



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

BILL



ANALYSIS

**Telephone: (517) 373-2768**  
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**House Bill 4228:  
 FY 2013-14 Education Omnibus Appropriation Bill**

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<b>Education Omnibus Appropriation Bill                      House Bill 4228 (P.A. 60 of 2013)</b>		
<b>Department/Budget Area</b>	<b>FY 2013-14 Adjusted Gross Appropriation</b>	<b>FY 2013-14 GF/GP Appropriation</b>
Community Colleges .....	335,977,600	138,363,500
Higher Education.....	1,430,573,500	1,132,981,400
School Aid K-12 .....	13,361,803,600	230,000,000
<b>Total Education Omnibus Appropriations.....</b>	<b>\$15,128,354,700</b>	<b>\$1,501,344,900</b>



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 P. O. Box 30036  
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**FY 2012-13 Year-to-Date Gross Appropriation ..... \$12,912,055,600**

**Changes from FY 2012-13 Year-to-Date:**

Items Included by the Senate and House

- 1. **MPSERS Rate Cap.** \$273.3 million School Aid Fund increase to pay for the cost of the rate cap (average value \$250 per pupil). Conference added \$1.3 million for library costs. 274,600,000
- 2. **Pupil Performance Grants.** House and Senate increased funding to fully fund grants. 16,400,000
- 3. **Technical Cost Adjustments.** Appropriations were adjusted based on newer cost data, and were adjusted for anticipated Federal funds. One-time items were removed. 9,638,200
- 4. **Transfer of Library Payments to MDE.** Payments were transferred to the MDE budget. (1,304,300)
- 5. **Student-Centric Grants.** New competitive grants for student-centric learning. 8,000,000
- 6. **Economic Adjustments.** Includes \$287,500 Gross and \$216,700 GF/GP. 287,500

Conference Agreement on Items of Difference

- 7. **Great Start Readiness Program (GSRP) Grants.** Conference concurred with Governor and Senate to increase grants for at-risk four-year-olds by \$65.0 million (SAF). 65,000,000
- 8. **Increase Per-Pupil Spending.** Conference added a \$30 increase in the basic foundation allowance and a \$60 increase in the minimum foundation allowance (to \$7,026). Also, an equity payment is provided for districts with foundation allowances below \$7,076. 116,000,000
- 9. **Michigan Virtual University.** Conference concurred with one-half of the Governor's proposed increase to expand the role of MVU in online learning activities and support. 5,000,000
- 10. **Best Practices, Tech, Class Size.** Conference restored Governor's \$55.0 million reduction in best practices. Other items not reduced are tech grants and class size grants. Also, Conference retained \$5.0 million (of \$10.0 million currently) for district consolidation. (5,000,000)
- 11. **MPSERS Offset.** Conference reduced MPSERS offset by \$55.0 million to \$100.0 million. (55,000,000)
- 12. **Hold Harmless & Communities in Schools.** Conference concurred with Senate to add \$1.1 million to hold ISDs to no more than a 25% loss in equalization funding. Conference added \$6.0 million to ensure districts receive at least a \$5 increase in per-pupil funding. 7,067,000
- 13. **Bilingual Education.** House included \$1.3 million for bilingual education grants. Senate did not include. Conference included \$1.2 million. 1,200,000
- 14. **Center for Educational Performance and Information Pupil Transfer Process.** House added \$99,800 to develop a pupil transfer application. Conference concurred at \$100,000. 100,000
- 15. **Items Not Included.** Conference did not include computer adaptive tests, education reserve fund, communities in schools, or math/science pilot coalitions. 0
- 16. **Other Changes.** Conference concurred with Senate to increase rural schools by \$559,600 and math/science centers \$125,000. Conference added \$3.0 million for FIRST Robotics; \$1.0 million for CTE centers to integrate Michigan Merit Curriculum in STEM areas; \$1.0 million for partnerships between districts and postsecondary to develop articulation and transfer agreements; and a \$1.7 million increase for library Renaissance Zone funding. 7,759,600

Total Changes ..... \$449,748,000

**FY 2013-14 Enacted Ongoing/One-Time Gross Appropriation ..... \$13,361,803,600**

**Changes from FY 2012-13 Year-to-Date:**Items Included by the Senate and House

1. **Consolidation Incentive.** Senate and House included new language providing up to a \$100 per-pupil consolidation incentive grant for districts, built into the combined foundation allowance. (Sec. 20)
2. **Pupil Transfer after Count Date.** Senate and House included new language requiring the development of a pupil transfer application process to allow for funding to follow a student that transfers districts after count date. (Sec. 25e)
3. **Itinerant Reimbursement.** Governor proposed eliminating the reimbursement to ISDs for itinerant staff, adversely affected by changes in special education funding implemented in FY 2003-04. Senate and House kept. (Sec. 51a(7))

Conference Agreement on Items of Difference

4. **Student Membership Blend.** Senate and Conference changed the blend from 90% fall plus 10% *prior* February to 90% fall plus 10% *current-year* February. House blend was 80% fall plus 20% *current-year* February. (Sec. 6)
5. **Online Learning.** Conference changed pupil definitions and included a new section (21f) regarding online learning. Students enrolling in a district offering online learning under Sec. 21f need not obtain permission from the resident district first. Students in grades 5 to 12 could enroll in up to two online courses; legislative intent to study increasing the cap for pupils that demonstrate success in online courses. Districts would be required to pay for online courses 80% upon enrollment and 20% upon completion. Conference included restrictions on how much districts pay for an online course, capped at 1/12 of foundation allowance per semester or 1/18 per trimester. Conference allowed home district to determine granting of academic credit based upon successful completion. (Sec. 6 and 21f)
6. **Online Course Foundation.** House changed the foundation allowance for a cyber school or for pupils attending a district under a seat-time waiver for a 100% online model to 85% of the foundation allowance of the district in which it is located. Conference did not include the House change. (Sec. 20)
7. **Education Achievement Authority (EAA) Spending.** Senate prohibited the EAA from expending any funds from any sources unless the funds are appropriated by the Legislature. Conference did not include (Sec. 22b)
8. **Best Practices.** Conference amended best practices criteria to allow a Voluntary Employees Beneficiary Association (VEBA) to qualify as policy holder; to require a comparison of competitive bids to exclude the cost of unfunded accrued liabilities; to require a district to publish online course syllabi for each online course offered; to offer health or physical education (without meeting State Board standards, as found in current law); and to include in the dashboard projections of revenues and expenditures, debt service, and total outstanding debt. (Section 22f)
9. **Technology Infrastructure Grants.** Conference retained technology infrastructure competitive grants based on need and limited uses to technology infrastructure, shared service consolidation of technology and data, and hardware. Also, Conference earmarked \$5.0 million out of the \$50.0 million total appropriation for a competitive bid for provision of 'whole-school' technology. (Sec. 22i)
10. **Great Start Readiness Program.** Conference eliminated the use of funds for parenting programs formerly funded under Sec. 32b; aligned the age eligibility to kindergarten eligibility; restricted grants to providers with at least three stars under the tiered rating system; ensured 90% of children participating are below 250% of the Federal poverty level (FPL), with children from the poorest families being enrolled prior to children in less poor families; established a sliding scale of tuition for students in families above 250% FPL; and allowed transportation costs to be reimbursed. Half-day per-slot reimbursement was increased from \$3,400 to \$3,625. (Sec. 32d and Sec. 39).
11. **Michigan Virtual University.** Conference included most of the new initiatives recommended by the Governor, including the expansion of statewide professional development and training for at least 500 teachers; establishing an internet platform to create and implement student-centric learning tools and resources; establish a public statewide catalog of online courses offered by public schools; and providing leadership for the state's system of online learning. (Sec. 98)
12. **Instructional Days and Hours.** House deleted provision allowing for 38 hours of professional development to be counted towards the 1,098 minimum number of instruction hours required, and increased minimum number of days required from 170 to 175. Conference concurred. (Sec. 101)

Date Completed: 6-14-13

Fiscal Analyst: Kathryn Summers



**Revised Appropriations for FY 2012-13 and  
Governor, Senate, House, and Conference/Enacted (P.A. 60 of 2013) Recommendations for FY 2013-14  
(Dollars in Thousands)**

Line Item Description	Revised Rec Appropriations FY 2012-13	Gov's Rec Adjusted for Consensus/Perf.		Senate-Passed		House-Passed		Public Act 60 of 2013	
		Change from FY 13 Revised Rec	FY 2013-14 Gov Appropriations	FY 2013-14 Senate Recommendation	Diff from Gov's Recommendation	FY 2013-14 House Recommendation	Diff from Gov's Recommendation	FY 2013-14 H.B. 4228 of 2013	Difference from FY 2012-13 YTD
Sec. 11g Durant Non-plaintiff Debt Service	\$39,000.0	\$500.0	\$39,500.0	\$39,500.0	\$0.0	\$39,500.0	\$0.0	\$39,500.0	\$500.0
Sec. 11j School Bond Loan Fund Payments - Debt Service	\$120,390.0	\$11,270.0	\$131,660.0	\$131,660.0	\$0.0	\$131,660.0	\$0.0	\$131,660.0	\$11,270.0
Sec. 11m Cash Flow Borrowing Costs	\$3,200.0	\$800.0	\$4,000.0	\$6,000.0	\$2,000.0	\$6,000.0	\$2,000.0	\$4,000.0	\$800.0
Sec. 11s Deposit to Education Reserve Fund - NEW	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Sec. 20F Hold Harmless in Per-Pupil Funding - NEW	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$6,000.0	\$6,000.0
Sec 22a Proposal A Obligation Payment	\$5,630,000.0	(\$89,000.0)	\$5,542,000.0	\$5,558,000.0	\$16,000.0	\$5,558,000.0	\$16,000.0	\$5,534,000.0	(\$96,000.0)
Sec. 22b Discretionary Payment - State	\$3,215,000.0	\$73,000.0	\$3,290,000.0	\$3,329,500.0	\$39,500.0	\$3,304,000.0	\$14,000.0	\$3,373,700.0	\$158,700.0
Sec. 22c Equity Payment	\$0.0	\$24,000.0	\$24,000.0	\$0.0	(\$24,000.0)	\$36,000.0	\$12,000.0	\$36,000.0	\$36,000.0
Sec. 22d Isolated Districts Funding	\$2,025.0	\$0.0	\$2,025.0	\$2,584.6	\$559.6	\$2,025.0	\$0.0	\$2,584.6	\$559.6
Sec. 22f Best Practices	\$80,000.0	(\$55,000.0)	\$25,000.0	\$0.0	(\$25,000.0)	\$0.1	(\$24,999.9)	\$80,000.0	\$0.0
Sec. 22g Consolidation Innovation Grants	\$10,000.0	(\$10,000.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$5,000.0	(\$5,000.0)
Sec. 22i Technology Infrastructure and iSchool	\$50,000.0	(\$36,500.0)	\$13,500.0	\$0.0	(\$13,500.0)	\$50,000.0	\$36,500.0	\$50,000.0	\$0.0
Sec. 22j Pupil Performance	\$30,000.0	\$16,400.0	\$46,400.0	\$46,400.0	\$0.0	\$46,400.0	\$0.0	\$46,400.0	\$16,400.0
Sec. 22k Competitive Student-Centric Grants - NEW	\$0.0	\$8,000.0	\$8,000.0	\$8,000.0	\$0.0	\$7,000.0	(\$1,000.0)	\$8,000.0	\$8,000.0
Sec. 22m Computer Adaptive Tests - NEW	\$0.0	\$0.0	\$0.0	\$18,000.0	\$18,000.0	\$0.0	\$0.0	\$0.0	\$0.0
Sec. 24 Court-Placed Pupils	\$8,000.0	\$0.0	\$8,000.0	\$8,000.0	\$0.0	\$8,000.0	\$0.0	\$8,000.0	\$0.0
Sec. 24a Juvenile Detention Facilities	\$2,135.8	\$31.7	\$2,167.5	\$2,167.5	\$0.0	\$2,167.5	\$0.0	\$2,167.5	\$31.7
Sec. 24c Challenge Program	\$1,500.0	\$0.0	\$1,500.0	\$1,500.0	\$0.0	\$1,500.0	\$0.0	\$1,500.0	\$0.0
Sec. 26a Renaissance Zone Costs	\$27,800.0	(\$1,500.0)	\$26,300.0	\$26,300.0	\$0.0	\$26,300.0	\$0.0	\$29,500.0	\$1,700.0
Sec. 26b PILT Reimbursement	\$3,328.0	\$681.5	\$4,009.5	\$4,009.5	\$0.0	\$4,009.5	\$0.0	\$4,009.5	\$681.5
Sec. 26c Promise Zone	\$209.4	(\$81.6)	\$266.2	\$224.0	(\$42.2)	\$224.0	(\$42.2)	\$266.2	\$56.8
Sec. 31a "At Risk" Pupil Support	\$308,988.2	\$0.0	\$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	\$0.0	\$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	\$0.0	\$3,557.3	\$3,557.3	\$0.0	\$3,557.3	\$0.0	\$3,557.3	\$0.0
Sec. 31d School Lunch Programs - State Share	\$22,495.1	\$0.0	\$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	\$402,506.0	\$60,694.0	\$463,200.0	\$463,200.0	\$0.0	\$463,200.0	\$0.0	\$463,200.0	\$60,694.0
Sec. 31f School Breakfast	\$9,625.0	(\$4,000.0)	\$5,625.0	\$5,625.0	\$0.0	\$5,625.0	\$0.0	\$5,625.0	(\$4,000.0)
Sec. 32d Great Start - School Readiness	\$109,575.0	\$65,000.0	\$174,575.0	\$174,575.0	\$0.0	\$147,575.0	(\$27,000.0)	\$174,575.0	\$65,000.0
Sec. 32p Great Start Early Childhood Block Grants	\$10,900.0	\$0.0	\$10,900.0	\$10,900.0	\$0.0	\$10,900.0	\$0.0	\$10,900.0	\$0.0
Sec. 32Q Communities in Schools	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0
Sec. 39a(1) NCLB Federal DOE Grants	\$812,328.5	(\$500.0)	\$811,828.5	\$811,828.5	\$0.0	\$811,828.5	\$0.0	\$811,828.5	(\$500.0)
Sec 39a(2) Other Non-NCLB Federal DOE Grants	\$33,514.1	(\$1,814.1)	\$31,700.0	\$31,700.0	\$0.0	\$31,700.0	\$0.0	\$31,700.0	(\$1,814.1)
Sec. 41 Bilingual Education	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,300.0	\$1,300.0	\$1,200.0	\$1,200.0
Sec. 51c Special Education Headlee - State Share	\$642,000.0	\$19,200.0	\$662,200.0	\$662,500.0	\$300.0	\$662,500.0	\$300.0	\$662,200.0	\$20,200.0
Sec. 51a(2) Spec. Ed. Foundations - State Share	\$251,000.0	\$7,100.0	\$257,800.0	\$258,300.0	\$500.0	\$258,300.0	\$500.0	\$257,800.0	\$6,800.0
Sec. 51a(3) Spec. Ed. Hold Harmless to ISDs - State Share	\$1,000.0	\$0.0	\$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	\$4,300.0	(\$1,300.0)	\$4,300.0	\$4,500.0	\$200.0	\$4,500.0	\$200.0	\$4,300.0	\$0.0
Sec. 51a(6) Spec. Ed. Rules Change - State Share	\$2,200.0	\$0.0	\$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	\$0.0	\$13,500.0	\$13,500.0	\$0.0	\$13,500.0	\$0.0	\$13,500.0	\$0.0
Sec. 54 MI School for Deaf and Blind - State Share	\$1,688.0	\$0.0	\$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	\$36,881.1	\$0.0	\$36,881.1	\$37,758.1	\$877.0	\$36,881.1	\$0.0	\$37,758.1	\$877.0
Sec. 51a Special Education - Federal IDEA	\$365,000.0	\$5,000.0	\$370,000.0	\$370,000.0	\$0.0	\$370,000.0	\$0.0	\$370,000.0	\$5,000.0
Sec. 51d Special Education - Other Federal	\$74,000.0	\$0.0	\$74,000.0	\$74,000.0	\$0.0	\$74,000.0	\$0.0	\$74,000.0	\$0.0
Sec. 61a Vocational Education	\$26,611.3	\$0.0	\$26,611.3	\$26,611.3	\$0.0	\$26,611.3	\$0.0	\$27,611.3	\$1,000.0
Sec. 62 ISD Vocational Ed Millage Equalization	\$9,000.0	\$0.0	\$9,000.0	\$9,190.0	\$190.0	\$9,000.0	\$0.0	\$9,190.0	\$190.0
Sec. 64a District and Postsecondary Articulation/Transfer	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,000.0	\$1,000.0
Sec. 74 Bus Driver Safety Instruction	\$1,625.0	\$0.0	\$1,625.0	\$1,625.0	\$0.0	\$1,625.0	\$0.0	\$1,625.0	\$0.0
Sec. 74 School Bus Inspections	\$1,634.9	\$39.1	\$1,674.0	\$1,674.0	\$0.0	\$1,674.0	\$0.0	\$1,674.0	\$39.1
Sec. 81 ISD General Operations Support	\$62,115.0	\$0.0	\$62,115.0	\$64,115.0	\$2,000.0	\$62,115.1	\$0.1	\$62,115.0	\$0.0
Sec. 81(7) ISD Best Practices	\$2,000.0	\$0.0	\$2,000.0	\$0.0	(\$2,000.0)	\$0.0	(\$2,000.0)	\$2,000.0	\$0.0
Sec. 93 State Aid to Libraries	\$1,304.3	(\$1,304.3)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$1,304.3)
Sec. 94a Center for Educ. Perf. and Information - State Share	\$9,218.4	\$216.7	\$9,435.1	\$9,435.1	\$0.0	\$9,534.9	\$99.8	\$9,535.1	\$316.7
Sec. 94a Center for Educ. Perf. and Information - Federal	\$193.5	\$0.0	\$193.5	\$193.5	\$0.0	\$193.5	\$0.0	\$193.5	\$0.0
Sec. 95 Principal Educator Evaluation Training	\$1,750.0	(\$1,250.0)	\$500.0	\$500.0	\$0.0	\$500.0	\$0.0	\$500.0	(\$1,250.0)
Sec. 98 Michigan Virtual High School - State	\$4,387.5	\$10,000.0	\$14,387.5	\$4,387.9	(\$9,999.6)	\$4,387.5	(\$10,000.0)	\$9,387.5	\$5,000.0



**Revised Appropriations for FY 2012-13 and  
Governor, Senate, House, and Conference/Enacted (P.A. 60 of 2013) Recommendations for FY 2013-14  
(Dollars in Thousands)**

Line Item Description	Revised Rec Appropriations FY 2012-13	Gov's Rec Adjusted for Consensus/Perf.		Senate-Passed		House-Passed		Public Act 60 of 2013	
		Change from FY 13 Revised Rec	FY 2013-14 Gov Appropriations	FY 2013-14 Senate Recommendation	Diff from Gov's Recommendation	FY 2013-14 House Recommendation	Diff from Gov's Recommendation	FY 2013-14 H.B. 4228 of 2013	Difference from FY 2012-13 YTD
Sec. 99 Math/Science Centers - State	\$2,725.0	\$0.0	\$2,725.0	\$2,850.0	\$125.0	\$2,725.1	\$0.1	\$3,225.0	\$500.0
Sec. 99 Math/Science Centers - Federal	\$5,249.3	\$0.0	\$5,249.3	\$5,249.3	\$0.0	\$5,249.3	\$0.0	\$5,249.3	\$0.0
Sec. 99b Math/Science STEM Program	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.0	\$0.0
Sec. 99h FIRST Robotics	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3,000.0	\$3,000.0
Sec. 104 MEAP Testing - State Share	\$26,694.4	\$0.0	\$26,694.4	\$26,694.4	\$0.0	\$26,694.4	\$0.0	\$26,694.4	\$0.0
Sec. 104 MEAP Testing - Federal Share	\$8,250.0	\$0.0	\$8,250.0	\$8,250.0	\$0.0	\$8,250.0	\$0.0	\$8,250.0	\$0.0
Sec. 107 Adult Education - State	\$22,000.0	\$0.0	\$22,000.0	\$22,000.0	\$0.0	\$22,000.0	\$0.0	\$22,000.0	\$0.0
Sec. 147a MPSERS District Reimbursement	\$155,000.0	\$0.0	\$155,000.0	\$155,000.0	\$0.0	\$155,000.0	\$0.0	\$100,000.0	(\$55,000.0)
Sec. 147b MPSERS Reserve for Retirement Obligation Reform	\$41,000.0	(\$41,000.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$41,000.0)
Sec. 147c MPSERS Rate Cap (Section 41 of MPSERS Act)	\$160,500.0	\$242,800.0	\$403,300.0	\$404,600.0	\$1,300.0	\$403,300.0	\$0.0	\$404,600.0	\$244,100.0
Sec. 152. Adair v State of Michigan	\$38,000.5	\$0.0	\$38,000.5	\$38,000.5	\$0.0	\$38,000.5	\$0.0	\$38,000.5	\$0.0
<b>TOTAL SCHOOL AID APPROPRIATIONS</b>	<b>\$12,912,055.6</b>	<b>\$310,358.0</b>	<b>\$13,218,677.0</b>	<b>\$13,225,686.9</b>	<b>\$7,009.9</b>	<b>\$13,236,535.0</b>	<b>\$17,858.0</b>	<b>\$13,361,803.6</b>	<b>\$449,748.0</b>
<b>TOTAL REVENUE</b>									
Federal Aid	\$1,701,041.4	\$63,379.9	\$1,764,421.3	\$1,764,421.3	\$0.0	\$1,764,421.3	\$0.0	\$1,764,421.3	\$63,379.9
School Aid Fund (SAF)	\$10,928,614.2	\$149,378.1	\$11,074,255.7	\$11,081,665.6	\$7,409.9	\$11,092,113.6	\$17,857.9	\$11,217,382.3	\$288,768.1
General Fund/General Purpose	\$282,400.0	(\$52,400.0)	\$230,000.0	\$229,600.0	(\$400.0)	\$230,000.1	\$0.1	\$230,000.0	(\$52,400.0)
MPSERS Reforms Fund	\$0.0	\$150,000.0	\$150,000.0	\$150,000.0	\$0.0	\$150,000.0	\$0.0	\$150,000.0	\$150,000.0
Withdrawal from MPSERS Escrow	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>TOTAL REVENUE</b>	<b>\$12,912,055.6</b>	<b>\$310,358.0</b>	<b>\$13,218,677.0</b>	<b>\$13,225,686.9</b>	<b>\$7,009.9</b>	<b>\$13,236,535.0</b>	<b>\$17,858.0</b>	<b>\$13,361,803.6</b>	<b>\$449,748.0</b>



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**FY 2012-13 Year-to-Date Gross Appropriation ..... \$294,130,500**

**Changes from FY 2012-13 Year-to-Date:**

Items Included by the Senate and House

- 1. **Performance Funding.** Governor included a \$5.8 million GF/GP (2.0%) increase for community college operations distributed through a modified version of the Performance Indicators Task Force Formula. Governor removed \$1,277,500 allocated to community colleges in FY 2012-13 based on local strategic value and reallocated those funds based on his proposed FY 2013-14 formula distribution. Governor replaced the local strategic value component of the formula with a new allocation based on the number of skilled trades program students placed in a relevant job or apprenticeship, with extra weighting for placing a student-veteran. Senate and House maintained FY 2012-13 base appropriations and distributed the FY 2013-14 \$5.8 million increase through the current Performance Indicators Task Force Formula. Table 1 and Table 2 provide details by college. 5,847,100
  
- 2. **Michigan Public School Employees Retirement System (MPERS) Rate Cap.** Governor, Senate, and House included \$31.4 million GF/GP to fund the difference between the employer's capped contribution rate for unfunded accrued liabilities (20.96%) and the actual unfunded actuarial accrued liability contribution rate pursuant to MPERS reform legislation. Conference also included an FY 2012-13 supplemental appropriation of \$12.5 million GF/GP to fund FY 2012-13 rate cap costs (See Sec. 201b). 31,400,000
  
- 3. **MPERS Retiree Health Care.** In FY 2012-13 the Governor recommended a \$1,733,600 appropriation from the School Aid Fund for the purpose of offsetting a portion of MPERS retirement contributions attributable to retiree health care costs. Distributions were to be based on the FY 2011-12 MPERS payroll. The FY 2012-13 enacted budget included the funding, but allocated funds to community colleges on an across-the-board basis. Governor, Senate, and House continue funding, but distribute the funds based on college MPERS payroll. Table 3 delineates the estimated allocation differences. 0
  
- 4. **Renaissance Zone Reimbursements.** Governor, Senate, and House included \$3.5 million GF/GP for Renaissance Zone tax reimbursements. This appropriation was included in the Department of Treasury budget in FY 2012-13 at the same level of funding. 3,500,000

Conference Agreement on Items of Difference

- 5. **FY 2013-14 One-Time Appropriations - Virtual Learning Collaborative.** Governor and the Senate included \$1.1 million GF/GP for the Virtual Learning Collaborative. The Collaborative provides access to courses offered by all Michigan public community colleges. In 2009 the Michigan Community College Association Board of Directors approved an affiliate membership for four-year institutions. To date, Lawrence Tech and Grand Valley State University have become members. The new State funding will be used for the development of course aggregator software, development of a "pathway to credential" tool that will identify courses toward a career path, develop analytics software that informs colleges of course demand for decision making of future offerings, and development of a repository of online courses and resources for use by faculty at member institutions. The House eliminated the appropriation. Conference concurred with Senate. 1,100,000

Total Changes ..... \$41,847,100

**FY 2013-14 Enacted Ongoing/One-Time Gross Appropriation ..... \$335,977,600**

**Changes from FY 2012-13 Year-to-Date:**Items Included by the Senate and House

1. **MPSERS Reimbursements.** MPSERS Reimbursement shall be distributed based MPSERS payroll. (Sec. 201 (4))
2. **MPSERS Reform Costs.** Payment of the difference between the unfunded actuarial accrued liability contribution rate calculated pursuant to the MPSERS Act and the statutory maximum employer rate of 20.96%. (Sec. 201 (5))
3. **Renaissance Zone Reimbursements.** Provides for distribution pursuant to Public Act 376 of 1996. (Sec 201 (6))
4. **Collaborations with Four-Year Universities.** Governor, Senate, and House added the goal of developing equivalency standards of core college courses and identifying equivalent courses offered by institutions. (Sec. 210(4))
5. **Restored Provisions.** Senate and House restored the following sections that were deleted by the Governor: Buy American/buy Michigan intent language (Sec. 204); depressed and deprived communities compete for and perform college contracts (Sec. 205); encourages community colleges to achieve efficiencies through collaborations (Sec. 212); 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. (Sec. 228)
6. **Core College Courses.** Governor and Senate deleted provision for committee to develop a process to improve transferability of core college courses between colleges and universities (Sec. 210(a)).

Conference Agreement on Items of Difference

7. **Anticipated Appropriations subsequent Fiscal Year.** Legislative intent to provide the same level of appropriations for the next fiscal year, except that the line-items will be adjusted for changes in caseload and related costs, Federal fund match rates, economic factors, and available revenue, which will be determined after the January Revenue Estimating Conference. House changed January to May Revenue Estimating Conference. Senate and Conference retained current-year language. (Sec. 201a)
8. **Virtual Learning Collaborative.** Governor and Senate included language outlining the criteria for this one-time project. Requires report on use of funds upon request. (Sec. 201(7))
9. **Appropriation Limitations/JCOS Compliance.** Prohibits the use of appropriations in Part 1 for the construction or maintenance of a self-liquidating project. Provides that community colleges shall comply with current Joint Capital Outlay Subcommittee (JCOS) use and finance requirements. Provides for 1% penalty for each violation. Senate and Conference modified this language based on recent capital outlay reform legislation. (Sec. 208)
10. **Transparency.** Senate and Conference added reporting requirement for estimated costs incurred due to Affordable Health Care Act. House eliminated posting of board resolution regarding compliance with best practices, Senate and Conference restored. (Sec. 209)
11. **Block Transfer Committee.** Conference added legislative intent language that the Michigan Association of Collegiate Registrars and Admissions Officers implement any agreement or agreements among the community colleges and universities concerning the transferability of college courses resulting from the recommendations of the committee created under former Section 210a. Requires implementation update report. (Sec. 210b)
12. **Statutory Mandates.** House maintained this section. Governor, Senate, and Conference eliminated language stating legislative intent that interested parties review statutory mandates imposed on community colleges and determine whether those mandates are necessary and also review estimated costs and benefits. Provides for report. (Sec. 216)
13. **Veterans Tuition and Fees.** Senate added intent language to review the issue of in-district tuition and fee rates for veterans. House did not include. Conference concurred with Senate. (Sec. 229 (2))
14. **Skilled Trades Jobs Placement.** Senate included new language that required the Department of Technology, Management, and Budget (DTMB) to prepare a report by February 1, 2014, on the number of students that successfully completed a skilled trades program and obtained an apprenticeship or job in a field related to that skilled trades program. The report shall also indicate the number of these students that are veterans. Conference modified to requires DTMB to prepare a report by September 1, 2014, on the feasibility of providing accurate information on student educational outcomes in the employment market. (Sec. 229b)

Table 1: FY 2013-14 Community College Appropriation Bill

College	FY 2012-13 Enacted	FY 2013-14 Governor			FY 2013-14 Senate and Enacted			FY 2013-14 House		
		Total Adjustments	FY 2013-14	Percent Change	Total Adjustments	Appropriation	Percent Change	Total Adjustments	Appropriation	Percent Change
Alpena	\$5,133,600	\$84,300	\$5,217,900	1.6%	\$102,900	\$5,236,500	2.0%	\$102,900	\$5,236,500	2.0%
Bay de Noc	5,184,000	74,600	5,258,600	1.4%	95,400	5,279,400	1.8%	95,400	5,279,400	1.8%
Delta	13,772,700	243,900	14,016,600	1.8%	290,800	14,063,500	2.1%	290,800	14,063,500	2.1%
Glen Oaks	2,393,500	38,900	2,432,400	1.6%	48,000	2,441,500	2.0%	47,700	2,441,200	2.0%
Gogebic	4,251,700	61,600	4,313,300	1.4%	78,600	4,330,300	1.8%	78,600	4,330,300	1.8%
Grand Rapids	17,129,200	259,300	17,388,500	1.5%	325,700	17,454,900	1.9%	325,700	17,454,900	1.9%
Henry Ford	20,687,400	287,600	20,975,000	1.4%	372,600	21,060,000	1.8%	372,600	21,060,000	1.8%
Jackson	11,542,000	170,900	11,712,900	1.5%	216,200	11,758,200	1.9%	216,200	11,758,200	1.9%
Kalamazoo Valley	11,880,200	200,000	12,080,200	1.7%	242,300	12,122,500	2.0%	242,400	12,122,600	2.0%
Kellogg	9,330,000	159,200	9,489,200	1.7%	192,000	9,522,000	2.1%	192,100	9,522,100	2.1%
Kirtland	2,981,200	67,100	3,048,300	2.3%	74,500	3,055,700	2.5%	74,500	3,055,700	2.5%
Lake Michigan	5,081,500	77,000	5,158,500	1.5%	96,600	5,178,100	1.9%	96,600	5,178,100	1.9%
Lansing	29,463,900	445,400	29,909,300	1.5%	559,700	30,023,600	1.9%	559,900	30,023,800	1.9%
Macomb	31,343,700	464,100	31,807,800	1.5%	587,400	31,931,100	1.9%	587,600	31,931,300	1.9%
Mid Michigan	4,412,600	93,100	4,505,700	2.1%	105,300	4,517,900	2.4%	105,300	4,517,900	2.4%
Monroe	4,241,900	89,000	4,330,900	2.1%	100,700	4,342,600	2.4%	100,700	4,342,600	2.4%
Montcalm	3,051,800	60,100	3,111,900	2.0%	69,400	3,121,200	2.3%	69,500	3,121,300	2.3%
Mott	14,955,800	235,000	15,190,800	1.6%	291,300	15,247,100	1.9%	291,300	15,247,100	1.9%
Muskegon	8,493,300	127,000	8,620,300	1.5%	160,200	8,653,500	1.9%	160,300	8,653,600	1.9%
North Central	2,992,900	63,200	3,056,100	2.1%	71,500	3,064,400	2.4%	71,500	3,064,400	2.4%
Northwestern	8,662,000	129,300	8,791,300	1.5%	163,300	8,825,300	1.9%	163,200	8,825,200	1.9%
Oakland	20,065,100	348,400	20,413,500	1.7%	418,000	20,483,100	2.1%	418,000	20,483,100	2.1%
St. Clair	6,726,700	108,500	6,835,200	1.6%	133,400	6,860,100	2.0%	133,400	6,860,100	2.0%
Schoolcraft	11,852,100	222,000	12,074,100	1.9%	260,200	12,112,300	2.2%	260,100	12,112,200	2.2%
Southwestern	6,296,600	80,600	6,377,200	1.3%	107,700	6,404,300	1.7%	107,700	6,404,300	1.7%
Washtenaw	12,295,200	286,500	12,581,700	2.3%	315,600	12,610,800	2.6%	315,600	12,610,800	2.6%
Wayne County	15,867,900	270,300	16,138,200	1.7%	326,400	16,194,300	2.1%	326,400	16,194,300	2.1%
West Shore	2,308,400	31,500	2,339,900	1.4%	41,400	2,349,800	1.8%	41,100	2,349,500	1.8%
Skilled Trades Formula Funding (15.0%)	\$0	1,068,700	1,068,700	---	0	0	0.0%	0	0	0.0%
Subtotal Operations:	\$292,396,900	\$5,847,100	\$298,244,000	2.0%	\$5,847,100	\$298,244,000	2.0%	\$5,847,100	\$298,244,000	2.0%
Virtual Learning Collaborative	\$0	1,100,000	1,100,000	---	1,100,000	1,100,000	---	0	0	0.0%
MPERS Retiree Health Care	\$1,733,600	0	1,733,600	0.0%	0	1,733,600	0.0%	0	1,733,600	0.0%
MPERS Reform Costs	\$0	31,400,000	31,400,000	---	31,400,000	31,400,000	---	31,400,000	31,400,000	---
Renaissance Zone Reimbursements	\$0	3,500,000	3,500,000	---	3,500,000	3,500,000	---	3,500,000	3,500,000	---
Total Appropriations:	\$294,130,500	\$41,847,100	\$335,977,600	14.2%	\$41,847,100	\$335,977,600	14.2%	40,747,300	\$334,877,800	13.9%
State School Aid Fund	197,614,100	0	\$197,614,100	0.0%	0	197,614,100	0.0%	0	197,614,100	0.0%
GF/GP	\$96,516,400	\$41,847,100	\$138,363,500	43.4%	\$41,847,100	\$138,363,500	43.4%	\$40,747,300	137,263,700	42.2%

\* House, Senate, and Enacted amounts assume each college meets best practices requirements to qualify for Local Strategic Value distributions.



**Table 2: FY 2013-14 Enacted  
Community College Performance Funding**

College	FY 2012-13 Enacted	FY 2013-14 Enacted							FY 2013-14 Appropriation	Percent Change
		50% Proportionate To Base	10.0% Student Contact Hours	7.5% Administrative Cost Component	17.5% Weighted Degree Formula	15.0% Local Strategic Value*	Total Formula Distribution			
Alpena	\$5,133,600	51,300	4,800	15,800	15,600	15,400	102,900	\$5,236,500	2.0%	
Bay de Noc	5,184,000	51,800	6,300	5,300	16,400	15,600	95,400	5,279,400	1.8%	
Delta	13,772,700	137,700	27,500	19,900	64,400	41,300	290,800	14,063,500	2.1%	
Glen Oaks	2,393,500	24,000	3,600	5,000	8,200	7,200	48,000	2,441,500	2.0%	
Gogebic	4,251,700	42,500	3,200	10,400	9,700	12,800	78,600	4,330,300	1.8%	
Grand Rapids	17,129,200	171,300	39,900	19,900	43,200	51,400	325,700	17,454,900	1.9%	
Henry Ford	20,687,400	206,800	40,700	15,300	47,700	62,100	372,600	21,060,000	1.8%	
Jackson	11,542,000	115,400	16,500	12,800	36,900	34,600	216,200	11,758,200	1.9%	
Kalamazoo Valley	11,880,200	118,800	26,300	22,000	39,600	35,600	242,300	12,122,500	2.0%	
Kellogg	9,330,000	93,300	14,700	21,800	34,200	28,000	192,000	9,522,000	2.1%	
Kirtland	2,981,200	29,800	4,700	15,100	16,000	8,900	74,500	3,055,700	2.5%	
Lake Michigan	5,081,500	50,800	11,300	6,100	13,200	15,200	96,600	5,178,100	1.9%	
Lansing	29,463,900	294,600	46,400	23,700	106,700	88,300	559,700	30,023,600	1.9%	
Macomb	31,343,700	313,400	59,500	24,200	96,400	93,900	587,400	31,931,100	1.9%	
Mid Michigan	4,412,600	44,100	11,900	11,500	24,600	13,200	105,300	4,517,900	2.4%	
Monroe	4,241,900	42,400	9,600	21,800	14,200	12,700	100,700	4,342,600	2.4%	
Montcalm	3,051,800	30,500	4,400	14,400	10,900	9,200	69,400	3,121,200	2.3%	
Mott	14,955,800	149,500	29,500	21,800	45,600	44,900	291,300	15,247,100	1.9%	
Muskegon	8,493,300	84,900	10,500	20,000	19,300	25,500	160,200	8,653,500	1.9%	
North Central	2,992,900	29,900	5,600	16,500	10,500	9,000	71,500	3,064,400	2.4%	
Northwestern	8,662,000	86,600	13,100	17,800	19,800	26,000	163,300	8,825,300	1.9%	
Oakland	20,065,100	200,600	66,900	22,900	67,400	60,200	418,000	20,483,100	2.1%	
St. Clair	6,726,700	67,300	11,300	14,200	20,400	20,200	133,400	6,860,100	2.0%	
Schoolcraft	11,852,100	118,500	31,500	16,100	58,500	35,600	260,200	12,112,300	2.2%	
Southwestern	6,296,600	63,000	7,700	6,200	11,900	18,900	107,700	6,404,300	1.7%	
Washtenaw	12,295,200	122,900	32,600	20,200	103,000	36,900	315,600	12,610,800	2.6%	
Wayne County	15,867,900	158,700	41,300	16,100	62,700	47,600	326,400	16,194,300	2.1%	
West Shore	2,308,400	23,200	3,400	1,700	6,200	6,900	41,400	2,349,800	1.8%	
<b>Total:</b>	<b>\$292,396,900</b>	<b>\$2,923,600</b>	<b>\$584,700</b>	<b>\$438,500</b>	<b>\$1,023,200</b>	<b>\$877,100</b>	<b>\$5,847,100</b>	<b>\$298,244,000</b>	<b>2.0%</b>	

\* Amounts assume each college meets best practice requirements to qualify for Local Strategic Value distributions pursuant to Section 230.

Table 3: Estimated Allocation for MPSERS Retiree Health Care Reimbursement  
FY 2012-13 Distribution Compared to FY 2013-14 Enacted

<u>Community College</u>	<u>FY 2012-13 Enacted</u>	<u>FY 2013-14 Enacted</u>	<u>Difference</u>
Alpena	\$30,400	\$21,000	(\$9,400)
Bay de Noc	30,800	16,700	(14,100)
Delta	81,400	89,100	7,700
Glen Oaks	14,200	8,900	(5,300)
Gogebic	25,300	11,500	(13,800)
Grand Rapids	101,700	152,700	51,000
Henry Ford	123,000	120,100	(2,900)
Jackson	68,500	43,000	(25,500)
Kalamazoo Valley	70,400	57,800	(12,600)
Kellogg	55,300	36,900	(18,400)
Kirtland	17,500	20,800	3,300
Lake Michigan	30,200	26,200	(4,000)
Lansing	175,000	144,700	(30,300)
Macomb	186,200	153,500	(32,700)
Mid Michigan	26,100	30,800	4,700
Monroe	25,000	33,900	8,900
Montcalm	18,000	17,700	(300)
Mott	88,700	83,300	(5,400)
Muskegon	50,400	32,700	(17,700)
North Central	17,600	16,000	(1,600)
Northwestern	51,500	41,900	(9,600)
Oakland	118,800	180,100	61,300
St. Clair	39,900	35,500	(4,400)
Schoolcraft	70,100	101,200	31,100
Southwestern	37,500	13,800	(23,700)
Washtenaw	72,200	106,500	34,300
Wayne County	94,200	124,400	30,200
West Shore	13,700	12,900	(800)
TOTAL:	\$1,733,600	\$1,733,600	\$0



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BILL



ANALYSIS

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**FY 2012-13 Year-to-Date Gross Appropriation ..... \$1,399,220,400**

**Changes from FY 2012-13 Year-to-Date:**

Items Included by the Senate and House

- 1. **Tuition Incentive Program (TIP).** Governor, Senate, and House increased this program by \$3.2 million GF/GP (7.3%), from \$43.8 million to \$47.0 million. The program pays tuition and fees for associate degree or certificate programs, as well as up to a maximum amount of \$2,000 for junior and senior years combined at a four-year institution. 3,200,000
- 2. **Children of Veterans/Officers Survivors Tuition Grants.** Governor, Senate, and House increased funding from \$1.2 million to \$1.4 million. 200,000
- 3. **College Access Program.** Governor's recommendation transferred this program from the Department of Education to the Higher Education Budget. There is no adjustment to the FY 2012-13 level of funding. House and Senate concurred. 2,000,000

Conference Agreement on Items of Difference

- 4. **Performance Funding.** House included \$4.0 million more than the Senate for performance funding. The formula used by the House scored Carnegie classification distributions as follows: 3 for improving, 2 for top 20%, and 1 for above the national median. House modified the distribution formula for Carnegie classifications by weighting the distribution by the number of resident undergraduate fiscal year equated students (FYES). Senate changed the scoring to: 3 for top 20%, 2 for above the national median, and 2 for improving. Conference included Senate scoring and weighted by all undergraduate students (resident and non-resident) for Carnegie distributions. See [Table 1](#) and [Table 2](#) for details. 21,869,000
- 5. **MPSERS reimbursements.** The FY 2012-13 budget included \$446,200 for the purpose of offsetting a portion of the MPSERS contributions. Senate increased this appropriation by \$2.0 million GF/GP. House did not include this increase. Conference concurred with the Senate. 2,000,000
- 6. **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 2012-13, universities absorbed \$4.5 million of waiver costs. Senate added \$2.0 million to offset part of the shortfall. House and Conference did not include this adjustment. 0
- 7. **MSU AgBioResearch and MSU Extension.** Governor included a \$1,084,100 (2.0%) increase. House separated the appropriation into two line items, MSU AgBioResearch \$29,706,600, and MSU Extension \$25,582,100. Conference concurred with two line items and increased funding by \$1.0 million over the Governor, Senate, and House. 2,084,100

Total Changes ..... \$31,353,100

**FY 2013-14 Enacted Ongoing/One-Time Gross Appropriation ..... \$1,430,573,500**

**Changes from FY 2012-13 Year-to-Date:**Items Included by the Senate and House

1. **State Tuition Grant Program.** Governor changed application deadlines, eliminated work project authorization, and required new reporting. Senate and House did not include the Governor's changes. Conference made technical corrections to the carry-forward provision. (Sec. 252)
2. **Other Sections.** Senate and House restored the following sections removed by the Governor: Second-year appropriation intent (Sec. 236a); Buy American intent (Sec. 239); purchase of foreign automobiles prohibition (Sec. 239a); performance funding reporting (portion of Sec. 265a); and human embryonic stem cell research report (Sec. 274). Senate and House concurred on eliminating legislative intent regarding nonprofit worker centers. (Sec 273a).

Conference Agreement on Items of Difference

3. **Federal and Private Funds.** Governor and House removed statement that the acceptance and use of Federal or private funds does not obligate the Legislature to continue program. Senate and Conference retained. (Sec. 242)
4. **Posting of Expenditures.** Governor, Senate, and Conference removed listing of individual names. Senate and Conference require posting block transfer policies and reverse agreements. (Sec. 245)
5. **Tuition Incentive Program.** Governor eliminated program criteria and recommended a new statute to govern the program. The proposed legislation would limit the amount paid for Phase I students attending a university to 300.0% of the average statewide community college per-credit-hour cost beginning in FY 2014-15. Conference retained current-year language and did not include Senate and House intent statement limiting future grant amounts. (Sec. 256)
6. **U of M Douglas Lake Biological Station.** Governor and House removed intent statement to protect and preserve the research value of the biological station area and Douglas Lake. Senate and Conference retained. (Sec. 261)
7. **Textbook Cost Review.** Senate and Conference added language stating intent that universities develop policies to minimize the cost of textbooks and course materials. (Sec 262a)
8. **Tuition Restraint.** House and Senate included tuition restraint as a prerequisite for performance funding. House set tuition restraint at 3.0%; Senate set at less than 4.0%. Conference set tuition restraint at 3.75%. (Sec. 265)
9. **Unfunded Indian Tuition Waiver Costs.** Senate included language related to new funding and provided for new reporting requirements. Conference included only new reporting requirements (new funding eliminated). (Sec. 268)
10. **Transfer Credits.** House and Conference added language requiring universities to report on the number of transfer credits, with grade of C or better, rejected for incoming students. (Sec. 272a)
11. **Counseling Degree Programs/Student's Religious Beliefs.** Report on efforts to accommodate religious beliefs of students in counseling degree programs. Governor and Senate removed, House and Conference retained. (Sec. 273)
12. **Adult Co-resident Health Benefits.** Intent statement that universities not provide health insurance/benefits for any adult co-resident of a university employee who is not a spouse or dependent. Governor and Senate removed. House and Conference retained. (Sec. 274a)
13. **Yellow Ribbon GI Education Enhancement Program.** Senate and Conference included intent that universities consider veterans residents for the purpose of tuition rates and fees, and also waive enrollment fees. (Sec. 275)
14. **Self-liquidating Projects/JCOS Rule Compliance.** Governor and House removed. Senate and Conference modified based on recent capital outlay reforms. (Sec. 275a)
15. **Martin Luther King, Jr.-Cesar Chavez-Rosa Parks Grant Funds.** Governor allows unexpended funds to be used by Workforce Development Agency (WDA) for administration costs. House, Senate, and Conference did not include. (Sec. 282)
16. **New Degree Programs.** Provides that public universities may establish the degree programs listed in this section. House maintained; Governor and Senate removed. Conference removed listing, but retained reporting requirement and legislative authority to exclude certain credit hours from HEIDI reports. (Sec. 289 and Sec. 290)
17. **Federal Educational Rights & Privacy Act (FERPA).** Requires universities to provide information from records pursuant to written authorization from student. Governor and House removed; Senate and Conference retained. (Sec. 293)

Date Completed: 6-14-13

Fiscal Analyst: Bill Bowerman

Table 1: FY 2013-14 Higher Education Appropriation Bill

University	Governor				Senate			House			Enacted		
	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	FY 2013-14 Conference Report	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%	\$73,486,600	\$2,134,300	2.99%
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%	67,255,600	788,900	1.19%
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%	45,602,600	1,351,900	3.06%
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%	57,765,100	2,329,100	4.20%
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%	12,226,500	180,400	1.50%
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%	249,486,300	4,449,300	1.82%
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%	43,451,900	872,800	2.05%
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%	41,719,800	863,200	2.11%
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%	45,634,800	670,700	1.49%
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%	25,982,800	326,100	1.27%
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%	279,108,700	4,952,000	1.81%
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%	22,503,700	266,400	1.20%
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%	19,928,100	401,500	2.06%
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%	183,933,000	534,700	0.29%
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%	97,235,200	1,747,700	1.83%
Tuition Restraint Incentive*	0	6,217,300	6,217,300	---	0	0	---	0	0	0.0%	0	0	0.00%
MPERS Reimbursement	446,200	446,200	0	0.0%	2,446,200	2,000,000	448.2%	446,200	0	0.0%	2,446,200	2,000,000	448.23%
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%	56,288,700	2,084,100	3.84%
Higher Education Database	105,000	105,000	0	0.0%	105,000	0	0.0%	105,000	0	0.0%	105,000	0	0.00%
Midwest Higher Ed Compact	95,000	95,000	0	0.0%	95,000	0	0.0%	95,000	0	0.0%	95,000	0	0.00%
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	0.00%
College Access Program	0	2,000,000	2,000,000	---	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>\$1,328,947,100</b>	<b>\$27,953,100</b>	<b>2.15%</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>\$200,465,700</b>	<b>\$0</b>	<b>0.00%</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>\$1,128,481,400</b>	<b>\$27,953,100</b>	<b>2.54%</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%	18,361,700	0	0.00%
Tuition Grants	31,664,700	31,664,700	0	0.0%	31,664,700	0	0.0%	31,664,700	0	0.0%	31,664,700	0	0.00%
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%	47,000,000	3,200,000	7.31%
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%	1,400,000	200,000	16.67%
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	0.00%
North American Indian Tuition Waiver	0	0	0	0.0%	2,000,000	2,000,000	---	0	0	0.0%	0	0	0.00%
<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>\$101,626,400</b>	<b>\$3,400,000</b>	<b>3.46%</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>\$3,200,000</b>	<b>\$0</b>	<b>0.00%</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>\$93,826,400</b>	<b>\$0</b>	<b>0.00%</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>\$100,000</b>	<b>\$0</b>	<b>0.00%</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>\$4,500,000</b>	<b>\$3,400,000</b>	<b>309.09%</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>\$1,430,573,500</b>	<b>\$31,353,100</b>	<b>2.24%</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>\$97,026,400</b>	<b>\$0</b>	<b>0.00%</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>\$200,565,700</b>	<b>\$0</b>	<b>0.00%</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>	<b>\$1,132,981,400</b>	<b>\$31,353,100</b>	<b>2.85%</b>

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

\*\* House and Enacted include separate line items for AgBioResearch and Extension.

**Table 2: FY 2013-14 Enacted  
University Performance Funding**

University	FY 2012-13 Year-to-Date	Funding Proportional to Share of Total				Scored vs. National Carnegie Peers										Percent Change
		22.2%		11.1%		66.7%										
		Funding per unit: \$340.46 per completion		\$ 0.0019 per dollar		\$12.25 per weighted point										
		Critical Skills Undergrad Completions	Funding	Research & Develop Expenditures	Funding	Six-year Graduation Rate	Total Degree Completions	Inst Support as % of Core Expenditures	Total Score	Total Undergrad FYES	FYES- Weighted Score	Funding	*Total Performance Funding	FY 2013-14 Appropriation w/ Perf Funding		
Michigan State	\$245,037,000	2,664	\$906,890	\$293,704,711	\$555,802	2	3	2	7	34,841	243,887	\$2,986,649	\$4,449,300	\$249,486,300	1.82	
UM-Ann Arbor	274,156,700	2,629	895,059	728,871,000	1,379,305	3	3	2	8	27,332	218,656	2,677,669	4,952,000	279,108,700	1.81	
Wayne State	183,398,300	659	224,361	163,944,192	310,246	0	0	0	0	15,828	0	0	534,700	183,933,000	0.29	
Michigan Tech	42,579,100	903	307,474	52,917,000	100,139	3	2	2	7	5,427	37,989	465,215	872,800	43,451,900	2.05	
Western	95,487,500	1,037	353,053	27,538,940	52,114	2	2	2	6	18,272	109,632	1,342,557	1,747,700	97,235,200	1.83	
Central	71,352,300	681	231,680	7,527,977	14,246	3	3	2	8	19,275	154,200	1,888,339	2,134,300	73,486,600	2.99	
Oakland	44,964,100	918	312,539	9,531,111	18,037	0	2	0	2	13,888	27,776	340,146	670,700	45,634,800	1.49	
Eastern	66,466,700	642	218,573			0	3	0	3	15,525	46,575	570,359	788,900	67,255,600	1.19	
Ferris	44,250,700	1,212	412,718			2	3	2	7	10,956	76,692	939,173	1,351,900	45,602,600	3.06	
Grand Valley	55,436,000	1,182	402,270			3	3	2	8	19,668	157,344	1,926,840	2,329,100	57,765,100	4.20	
Saginaw Valley	25,656,700	362	123,075			2	0	0	2	8,288	16,576	202,990	326,100	25,982,800	1.27	
UM-Dearborn	22,237,300	356	121,202			2	0	0	2	5,927	11,854	145,164	266,400	22,503,700	1.20	
UM-Flint	19,526,600	375	127,671			2	2	0	4	5,591	22,364	273,870	401,500	19,928,100	2.06	
Northern	40,856,600	472	160,759			2	3	2	7	8,194	57,358	702,408	863,200	41,719,800	2.11	
Lake Superior	12,046,100	183	62,452			2	2	0	4	2,408	9,632	117,954	180,400	12,226,500	1.50	
<b>TOTAL:</b>	<b>\$1,243,451,700</b>	<b>14,274</b>	<b>\$4,859,778</b>	<b>\$1,284,034,931</b>	<b>\$2,429,889</b>	<b>28</b>	<b>31</b>	<b>16</b>	<b>75</b>	<b>211,420</b>	<b>1,190,535</b>	<b>\$14,579,333</b>	<b>\$21,869,000</b>	<b>\$1,265,320,700</b>	<b>1.76</b>	

Total performance funding: **\$21,869,000**

Additional MPSERS reimbursement: \$2,000,000  
 Additional MSU Ag/Extension: 1,000,000  
**Total Funding Increase: \$24,869,000**

Component	Source	Years	Other
Critical skills undergrad awards	State HEIDI	FYs 2011-2012	Removed accounting/multi-disciplinary
Research & develop expenditures	Federal IPEDS	FY 2011	Carnegie research universities only
Six-year graduation rate	Federal IPEDS^	FYs 2007-2010	
Total degree completions	Federal IPEDS^	FYs 2007-2010	Includes graduate degrees
Inst support as % of core expenditures	Federal IPEDS^	FYs 2007-2010	Measure of administrative costs
Undergrad FYES	State HEIDI	FY 2012	

\*Requirements to receive performance funding amounts:

1. Restrain FY 2013-14 resident undergraduate tuition/fee rate increase to 3.75% or below
2. Participate in at least three reverse transfer agreements with community colleges (or make good-faith effort)
3. Maintain a dual enrollment credit policy that does not consider whether credits were used toward high school graduation
4. Participate in the Michigan Transfer Network

Scoring	
Top 20% nationally	3
Improving over 3 years	2
Above national median	2