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Article 3

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	1,691,395,000	1,699,925,400	8,530,400	0.5
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,691,395,000	1,699,925,400	8,530,400	0.5
Less:				
Federal Funds	297,753,000	126,026,400	(171,726,600)	(57.7)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,393,642,000	1,573,899,000	180,257,000	12.9
Less:				
Other State Restricted Funds	185,692,700	356,063,300	170,370,600	91.7
GENERAL FUND/GENERAL PURPOSE	1,207,949,300	1,217,835,700	9,886,400	0.8
PAYMENTS TO LOCALS	0	0	0	0.0

*As of September 30, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$1,691,395,000	\$1,207,949,300

Changes from FY 2019-20 Year-to-Date:

- | | | |
|--|-----------|-----------|
| 1. University Operations Increase. The Governor included a 2.5% across-the-board increase based on each university's FY 2019-20 operations funding. This item also includes a 2.5% increase for MSU AgBioResearch and Extension. The Conference did not include an increase for university operations. | 0 | 0 |
| 2. North American Indian Tuition Waiver (ITW) Reimbursement Adjustment. The Conference included \$886,400 GF/GP to adjust the amount appropriated to universities for reimbursement of these costs. The amount was based upon the most recently-available cost data. The Conference also removed ITW passthrough payments to tribal colleges from university operations to their respective ITW reimbursement amounts. Finally, the Conference reduced the ITW passthrough to Bay Mills Community College from \$100,000 to \$0 and reallocated those funds equally between Saginaw Chippewa Tribal College and a new payment to Keweenaw Bay Ojibwa Community College. | 886,400 | 886,400 |
| 3. Bay Mills Community College One-Time Payment. The Conference included \$1.0 million GF/GP for a one-time payment for Bay Mills Community College. The payment is for reimbursement for educational services provided to non-native students. The payment would be made via a passthrough agreement with Lake Superior State University. | 1,000,000 | 1,000,000 |

4. Michigan Student Loan Refinance Program. The Governor included \$10.0 million in one-time GF/GP as seed money for a revolving fund that would allow qualifying Michigan residents to refinance up to \$50,000 in student loans at a lower interest rate. The Conference did not include this item.	0	0
5. Michigan Public School Employees' Retirement System (MPERS) Unfunded Accrued Actuarial Liability (UAAL) Stabilization Payments. The Governor and Conference included an increase for this item to reflect an increase in the State's share of costs above the statutory cap. The increase is largely due to updated plan assumptions stemming from the 2018 MPERS experience study. This change would bring total MPERS UAAL stabilization payments for universities to \$11.7 million.	6,678,000	0
6. MPERS Normal Cost Offset. The Governor and Conference reduced this item to a total of \$1.2 million. The adjustment reflects the continued reduction to the assumed rate of return for MPERS from 7.05% to 6.8%.	(34,000)	0
7. Tuition Incentive Program. The Governor included boilerplate that would limit payments to 2.5 times the average rate for in-district tuition at community colleges. This change was estimated to save \$5.3 million. The Governor also included an additional \$9.0 million to reflect an anticipated increase in demand for this program. On net, these changes would bring total funding for the program to \$68.0 million. The Conference did not include the payment limit, and included a total of \$68.8 million for the program.	0	0
8. Michigan Tuition Grant Reduction. The Governor reduced TANF support for this program to align program appropriations with anticipated expenditures. The Conference retained current-year funding for the program at \$42.0 million.	0	0
9. Michigan Tuition Grant Fund Shift. The Governor included a \$12.0 million TANF to GF/GP fund shift in this program. The Conference made a smaller fund shift at \$8.0 million.	0	8,000,000
Total Changes	\$8,530,400	\$9,886,400
FY 2020-21 Initial Ongoing/One-Time Appropriation	\$1,699,925,400	\$1,217,835,700

Boilerplate Changes from FY 2019-20 Year-to-Date:

- FY 2021-22 Anticipated Appropriations.** The Governor and Conference removed a section that states intent for FY 2021-22 appropriations and provides an estimate of FY 2021-22 MPERS costs to be included in the FY 2021-22 budget. (Sec. 236a)
- Receipt of Federal and Private Funds.** Specifies that Federal and private funds received by the State for use of a college or university are appropriated for the purposes for which they are received. The Governor and Conference removed a sentence that specifies that the acceptance of funds does not obligate the Legislature to continue the purposes for which the funds are made available. The Conference additionally provided universities with fiscal years ending June 30 with an additional month to submit their financial data to HEIDI. (Sec. 242)
- Transparency Reporting.** The Governor removed certain transparency reporting requirements as well as language that allows the State Budget Director to withhold monthly payments to universities if they fail to comply with statutory financial transparency requirements. The Conference did not significantly change these reporting requirements. (Sec. 245)
- Michigan Student Loan Refinance Program.** The Governor included a new section establishing this program. The Conference did not include this item. (Sec. 248)
- Michigan Student Loan Refinance Fund.** The Governor included a new section establishing this fund. The Fund would receive the \$10.0 million GF/GP included in Sec. 236 for FY 2020-21, as well as the proceeds from refinanced loan payments. The Conference did not include this item. (Sec. 248a)

6. **Michigan Tuition Grants - Institutional Limitation.** The Governor removed language that specifies that the \$4.8 million institutional limit for Tuition Grants does not apply to other financial aid programs. The Conference retained this language. (Sec. 252)
7. **Tuition Incentive Program - Limit Payment Size.** The Governor included new language that would limit payments made to universities under Phase I of this program to a per-credit payment that does not exceed 2.5 times the average community college in-district tuition rate. The Conference did not include this language. (Sec. 256)
8. **Tuition Incentive Program (TIP) - Program Eligibility.** The Conference changed TIP eligibility as follows: Remove application process; those who are eligible would be able to enroll any time within 4 years of high school graduation or achievement of a GED. Change expiration of benefits from six years after high school graduation to 10 years after initial enrollment in the program. (Sec. 256)
9. **Financial Aid Program Outreach.** The Conference included a new section stating the intent of the Legislature that Treasury launch an aggressive outreach campaign to inform high school students of the State's financial aid programs. (Sec. 259)
10. **Financial Aid Resources.** The Conference included a new section requiring Treasury, with the aid of various postsecondary education groups, to create a comprehensive student financial resources web page. (Sec. 260)
11. **U of M Douglas Lake Biological Station.** The Governor removed a section that designates Douglas Lake a special reserve and states the intent of the Legislature that no State programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake. The Conference retained this section. (Sec. 261)
12. **Tuition Restraint - Lower Threshold.** The Governor and Conference reduced the allowable tuition increase under this section from 4.4% or \$587 to 4.25% or \$586. (Sec. 265)
13. **Tuition Restraint - Exceeding Limit.** The Governor removed language that restricts a university that exceeds the rate cap from receiving a capital outlay planning or construction authorization, as well as language that specifies that the Legislature may adjust the appropriation to any university that exceeds the rate cap. The Conference retained this language. (Sec. 265)
14. **Performance Funding.** The Governor changed the name of "performance funding" to "student affordability funding" and replaced the funding formula with an increase of 2.5% for all universities based on their FY 2019-20 operations funding. The Conference made no changes to this section. (Sec. 265a)
15. **Academic Program Partnerships.** The Governor and Conference removed a section requiring the Michigan Community College Association, Michigan Independent Colleges and Universities, and the Michigan Association of State Universities to submit a report on academic partnership programs. (Sec. 265c)
16. **Campus Safety Programs.** The Governor removed a section stating the intent of the Legislature that a portion of State appropriations be used for campus safety, sexual assault prevention programs, and student mental health programs. The Conference retained this section. (Sec. 265e)
17. **Indian Tuition Waiver Costs.** The Conference changed the due date of the report from the Department of Civil Rights under this section from February 15 to January 15 and required that tribal colleges receiving a passthrough payment for ITW costs submit the data necessary to be included in the report. (Sec. 268)
18. **Saginaw Chippewa Tribal College ITW Passthrough.** The Conference increased the amount of this passthrough payment from \$29,700 to \$79,700 and specified the College submit data necessary to be included in the Sec. 268 report. (Sec. 269)
19. **Bay Mills Community College ITW Passthrough.** The Conference reduced the amount of this passthrough payment from \$100,000 to \$0 and specified the College submit data necessary to be included in the Sec. 268 report. (Sec. 270)
20. **Bay Mills One-Time Passthrough Payment.** The Conference included a \$1.0 million one-time passthrough payment for Bay Mills Community College to reimburse the College for costs related to education of non-native students. (Sec. 270b)
21. **Keweenaw Bay Ojibwa Community College ITW Passthrough.** The Conference included a new section establishing a passthrough payment of \$50,000 for the College, and specified the College submit data necessary to be included in the Sec. 268 report. (Sec. 270c)
22. **Discouraged Instruction Activity.** The Governor removed a section stating the intent of the Legislature that public universities not use State funds to offer instructional activities that target companies or groups of companies for unionization or decertification of a union. The Conference retained this section. (Sec. 271a)

23. **Human Embryonic Stem Cell Research.** The Governor removed a section stating the intent of the Legislature that public and private organizations stem cell research provide certain information to the Director of the Department of Health and Human Services. The Conference retained this section. (Sec. 274)
24. **Accommodation for Military Schedule.** The Conference included new language requiring colleges to provide reasonable programming and scheduling accommodations for students serving in the military. (Sec. 275[1][g])
25. **Use and Finance Noncompliance Penalty.** The Governor removed a section that imposes a 1% reduction in State funding to a community college for each violation of certain requirement of the Management and Budget Act. The Conference retained this section. (Sec. 275a)
26. **Communications with the Legislature.** The Governor removed a section urging universities not to take disciplinary action against employees who communicate with members of the Legislature or their staff. The Conference retained this section. (Sec. 275d)
27. **Free Speech Report.** The Conference included a new reporting section on planning and assessment activities relating to freedom of speech and expression. (Sec. 275f)
28. **COVID-19 Report.** The Conference included a new reporting section that would gather various data about each college's response to the COVID-19 pandemic. (Sec. 275g)
29. **60% Postsecondary Achievement Goal.** The Conference included a new section stating the intent of the Legislature that 60% of Michigan residents achieve a postsecondary credential. (Sec. 275h)
30. **Students with Dependents.** The Conference included a new report on various demographic data related to students with dependents. (Sec. 275i)
31. **King-Chavez-Parks (KCP) Programs Report.** The Conference included a new reporting requirement on the six KCP programs. (Sec. 281a)
32. **Performance Audits.** The Governor removed a section allowing the Auditor General to conduct performance audits of universities as deemed necessary. The Conference retained this section. (Sec. 291)

Date Completed: 10-14-20

Fiscal Analyst: Josh Sefton

Table 1: FY 2020-21 Higher Education Appropriations

University	FY 2019-20 Year-To-Date	Governor			Conference		
		FY 2020-21 Gov. Rec.	Dollar Change	Percent Change	FY 2020-21 Conference	Dollar Change	Percent Change
Central	\$89,227,800	\$91,418,500	\$2,190,700	2.5%	\$89,564,500	\$336,700	0.4%
Eastern	77,556,000	79,487,300	1,931,300	2.5	77,555,200	(800)	(0.0)
Ferris	56,032,800	57,408,400	1,375,600	2.5	55,934,300	(98,500)	(0.2)
Grand Valley	73,388,500	75,196,300	1,807,800	2.5	73,490,700	102,200	0.1
Lake Superior	14,361,000	14,696,200	335,200	2.3	15,252,100	891,100	6.2
Michigan State	288,799,400	295,982,700	7,183,300	2.5	288,935,700	136,300	0.0
Michigan Tech	50,568,100	51,820,600	1,252,500	2.5	50,795,200	227,100	0.4
Northern	48,909,100	50,104,300	1,195,200	2.4	48,869,700	(39,400)	(0.1)
Oakland	53,432,500	54,761,200	1,328,700	2.5	53,413,500	(19,000)	(0.0)
Saginaw Valley	30,807,700	31,572,300	764,600	2.5	30,803,300	(4,400)	(0.0)
UM-Ann Arbor	322,773,600	330,822,900	8,049,300	2.5	322,931,100	157,500	0.0
UM-Dearborn	26,327,200	26,981,400	654,200	2.5	26,334,800	7,600	0.0
UM-Flint	23,893,200	24,483,600	590,400	2.5	23,964,400	71,200	0.3
Wayne State	203,413,900	208,488,800	5,074,900	2.5	203,458,900	45,000	0.0
Western	112,290,100	115,078,200	2,788,100	2.5	112,363,900	73,800	0.1
Subtotal University Operations:	\$1,471,780,900	\$1,508,302,700	\$36,521,800	2.5%	\$1,473,667,300	\$1,886,400	0.1%
MPSERS Reimbursement	\$5,017,000	\$11,695,000	\$6,678,000	133.1%	\$11,695,000	\$6,678,000	133.1%
MPSERS Normal Cost Offset	1,234,000	1,200,000	(34,000)	(2.8)	1,200,000	(34,000)	(2.8)
MSU AgBioResearch	34,937,300	35,810,700	873,400	2.5	34,937,300	0	0.0
MSU Extension	30,136,100	30,889,500	753,400	2.5	30,136,100	0	0.0
Higher Education Database	200,000	200,000	0	0.0	200,000	0	0.0
Midwest Higher Ed Compact	115,000	115,000	0	0.0	115,000	0	0.0
King-Chavez-Parks	2,691,500	2,691,500	0	0.0	2,691,500	0	0.0
Total Universities	\$1,546,111,800	\$1,590,904,400	\$44,792,600	2.9%	\$1,554,642,200	\$8,530,400	0.6%
Federal Coronavirus Relief Fund	163,726,600	0	(163,726,600)	(100.0)	0	(163,726,600)	(100.0)
School Aid Fund	185,692,700	356,063,300	170,370,600	91.7	356,063,300	170,370,600	91.7
State GF/GP	\$1,196,692,500	\$1,234,841,100	\$38,148,600	3.2%	\$1,198,578,900	\$1,886,400	0.2%
Grants and Financial Aid							
State Competitive Scholarships	\$29,861,700	\$38,361,700	\$8,500,000	28.5%	\$29,861,700	\$0	0.0%
Tuition Grants	42,021,500	32,021,500	(10,000,000)	(23.8)	42,021,500	0	0.0
Tuition Incentive Program (TIP)	68,800,000	67,958,000	(842,000)	(1.2)	68,800,000	0	0.0
Children of Veterans & Officer's Tuition	1,400,000	1,400,000	0	0.0	1,400,000	0	0.0
Project Gear-Up	3,200,000	3,200,000	0	0.0	3,200,000	0	0.0
Michigan Student Loan Refinance Program - one time	0	10,000,000	10,000,000	N/A	0	0	N/A
Total Grants/Financial Aid	\$145,283,200	\$152,941,200	\$7,658,000	5.3%	\$145,283,200	\$0	0.0%
Federal Higher Ed Act	3,200,000	3,200,000	0	0.0	3,200,000	0	0.0
Federal TANF	130,826,400	112,826,400	(18,000,000)	(13.8)	122,826,400	(8,000,000)	(6.1)
State GF/GP	\$11,256,800	\$36,914,800	\$25,658,000	227.9%	\$19,256,800	\$8,000,000	71.1%
TOTAL HIGHER EDUCATION							
TOTAL ALL FUNDS	\$1,691,395,000	\$1,743,845,600	\$52,450,600	3.1%	\$1,699,925,400	\$8,530,400	0.5%
TOTAL FEDERAL	297,753,000	116,026,400	(181,726,600)	(61.0)	126,026,400	(171,726,600)	(57.7)
TOTAL STATE RESTRICTED	185,692,700	356,063,300	170,370,600	91.7	356,063,300	170,370,600	91.7
TOTAL STATE GF/GP	\$1,207,949,300	\$1,271,755,900	\$63,806,600	5.3%	\$1,217,835,700	\$9,886,400	0.8%

Table 2: HIGHER EDUCATION APPROPRIATIONS: CONFERENCE REPORT

University	FY 2019-20 Year-To-Date Operations	FY 2019-20 Year-To-Date ITW Reimb.	FY 2019-20 Year-To-Date Appropriation	Adjustments					Other Changes	FY 2020-21 Conference	Dollar Change From FY 2019-20	Percent Change	Appropriation Per FYES
				Remove ITW Passthrough from Ops	ITW Passthrough Reallocation	One-time Passthrough for Bay Mills	FY21 ITW Adjustment	Total University Funding Changes					
Central	\$87,629,700	\$1,598,100	\$89,227,800	(\$29,700)	\$79,700		286,700	\$336,700		\$89,564,500	\$336,700	0.4%	\$ 4,788
Eastern	77,253,700	302,300	77,556,000				(800)	(800)		77,555,200	(800)	(0.0)	\$ 5,115
Ferris	55,025,500	1,007,300	56,032,800				(98,500)	(98,500)		55,934,300	(98,500)	(0.2)	\$ 5,198
Grand Valley	72,313,500	1,075,000	73,388,500				102,200	102,200		73,490,700	102,200	0.1	\$ 3,275
Lake Superior	13,407,000	954,000	14,361,000	(100,000)	0	1,000,000	(8,900)	891,100		15,252,100	891,100	6.2	\$ 8,720
Michigan State	287,331,700	1,467,700	288,799,400				136,300	136,300		288,935,700	136,300	0.0	\$ 6,246
Michigan Tech	50,101,600	466,500	50,568,100				227,100	227,100		50,795,200	227,100	0.4	\$ 7,634
Northern	47,809,100	1,100,000	48,909,100		50,000		(89,400)	(39,400)		48,869,700	(39,400)	(0.1)	\$ 7,221
Oakland	53,147,400	285,100	53,432,500				(19,000)	(19,000)		53,413,500	(19,000)	(0.0)	\$ 3,079
Saginaw Valley	30,583,800	223,900	30,807,700				(4,400)	(4,400)		30,803,300	(4,400)	(0.0)	\$ 4,150
UM-Ann Arbor	321,970,100	803,500	322,773,600				157,500	157,500		322,931,100	157,500	0.0	\$ 6,776
UM-Dearborn	26,167,000	160,200	26,327,200				7,600	7,600		26,334,800	7,600	0.0	\$ 3,676
UM-Flint	23,616,200	277,000	23,893,200				71,200	71,200		23,964,400	71,200	0.3	\$ 3,936
Wayne State	202,996,700	417,200	203,413,900				45,000	45,000		203,458,900	45,000	0.0	\$ 8,905
Western	111,522,200	767,900	112,290,100				73,800	73,800		112,363,900	73,800	0.1	\$ 5,897
Subtotal University Operations:	\$1,460,875,200	\$10,905,700	\$1,471,780,900	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$0	\$1,473,667,300	\$1,886,400	0.1%	\$ 5,724
MPSERS Reimbursement			\$5,017,000						6,678,000	\$11,695,000	\$6,678,000	133.1%	
MPSERS Normal Cost Offset			1,234,000						(34,000)	1,200,000	(34,000)	(2.8)	
MSU AgBioResearch	34,937,300		34,937,300					0		34,937,300	0	0.0	
MSU Extension	30,136,100		30,136,100					0		30,136,100	0	0.0	
Higher Education Database			200,000							200,000	0	0.0	
Midwest Higher Ed Compact			115,000							115,000	0	0.0	
King-Chavez-Parks			2,691,500							2,691,500	0	0.0	
Total Universities			\$1,546,111,800	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$6,644,000	\$1,554,642,200	\$8,530,400	0.6%	
Federal Coronavirus Relief Fund			163,726,600	0	0	0	0	0	(163,726,600)	0	(163,726,600)	(100.0)	
School Aid Fund			185,692,700	0	0	0	0	0	170,370,600	356,063,300	170,370,600	91.7	
State GF/GP			\$1,196,692,500	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$0	\$1,198,578,900	\$1,886,400	0.2%	
Grants and Financial Aid													
State Competitive Scholarships			\$29,861,700							\$29,861,700	\$0	0.0%	
Tuition Grants			42,021,500							42,021,500	0	0.0	
Tuition Incentive Program (TIP)			68,800,000							68,800,000	0	0.0	
Children of Veterans & Officer's Tuition			1,400,000							1,400,000	0	0.0	
Project Gear-Up			3,200,000							3,200,000	0	0.0	
Total Grants/Financial Aid			\$145,283,200						\$0	\$145,283,200	\$0	0.0%	
Federal Higher Ed Act			3,200,000						0	3,200,000	0	0.0	
Federal TANF			130,826,400						(8,000,000)	122,826,400	(8,000,000)	(6.1)	
State GF/GP			\$11,256,800						\$8,000,000	\$19,256,800	\$8,000,000	71.1%	
TOTAL HIGHER EDUCATION													
TOTAL ALL FUNDS			\$1,691,395,000	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$6,644,000	\$1,699,925,400	\$8,530,400	0.5%	
TOTAL FEDERAL			297,753,000	0	0	0	0	0	(171,726,600)	126,026,400	(171,726,600)	(57.7)	
TOTAL STATE RESTRICTED			185,692,700	0	0	0	0	0	170,370,600	356,063,300	170,370,600	91.7	
TOTAL STATE GF/GP			\$1,207,949,300	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$8,000,000	\$1,217,835,700	\$9,886,400	0.8%	