



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



**BILL ANALYSIS**

**Telephone: (517) 373-2768**  
**Fax: (517) 373-1986**  
**TDD: (517) 373-0543**

Senate Bill 1157 (as introduced)  
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 1188.](#)

**FY 2009-10 Year-to-Date Gross Appropriation ..... \$1,612,243,300**

**Changes from FY 2009-10 Year-to-Date:**

- 1. **University Operations, Agricultural Experiment Station (AES), Cooperative Extension Service (CES).** Governor replaced \$68.2 million in Federal American Recovery and Reinvestment Act (ARRA) funds with State GF/GP. This would freeze appropriations for universities, AES, and CES at FY 2009-10 levels. 0
- 2. **State Competitive Scholarship Program.** Governor removed unavailable Federal funds which would result in total funding for this need-and-merit-based program of \$16.2 million. (1,400,000)
- 3. **Tuition Grant Program.** Governor eliminated these need-based grants for students at independent colleges and universities. (31,664,700)
- 4. **Michigan Merit Awards.** Governor eliminated the \$100 placeholder due to final phase-out of the awards. (100)
- 5. **Tuition Incentive Program (TIP).** Governor eliminated Phase II of TIP which provides up to \$2,000 per student for bachelor's degree programs, and capped reimbursement for public universities at the average in-district community college tuition rate. Under current law, TIP promises to pay two years of associate's degree tuition (Phase I) and up to \$2,000 at a four-year institution, for Medicaid-eligible middle school and high school students who graduate from high school. There were nearly 14,000 TIP students in FY 2008-09 with approximately 12,800 in Phase I and 1,200 in Phase II. (1,100,000)
- 6. **Children of Veterans Tuition Grant Program.** Governor added funds to address estimated caseload spending increases; total funding for the program would be \$1,151,500, financed from \$851,500 GF/GP and \$300,000 from an existing income tax check-off. 151,500
- 7. **State Police Officer's Survivor Tuition Program.** Governor transferred this GF/GP program from the Department of State Police. 48,500

Total Changes ..... **(\$33,964,800)**

**FY 2010-11 Governor's Recommendation ..... \$1,578,278,500**

**Changes from FY 2009-10 Year to Date:**

1. **Buy American.** Governor changed from intent to requirement. (Sec. 209)
2. **Preference for Michigan Vehicles.** Governor changed from intent to requirement, if vehicle is competitively priced and of comparable value. (Sec. 210)
3. **Deprived and Depressed.** Governor added requirement for universities to ensure businesses in deprived and distressed communities can compete for contracts, services, and supplies. (Sec. 211)
4. **Late HEIDI Data Submission.** Governor changed penalty from required to permissive. (Sec. 212(2))
5. **Appropriations Report from Fiscal Agencies.** Governor deleted. (Sec. 212(3))
6. **Tuition Tax Credit Report.** Governor deleted notification to fiscal agencies. (Sec. 214)
7. **ARRA Compliance.** Governor changed establishment of P-16 longitudinal data system to a P-20 system. (Sec. 216)
8. **Conflicts of Interest.** Governor deleted intent for university governing boards to examine operations for potential conflicts of interest. (Sec. 217)
9. **Tuition Grants.** Governor deleted due to program elimination. (Sec. 302)
10. **Tuition Incentive Program (TIP).** Governor eliminated Phase II which provides up to \$2,000 per student for bachelor's degree programs, and capped reimbursement for public universities at the average in-district community college tuition rate. (Sec. 310)
11. **Financial Aid Report.** Governor changed due date from February 15 to March 31. (Sec. 315)
12. **Financial Aid Workgroup.** Governor deleted legislative intent. (Sec. 316)
13. **Intent to Fund.** Governor deleted legislative intent to fund various financial aid programs. (Secs. 317, 318, 319)
14. **Douglas Lake.** Governor deleted intent to preserve research value. (Sec. 402)
15. **Required Textbooks.** Governor deleted intent for timely access to lists/accounts by private bookstores, and intent for universities to establish review process for new textbooks. (Sec. 426)
16. **AES and CES.** Governor deleted intent to add \$3.5 million for bioeconomy research. (Sec. 433(3))
17. **Future Farmers of America.** Governor deleted \$80,000 earmark. (Sec. 434)
18. **ARRA Report.** Governor deleted requirement. (Sec. 436)
19. **Per Student Floor Funding.** Governor deleted intent to provide \$3,775 per student. (Sec. 450)
20. **Indian Tuition.** Governor deleted intent to pay for unfunded costs. (Sec. 451)
21. **Macomb County.** Governor deleted enrollment report requirement. (Sec. 463)
22. **Timely Graduation.** Governor deleted intent for universities to facilitate. (Sec. 471)
23. **Student Veterans.** Governor deleted university report requirement. (Sec. 480)
24. **HEIDI Enrollment Audits.** Governor deleted fiscal agencies as advisors. (Sec. 701(1))
25. **New Academic Programs.** Governor deleted FY 2009-10 list of approved programs. (Sec. 701a)

Date Completed: 2-17-10

Fiscal Analyst: Ellen Jeffries

**FY 2010-11 HIGHER EDUCATION APPROPRIATIONS: GOVERNOR'S RECOMMENDATION - SB 1157**



	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Universities</b>	FY 2009-10 Year-To-Date Appropriation	Replace Federal ARRA With GF; Adjust Other Fed. Funds	Eliminate Tuition Grants; Modify TIP; Add St. Police Tuition	FY 2010-11 Governor's Recommend.	Dollar Change From 2009-10	Percent Change From 2009-10	2010-11 Approp. Per Student*
Central	\$82,436,000			\$82,436,000	\$0	0.0%	\$3,829
Eastern	78,212,100			78,212,100	0	0.0%	4,447
Ferris	50,017,100			50,017,100	0	0.0%	4,287
Grand Valley	63,758,300			63,758,300	0	0.0%	2,949
Lake Superior	13,059,200			13,059,200	0	0.0%	5,469
Michigan State	291,841,700			291,841,700	0	0.0%	6,609
Michigan Tech	49,302,100			49,302,100	0	0.0%	7,487
Northern	46,438,200			46,438,200	0	0.0%	5,517
Oakland	52,220,800			52,220,800	0	0.0%	3,465
Saginaw Valley	28,517,700			28,517,700	0	0.0%	3,462
UM-Ann Arbor	325,347,400			325,347,400	0	0.0%	7,874
UM-Dearborn	25,437,100			25,437,100	0	0.0%	4,036
UM-Flint	21,498,900			21,498,900	0	0.0%	3,644
Wayne State	220,329,200			220,329,200	0	0.0%	9,104
Western	112,766,800			112,766,800	0	0.0%	5,069
Ag Experiment Station(AES)	34,198,900			34,198,900	0	0.0%	
Cooperative Extension(CES)	29,497,000			29,497,000	0	0.0%	
Higher Education Database	105,000			105,000	0	0.0%	
Midwest Higher Ed Compact	95,000			95,000	0	0.0%	
King-Chavez-Parks	2,691,500			2,691,500	0	0.0%	
<b>Total Universities</b>	<b>\$1,527,770,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,527,770,000</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$5,680</b>
<b>Federal Stimulus</b>	<b>\$68,238,000</b>	<b>(\$68,238,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$68,238,000)</b>	<b>-100.0%</b>	
<b>State GF/GP</b>	<b>\$1,459,532,000</b>	<b>\$68,238,000</b>	<b>\$0</b>	<b>\$1,527,770,000</b>	<b>\$68,238,000</b>	<b>4.7%</b>	
<b>Grants and Financial Aid</b>							
Competitive Scholarships	\$17,608,500	(1,400,000)		\$16,208,500	(\$1,400,000)	-8.0%	
Tuition Grants	31,664,700		(31,664,700)	0	(31,664,700)	-100.0%	
Byrd Scholarship Program	1,500,000			1,500,000	0	0.0%	
Michigan Merit Award Program	100		(100)	0	(100)	-100.0%	
Tuition Incentive Program(TIP)	31,200,000		(1,100,000)	30,100,000	(1,100,000)	-3.5%	
Children of Veterans Tuition	1,000,000		200,000	1,200,000	200,000	20.0%	
Project Gear-Up	1,500,000			1,500,000	0	0.0%	
<b>Total Grants/Financial Aid</b>	<b>\$84,473,300</b>	<b>(\$1,400,000)</b>	<b>(\$32,564,800)</b>	<b>\$50,508,500</b>	<b>(\$33,964,800)</b>	<b>-40.2%</b>	
<b>Federal</b>	<b>5,900,000</b>	<b>(1,400,000)</b>	<b>0</b>	<b>4,500,000</b>	<b>(1,400,000)</b>	<b>-23.7%</b>	
<b>Merit Award Trust Fund</b>	<b>30,100,100</b>	<b>0</b>	<b>(100)</b>	<b>30,100,000</b>	<b>(100)</b>	<b>-0.0%</b>	
<b>Veterans Tax Checkoff</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>300,000</b>	<b>0</b>	<b>0.0%</b>	
<b>State GF/GP</b>	<b>\$48,173,200</b>	<b>0</b>	<b>(\$32,564,700)</b>	<b>\$15,608,500</b>	<b>(\$32,564,700)</b>	<b>-67.6%</b>	
<b>TOTAL HIGHER ED</b>	<b>\$1,612,243,300</b>	<b>(\$1,400,000)</b>	<b>(\$32,564,800)</b>	<b>\$1,578,278,500</b>	<b>(\$33,964,800)</b>	<b>-2.1%</b>	
<b>TOTAL FEDERAL</b>	<b>74,138,000</b>	<b>(69,638,000)</b>	<b>0</b>	<b>4,500,000</b>	<b>(69,638,000)</b>	<b>-93.9%</b>	
<b>TOTAL STATE RESTRICTED</b>	<b>30,400,100</b>	<b>0</b>	<b>(100)</b>	<b>30,400,000</b>	<b>(100)</b>	<b>-0.0%</b>	
<b>TOTAL STATE GF/GP</b>	<b>\$1,507,705,200</b>	<b>\$68,238,000</b>	<b>(\$32,564,700)</b>	<b>\$1,543,378,500</b>	<b>\$35,673,300</b>	<b>2.4%</b>	