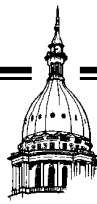




Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

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ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986

House Bill 5372 (CR-1):
FY 2012-13 Education Omnibus Appropriation Bill

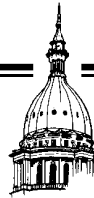
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FY 2011-12 Year-to-Date Gross Appropriation \$12,744,007,800

Changes from FY 2011-12 Year-to-Date:

Items Included by the Senate and House

- | | |
|---|------------|
| 1. Technical Cost Adjustments. Conference included adjustments due to pupils, taxable values, cash flow borrowing costs, and changes in Federal funds. | 45,714,600 |
| 2. Youth Challenge. Senate and House both funded Youth Challenge at \$1.5 million. | 734,400 |
| 3. New Grants. Governor, Senate, and House included \$10.0 million one-time funding of a program to provide consolidation innovation grants, and a new program to provide up to \$300/principal for training in effectively evaluating teachers. | 11,750,000 |
| 4. Economic Adjustments. \$818,300 for OPEB and \$403,400 for other economics. | 1,221,700 |
| 5. Other Changes. Michigan Business Tax hold harmless was eliminated. | (700,000) |

Conference Agreement on Items of Difference

- | | |
|--|--------------|
| 6. Best Practices. Conference funded Best Practices grants at \$80.0 million, a decrease of \$74.0 million from the current year, for districts meeting seven out of eight criteria. | (74,000,000) |
| 7. Equity/Foundation. Conference funded equity payments at \$80.0 million, boosting districts below \$6,966 per pupil up to that amount (an increase up to \$120 per pupil). | 80,000,000 |
| 8. Technology Infrastructure Grants. Conference funded these new grants, initiated by the House, at \$50.0 million, for technology improvements or access to a computer adaptive test. | 50,000,000 |
| 9. District Performance Grants. Conference funded district performance grants, originally proposed by the Governor as pupil performance grants, at \$30.0 million. | 30,000,000 |
| 10. Class Size Reduction Grants. Conference funded class size reduction grants in FY 2012-13 at the current FY 2011-12 level. | 13,300,000 |
| 11. Intermediate School District (ISD) Best Practices. Conference included \$2.0 million to provide Best Practices incentive grants to ISDs, rather than earmark grants from existing funds. | 2,000,000 |
| 12. Renaissance Zone Reimbursements for Libraries. Conference included a partial restoration of Renaissance Zone reimbursements for public libraries. | 1,500,000 |
| 13. Great Start Readiness Program (GSRP) Grants. Conference increased GSRP grants by \$5.0 million. | 5,000,000 |
| 14. MPSERS Reimbursements to Districts. Conference continued the \$155.0 million appropriation in FY 2011-12 into FY 2012-13. | 0 |
| 15. MPSERS Reserve for Reforms. Conference included a \$41.0 million appropriation into the MSPERS reserve, a decrease from the current appropriation of \$133.0 million. | (92,000,000) |
| 16. MPSERS Funding for Employer Rate Cap. Conference included \$130.0 million to appropriate to the Retirement System, pursuant to Section 41 of Senate Bill 1040, which provides for a cap on employer contribution rates. | 130,000,000 |
| 17. Items Not Funded. Education Reserve Fund, Computer Adaptive Test, increase in Vocational Education, restoration of Wayne-Westland and other specific adjustments. | (4,000,000) |

Total Changes.....	\$200,520,700
--------------------	---------------

FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation \$12,944,528,500

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

Changes from FY 2011-12 Year-to-Date:Items Included by the Senate and House

1. **Michigan Virtual University (MVU).** The Governor, Senate, and House proposed changing the mission of the MVU by establishing the Center for Online Learning Research and Innovation, focused on research and innovation in online learning. The new Center also would be required to annually research and recommend criteria by which cyber schools and online course providers should be monitored and evaluated. The MVU was further charged with conducting a pilot study of 1,000 students in online courses to determine and demonstrate the merits of a payment system for online instructional programs based on student performance rather than solely on enrollment and attendance. (Sec. 98)

Conference Agreement on Items of Difference

2. **Vocational and Alternative Education Programs Outside District Boundaries.** Senate added language allowing districts to operate in other districts if the resident district did not offer vocational or alternative education programs. Conference did not include.
3. **Pupil Count Days.** House included language stating the intent to move away from the current two-count per-year system, to a system of counting students eight times a year. Conference did not include, but did amend Section 25 to allow for the Department of Education to adjust pupil membership FTEs mid-year, when pupils transfer after count day. (Sec. 6 and 25)
4. **Kindergarten.** Conference added language stating that, to the extent allowable under Federal law and with sufficient documentation, for districts that used Federal Title I money in the two preceding years to fund full-time kindergarten, full-time membership in kindergarten is equal to one-half of the number of hours required for full-time status in grades 1-12. The Department of Education also is required to seek clarification from the Federal Department of Education as to whether this is an allowable use of Federal Title I money. (Sec. 6)
5. **Intent Language.** Conference concurred with Senate to add two sections of intent language: 1) School Aid Fund name change to Comprehensive Education Fund; and, 2) intent to study categoricals and determine to what extent, if any, they should be rolled into the foundation allowance. (Secs. 11t and 11u)
6. **Online Learning Cost Report.** Conference included a report found in Senate Bill 619 requiring districts and ISDs offering online learning to report on the detailed costs of online learning. (Sec. 18)
7. **Standardized Data Reporting.** Conference included modified House language stating intent to move to a standardized data reporting system by FY 2014-15. (Sec. 19)
8. **Early Childhood Block Grant.** Conference repealed categorical funding for ISD early childhood funding and ECIC collaboratives, and rolled them into a new ISD early childhood block grant. (Sec. 32p)
9. **Itinerant Staff Reimbursement.** Conference retained language requiring the redistribution of special education funds, that otherwise would lapse, to intermediate districts affected by changes made in FY 2003-04 regarding costs associated with itinerant staffing, but with an expiration date not later than FY 2014-15. (Section 51a).
10. **Best Practices Earmark for ISDs.** The Governor earmarked 5% of existing intermediate district operational funding as incentive payments for ISDs meeting best practices (service consolidation, competitive bids on noninstructional services, technology plan for constituent districts, dashboard, and information management system). Conference instead added 3.2% of new funding for best practices. (Sec. 81)
11. **Dropouts.** Conference added a new section allowing an enrolling district to provide substantiating paperwork to the Department of Education in order to enroll a dropout who has not yet been so identified. (Sec. 101a)
12. **MPSERS Rate.** The FY 2012-13 MPSERS rate totaled 27.37% of payroll for employees hired before July 1, 2010, and totaled 26.14% of payroll for employees hired on or after that date. Conference included language allowing the rate to differ, if the office of Retirement Services calculates and applies a different rate pursuant to provisions enacted under Senate Bill 1040. (Sec. 147)

Date Completed: 6-1-12

Fiscal Analyst: Kathryn Summers



**FY 2011-12 Year-to-Date Appropriations and
 FY 2012-13 Governor, Senate, House Recommendations (Adjusted for CREC) and Conference
 (Dollars in Thousands)**

Line Item Description	May 2012 CREC Year-to-Date FY 2011-12	FY 2012-13 REVISED GOVERNOR, MAY 2012		FY 2012-13 SENATE		FY 2012-13 HOUSE		FY 2012-13 CONFERENCE	
		Change from FY 12 Year-to-Date	Governor's Rec Appropriations	Change from FY 12 Year-to-Date	May 2012 CREC Appropriations	Change from FY 12 Year-to-Date	May 2012 CREC Appropriations	Change from FY 12 Year-to-Date	Conference Appropriations
Sec. 11g Durant Non-plaintiff Debt Service	\$39,000.0	\$0.0	\$39,000.0	\$0.0	\$39,000.0	\$0.0	\$39,000.0	\$0.0	\$39,000.0
Sec. 11j School Bond Loan Fund Payments - Debt Service	\$93,575.3	\$26,814.7	\$120,390.0	\$26,814.7	\$120,390.0	\$26,814.7	\$120,390.0	\$26,814.7	\$120,390.0
Sec. 11m Cash Flow Borrowing Costs	\$2,100.0	\$1,100.0	\$3,200.0	\$1,100.0	\$3,200.0	\$1,100.0	\$3,200.0	\$1,100.0	\$3,200.0
Sec. 11p Education Jobs Fund	\$4,700.0	(\$4,700.0)	\$0.0	(\$4,700.0)	\$0.0	(\$4,700.0)	\$0.0	(\$4,700.0)	\$0.0
Sec. 11s Education Reserve Fund - NEW	\$0.0	\$0.0	\$0.0	\$6,000.0	\$6,000.0	\$0.0	\$0.0	\$0.0	\$0.0
Sec 22a Proposal A Obligation Payment	\$5,776,000.0	(\$64,000.0)	\$5,712,000.0	(\$64,000.0)	\$5,712,000.0	(\$69,000.0)	\$5,707,000.0	(\$64,000.0)	\$5,712,000.0
Sec. 22b Discretionary Payment - State	\$3,052,000.0	\$7,000.0	\$3,059,000.0	\$324,800.0	\$3,376,800.0	\$7,000.0	\$3,059,000.0	\$100,300.0	\$3,152,300.0
Sec. 22d Isolated Districts Funding	\$2,025.0	\$0.0	\$2,025.0	\$0.0	\$2,025.0	\$0.0	\$2,025.0	\$0.0	\$2,025.0
Sec. 22e MBT Impact on Out-of-Formula Districts	\$700.0	(\$700.0)	\$0.0	(\$700.0)	\$0.0	(\$700.0)	\$0.0	(\$700.0)	\$0.0
Sec. 22f Best Practices	\$154,000.0	\$36,000.0	\$190,000.0	(\$154,000.0)	\$0.0	(\$39,000.0)	\$115,000.0	(\$74,000.0)	\$80,000.0
Sec. 22g Consolidation Innovation Grants - NEW	\$0.0	\$10,000.0	\$10,000.0	\$10,000.0	\$10,000.0	\$10,000.0	\$10,000.0	\$10,000.0	\$10,000.0
Sec. 22h - Emergency Transition Grants	\$4,000.0	(\$4,000.0)	\$0.0	(\$4,000.0)	\$0.0	(\$4,000.0)	\$0.0	(\$4,000.0)	\$0.0
Sec. 22i Technology Infrastructure - NEW	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$75,000.0	\$75,000.0	\$50,000.0	\$50,000.0
Sec. 22j District Performance - NEW	\$0.0	\$0.0	\$0.0	\$40,000.0	\$40,000.0	\$0.0	\$0.0	\$50,000.0	\$30,000.0
Sec. 24 Court-Placed Pupils	\$8,000.0	\$0.0	\$8,000.0	\$0.0	\$8,000.0	\$0.0	\$8,000.0	\$0.0	\$8,000.0
Sec. 24a Juvenile Detention Facilities	\$2,114.8	\$21.0	\$2,135.8	\$21.0	\$2,135.8	\$21.0	\$2,135.8	\$21.0	\$2,135.8
Sec. 24c Challenge Program	\$765.6	\$0.0	\$765.6	\$734.4	\$1,500.0	\$734.4	\$1,500.0	\$734.4	\$1,500.0
Sec. 26a Renaissance Zone Costs	\$25,137.5	\$1,162.5	\$26,300.0	\$1,162.5	\$26,300.0	\$4,162.5	\$29,300.0	\$2,662.5	\$27,800.0
Sec. 26b PILT Reimbursement	\$3,000.5	\$169.0	\$3,169.5	\$169.0	\$3,169.5	\$169.0	\$3,169.5	\$169.0	\$3,169.5
Sec. 26c Promise Zone	\$276.8	\$71.0	\$347.8	\$71.0	\$347.8	\$71.0	\$347.8	\$71.0	\$347.8
Sec. 31a "At Risk" Pupil Support	\$308,988.2	\$0.0	\$308,988.2	\$0.0	\$308,988.2	\$0.0	\$308,988.2	\$0.0	\$308,988.2
Sec. 31a Vision/Hearing Screening	\$5,150.0	\$0.0	\$5,150.0	\$0.0	\$5,150.0	\$0.0	\$5,150.0	\$0.0	\$5,150.0
Sec. 31a Child and Adolescent Health Centers	\$3,557.3	\$0.0	\$3,557.3	\$0.0	\$3,557.3	\$0.0	\$3,557.3	\$0.0	\$3,557.3
Sec. 31d School Lunch Programs - State Share	\$22,495.1	\$0.0	\$22,495.1	\$0.0	\$22,495.1	\$0.0	\$22,495.1	\$0.0	\$22,495.1
Sec. 31d School Lunch Programs - Federal Share	\$402,506.0	\$0.0	\$402,506.0	\$0.0	\$402,506.0	\$0.0	\$402,506.0	\$0.0	\$402,506.0
Sec. 31f School Breakfast	\$9,625.0	\$0.0	\$9,625.0	\$0.0	\$9,625.0	\$0.0	\$9,625.0	\$0.0	\$9,625.0
Sec. 32b Great Start - ECIC Collaborative Grants	\$5,900.0	\$0.0	\$5,900.0	(\$5,900.0)	\$0.0	\$0.0	\$5,900.0	(\$5,900.0)	\$0.0
Sec. 32d Great Start - School Readiness	\$95,700.0	\$0.0	\$95,700.0	\$10,000.0	\$105,700.0	\$0.0	\$95,700.0	\$5,000.0	\$100,700.0
Sec. 32g Early Learning Assessment, Quality Rating - NEW	\$12,500.0	(\$12,500.0)	\$0.0	(\$12,500.0)	\$0.0	(\$12,500.0)	\$0.0	(\$12,500.0)	\$0.0
Sec. 32j Great Start - ISD 0-5 Grants	\$5,000.0	\$0.0	\$5,000.0	(\$5,000.0)	\$0.0	\$0.0	\$5,000.0	(\$5,000.0)	\$0.0
Sec. 32l Great Start - School Readiness to Non-Districts	\$8,875.0	\$0.0	\$8,875.0	(\$8,875.0)	\$0.0	\$0.0	\$8,875.0	\$0.0	\$8,875.0
Sec. 32p Great Start Early Childhood Block Grants - NEW	\$0.0	\$0.0	\$0.0	\$19,775.0	\$19,775.0	\$0.0	\$0.0	\$10,900.0	\$10,900.0
Sec. 39a(1) NCLB Federal DOE Grants	\$761,973.6	\$50,354.9	\$812,328.5	\$50,354.9	\$812,328.5	\$50,354.9	\$812,328.5	\$50,354.9	\$812,328.5
Sec 39a(2) Other Non-NCLB Federal DOE Grants	\$32,359.7	\$1,154.4	\$33,514.1	\$1,154.4	\$33,514.1	\$1,154.4	\$33,514.1	\$1,154.4	\$33,514.1
Sec. 51c Special Education Headlee - State Share	\$648,700.0	\$29,300.0	\$678,000.0	\$29,300.0	\$678,000.0	\$29,300.0	\$678,000.0	\$29,300.0	\$678,000.0
Sec. 51a(2) Spec. Ed. Foundations - State Share	\$247,500.0	\$9,900.0	\$257,400.0	\$9,900.0	\$257,400.0	\$9,900.0	\$257,400.0	\$9,900.0	\$257,400.0
Sec. 51a(3) Spec. Ed. Hold Harmless to ISDs - State Share	\$1,000.0	\$0.0	\$1,000.0	\$0.0	\$1,000.0	\$0.0	\$1,000.0	\$0.0	\$1,000.0
Sec. 51a(11) Spec. Ed. Non Sec. 52 to ISDs - State Share	\$5,300.0	\$300.0	\$5,600.0	\$300.0	\$5,600.0	\$300.0	\$5,600.0	\$300.0	\$5,600.0
Sec. 51a(6) Spec. Ed. Rules Change - State Share	\$2,200.0	\$0.0	\$2,200.0	\$0.0	\$2,200.0	\$0.0	\$2,200.0	\$0.0	\$2,200.0
Sec. 53a Court-Placed Spec. Ed. FTEs - State Share	\$13,500.0	\$0.0	\$13,500.0	\$0.0	\$13,500.0	\$0.0	\$13,500.0	\$0.0	\$13,500.0
Sec. 54 MI School for Deaf and Blind - State Share	\$1,688.0	\$0.0	\$1,688.0	\$0.0	\$1,688.0	\$0.0	\$1,688.0	\$0.0	\$1,688.0
Sec. 56 Spec. Ed. Millage Equalization - State Share	\$36,881.1	\$0.0	\$36,881.1	\$0.0	\$36,881.1	\$0.0	\$36,881.1	\$0.0	\$36,881.1
Sec. 51a Special Education - Federal IDEA	\$363,400.0	\$1,600.0	\$365,000.0	\$1,600.0	\$365,000.0	\$1,600.0	\$365,000.0	\$1,600.0	\$365,000.0
Sec. 51d Special Education - Other Federal	\$74,000.0	\$0.0	\$74,000.0	\$0.0	\$74,000.0	\$0.0	\$74,000.0	\$0.0	\$74,000.0
Sec. 61a Vocational Education	\$26,611.3	\$0.0	\$26,611.3	\$0.0	\$26,611.3	\$3,388.7	\$30,000.0	\$0.0	\$26,611.3
Sec. 62 ISD Vocational Ed Millage Equalization	\$9,000.0	\$0.0	\$9,000.0	\$0.0	\$9,000.0	\$0.0	\$9,000.0	\$0.0	\$9,000.0
Sec. 74 Bus Driver Safety Instruction	\$1,625.0	\$0.0	\$1,625.0	\$0.0	\$1,625.0	\$0.0	\$1,625.0	\$0.0	\$1,625.0



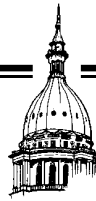
**FY 2011-12 Year-to-Date Appropriations and
 FY 2012-13 Governor, Senate, House Recommendations (Adjusted for CREC) and Conference
 (Dollars in Thousands)**

Line Item Description	May 2012 CREC Year-to-Date FY 2011-12	FY 2012-13 REVISED GOVERNOR, MAY 2012		FY 2012-13 SENATE		FY 2012-13 HOUSE		FY 2012-13 CONFERENCE	
		Change from FY 12 Year-to-Date	Gov. Rec Appropriations	Change from FY 12 Year-to-Date	May 2012 CREC Appropriations	Change from FY 12 Year-to-Date	May 2012 CREC Appropriations	Change from FY 12 Year-to-Date	Conference Appropriations
Sec. 74 School Bus Inspections	\$1,608.9	\$26.0	\$1,634.9	\$26.0	\$1,634.9	\$26.0	\$1,634.9	\$26.0	\$1,634.9
Sec. 81 ISD General Operations Support	\$62,108.0	\$0.0	\$62,108.0	\$0.0	\$62,108.0	\$0.0	\$62,108.0	\$0.0	\$62,108.0
Sec. 81(7) ISD Best Practices - NEW	\$0.0	\$0.0	\$0.0	\$2,000.0	\$2,000.0	\$3,105.0	\$3,105.0	\$2,000.0	\$2,000.0
Sec. 93 State Aid to Libraries	\$1,304.3	\$0.0	\$1,304.3	\$0.0	\$1,304.3	\$0.0	\$1,304.3	\$0.0	\$1,304.3
Sec. 94a Center for Educ. Perf. and Information - State Share	\$5,768.7	\$3,449.7	\$9,218.4	\$3,449.7	\$9,218.4	\$3,449.7	\$9,218.4	\$3,449.7	\$9,218.4
Sec. 94a Center for Educ. Perf. and Information - Federal	\$2,893.2	(\$2,699.7)	\$193.5	(\$2,699.7)	\$193.5	(\$2,699.7)	\$193.5	(\$2,699.7)	\$193.5
Sec. 95 Principal Educator Evaluation Training - NEW	\$0.0	\$1,750.0	\$1,750.0	\$1,750.0	\$1,750.0	\$1,750.0	\$1,750.0	\$1,750.0	\$1,750.0
Sec. 98 Michigan Virtual High School - State	\$1,687.5	\$2,700.0	\$4,387.5	\$2,700.0	\$4,387.5	\$2,700.0	\$4,387.5	\$2,700.0	\$4,387.5
Sec. 98 Michigan Virtual High School - Federal	\$2,700.0	(\$2,700.0)	\$0.0	(\$2,700.0)	\$0.0	(\$2,700.0)	\$0.0	(\$2,700.0)	\$0.0
Sec. 99 Math/Science Centers - State	\$2,625.0	\$0.0	\$2,625.0	\$100.0	\$2,725.0	\$0.0	\$2,625.0	\$100.0	\$2,725.0
Sec. 99 Math/Science Centers - Federal	\$5,249.3	\$0.0	\$5,249.3	\$0.0	\$5,249.3	\$0.0	\$5,249.3	\$0.0	\$5,249.3
Sec. 104 MEAP Testing - State Share	\$35,194.4	(\$8,500.0)	\$26,694.4	(\$8,500.0)	\$26,694.4	(\$8,500.0)	\$26,694.4	(\$8,500.0)	\$26,694.4
Sec. 104 MEAP Testing - Federal Share	\$8,250.0	\$0.0	\$8,250.0	\$0.0	\$8,250.0	\$0.0	\$8,250.0	\$0.0	\$8,250.0
Sec. 104c Computer Adaptive Testing - NEW	\$0.0	\$0.0	\$0.0	\$18,000.0	\$18,000.0	\$0.0	\$0.0	\$0.0	\$0.0
Sec. 107 Adult Education - State	\$22,000.0	\$0.0	\$22,000.0	\$0.0	\$22,000.0	\$0.0	\$22,000.0	\$0.0	\$22,000.0
Sec. 147a MPSERS District Reimbursement	\$155,000.0	\$24,000.0	\$179,000.0	(\$155,000.0)	\$0.0	\$93,506.3	\$248,506.3	\$0.0	\$155,000.0
Sec. 147b MPSERS Reserve for Retirement Obligation Reform	\$133,000.0	(\$133,000.0)	\$0.0	(\$133,000.0)	\$0.0	(\$133,000.0)	\$0.0	(\$92,000.0)	\$41,000.0
Sec. 147c MPSERS Rate Cap (Section 41 of MPSERS Act)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$130,000.0	\$130,000.0
Sec. 152. Adair v State of Michigan	\$34,064.5	\$3,936.0	\$38,000.5	\$3,936.0	\$38,000.5	\$3,936.0	\$38,000.5	\$3,936.0	\$38,000.5
TOTAL SCHOOL AID APPROPRIATIONS	\$12,746,884.6	(\$21,990.5)	\$12,724,894.1	\$3,643.9	\$12,750,528.5	\$52,743.9	\$12,799,628.5	\$217,643.9	\$12,944,528.5
TOTAL REVENUE									
Federal Aid	\$1,653,331.8	\$47,709.6	\$1,701,041.4	\$47,709.6	\$1,701,041.4	\$950,477.2	\$998,186.8	\$1,653,331.8	\$1,701,041.4
School Aid Fund (SAF)	\$11,010,210.4	(\$186,357.7)	\$10,823,852.7	(\$257,239.7)	\$10,752,970.7	\$11,705,399.4	\$11,519,041.7	\$11,218,326.8	\$10,961,087.1
General Fund/General Purpose	\$78,642.4	\$121,357.6	\$200,000.0	\$217,874.0	\$296,516.4	\$161,042.4	\$282,400.0	\$64,526.0	\$282,400.0
Federal Education Jobs Fund	\$4,700.0	(\$4,700.0)	\$0.0	(\$4,700.0)	\$0.0	\$4,700.0	\$0.0	\$4,700.0	\$0.0
TOTAL REVENUE	\$12,746,884.6	(\$21,990.5)	\$12,724,894.1	\$3,643.9	\$12,750,528.5	\$12,821,619.0	\$12,799,628.5	\$12,940,884.6	\$12,944,528.5



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ANALYSIS

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FY 2011-12 Year-to-Date Gross Appropriation \$283,880,500

Changes from FY 2011-12 Year-to-Date:

Items Included by the Senate and House

1. There are no Items of Agreement for appropriations line items.

Conference Agreement on Items of Difference

2. **Performance Funding.** Governor included an \$8,516,400 (3.0%) GF/GP increase to community colleges allocated through a new formula based on the average number of completions of associate degrees and certificates below baccalaureate in critical skills areas (3-year average for FY 2008-09, FY 2009-10, and FY 2010-11). Critical skills areas include: science, technology, engineering, mathematics, and health fields. Senate did not concur with Governor's proposed distribution. Senate continues using the Performance Indicators Taskforce recommendations to allocate additional funding. The local strategic value component was modified to allocate funds based on community colleges meeting certain best practice requirements. Senate allocations are based on the following: 50% proportionate to FY 2011-12 base; 10% contact hour equated students; 7.5% administrative costs; 17.5% weighted degrees; 15.0% local strategic value. House did not include formula distributions and instead allocated additional funds across-the-board and earmarked funding for MPSERS costs. Conference concurred with Senate distribution, but earmarked increase for MPSERS costs. Table 1 and Table 3 list details. 8,516,400
3. **Michigan Public School Employees Retirement System (MPERS) Health Costs.** Governor and Senate included \$1,733,600 from the School Aid Fund for the purpose of offsetting the increase in MPERS retirement contributions attributable to the 0.25% increase in retiree health care costs. Distributions were to be based on the FY 2011-12 MPERS payroll. House included the appropriation but allocated the funds across-the-board instead of basing distributions on MPERS payroll. Conference concurred with House distribution. Table 2 shows the estimated difference between the distribution methods. 1,733,600
4. **School Aid Fund.** Senate shifted \$96,516,400 from the State General Fund to the School Aid Fund, leaving no General Fund appropriation in the community college budget. House did not include the funding shift. Conference concurred with the House. 0
5. **Renaissance Zone Reimbursements.** Senate included a placeholder for Renaissance Zone tax reimbursements pursuant to Public Act 376 of 1996. The estimated cost of these reimbursements is \$3.5 million. Leadership agreement included funding in the Department of Treasury budget. 0
6. **Budget Format.** House included all additional funding in a separate appropriation unit, total of \$10,250,000 (\$8,516,400 GF/GP the Governor recommended for performance funding, and \$1,733,600 SAF that the Governor recommended to offset a portion of MPERS costs). Conference included the \$8,516,400 in college operations line items, and the \$1,733,600 in a separate section. 0

Total Changes \$10,250,000

FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation \$294,130,500

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



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FY 2011-12 Year-to-Date Gross Appropriation \$1,364,178,400

Changes from FY 2011-12 Year-to-Date:

Items Included by the Senate and House

- | | |
|--|-------------|
| 1. Michigan Public School Employees Retirement System (MPERS) Retiree Health Costs. School Aid Fund support to offset the 0.25% increase in costs related to retiree health care. | 446,200 |
| 2. State Competitive Scholarships. Governor, Senate, and House increased funding for this program from \$18,361,700 to \$20,361,700. Conference removed increase due to differences on funding sources (Items 7 and 8 below). | 0 |
| 3. Federal Funds. The Robert C. Byrd scholarship was eliminated by Congress. | (1,300,000) |

Conference Agreement on Items of Difference

- | | |
|---|------------|
| 4. MSU AgBioResearch. Conference included a 3.0% increase. | 1,578,800 |
| 5. Performance Funding. (See <u>Table 1</u> for details by institution.) | 36,217,000 |

Governor: \$36,217,000 (3.0%) increase allocated by four new funding formulas based on three-year average growth of undergraduate degree completions, three-year average degree completions in critical skills areas, three-year average number of undergraduate students receiving Pell Grants, and tuition restraint.

Senate: Maintained \$9,054,300 tuition restraint recommendation, but changed the remaining distribution to an \$18,108,400 allocation proportional to FY 2011-12 base appropriations and \$9,054,300 allocated pursuant to how universities perform relative to their Carnegie classifications for eight metrics.

House: Included the same overall increase but distributed funding based on a single-component formula that weights undergraduate degrees and certificates (two-year average) according to program length and provides a double weight for degrees/certificates in critical skills areas. House also redistributes 1.0% of FY 2011-12 base appropriations (\$12,072,300) under the formula, along with the \$36,217,000.

Conference: Maintained Governor's tuition restraint, but included a modified performance funding method based on the Senate and House formulas.

- | | |
|---|-------------|
| 6. MSU Facility for Rare Isotopes (FRIB). Governor and Senate included \$2,339,900. House and Conference transferred funding to the General Government Budget. | 0 |
| 7. Tuition Grants. Governor reduced this program by \$1.0 million, from \$31,664,700 to \$30,664,700. Senate maintained current year funding; House increased to \$32,664,700. Conference maintained current-year funding. | 0 |
| 8. Tuition Incentive Program (TIP). Governor reduced this program by \$1.0 million, from \$43.8 million to \$42.8 million. Senate reduced this program by an additional \$1.0 million. House maintained the Governor's recommended level of funding. Conference maintained current-year funding. | 0 |
| 9. Other Changes. Governor and House eliminated FY 2011-12 one-time appropriations for EMU Autism Collaborative Center (\$500,000), MSU FRIB (\$1.2 million, and WMU Economic Development and Commercialization (\$200,000). Senate restored EMU Autism Collaborative Center Funding and added CMU \$50,000 grant for Central Assessment Lending Library. Leadership transferred EMU and CMU items to other budgets. | (1,900,000) |

Total Changes	\$35,042,000
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FY 2012-13 Conference Report Ongoing/One-Time Gross Appropriation \$1,399,220,400

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

Changes from FY 2011-12 Year-to-Date:Items Included by the Senate and House

1. **Contingency Funds.** Appropriates up to \$6,000,000 in Federal funds for grants and financial aid. (Sec. 236b)
2. **P-20 Education Longitudinal Data System.** Modified to require the development of a P-20 system and allow the Budget Director to withhold funds for noncompliance. (Sec. 244)
3. **State Competitive Scholarships.** Governor, Senate, and House reduced awards to reflect actual amounts. (Sec. 251)
4. **Academic Information-High Schools and Community Colleges.** Modified to require universities to work with Center for Educational Performance and Information (CEPI) to implement a systematic approach. (Secs. 283 and 284)
5. **State Building Authority Rent.** Lists amounts included in the General Government bill. (Sec. 294a)
6. **Restored/Modified Sections.** Buy American/Buy Michigan intent (Sec. 239); purchase of foreign automobiles prohibition (Sec. 239a); certifying eligibility for TIP (Conference added clarification to the term "incarcerated" (Sec. 256); U of M Douglas Lake Biological Station (Sec. 261); unfunded Indian tuition waiver costs (Sec. 268); counseling degree programs/student's religious beliefs (Sec. 273); and human embryonic stem cell report (Conference modified) (Sec. 274).
7. **Deleted Sections.** Research university definition (Sec. 237a); minimizing textbooks costs (Sec. 262); funding formula (Sec. 266); academic program accreditation (Sec. 271); and rejection of transfer credits report (Sec. 272).

Conference Agreement on Items of Difference

8. **Second Year Appropriation Intent Language.** Governor replaced with line items. Senate and House maintained boilerplate. House stated intent performance funding is included in FY 2013-14 base and referenced May Revenue Estimating Conference instead of January. Conference concurred with Senate. (Sec. 236a)
9. **Posting of Expenditures.** Governor eliminated listing of individual employee information. Senate concurred in part, but required additional information and uniform placement of information on university websites. Senate authorizes the Budget Director to withhold State aid for noncompliance. House maintained current-year language and added December 15 report deadline. Conference concurred with Senate but added specific salary information. (Sec. 245)
10. **Tuition Grant Program.** Governor changed application deadlines, eliminated carry forward, and added new reporting requirements for independent colleges (P-20, etc.). Senate maintained current-year language. House removed carry forward, changed reporting requirement to intent that private institutions work with CEPI toward establishment of a student-level data reporting process, and added reporting if funds are available above the \$1,512 maximum award. Conference concurred with Senate except added House reporting requirement. (Sec. 252)
11. **Student Financial Aid Distributions.** Governor, House, and Conference changed distribution from 50% allocated over the first two quarters to payments of 50%, 30%, 10%, and 10%. (Sec. 254)
12. **Purpose of University Appropriations.** House language stating the purpose of State funding is to reduce the cost charged to Michigan residents for undergraduate instructional programs. (Sec. 260)
13. **Tuition Restraint.** Governor revised and set the FY 2012-13 limit at 4.0%. Senate reduced limit to 3.5%. House tied tuition restraint requirements to all of performance funding and calculated FY 2012-13 tuition restraint limit on two-year basis. Conference concurred with Governor but modified by defining "fee" to include the cost of a university-affiliated health insurance policy for a university that compels resident undergrad students to have health insurance coverage. (Sec. 265)
14. **Performance Funding Criteria.** Governor: Required universities to certify they participate in the Michigan Transfer Network (MTN), set criteria, and lapse forfeited funds. Senate: Changed formula, redistribute funds forfeited, and tie receipt of funds to MTN participation and compliance with stem cell report. House: Changed formula, condition receipt to compliance with tuition restraint, reporting on embryonic stem cell research, certification that the university participates in at least three reverse transfer agreements, certification that dual enrollment policies do not prevent use of credits for high school graduation, and certification that the university does not require resident undergraduate students to carry health insurance coverage. Funds forfeited for noncompliance are re-appropriated for MPERS, MSU AgBioResearch, and the balance for additional performance funding. Conference: Required reserve transfer agreement, House dual enrollment provision, and MTN participation. Forfeited funds would be reappropriated to tuition restraint. (Sec. 265a)
15. **Non-Profit Worker Centers.** House language stating legislative intent that public universities shall not collaborate with a nonprofit worker center whose documented activities include coercion through protest, demonstration, or organization against a Michigan business. Conference modified intent language. (Sec. 273a)
16. **Restored Sections.** Conference restored: payment schedule/withholding funds (Sec. 241); acceptance of Federal funds not placing an obligation on the Legislature (portion of Sec. 242); coordinate purchases (Sec. 270a); adult co-resident health benefits-legislative intent and report (Sec. 274a); Yellow Ribbon GI Education Enhancement report requirement (portion of Sec. 275); compliance with JCOS use and finance rules and penalty provisions (portion of Sec. 275a); and Federal Educational Rights & Privacy Act (Sec. 293); and new degree programs (Sec. 290).
17. **Other Changes.** Conference removed deprived and depressed communities (Sec. 240); concurred with Senate on AgBioResearch performance goals (Sec. 263a); deleted coordinated purchases (Sec. 270a); and merged campus security information (Sec. 292) with Sec. 245.

Date Completed: 6-4-12

Fiscal Analyst: Bill Bowerman

Table 1: FY 2012-13 Higher Education Appropriation Bill

	Governor				Senate Passed			House Passed			Conference		
	FY 2011-12 Year-To-Date Appropriation	FY 2012-13 Governor's Recommendation	Dollar Change From 2011-12	Percent Change From 2011-12	FY 2012-13 Senate Passed	Dollar Change From 2011-12	Percent Change From 2011-12	FY 2012-13 House Passed	Dollar Change From 2011-12	Percent Change From 2011-12	FY 2012-13 Conference Report	Dollar Change From 2011-12	Percent Change From 2011-12
Universities													
Central	\$68,108,900	\$70,680,700	\$2,571,800	3.8%	\$69,921,200	\$1,812,300	2.7%	\$71,133,500	\$3,024,600	4.4%	\$69,575,300	\$1,466,400	2.2%
Eastern	64,619,100	66,118,400	1,499,300	2.3%	66,178,000	1,558,900	2.4%	67,065,300	2,446,200	3.8%	66,297,500	1,678,400	2.6%
Ferris	41,324,300	43,906,600	2,582,300	6.2%	42,239,900	915,600	2.2%	44,003,300	2,679,000	6.5%	42,981,400	1,657,100	4.0%
Grand Valley	52,677,400	56,673,500	3,996,100	7.6%	54,478,200	1,800,800	3.4%	56,576,100	3,898,700	7.4%	55,097,500	2,420,100	4.6%
Lake Superior	10,789,500	11,036,700	247,200	2.3%	11,320,000	530,500	4.9%	11,241,200	451,700	4.2%	11,030,700	241,200	2.2%
Michigan State	241,120,800	244,418,600	3,297,800	1.4%	245,533,000	4,412,200	1.8%	247,912,200	6,791,400	2.8%	244,529,200	3,408,400	1.4%
Michigan Tech	40,733,600	41,536,100	802,500	2.0%	41,785,400	1,051,800	2.6%	42,009,900	1,276,300	3.1%	42,409,900	1,676,300	4.1%
Northern	38,367,400	39,659,700	1,292,300	3.4%	39,636,400	1,269,000	3.3%	39,514,100	1,146,700	3.0%	40,348,800	1,981,400	5.2%
Oakland	43,145,000	44,744,600	1,599,600	3.7%	44,103,500	958,500	2.2%	45,568,500	2,423,500	5.6%	44,033,300	888,300	2.1%
Saginaw Valley	23,561,500	24,682,500	1,121,000	4.8%	24,307,000	745,500	3.2%	24,663,300	1,101,800	4.7%	25,487,500	1,926,000	8.2%
UM-Ann Arbor	268,803,300	272,695,500	3,892,200	1.4%	273,652,500	4,849,200	1.8%	273,590,700	4,787,400	1.8%	273,056,700	4,253,400	1.6%
UM-Dearborn	21,016,300	21,587,800	571,500	2.7%	21,948,000	931,700	4.4%	22,098,400	1,082,100	5.1%	21,898,800	882,500	4.2%
UM-Flint	17,762,400	18,330,900	568,500	3.2%	18,488,300	725,900	4.1%	18,693,900	931,500	5.2%	19,103,500	1,341,100	7.6%
Wayne State	182,036,900	183,719,300	1,682,400	0.9%	185,530,600	3,493,700	1.9%	183,012,100	975,200	0.5%	183,229,100	1,192,200	0.7%
Western	93,168,300	94,606,500	1,438,200	1.5%	95,275,400	2,107,100	2.3%	96,369,200	3,200,900	3.4%	95,318,300	2,150,000	2.3%
Tuition Restraint Incentive*		9,054,300	9,054,300	---	9,054,300	9,054,300	---	0	0	0.0%	9,054,200	9,054,200	---
MPSERS Retiree Health Care		446,200	446,200	---	446,200	446,200	---	446,200	446,200	---	446,200	446,200	---
MSU AgBioResearch & Extension	52,625,800	52,625,800	0	0.0%	52,625,800	0	0.0%	52,625,800	0	0.0%	54,204,600	1,578,800	3.0%
MSU Facility for Rare Isotope Beams	0	2,339,900	2,339,900	---	2,339,900	2,339,900	---	0	0	0.0%	0	0	0.0%
Higher Education Database	105,000	105,000	0	0.0%	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%	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%
CMU Assessment Lending Library	0	0	0	0.0%	50,000	50,000	---	0	0	0.0%	0	0	0.0%
FY 2011-12 One-time Appropriations	1,900,000	0	(1,900,000)	-100.0%	500,000	(1,400,000)	-73.7%	0	(1,900,000)	-100.0%	0	(1,900,000)	-100.0%
Total Universities	\$1,264,652,000	\$1,301,755,100	\$37,103,100	2.9%	\$1,302,305,100	\$37,653,100	3.0%	\$1,299,415,200	\$34,763,200	2.7%	\$1,300,994,000	\$36,342,000	2.9%
School Aid Fund	\$200,019,500	200,465,700	\$446,200	0.2%	200,465,700	446,200	0.2%	200,465,700	446,200	0.2%	200,465,700	446,200	0.2%
State GF/GP	\$1,064,632,500	\$1,101,289,400	\$36,656,900	3.4%	\$1,101,839,400	37,206,900	3.5%	1,098,949,500	34,317,000	3.2%	1,100,528,300	35,895,800	3.4%
Grants and Financial Aid													
State Competitive Scholarships	\$18,361,700	\$20,361,700	\$2,000,000	10.9%	20,361,700	2,000,000	10.9%	20,361,700	2,000,000	10.9%	18,361,700	0	0.0%
Tuition Grants	31,664,700	30,664,700	(1,000,000)	-3.2%	31,664,700	0	0.0%	32,664,700	1,000,000	3.2%	31,664,700	0	0.0%
Tuition Incentive Program (TIP)	43,800,000	42,800,000	(1,000,000)	-2.3%	41,800,000	(2,000,000)	-4.6%	42,800,000	(1,000,000)	-2.3%	43,800,000	0	0.0%
Byrd Scholarship Program	1,300,000	0	(1,300,000)	-100.0%	0	(1,300,000)	-100.0%	0	(1,300,000)	-100.0%	0	(1,300,000)	-100.0%
Children of Veterans & Officer's Tuition	1,200,000	1,200,000	0	0.0%				1,200,000	0	0.0%	1,200,000	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%
Total Grants/Financial Aid	\$99,526,400	\$98,226,400	(\$1,300,000)	-1.3%	98,226,400	(1,300,000)	-1.3%	100,226,400	700,000	0.7%	98,226,400	(1,300,000)	-1.3%
Federal Higher Ed Act	4,500,000	3,200,000	(1,300,000)	-28.9%	3,200,000	(1,300,000)	-28.9%	3,200,000	(1,300,000)	-28.9%	3,200,000	(1,300,000)	-28.9%
Federal TANF	93,826,400	93,826,400	0	---	93,826,400	0	0.0%	95,826,400	2,000,000	2.1%	93,826,400	0	0.0%
Veterans Tax Check-off	200,000	100,000	(100,000)	-50.0%	100,000	(100,000)	-50.0%	100,000	(100,000)	-50.0%	100,000	(100,000)	-50.0%
State GF/GP	\$1,000,000	\$1,100,000	\$100,000	10.0%	1,100,000	100,000	10.0%	1,100,000	100,000	10.0%	1,100,000	100,000	10.0%
TOTAL HIGHER EDUCATION													
TOTAL ALL FUNDS	\$1,364,178,400	\$1,399,981,500	\$35,803,100	2.6%	\$1,400,531,500	\$36,353,100	2.7%	\$1,399,641,600	\$35,463,200	2.6%	\$1,399,220,400	\$35,042,000	2.6%
TOTAL FEDERAL	98,326,400	97,026,400	(1,300,000)	-1.3%	97,026,400	(1,300,000)	-1.3%	99,026,400	700,000	0.7%	97,026,400	(1,300,000)	-1.3%
TOTAL STATE RESTRICTED	200,219,500	200,565,700	346,200	0.2%	200,565,700	346,200	0.2%	200,565,700	346,200	0.2%	200,565,700	346,200	0.2%
TOTAL STATE GF/GP	\$1,065,632,500	\$1,102,389,400	\$36,756,900	3.4%	\$1,102,939,400	\$37,306,900	3.5%	\$1,100,049,500	\$34,417,000	3.2%	\$1,101,628,300	\$35,995,800	3.4%

* Tuition restraint incentive appropriation is not allocated to university line items. Distributions will be made to universities after university boards set FY 2012-13 tuition and fee rates.

Conference Scenario: FY 2012-13 University Performance Funding

Component funding:	\$6,036,167	\$6,036,167	\$6,036,167	\$6,036,167	\$3,018,083
Funding per unit/point:	\$403	\$232,160	\$163,140	\$355,069	\$0.0025

University	\$ Allocation per Degree			Scored vs. National Carnegie Peers						% of R&D Expenditures		Total Performance Funding	Percent Change From FY12
	FY 2011-12 Appropriation	Critical Skills Undergrad Degrees/Certifs	Performance Funding	Score: 6-Year Grad Rate	Performance Funding	*Total Degree Completions	Performance Funding	Score: Inst Support as % of Core Exp	Performance Funding	FY 2009-10 Total R&D Expenditures	Performance Funding		
Michigan State	241,120,800	2,894	1,166,943	3	696,481	3	489,419	1	355,069	276,579,627	700,532	3,408,400	1.4
UM-Ann Arbor	268,803,300	2,534	1,021,736	3	696,481	3	489,419	1	355,069	667,498,000	1,690,665	4,253,400	1.6
Wayne State	182,036,900	778	313,698	0	0	3	489,419	0	0	153,631,812	389,125	1,192,200	0.7
Michigan Tech	40,733,600	916	369,215	3	696,481	3	489,419	0	0	47,858,000	121,217	1,676,300	4.1
Western	93,168,300	1,115	449,580	1	232,160	2	326,279	3	1,065,206	30,300,890	76,747	2,150,000	2.3
Central	\$68,108,900	749	\$301,803	2	\$464,321	2	\$326,279	1	\$355,069	7,482,871	18,953	1,466,400	2.2
Oakland	43,145,000	938	378,010	0	0	3	489,419	0	0	8,229,811	20,845	888,300	2.1
Eastern	64,619,100	712	286,885	0	0	2	326,279	3	1,065,206			1,678,400	2.6
Ferris	41,324,300	1,169	471,152	3	696,481	3	489,419	0	0			1,657,100	4.0
Grand Valley	52,677,400	1,300	524,073	3	696,481	3	489,419	2	710,137			2,420,100	4.6
Saginaw Valley	23,561,500	408	164,308	3	696,481	0	0	3	1,065,206			1,926,000	8.2
UM-Dearborn	21,016,300	399	160,881	1	232,160	3	489,419	0	0			882,500	4.2
UM-Flint	17,762,400	385	155,236	3	696,481	3	489,419	0	0			1,341,100	7.6
Northern	38,367,400	483	194,600	1	232,160	3	489,419	3	1,065,206			1,981,400	5.2
Lake Superior	10,789,500	194	78,046	0	0	1	163,140	0	0			241,200	2.2
TOTAL	\$1,207,234,700	14,970	\$6,036,167	26	\$6,036,167	37	\$6,036,167	17	\$6,036,167	1,191,581,011	\$3,018,083	\$27,162,800	2.25

Critical Skills Areas

- Accounting
- Agriculture, Ag Operations, and Related Sciences
- Architecture
- Biological and Biomedical Sciences
- Communications Technologies/Techs & Supp Services
- Computer and Information Sciences & Support Services
- Construction Trades
- Engineering
- Engineering Technologies & Engineer-Related Fields
- Health Professions and Related Sciences
- Mathematics and Statistics
- Mechanic and Repair Technologies/Technicians
- Multi/Interdisciplinary Studies (Biological/Physical Sciences, Math/Computer Science)
- Natural Resources and Conservation
- Physical Sciences
- Precision Production
- Science Technologies/Technicians
- Transportation and Materials Moving

Scoring

- 3 = Improvement over 3 years
 - 2 = Top 20% nationally
 - 1 = Above national median
- *To include associate's degrees and undergraduate certificates

****Remainder for Tuition Restraint:** \$9,054,200

Total Funding Increase: \$36,217,000

**Universities holding resident undergraduate tuition/fee increases below 4.0% receive additional funds, proportional to tenths of a percent below limit. Mandatory health insurance charges to be defined as part of tuition/fee rate.

Changes from FY 2011-12 Year-to-Date:Items Included by the Senate and House

1. **Performance Funding Calculations.** Governor included new language basing allocations of new funding on the average number of completions of associate degrees and certificates in critical skills areas (3-year average for FY 2008-09, FY 2009-10, and FY 2010-11). Provides that community colleges shall report to the Center for Educational Performance and Information (CEPI) the number of students in the most recently completed academic year that transferred to a 4-year college or university and states that data will be used in the FY 2013-14 formula. Senate & House did not include this section. (Sec. 206(b))
2. **State Building Authority Rent.** Governor, Senate, & House included new language listing amounts paid by the State for previously constructed capital projects for each community college. (Sec. 229(a))
3. **Restored Sections.** Senate & House restored the following sections that were deleted by the Governor: Buy America intent (Sec. 204), report on budget revenue sources, expenditures and other data (Sec. 209(5)), encourages community colleges to achieve efficiencies (Sec. 212), prohibits purchase of foreign automobiles (Sec. 227), and prohibits disciplinary action against an employee for communicating with the Legislature (Sec. 228).
4. **Deleted Sections.** Governor, Senate & House removed a provision that creates committee to develop a common set of scores using the ACT assessment to determine placement in developmental courses at community colleges. (Sec. 214)

Conference Agreement on Items of Difference

5. **Anticipated Appropriations Subsequent Fiscal Year.** Governor replaced this section with line items for FY 2013-14. Senate & House did not include line items and restored this section. House changed Revenue Estimating Conference to May instead of January. Conference concurred with Senate. (Sec. 201(a))
6. **Payment Distribution Schedule.** Governor authorized withholding funds for failure to provide P-20 data. Budget Director shall determine compliance. Senate concurred with Governor and also added a notice requirement 10 days prior to withholding funds. House did not include notice requirement. Conference concurred with Senate. (Sec. 206)
7. **Transparency.** Governor eliminated language requiring community colleges post on the Internet a comprehensive report categorizing all institutional G/F expenditures by fiscal year (including a listing of all employee positions by position title, name, and annual salary) and report on budgeted revenue and expenditures. Senate revised by eliminating listing of names and salaries and added standard reporting on college website with additional information required including budget revisions, expenditures, employee costs, employee health care plans, links to collective bargaining agreements, enrollments, student retention, financial aid information, faculty to student ratios, graduation outcome rates, best practices, and also included penalty of withholding State aid payments for noncompliance. House restored section and added to the reporting requirements, including total number of full time faculty, total students enrolled, and the number of students receiving a degree in the most recent academic year. Conference modified Senate language by removing certain format requirements, modifying information requirements and linking certain data to existing information in the Activities Classification Structure. (Sec. 209)
8. **P-20 Longitudinal Data System.** Requires community colleges receiving funds under this act to cooperate with the State to comply with the provisions of the American Recovery and Reinvestment Act (ARRA) of 2009 requiring the establishment of a statewide P-20 Longitudinal Data System. Governor and Senate changed shall "cooperate" to shall "comply". Removed reference to ARRA. House and Conference eliminated current year language and required colleges to provide their longitudinal data system data set for the preceding academic year to CEPI by June 30 of each year. (Sec. 219)
9. **Student Academic Status.** Governor, Senate, and Conference modified this language by requiring community colleges to cooperate with CEPI to design and implement a system to accomplish this work. (Sec. 224)
10. **Restored Sections.** Conference restored Depressed and Deprived intent (Sec. 205); compliance with JCOS use and finance requirements and penalty provisions (portion of Sec. 208); collaboration with four-year universities, local employers, and other community colleges (Sec. 210); intent that performance task force indicators be reviewed and more fully implemented for distribution of State funding in future years - Senate and Conference modified this section to reflect FY 2012-13 adjustments to the formula (Sec. 230); creates committee to develop a process to improve the transferability of core college courses between colleges and universities - House and Conference revised membership and added report (Sec. 210(a)); and review statutory mandates (Sec. 216).
11. **Other Changes.** Conference concurred with Governor and Senate by removing intent language for colleges to promote equal opportunity. (Sec. 211)

Date Completed: 6-1-12

Fiscal Analyst: Bill Bowerman

Table 1: FY 2012-13 Community College Appropriation Bill

College	FY 2011-12 Year-To-Date	FY 2012-13 Governor			FY 2012-13 Senate			FY 2012-13 House			FY 2012-13 Conference		
		Adjustments*	Appropriation	Percent Change	Adjustments**	Appropriation	Percent Change	Adjustments***	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change
Alpena	\$4,984,300	\$168,400	\$5,152,700	3.4%	\$149,300	\$5,133,600	3.0%	\$149,600	\$5,133,900	3.0%	\$149,300	\$5,133,600	3.0%
Bay de Noc	5,040,200	139,900	5,180,100	2.8%	143,800	5,184,000	2.9%	151,200	5,191,400	3.0%	143,800	5,184,000	2.9%
Delta	13,336,200	583,100	13,919,300	4.4%	436,500	13,772,700	3.3%	400,100	13,736,300	3.0%	436,500	13,772,700	3.3%
Glen Oaks	2,320,900	72,800	2,393,700	3.1%	72,600	2,393,500	3.1%	69,600	2,390,500	3.0%	72,600	2,393,500	3.1%
Gogebic	4,140,500	103,400	4,243,900	2.5%	111,200	4,251,700	2.7%	124,200	4,264,700	3.0%	111,200	4,251,700	2.7%
Grand Rapids	16,649,700	333,400	16,983,100	2.0%	479,500	17,129,200	2.9%	499,500	17,149,200	3.0%	479,500	17,129,200	2.9%
Henry Ford	20,145,000	430,200	20,575,200	2.1%	542,400	20,687,400	2.7%	604,400	20,749,400	3.0%	542,400	20,687,400	2.7%
Jackson	11,219,700	331,600	11,551,300	3.0%	322,300	11,542,000	2.9%	336,600	11,556,300	3.0%	322,300	11,542,000	2.9%
Kalamazoo Valley	11,522,700	399,300	11,922,000	3.5%	357,500	11,880,200	3.1%	345,700	11,868,400	3.0%	357,500	11,880,200	3.1%
Kellogg	9,047,900	299,200	9,327,100	3.1%	282,100	9,330,000	3.1%	271,400	9,319,300	3.0%	282,100	9,330,000	3.1%
Kirtland	2,872,900	155,400	3,028,300	5.4%	108,300	2,981,200	3.8%	86,200	2,959,100	3.0%	108,300	2,981,200	3.8%
Lake Michigan	4,937,700	100,200	5,037,900	2.0%	143,800	5,081,500	2.9%	148,100	5,085,800	3.0%	143,800	5,081,500	2.9%
Lansing	28,651,900	919,800	29,571,700	3.2%	812,000	29,463,900	2.8%	859,500	29,511,400	3.0%	812,000	29,463,900	2.8%
Macomb	30,490,300	693,800	31,184,100	2.3%	853,400	31,343,700	2.8%	914,700	31,405,000	3.0%	853,400	31,343,700	2.8%
Mid Michigan	4,266,800	189,800	4,456,600	4.4%	145,800	4,412,600	3.4%	128,000	4,394,800	3.0%	145,800	4,412,600	3.4%
Monroe	4,094,000	118,500	4,212,500	2.9%	147,900	4,241,900	3.6%	122,800	4,216,800	3.0%	147,900	4,241,900	3.6%
Montcalm	2,946,800	103,200	3,050,000	3.5%	105,000	3,051,800	3.6%	88,400	3,035,200	3.0%	105,000	3,051,800	3.6%
Mott	14,526,400	416,300	14,942,700	2.9%	429,400	14,955,800	3.0%	435,800	14,962,200	3.0%	429,400	14,955,800	3.0%
Muskegon	8,256,700	155,200	8,411,900	1.9%	236,600	8,493,300	2.9%	247,700	8,504,400	3.0%	236,600	8,493,300	2.9%
North Central	2,886,500	76,600	2,963,100	2.7%	106,400	2,992,900	3.7%	86,600	2,973,100	3.0%	106,400	2,992,900	3.7%
Northwestern	8,430,300	112,100	8,542,400	1.3%	231,700	8,662,000	2.7%	252,900	8,683,200	3.0%	231,700	8,662,000	2.7%
Oakland	19,455,900	478,900	19,934,800	2.5%	609,200	20,065,100	3.1%	583,700	20,039,600	3.0%	609,200	20,065,100	3.1%
St. Clair	6,534,100	192,200	6,726,300	2.9%	192,600	6,726,700	2.9%	196,000	6,730,100	3.0%	192,600	6,726,700	2.9%
Schoolcraft	11,477,300	559,500	12,036,800	4.9%	374,800	11,852,100	3.3%	344,300	11,821,600	3.0%	374,800	11,852,100	3.3%
Southwestern	6,143,700	90,400	6,234,100	1.5%	152,900	6,296,600	2.5%	184,300	6,328,000	3.0%	152,900	6,296,600	2.5%
Washtenaw	11,827,300	990,900	12,818,200	8.4%	467,900	12,295,200	4.0%	354,800	12,182,100	3.0%	467,900	12,295,200	4.0%
Wayne County	15,425,900	277,400	15,703,300	1.8%	442,000	15,867,900	2.9%	462,800	15,888,700	3.0%	442,000	15,867,900	2.9%
West Shore	2,248,900	44,900	2,293,800	2.0%	59,500	2,308,400	2.6%	67,500	2,316,400	3.0%	59,500	2,308,400	2.6%
Subtotal Operations:	\$283,880,500	\$8,516,400	\$292,396,900	3.0%	\$8,516,400	\$292,396,900	3.0%	\$8,516,400	\$292,396,900	3.0%	\$8,516,400	\$292,396,900	3.0%
MPSERS Retiree Health Care***	\$0	1,733,600	1,733,600	---	1,733,600	1,733,600	---	1,733,600	1,733,600	---	1,733,600	1,733,600	---
Renaissance Zone Reimbursements	\$0	0	0	0.0%	100	100	---				0	0	0.0%
Total Appropriations:	\$283,880,500	\$10,250,000	\$294,130,500	3.6%	\$10,250,100.00	294,130,600	3.6%	10,250,000	294,130,500	3.6%	\$10,250,000	\$294,130,500	3.6%
State School Aid Fund	195,880,500	1,733,600	197,614,100	0.9%	98,250,100	294,130,600	50.2%	1,733,600	197,614,100	0.9%	1,733,600	197,614,100	0.9%
GF/GP	\$88,000,000	\$8,516,400	\$96,516,400	9.7%	(\$88,000,000)	\$0	-100.0%	\$8,516,400	96,516,400	9.7%	\$8,516,400	\$96,516,400	9.7%

* Governor's increase for community college operations based on degrees in Critical Skills Areas (science, technology, engineering, mathematics, and health fields), and MPSERS adjustment.

**Senate adjustments include Performance Indicators Task Force distributions, MPSERS funding, Renaissance Zone payments placeholder, and School Aid Fund shift. Amounts assume each college will qualify for local strategic value funding allocation.

***House increases distributed across-the-board.

****MPSERS Retiree Health Care: Governor and Senate would allocate based on individual college MPSERS payroll in proportion to total community college MPSERS payroll.

House allocates funding across the board, resulting in a 0.6% increase to each college. See Table 2 for MPSERS distributions.

Table 2: Estimated Allocation for MPSERS
Conference and House Distribution Compared to Senate

<u>Community College</u>	<u>Senate</u>	<u>Conference & House</u>	<u>Difference</u>
Alpena	\$20,400	\$30,400	\$10,000
Bay de Noc	17,200	30,800	13,600
Delta	88,400	81,400	(7,000)
Glen Oaks	8,400	14,200	5,800
Gogebic	11,400	25,300	13,900
Grand Rapids	156,500	101,700	(54,800)
Henry Ford	127,700	123,000	(4,700)
Jackson	44,100	68,500	24,400
Kalamazoo Valley	65,800	70,400	4,600
Kellogg	34,900	55,300	20,400
Kirtland	21,700	17,500	(4,200)
Lake Michigan	29,700	30,200	500
Lansing	143,900	175,000	31,100
Macomb	149,900	186,200	36,300
Mid Michigan	29,500	26,100	(3,400)
Monroe	34,100	25,000	(9,100)
Montcalm	17,600	18,000	400
Mott	81,800	88,700	6,900
Muskegon	31,800	50,400	18,600
North Central	16,800	17,600	800
Northwestern	40,900	51,500	10,600
Oakland	177,600	118,800	(58,800)
St. Clair	35,400	39,900	4,500
Schoolcraft	97,700	70,100	(27,600)
Southwestern	13,400	37,500	24,100
Washtenaw	106,700	72,200	(34,500)
Wayne County	117,300	94,200	(23,100)
West Shore	13,000	13,700	700
TOTAL:	\$1,733,600	\$1,733,600	\$0



Table 3: FY 2012-13 Community College Appropriation Bill Detail

College	FY 2011-12 Year-To-Date	FY 2012-13 Conference									
		50% Proportionate To Base	10.0% Student Contact Hours	7.5% Admin. Cost Component	17.5% Weighted Degrees	15% Strategic Value	Formula Distribution	MPERS Funding	Total Adjustments	FY 2012-13 Appropriation	Percent Change
Alpena	4,984,300	74,800	7,000	18,100	27,000	22,400	149,300	30,400	179,700	5,164,000	3.6
Bay de Noc	5,040,200	75,600	9,200	11,100	25,200	22,700	143,800	30,800	174,600	5,214,800	3.5
Delta	13,336,200	200,000	38,900	31,800	105,800	60,000	436,500	81,400	517,900	13,854,100	3.9
Glen Oaks	2,320,900	34,800	5,500	10,500	11,300	10,500	72,600	14,200	86,800	2,407,700	3.7
Gogebic	4,140,500	62,100	4,600	10,500	15,400	18,600	111,200	25,300	136,500	4,277,000	3.3
Grand Rapids	16,649,700	249,700	57,400	28,700	68,800	74,900	479,500	101,700	581,200	17,230,900	3.5
Henry Ford	20,145,000	302,200	57,200	20,500	71,800	90,700	542,400	123,000	665,400	20,810,400	3.3
Jackson	11,219,700	168,300	26,100	25,300	52,100	50,500	322,300	68,500	390,800	11,610,500	3.5
Kalamazoo Valley	11,522,700	172,800	38,100	32,200	62,500	51,900	357,500	70,400	427,900	11,950,600	3.7
Kellogg	9,047,900	135,700	20,900	32,400	52,400	40,700	282,100	55,300	337,400	9,385,300	3.7
Kirtland	2,872,900	43,100	7,100	20,700	24,500	12,900	108,300	17,500	125,800	2,998,700	4.4
Lake Michigan	4,937,700	74,100	16,200	13,100	18,200	22,200	143,800	30,200	174,000	5,111,700	3.5
Lansing	28,651,900	429,800	67,600	40,100	145,600	128,900	812,000	175,000	987,000	29,638,900	3.4
Macomb	30,490,300	457,300	85,100	33,400	140,400	137,200	853,400	186,200	1,039,600	31,529,900	3.4
Mid Michigan	4,266,800	64,000	17,500	11,900	33,200	19,200	145,800	26,100	171,900	4,438,700	4.0
Monroe	4,094,000	61,400	14,300	31,300	22,500	18,400	147,900	25,000	172,900	4,266,900	4.2
Montcalm	2,946,800	44,200	6,600	23,700	17,200	13,300	105,000	18,000	123,000	3,069,800	4.2
Mott	14,526,400	217,900	43,400	31,200	71,500	65,400	429,400	88,700	518,100	15,044,500	3.6
Muskegon	8,256,700	123,900	17,800	30,700	27,000	37,200	236,600	50,400	287,000	8,543,700	3.5
North Central	2,886,500	43,300	8,400	25,900	15,800	13,000	106,400	17,600	124,000	3,010,500	4.3
Northwestern	8,430,300	126,500	18,300	24,500	24,500	37,900	231,700	51,500	283,200	8,713,500	3.4
Oakland	19,455,900	291,800	94,600	36,700	98,500	87,600	609,200	118,800	728,000	20,183,900	3.7
St. Clair	6,534,100	98,000	17,300	14,700	33,200	29,400	192,600	39,900	232,500	6,766,600	3.6
Schoolcraft	11,477,300	172,200	45,000	21,100	84,900	51,600	374,800	70,100	444,900	11,922,200	3.9
Southwestern	6,143,700	92,200	10,900	5,800	16,400	27,600	152,900	37,500	190,400	6,334,100	3.1
Washtenaw	11,827,300	177,400	48,900	29,900	158,500	53,200	467,900	72,200	540,100	12,367,400	4.6
Wayne County	15,425,900	231,400	62,900	20,900	57,400	69,400	442,000	94,200	536,200	15,962,100	3.5
West Shore	2,248,900	33,700	4,800	2,000	8,800	10,200	59,500	13,700	73,200	2,322,100	3.3
Subtotal Operations:	\$283,880,500	\$4,258,200	\$851,600	\$638,700	\$1,490,400	\$1,277,500	\$8,516,400	\$1,733,600	\$10,250,000	\$294,130,500	3.6
Total Appropriations:	\$283,880,500	\$4,258,200	\$851,600	\$638,700	\$1,490,400	\$1,277,500	\$8,516,400	\$1,733,600	10,250,000	294,130,500	3.6
State School Aid Fund	195,880,500	0	0	0	0	0	0	1,733,600	1,733,600	197,614,100	0.9
GF/GP	\$88,000,000	\$4,258,200	\$851,600	\$638,700	\$1,490,400	\$1,277,500	\$8,516,400	\$0	\$8,516,400	\$96,516,400	9.7