michigan Transfer~~  
27 ~~Pathways. The department of lifelong education, advancement, and~~  
28 ~~potential shall use funds appropriated under this subsection to~~  
29 ~~work with the Michigan Transfer Network, community colleges, public~~

1 ~~universities, and other institutions of higher education in this~~  
2 ~~state to facilitate the transfer of students and acceptance of~~  
3 ~~credits among these institutions. The department may hire limited~~  
4 ~~time FTEs or external consultants with the funds. The funds~~  
5 ~~allocated under this subsection for fiscal year 2024-2025 are a~~  
6 ~~work project appropriation, and any unexpended funds remaining at~~  
7 ~~the end of fiscal year 2024-2025 are carried forward into fiscal~~  
8 ~~year 2025-2026, and any unexpended funds remaining at the end of~~  
9 ~~fiscal year 2025-2026 are carried forward into fiscal year 2026-~~  
10 ~~2027. The purpose of the work project is to support transfer~~  
11 ~~pathways at postsecondary institutions in this state. The estimated~~  
12 ~~completion date of the work project is September 30, 2027.~~

13 ~~(11) For fiscal year 2024-2025 only, from the appropriation~~  
14 ~~described in subsection (1), \$980,000.00 is appropriated from the~~  
15 ~~state general fund/general purpose money for the FAFSA completion~~  
16 ~~incentive. The department of lifelong education, advancement, and~~  
17 ~~potential shall use funds appropriated under this subsection to run~~  
18 ~~a promotional activity to promote completing the Free Application~~  
19 ~~for Federal Student Aid (FAFSA) for the first time consistent with~~  
20 ~~the promotional-activity exception provided for in section 372(2)~~  
21 ~~of the Michigan penal code, 1931 PA 328, MCL 750.372. The~~  
22 ~~promotional activity must offer prize funds that are available to a~~  
23 ~~number, chosen by the department, of randomly selected Michigan~~  
24 ~~residents who satisfactorily demonstrate to the department that~~  
25 ~~they have completed the FAFSA for the first time.~~

26 ~~(12) For fiscal year 2024-2025 only, from the appropriation~~  
27 ~~described in subsection (1), \$750,000.00 is appropriated from state~~  
28 ~~general fund/general purpose money to Western Michigan University~~  
29 ~~to support the Project Clean program.~~

1       ~~(13) For fiscal year 2024-2025 only, from the appropriation~~  
2 ~~described in subsection (1), \$70,000.00 is appropriated from state~~  
3 ~~general fund/general purpose money to a city with a population~~  
4 ~~between 70,000 and 80,000 in a county with a population between~~  
5 ~~225,000 and 275,000 according to the most recent federal decennial~~  
6 ~~census for investments to improve safety on the campus of a public~~  
7 ~~university based in that city.~~

8       ~~(14) For fiscal year 2024-2025 only, subject to section 236r,~~  
9 ~~from the appropriation described in subsection (1), \$200,000.00 is~~  
10 ~~appropriated from state general fund/general purpose money for an~~  
11 ~~education performance study.~~

12       ~~(15) All of the following apply for fiscal year 2024-2025~~  
13 ~~only:~~

14       ~~(a) In addition to the allocations under subsections (4) and~~  
15 ~~(9), there is allocated an amount not to exceed \$10,000,000.00 for~~  
16 ~~payments to participating public universities, appropriated from~~  
17 ~~the state school aid fund. A public university that receives money~~  
18 ~~under this subsection shall use that money solely for the purpose~~  
19 ~~of payments toward the pension and other postemployment benefit~~  
20 ~~unfunded actuarial accrued liabilities associated with members and~~  
21 ~~pension recipients of those participating public universities.~~

22       ~~(b) The amount allocated in subdivision (a) must be allocated~~  
23 ~~to each participating public university based on each participating~~  
24 ~~public university's percentage of the total combined payrolls of~~  
25 ~~the universities' employees who are members of the retirement~~  
26 ~~system and who were hired before January 1, 1996 and the~~  
27 ~~universities' employees who would have been members of the~~  
28 ~~retirement system on or after January 1, 1996, but for the~~  
29 ~~enactment of 1995 PA 272 for all public universities that are~~



1 ~~participating public universities for the immediately preceding~~  
2 ~~state fiscal year.~~

3 ~~(c) Participating public universities receiving funds under~~  
4 ~~this subsection shall forward an amount equal to the amount~~  
5 ~~allocated under subdivision (a) to the retirement system in a form,~~  
6 ~~manner, and time frame determined by the retirement system.~~

7 ~~(d) Amounts allocated in subdivision (a) must be paid to~~  
8 ~~participating public universities in 1 lump sum installment no~~  
9 ~~later than October 31, 2024.~~

10 ~~(e) As used in this subsection, "participating public~~  
11 ~~universities" means public universities that are reporting units of~~  
12 ~~the Michigan public school employees' retirement system under the~~  
13 ~~public school employees retirement act of 1979, 1980 PA 300, MCL~~  
14 ~~38.1301 to 38.1437, and that pay contributions to the Michigan~~  
15 ~~public school employees' retirement system for the state fiscal~~  
16 ~~year.~~

17 Sec. 241. Subject to sections 241a, 241b, 241c, 241e, and 244,  
18 the funds appropriated in sections 236 and 236d to public  
19 universities must be paid out of the state treasury and distributed  
20 by the state treasurer to the respective institutions in 11 equal  
21 monthly installments on the sixteenth of each month, or the next  
22 succeeding business day, beginning with October 16, 2024. **2025.**  
23 Except for Wayne State University, each institution shall accrue  
24 its July and August ~~2025~~**2026** payments to its institutional fiscal  
25 year ending June 30, ~~2025~~**2026**.