FY 2015-16 EDUCATION OMNIBUS BUDGET
Summary: Conference
House Bill 4115 (H-1) CR-1

Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area (Bill Page) [Summary Page]	FY 2015-16		
	Gross	SAF	GF/GP
School Aid (3) [2] *	$13,896,329,300	$12,074,660,100	$45,900,000
Community College (270) [16]	387,825,600	256,714,800	131,110,800
Higher Education (297) [20]	1,534,724,400	205,179,500	1,232,418,500
TOTAL	**$15,818,879,300**	**$12,536,554,400**	**$1,409,429,300**

Note: Appropriation figures include all proposed appropriation amounts, including amounts designated as one-time.

** Includes FY 2014-15 supplemental appropriations.*

FY 2015-16: SCHOOL AID
Summary: Conference
Article I, House Bill 4115 (H-1) CR-1

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	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Conference	*Difference: Conference From FY 2014-15 YTD Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	*--*
Federal	1,808,162,700	1,775,769,200	1,775,769,200	1,775,769,200	1,775,769,200	*(32,393,500)*	*(1.8)*
Local	0	0	0	0	0	*0*	*--*
Private	0	0	0	0	0	*0*	*--*
Restricted	11,845,097,400	12,137,294,700	12,084,799,900	12,151,594,700	12,074,660,100	*229,562,700*	*1.9*
GF/GP	33,700,000	45,900,000	45,900,000	41,700,000	45,900,000	*12,200,000*	*36.2*
Gross	**$13,686,960,100**	**$13,958,963,900**	**$13,906,469,100**	**$13,969,063,900**	**$13,896,329,300**	***$209,369,200***	***1.5***

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including House Bill 4110). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The School Aid budget makes appropriations to the state's 548 local school districts, 302 public school academies, the Education Achievement System, and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Center for Educational Performance and Information, the Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes From FY 2014-15 YTD Appropriations

	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
Gross	**$8,917,000,000**	**$92,700,000**
Restricted	8,908,985,300	8,305,800
GF/GP	$8,014,700	$84,394,200

1. Foundation Allowances (Secs. 22a, 22b, 22c)

Executive provides a $75 per pupil increase to all districts, raising the minimum foundation allowance to $7,326 and raising the state maximum guaranteed foundation allowance to $8,174 for FY 2015-16. The increase costs $108.0 million School Aid Fund (SAF), but after a cost reduction of $86.0 million due to increasing local contributions from increasing taxable values and declining pupils, the net increase totals $22.0 million.

House increases foundations using both the 2x funding formula with increases ranging from $137 to $274 per pupil plus an equity payment of up to $25 for districts at the Minimum Foundation. Increase the State Maximum Foundation to $8,236 and the Minimum Foundation to $7,550 when including the equity payment. The cost is $382.4 million, but after a consensus cost reduction of $86.0 million, the net increase totals $296.4 million.

Senate increases foundations using the 2x funding formula with increases ranging from $50 to $100 per pupil. Increases the State Maximum Foundation to $8,149 and the Minimum Foundation to $7,351. The cost is $130.0 million, but after a cost reduction of $86.0 million, the net increase totals $44.0 million. Also adds $10.0 million to change the pupil membership blend and for a two-year district consolidation incentive.

Conference increases foundations using the 2x funding formula with increases ranging from $70 to $140 per pupil. Increases the State Maximum Foundation to $8,169 and the Minimum Foundation to $7,391. Total cost is $183.0 million but after a consensus cost reduction of $100.0 million, the net increase totals $83.0 million. Also adds $9.7 million to change the pupil membership blend to 90% of fall count plus 10% of **PREVIOUS** February count.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
2. At-Risk Program (Sec. 31a)	**Gross**	**$308,988,200**	**$70,000,000**
Executive provides a $100.0 million increase, bringing total funding to $409.0 million SAF for FY 2015-16. Funding is intended to provide 11.5% of a district's foundation allowance for each student qualifying for free lunch; however, even after the proposed increase, the program would be approximately $97.0 million short of reaching full funding, thus necessitating proration. House maintains current year appropriation but revises program requirements. (See *Major Boilerplate Changes* below.) Senate provides a $98.0 million increase, bringing total funding to $407.0 million SAF for FY 2015-16 and revises program requirements. (See *Major Boilerplate Changes* below.) Conference provides a $70.0 million increase, bringing total funding to $379.0 million SAF for FY 2015-16 and revises program requirements. (See *Major Boilerplate Changes* below.)	Restricted	308,988,200	70,000,000
3. Best Practices (Sec. 22f)	**Gross**	**$75,000,000**	**($75,000,000)**
Executive reduces best practices grant funding by $45.0 million to a total of $30.0 million SAF for FY 2015-16, reducing the per pupil awards from $50 to $20. Revises the best practices with which a district must comply with 2 out of 3 financial and 2 out of 3 academic best practices. (See Major Boilerplate Changes below for more detail.) House eliminates this section. Senate concurs with Executive. Conference concurs with House.	Restricted	75,000,000	(75,000,000)
4. District Performance Grants (Sec. 22j)	**Gross**	**$51,100,000**	**($51,100,000)**
Executive eliminates grants to districts for improving achievement levels on statewide assessments for FY 2015-16. House, Senate, and Conference concur with Executive.	Restricted	51,100,000	(51,100,000)
5. Technology Readiness Infrastructure Grants (TRIG) (Sec. 22i)	**Gross**	**$41,500,000**	**($18,000,000)**
Executive reduces funding by $16.5 million to a total of $25.0 million SAF for FY 2015-16. House eliminates this section. Senate concurs with Executive in total funding, but allocates it more specifically including $12.0 million for district incentive grants, $10.0 million for device purchasing, $2.2 million for data systems integration, $300,000 for E-Rate activities, and $500,000 for TRIG administration. Conference reduces funding to a total of $23.5 million, but allocates it more specifically including $11.3 million for district incentive grants, $9.3 million for device purchasing, $2.2 million for data systems integration, $300,000 for E-Rate activities, and $500,000 for TRIG administration.	Restricted	41,500,000	(18,000,000)
6. MPSERS Cost Offset (Sec. 147a)	**Gross**	**$100,000,000**	**$0**
Executive maintains $100.0 million SAF for districts to reimburse them for a share of their Michigan Public School Employees' Retirement System (MPSERS) costs for FY 2015-16. House reduces in half to $50.0 million. Senate concurs with Executive. Conference concurs with Executive and Senate.	Restricted	100,000,000	0
7. MPSERS Unfunded Liability State Share (Sec. 147c)	**Gross**	**$676,900,000**	**$216,600,000**
Executive increases funding for the state share of MPSERS unfunded liability costs for districts, ISDs, and public libraries pursuant to PA 300 of 2012 by $216.6 million, bringing the total to $893.5 million for FY 2015-16. House, Senate, and Conference concur with Executive.	Restricted GF/GP	676,400,000 $500,000	216,500,000 $100,000
8. MPSERS Additional Liability Payment (Sec. 147d)	**Gross**	**$19,634,500**	**($19,634,500)**
Executive eliminates the $19.6 million SAF one-time additional unfunded liability payment. (HB 4110 reduced the original FY 2014-15 appropriation by $88.4 million.) House, Senate, and Conference concur with Executive.	Restricted	19,634,500	(19,634,500)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
9. Distressed District Rehabilitation Fund (Sec. 11r)	**Gross**	**$4,000,000**	**($4,000,000)**
Executive deposits an additional $75.0 million SAF into a fund created originally as the Distressed District Emergency Grant fund in FY 2014-15 with an initial $4.0 million. Funding may be disbursed per the State Treasurer and is intended to support the rehabilitation of districts experiencing severe academic and financial stress in order to mitigate the impact on student learning. House eliminates funding for this section. Senate increases total funding to $8.9 million for FY 2015-16, and concurs with Executive language changes. Conference concurs with House.	Restricted	4,000,000	(4,000,000)
10. Categorical Offset Payments (Sec. 20f)	**Gross**	**$6,000,000**	**$12,000,000**
Executive maintains current year funding levels. House increases total funding to $14.0 million. Maintains $6.0 million to maintain the base that ensured a $5 increase for all districts for FY 2013-14 funding and adds $8.0 million to guarantee that all districts receive at least a $25 net increase per pupil for FY 2015-16 after adding increases in the foundation allowance plus the reduction in MPSERS offset payments and the elimination of funding for Best Practices, District Performance Grants, and Dissolved District Transition Grants. Senate increases total funding to $12.4 million. Maintains $6.0 million current-year funding and adds $6.4 million to guarantee all districts receive a net change no less than $0 when adding foundation allowance and At-Risk increases plus the reductions in Best Practices and District Performance. Conference increases total funding to $18.0 million. Maintains $6.0 million current-year funding and adds $12.0 million to guarantee a minimum net increase of $25 per pupil when adding foundation allowance and At-Risk increases plus the elimination of Best Practices and District Performance.	Restricted	6,000,000	12,000,000
11. Dissolved District Transition Grants (Sec. 20g)	**Gross**	**$2,200,000**	**$0**
Executive maintains current year funding levels. House eliminates funding for districts that received students from the dissolved Buena Vista and Inkster school districts. Senate concurs with Executive. Conference concurs with Executive and Senate.	Restricted	2,200,000	0
12. Isolated District Funding (Sec. 22d)	**Gross**	**$2,584,600**	**$2,415,400**
Executive maintains current year funding levels. House concurs with Executive. Senate increases by $2.4 million SAF for a total of $5.0 million SAF. Maintains $957,300 SAF to small, geographically isolated districts, but increases $2.4 million to expand reimbursements to districts with fewer than 7.3 pupils per square mile rather than 5.0. Conference concurs with Senate.	Restricted	2,584,600	2,415,400
13. Consolidation Grants (Sec. 22g)	**Gross**	**$2,000,000**	**$3,000,000**
Executive maintains current year funding levels. House increases funding to $5.0 million but restricts it to consolidations or annexations of whole districts or intermediate districts. Senate eliminates this section. Conference concurs with House.	Restricted	2,000,000	3,000,000
14. Strict Disciplinary Academy & Dropout Recovery (Sec. 25f)	**Gross**	**$2,000,000**	**($1,000,000)**
Executive reduces funding to $1.0 million for alternative count mechanisms for both strict disciplinary academies (SDAs) and dropout recovery programs. House reduces funding to $1.0 million but only maintains payments to districts with dropout recovery programs as described in Sec. 23a. Senate reduces funding to $1.5 million for both SDAs and dropout recovery programs, but revises the SDA funding to distribute it as a reimbursement for added costs rather than based on an alternative pupil count method. Conference appropriates $1.0 million solely for the Senate version of SDA payments and moves funding for dropout recovery programs to Sec. 25g.	Restricted	2,000,000	(1,000,000)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
***15. Dropout Recovery Programs (Sec. 25g)* – NEW**	**Gross**	**$0**	**$1,000,000**
Conference transfers payments to dropout recovery programs under Sec. 23a from Sec. 25f to Sec. 25g.	Restricted	0	1,000,000
16. School Based Health Centers (Sec. 31a(6))	**Gross**	**$3,557,300**	**$2,000,000**
Executive maintains current funding levels. House maintains current funding levels. Senate increases the appropriation to $5.6 million for child and adolescent health centers with the added $2.0 million to be used so that 2 existing centers act as hubs for services with mobile teams to serve satellite schools to increase access to nurses and behavioral heal services in schools. Conference concurs with Senate but revises from 2 centers to 3.	Restricted	3,557,300	2,000,000
***17. Gang Prevention and Intervention Programs (Sec. 31c)* – NEW**	**Gross**	**$0**	**$1,000,000**
Executive appropriates $1.0 million for programs intended to improve public safety, reduce the number of youth in gang-related activity, and to increase graduation rates. House does not provide funding for this section. Senate does not provide funding for this section. Conference concurs with Executive.	Restricted	0	1,000,000
18. Cooperative Education Grant (Sec. 31h)	**Gross**	**$0**	**$300,000**
House does not include this section. Senate appropriates $350,000 for FY 2015-16 for a district that educates high school students for a district that voluntary closed its high school in 2013 (Marshall/Albion). Conference concurs with Senate but reduces appropriation to $300,000.	Restricted	0	300,000
19. Great Start Readiness Program (GSRP) (Sec. 32d)	**Gross**	**$239,575,000**	**$0**
Executive maintains $239.6 million for GSRP 4-year-old preschool programs for children in low-income families. House concurs with Executive. Senate concurs with Executive with additional boilerplate revisions. Conference concurs with Executive, House, and Senate with additional boilerplate revisions (See *Major Boilerplate Changes* below.)	Restricted GF/GP	239,275,000 $300,000	0 $0
20. Early Childhood Block Grants (Sec. 32p)	**Gross**	**$10,900,000**	**$2,500,000**
Executive increases by $5.0 million for a total of $15.9 million SAF for FY 2015-16. New funding would provide home-visiting programs for parents in at-risk families as part of the Governor's Early Literacy – 3rd Grade Reading Initiative. House maintains current funding. Senate concurs with Executive. Conference increases by $2.5 million for a total of $13.4 million SAF to provide $2.5 million for home-visiting programs.	Restricted	10,900,000	2,500,000
***21. Early Literacy (3rd Grade Reading) Initiative (Sec. 35 and 35a)* – NEW**	**Gross**	**$0**	**$26,400,000**
Executive provides $18.4 million ($2.0 million GF/GP) for FY 2015-16 for new efforts to improve early literacy in an attempt to have children reading on grade level by 3rd Grade. Funded activities include implementation ($1.0 million), pilot parenting programs ($1.0 million), professional development ($950,000), teacher certification tests ($500,000), diagnostic tools ($1.5 million), teacher coaches ($3.0 million), added instructional time ($10.0 million), and a research clearinghouse ($500,000). House does not include any of these sections. Senate concurs with the Executive with the following exceptions: Does not include funding for either teacher certification tests ($500,000) or a research clearinghouse ($500,000). Increases funding for added instructional time to a total of $20.0 million. Conference provides $26.4 million ($2.5 million GF/GP) for FY 2015-16 for early literacy improvement efforts and concurs with Executive with the following exceptions: increases added instructional time to $17.5 million, provides $1.0 million GF/GP for Michigan Education Corps, and does not include $500,000 for a research clearinghouse.	Restricted GF/GP	0 $0	23,900,000 $2,500,000

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
22. Bilingual Education Grants (Sec. 41)	**Gross**	**$1,200,000**	**$0**
Executive maintains current year funding levels.	Restricted	1,200,000	0
House eliminates funding for bilingual education grants.			
Senate concurs with Executive.			
Conference concurs with Executive and Senate.			
23. Conductive Learning Center Study (Sec. 55)	**Gross**	**$0**	**$150,000**
House and Senate add $150,000 as the 1st of two years of funding for an MSU Department of Epidemiology study of the Conductive Learning Center at Aquinas College to evaluate the effectiveness of conductive education for children with cerebral palsy.	Restricted	0	150,000
Conference concurs with House and Senate.			
24. Career & Technical Education (Sec. 61a)	**Gross**	**$27,611,000**	**$9,000,000**
Executive maintains funding at $26.6 million to reimburse local districts and secondary area vocational/technical centers for a portion of the added costs of career and technical education (CTE) programs for both FY 2015-16. Eliminates $1.0 million in one-time funding for grants to integrate the Michigan merit curriculum (MMC) content standards into state-approved CTE instructional programs to award academic credit.	Restricted	27,611,000	9,000,000
House increases funding for CTE programs by $16.0 million but concurs with Executive to eliminate the $1.0 million appropriation related to MMC content standards bringing the total section to $42.6 million.			
Senate increases funding for CTE programs by $12.4 million bringing the total section to $40.0 million and revises funding distribution priorities.			
Conference increases funding for CTE programs by $10 million, but concurs with Executive to eliminate the $1.0 million appropriation related to MMC content standards bring the total section to $36.6 million. Concurs with Senate to revise funding distribution priorities (See *Major Boilerplate Changes* below.)			
***25. Career & Technical Education Dual Enrollment (Sec. 61b)* – NEW**	**Gross**	**$0**	**$10,000,000**
Executive provides $17.8 million SAF to expand CTE Middle College programs statewide for FY 2015-16. Programs are intended to provide high school students with an opportunity to finish an associates' degree, finish technical certification or earn college credit while taking high school courses. Programs would be based on 10 prosperity regions and focused on the occupational needs of the region.	Restricted	0	10,000,000
House does not provide funding for this section.			
Senate concurs with Executive and adds subregions in addition to prosperity regions.			
Conference concurs with Executive but provides $10.0 million SAF and includes the Senate's addition of subregions in addition to prosperity regions.			
26. Dual Enrollment Incentive Grants (Sec. 64b)	**Gross**	**$1,750,000**	**$0**
Executive maintains current year funding levels.	Restricted	1,750,000	0
House eliminates funding for dual enrollment incentive grants.			
Senate concurs with Executive with boilerplate revisions.			
Conference concurs with Senate. (See *Major Boilerplate Changes* below.)			
***27. Detroit Area Pre-College Engineering Program (Sec. 65)* – NEW**	**Gross**	**$0**	**$340,000**
House adds $340,000 for DAPCEP, which received $300,000 in the FY 2014-15 Michigan Strategic Fund budget.	GF/GP	$0	$340,000
Senate does not include this section.			
Conference concurs with House.			

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
***28. Career and College Readiness Tools (Sec. 67)* – NEW** Executive appropriates $3.6 million GF/GP for FY 2015-16 administered through the Michigan College Access Network (MCAN) (currently funded at $2.0 million in the Higher Ed budget) for programs to inform students of college and career options and provide tools and resources to increase the number of students prepared to make informed college and career decisions. House maintains existing $2.0 million GF/GP for MCAN transferred from Higher Ed. Senate concurs with Executive. Conference concurs with Executive and Senate.	**Gross** GF/GP	**$0** $0	**$3,600,000** $3,600,000
29. School Bus Natural Gas Conversion (Sec. 74a) Executive eliminates one-time funding for grants to districts to convert their buses from diesel to natural gas. House, Senate, and Conference concur with Executive.	**Gross** Restricted	**$3,000,000** 3,000,000	**($3,000,000)** (3,000,000)
30. Michigan Virtual University (Sec. 98) Executive increases funding to $8.0 million tied to expanded responsibilities including maintaining a statewide network of school-based mentors for online instruction, including community college online courses into the statewide online course catalog, and providing a prototype and pilot to add registration, payment, and transcript functions to the statewide online course catalog. House concurs with Executive. Senate concurs with Executive added MVU activities but maintains funding at current year levels. Conference concurs with Senate.	**Gross** GF/GP	**$7,387,500** $7,387,500	**$0** $0
31. Math and Science Centers (Sec. 99) Executive maintains current year funding levels. House eliminates state funding for math and science centers and the Michigan STEM Partnership, but maintains federal funding for math and science centers. Senate increases the appropriation by $1.0 million SAF for a total of $9.5 million. Conference maintains current year funding but rolls into Sec. 99s (3) and (4).	**Gross** Federal Restricted GF/GP	**$8,474,300** 5,249,300 2,750,000 $475,000	**$0** 0 0 $0
32. STEM Professional Development (Sec. 99b) Executive eliminates one-time funding for professional development for teachers in science, technology, and mathematics instruction. House maintains funding at current year levels. Senate concurs with Executive. Conference reduces to $250,000 and rolls into Sec. 99s (5)	**Gross** Restricted	**$330,000** 330,000	**($80,000)** (80,000)
***33. Civic Education (Sec. 99c)* – NEW** Senate appropriates $60,000 GF/GP for a grant to a provider of civic education to teach students how to participate responsibly in local and state government and provide students with an innovative course in history and the principles of US constitutional democracy. Conference concurs with Senate.	**Gross** GF/GP	**$0** $0	**$60,000** $60,000
34. FIRST Robotics (Sec. 99h) Executive maintains $2.0 million in funding for district grants for FIRST Robotics programs. Funds may be used for stipends for coaches and/or program and competition expenses. House increases funding to $2.7 million and expands grants from grades 7-12 to grades K-12. Senate concurs with Executive. Conference concurs with Executive and Senate.	**Gross** Restricted	**$2,000,000** 2,000,000	**$0** 0

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
***35. Science Olympiad and other STEM Programs (Sec. 99q)* – NEW** House adds a total of $900,000 including $500,000 for district Science Olympiad grants and $400,000 for other STEM professional development and curricula grants focused on experiential learning. Senate does not include this section. Conference adds $250,000 for Science Olympiad grants and rolls into Sec. 99s (6)	**Gross** Restricted	**$0** 0	**$250,000** 250,000
***36. Van Andel Education Institute (Sec. 99r)* – NEW** House adds $500,000 for a grant to the Van Andel Education Institute to provide STEM professional development to science teachers in student-driven, inquiry-based science instruction. Senate does not include this section. Conference adds $250,000 for Van Andel and rolls into Sec. 99s (7).	**Gross** GF/GP	**$0** $0	**$250,000** $250,000
***37. MiSTEM Grants (Sec. 99s)* – NEW** House adds $100 as a placeholder for STEM grants to be coordinated through the MiSTEM State Advisory Council. Senate does not include this section. Conference includes $50,000 for the cost of a MiSTEM State Advisory Council that will make recommendations regarding future funding for state STEM programs and activities.	**Gross** Restricted	**$0** $0	**$50,000** $50,000
***38. Financial Data Analysis Tools (Sec. 102d)* – NEW** House does not include this section. Senate appropriates $1.5 million to reimburse districts for the cost of licensing school data analytical tools on an equal per pupil basis. Conference concurs with Senate.	**Gross** Restricted	**$0** 0	**$1,500,000** 1,500,000
39. State Assessments (Sec. 104) Executive increases funding by $2.6 million for state assessments to add additional components to determine a pupil's proficiency level prior to grade 3 for implementation in 2016-2017 including assessments administered in fall and spring to measure English language arts and mathematics in 1st and 2nd grades and a kindergarten entry assessment administered in the fall of kindergarten. House maintains current funding levels. Senate concurs with Executive. Conference concurs with Executive and Senate.	**Gross** Federal Restricted	**$47,644,400** 6,250,000 41,394,400	**$2,600,000** 0 2,600,000
***40. Computer Adaptive Test (Sec. 104d)* – NEW** House does not include this section. Senate appropriates $5.0 million for FY 2015-16 to reimburse districts for the purchase of computer adaptive tests that are internet-delivered, offer unlimited testing opportunities, provide valid and reliable diagnostic assessment data, adjust testing difficulty based on previous answers and provide immediate feedback to students and teachers. Conference concurs with Senate but appropriates $4.0 million and expands reimbursement to cover the purchase of diagnostic and screening tools or benchmark assessments for K-3 pupils intended to increase reading proficiency by 4th grade.	**Gross** Restricted	**$0** 0	**$4,000,000** 4,000,000
41. Adult Education (Sec. 107) Executive maintains current year funding levels. House includes a $100 placeholder. Senate increases this appropriation by $7.0 million for a total of $29.0 million with boilerplate revisions. Conference increases appropriation by $3.0 million for a total of $25.0 million with boilerplate revisions. (See *Major Boilerplate Changes* below.)	**Gross** Restricted	**$22,000,000** 22,000,000	**$3,000,000** 3,000,000
42. Durant – Non Plaintiff Debt Service (Sec. 11g) Executive eliminates funding for the debt service for bonds for districts that were not plaintiffs in the Durant v. State of Michigan special education funding case. FY 2014-15 was the final year for debt service payments. House, Senate, and Conference concur with Executive.	**Gross** Restricted	**$39,500,000** 39,500,000	**($39,500,000)** (39,500,000)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
43. School Bond Loan Fund (Sec. 11j)	**Gross**	**$126,000,000**	**$500,000**
Executive increases debt service payments on behalf of districts that participate in the School Bond Qualification and Loan Program by $17.0 million in FY 2015-16 for a total of $143.0 million SAF.	Restricted	126,000,000	500,000
House and Senate concur with Executive.			
Conference increases total to $126.5 million to reflect revised cost estimates based on lower interest rates.			
44. Cash Flow Borrowing Costs (Sec. 11m)	**Gross**	**$3,000,000**	**($1,000,000)**
Executive increases by $1.0 million for a total of $4.0 million in FY 2015-16 for estimated interest costs incurred by the School Aid Fund associated with cash-flow borrowing to meet the requirement to pay local and intermediate school districts over 11 payments.	Restricted	3,000,000	(1,000,000)
House and Senate concur with Executive.			
Conference reduces to $2.0 million for FY2015-16 to reflect revised cost estimates based on lower interest rates.			
45. Federal No Child Left Behind and Other Funding (Sec. 39a)	**Gross**	**$839,269,900**	**($29,393,500)**
Executive decreases level of anticipated federal funds by $29.4 million to a total of $809.9 million. Decreases primarily driven by a $26.5 million reduction in available Title I funds for disadvantaged children.	Federal	839,269,900	(29,393,500)
House, Senate, and Conference concur with Executive.			
46. Special Education (Secs. 51a, 51c, 51d, 53a, 54, 56)	**Gross**	**$1,358,946,100**	**$600,000**
Executive increases by $19.6 million SAF from the current YTD appropriation to a total of $934.5 million SAF for FY 2015-16 to adjust for consensus cost estimates. Federal funds are reduced to $441.0 million.	Federal	444,000,000	(3,000,000)
	Restricted	914,946,100	3,600,000
House and Senate concur with Executive.			
Conference increases by $3.6 million SAF to reflect revised consensus cost estimates and reduces federal funds by $3.0 million.			
47. ISD General Operations (Sec. 81)	**Gross**	**$67,115,000**	**($7,000)**
Executive maintains $67.1 million in funding for ISDs after eliminating a 3-year increase of $7,000 tied to the past consolidation of two ISDs. Maintains $65.1 million for general operations and $2.0 million for ISD best practices that comply with all 4 remaining best practices. (See Major boilerplate changes below for more detail.)	Restricted	67,115,000	(7,000)
House concurs with Executive on total funding but eliminates the ISD best practices and shifts that $2.0 million into ISD general operations funding.			
Senate concurs with the House to roll best practices funding into general operations and increases general operations by $1.0 million.			
Conference concurs with House.			
48. Educator and Administrator Evaluations (Sec. 95a)	**Gross**	**$14,800,000**	**($14,800,000)**
Executive eliminates funding for implementing statewide educator and administrator evaluations for FY 2015-16. House concurs with Executive.	Restricted	12,100,000	(12,100,000)
	GF/GP	$2,700,000	($2,700,000)
Senate concurs with Executive but also reduces the FY 2014-15 appropriation to $650,000 SAF.			
Conference concurs with Executive and House.			

Major Boilerplate Changes From FY 2014-15

***Sec. 6. Pupil Membership Definitions* – REVISED**
Executive and House maintain the current pupil membership blend equal to 90% of current year October count plus 10% of following February count in (4).
Senate revises pupil membership blend to 85% of current year October count plus 15% of PRIOR year February count.
Conference revises blend to 90% of current year October count plus 10% of PRIOR year February count.

Executive restricts those pupils who may be counted in membership under (4)(*l*)(ii) that attend programs focused on homeless students to pupils considered homeless under the federal McKinney Homeless Assistance Act.
House, Senate, and Conference concur with Executive regarding (4)(*l*)(ii).

Executive adds (4)(ee) to require that a pupil enrolled in an online course under Sec. 21f be counted in membership in its resident district and strikes a related provision under (6)(p) allowing a student enrolled in an online course under Sec. 21f from being counted in a district other than the resident district without the permission of the resident district.
House concurs but revises such that pupil is counted in the primary enrolling district rather than its resident district to avoid adding a third district for those students who choice into a district other than their resident district.
Senate concurs with Executive regarding (4)(ee).
Conference concurs with House.

***Sec. 20. Foundation Allowance Calculation* – REVISED**
Senate revises to add that for the first 2 years after a consolidation or annexation, the resulting district's foundation shall be increased by an additional $200 per pupil.
Conference does not include this revision.

***Sec. 21f. Online Courses* – REVISED**
Executive revises to add community colleges as eligible online course providers. Adds that an online course provider must assign each student with a teacher of record and that a primary enrolling district must assign each student with a mentor.
House, Senate, and Conference concur with Executive.

Executive strikes the payment provisions requiring the primary district to pay the providing district 80% upon enrollment and 20% upon course completion. Revises the maximum amount a primary district must pay a providing district from 8.33% of the minimum foundation allowance (equal to $610) to 6.66% of the minimum foundation allowance (equal to $488) for each course.
House maintains current law.
Senate concurs with Executive but revises cap to 6.67% of the minimum foundation allowance.
Conference concurs with Senate.

***Sec. 22f. Best Practices* – REVISED**
Executive deletes all but 1 of the current 9 best practices. Revises to require that districts satisfy 2 of 3 financial best practices including (1) Provide a dashboard of both academic and school finance data, (2) If general fund balance is less than or equal to 5% of operating expenditures, board members receive department-approved training, and (3) General fund balance is greater than 5% of its operating expenditures. Districts must also satisfy 2 of 3 academic best practices including (1) Administer department-approved kindergarten entry assessment, (2) Administer department-approved diagnostic tools to monitor early literacy skills in grades K to 3 and support professional development to identify students who need additional support and to offer research-based interventions, and (3) Assess effectiveness of college and career advising programs by reviewing student-to-counselor ratios, time dedicated to college and career readiness counseling, and amount of professional development offered to advisors.
House repeals this section.
Senate concurs with Executive.
Conference concurs with House.

***Sec. 31a. At Risk Program* – REVISED**
Executive revises to eliminate the following three groups of from the list of pupils that qualify as at-risk for the purposes of providing services including victims of abuse and neglect, pregnant teens or teen parents, and pupils with family history of school failure, incarceration or substance abuse.
House revises program such that instead of providing additional services to specific at-risk children, a district must implement school-wide multi-tiered system of supports (MTSS) for instruction and intervention. Also provides that if the appropriation exceeds $347.7 million, then the exclusion for Hold Harmless and Out-of-Formula districts would no longer apply.
Senate revises list of pupils that qualify as at-risk for provision of services, and requires that districts use 50% of their increase from FY 2014-15 to FY 2015-16 for the purpose of ensuring that pupils are proficient in reading by the end of 3rd grade.
Conference concurs with House regarding required use of MTSS for at least grades K to 3, but concurs with Senate definitions for at-risk pupils.

Major Boilerplate Changes From FY 2014-15

***Sec. 32d. Great Start Readiness Program* – REVISED**
House revises cap on GSRP administration costs from 2% for ISDs and 5% for subrecipients to 5% for ISDs and 2% for subrecipients.
Senate would revise the guidelines for eligibility by adding that if a district would otherwise have to return funds because of insufficient class size, they may include 3 year olds.
Conference revises cap on GSRP administration from 2% for ISDs and 5% for subrecipients to 4% for both ISDs and subrecipients. Also revises transportation reimbursements from "the lesser of" projected transportation costs or $150 per slot to "no more than" projected transportation costs or $150 per slot.

***Sec. 32p. Early Childhood Block Grants* – REVISED**
House revises to eliminate child advocacy from the list of local great start system supports.
Senate revises current law report of activities provided and number of families and children served to add that the report shall evaluate services provided with the new home visiting funding.
Conference concurs with House and Senate changes.

***Sec. 61a. CTE Programs* – REVISED**
Executive revises priority for which reimbursements are based to change type of program to cost of program and to include the advancement of pupils through the instructional program, program rank in student placement, and the available occupational job openings and wages.
House concurs with Executive revisions but does not include available occupational job openings and wages.
Senate concurs with Executive but revises priority for which reimbursements are based to change cost of program to capital and program expenditures needed to operate the program and to add the existence of an articulation agreement with at least 1 postsecondary institution for transfer of credit. Adds a requirement that MDE must count 9th graders in the funding formula. Adds that a CTE program may allow Sec. 107 Adult Ed students to enroll in the program and allows the CTE program to bill a Sec. 107 Adult Ed provider for any basic education course requirements met by the CTE program.
Conference concurs with Senate but deletes reference to billing a Sec. 107 program and revises to allow Adult Ed students to enroll in a program operating outside the regular school day.

***Sec. 64b. Dual Enrollment Incentive Payments* – REVISED**
House eliminates this section.
Senate revises eligibility requirements to add that a district must ensure that a pupil awarded both high school and college credit at any community college or state public university in this state.
Conference concurs with Senate.

***Sec. 81(6). ISD Best Practices* – DELETED**
Executive eliminates 2 of the current best practices and requires ISDs to satisfy all the remaining 4 including (1) Develop or implement a consolidation plan to reduce costs, (2) Develop or implement a technology plan in accordance with MDE policy on behalf of all of its constituent districts to integrate technology into the classroom and prepare teachers to use digital technology for instruction, (3) Provide to parents and community members a dashboard or report card including specified items demonstrating the ISD's efforts to manage its finances responsibly, and (4) Work in a consortium with other ISDs and CEPI to develop local information management system requirements and bid specifications that result in a recommended model that supports interoperability to ensure linkage and connectivity in a manner that facilitates the efficient exchange of data between districts, ISDs, and CEPI.
House, Senate, and Conference delete this subsection.

***Sec. 101. Instructional Days and Hours* – REVISED**
House revises the number of total allowable snow days from current law which allows an automatic 6 plus an additional 6 days if they occur after April 1 and if waived by the State Superintendent to an automatic 6 plus an additional 3 days if they occur anytime during the year if waived by the State Superintendent. Also revises such that the Superintendent "shall" rather than "may" grant seat-time waivers to districts operating department-approved alternative education programs. Revises such that a waiver for a 100% online model of delivery does not have to be renewed annually as long as it makes available 1,098 hours of instruction and a "pupil is on track for course completion at proficiency level" rather than current law which requires that the pupil participates for at least 1,098 hours.
Senate maintains current law.
Conference concurs with House.

***Sec. 103a. Budgetary Assumptions Reports* – NOT INCLUDED**
Executive adds a section to require that by July 7 of each year, a district report to CEPI the budgetary assumptions used when adopting its annual budget including projected foundation allowance, projected pupil membership, previous year's expenditures per pupil, and projected expenditures per pupil for current year. Makes an allocation of state aid under the act contingent upon a district's compliance.
House does not include this section.
Senate concurs with Executive.
Conference concurs with House.

Major Boilerplate Changes From FY 2014-15

***Sec. 103b. Distressed Districts* – NOT INCLUDED**
Executive adds a section to require that if a district determines that conditions of fiscal stress, a deficit, or a financial emergency have arisen or may arise, the district shall notify the State Superintendent and request technical assistance in addressing the issue. The State Superintendent shall notify the State Treasurer of any request for assistance. After receiving a request for technical assistance MDE and Treasury shall, subject to available resources, review the financial condition and budget of the district and provide assistance including, but not limited to, data analysis tools. Makes an allocation of state aid under the act contingent upon a district's compliance with this section.
House does not include this section.
Senate concurs with Executive.
Conference concurs with House.

***Sec. 103c. Periodic Financial Status Reports* – NOT INCLUDED**
Executive allows Superintendent or Treasurer to require a district to submit periodic financial reports if potential financial stress exists, if a deficit may arise within the current or next two fiscal years, or if a district is unable to meet its financial obligations. A district must provide copies of periodic financial status reports to its governing board and provide Treasury access to all financial records and information requested. Treasury may require a district to submit an EDEP.
House does not include this section.
Senate concurs with Executive.
Conference concurs with House.

***Sec. 104b. Michigan Merit Examination* – REVISED**
Executive revises such that MME includes a college entrance exam, work skills exam, and a summative Michigan Student Test of Educational Progress (M-STEP). Revises such that the MME "may" include a writing component instead of "shall". Revises to base MME on Michigan Content Standards. Allows MDE to augment the college entrance and work skills components of the MME to develop the assessment, dependent on those components' alignment to Michigan Content Standards. If alignment is not present in these components, MDE will produce additional components as required by law, while minimizing the amount of time needed for assessments.
House concurs with Executive, but revises to cap the MME time at 8 hours, striking language allowing it to go over if sufficient alignment to Michigan content standards cannot be achieved with that time.
Senate concurs with Executive, but does not require the college entrance exam to align to state standards and maintains current law in regard to subject area scoring requirements.
Conference concurs with Executive with technical revisions.

***Sec. 104c. New State Assessments* – REVISED**
Executive updates to replace the MEAP with the Michigan Student Test of Education Progress (M-STEP) beginning with 2015-2016 and revises to grades 3-11 instead of grades 3-10. Deletes subsection that required last year's RFP for a new assessment. Deletes subsection that required MDE to seek a federal waiver due to changing assessments. Adds that beginning in 2015-2016, MDE shall field test additional components of the assessment to determine a pupil's proficiency level prior to grade 3 to implement in 2016-2017 including:
(1) Assessments administered in fall and spring to measure English language arts and mathematics in 1st and 2nd grades.
(2) A kindergarten entry assessment administered in the fall in kindergarten including English language arts and mathematics, and which may also include observational components measuring cognitive, social-emotional, and physical skills.
House concurs with deletions of RFP and requirement to seek a federal waiver, but does not include the additional language for K-2 assessments.
Senate and Conference concur with Executive.

***Sec. 107. Adult Education* – REVISED**
Executive adds that ISDs must give special consideration to adult education providers that provide contextualized learning and career pathways and adds that they base awards on past performance and quality indicators identified by MSF in addition to current requirements of location, demand for services, and cost to provide instruction. Defines "Career Pathway" as education, training, and services that (1) Aligns with the skill needs of industries in the economy of the state or region, (2) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options including apprenticeships, (3) Includes counseling to support an individual's education and career goals, (4) Includes education offered concurrently with workforce preparation activities and training for a specific occupation, (5) Organizes education, training and other services to meet the needs of an individual that accelerates the advancement of the individual to the extent possible, (6) Enables an individual to attain a secondary school diploma or its recognized equivalent and at least 1 recognized postsecondary credential, (7) Helps an individual enter or advance within a specific occupation.
House repeals this section.
Senate concurs with Executive except for the following provisions: adds prosperity subregions in addition to regions through section 107; freezes the funding allocations method at the FY2014-15 method with 2/3 of funding based on previous allocations and 1/3 of funding based on the formula factors; revises subsection (11) by changing the funding distribution to be 90% based on enrollment (from 75%) and 10% based on completion (from 25%); and revises subsection (16) to add that a program must agree to pay a CTE program under Sec. 61a the costs of adult basic education provided by the CTE program.
Conference concurs with Senate but freezes the transition between the former and new funding formulas for one year only and revises the funding distribution to 80% upon enrollment and 20% upon completion.

FY 2014-15 SUPPLEMENTAL CHANGES		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2014-15 Conference Change
1. Cash Flow Borrowing Costs (Sec. 11m)	**Gross**	**$3,000,000**	**($1,000,000)**
Conference reduces to $2.0 million for FY2015-16 to reflect revised cost estimates based on lower interest rates.	Restricted	3,000,000	(1,000,000)
2. Foundation Allowances (Secs. 22a and 22b)	**Gross**	**$8,917,000,000**	**$3,000,000**
Conference increases FY 2014-15 foundation costs by $3,000,000 to reflect revised consensus cost estimates.	Restricted	8,908,985,300	3,000,000
	GF/GP	$8,014,700	$0
3. Distressed District Rehabilitation Fund (Sec. 11r)	**Gross**	**$4,000,000**	**($4,000,000)**
Conference would allocate $178,000 of the funds appropriated for FY 2014-15 appropriation to an SDA that didn't receive Title I funds because of a departmental error.	Restricted	4,000,000	(4,000,000)
4. Special Education (Secs. 51a, 51c, 51d, 53a, 54, 56)	**Gross**	**$1,358,946,100**	**($13,000,000)**
Conference decreases FY 2014-15 special education costs by $13.0 million to reflect revised consensus cost estimates.	Federal	444,000,000	0
	Restricted	914,946,100	(13,000,000)
5. Educator and Administrator Evaluations (Sec. 95a)	**Gross**	**$14,800,000**	**$0**
Conference revises boilerplate to delete the provision tying the expense of FY 2014-15 funds to the enactment of HB 5223 and 5224 of the 2013-2014 legislative session which were never enacted.	Restricted	12,100,000	0
	GF/GP	$2,700,000	$0

SCHOOL AID LINE ITEM SUMMARY

Sec.		FY 2014-15 YTD	FY 2014-15 Change from YTD	FY 2014-15 Current Year Revisions HB 4089 Conference	FY 2015-16 Exec Rec	FY 2015-16 HB 4115 (H-1) House Passed	FY 2015-16 SB 134 (S-1) Senate Passed	FY 2015-16 Change from YTD	FY 2015-16 Conference
11g	Durant - Debt Service	$39,500,000		$39,500,000	$0	$0	$0	($39,500,000)	$0
11j	School Bond Redemption Fund	$126,000,000		$126,000,000	$143,000,000	$143,000,000	$143,000,000	$500,000	$126,500,000
11m	Cash Flow Borrowing Costs	$3,000,000	($3,000,000)	$0	$4,000,000	$4,000,000	$4,000,000	($1,000,000)	$2,000,000
11r	Distressed Districts Emergency Grant Fund	$4,000,000		$4,000,000	$75,000,000	$0	$8,935,900	($4,000,000)	$0
20f	Categorical Offset Payments	$6,000,000		$6,000,000	$6,000,000	$14,000,000	$12,400,000	$12,000,000	$18,000,000
20g	Dissolved District Transition Grants	$2,200,000		$2,200,000	$2,200,000	$0	$2,200,000		$2,200,000
22a	Foundations: Proposal A Obligation Payment	$5,380,000,000	($3,000,000)	$5,377,000,000	$5,277,000,000	$5,277,000,000	$5,282,300,000	($98,300,000)	$5,281,700,000
22b	Foundations: Discretionary Payment	$3,434,000,000	$6,000,000	$3,440,000,000	$3,662,000,000	$3,912,400,000	$3,688,700,000	$294,000,000	$3,728,000,000
22c	Foundations: Equity Payment	$103,000,000		$103,000,000	$0	$24,000,000	$0	($103,000,000)	$0
22d	Isolated District Funding	$2,584,600		$2,584,600	$2,584,600	$2,584,600	$5,000,000	$2,415,400	$5,000,000
22f	Best Practices Incentive Grants	$75,000,000		$75,000,000	$30,000,000	$0	$30,000,000	($75,000,000)	$0
22g	Consolidation Innovation Grants	$2,000,000		$2,000,000	$2,000,000	$5,000,000	$0	$3,000,000	$5,000,000
22i	Technology Infrastructure Improvement Grants	$41,500,000		$41,500,000	$25,000,000	$0	$25,000,000	($18,000,000)	$23,500,000
22j	District Performance Funding	$51,100,000		$51,100,000	$0	$0	$0	($51,100,000)	$0
24	Court-Placed Pupils	$8,000,000		$8,000,000	$8,000,000	$8,000,000	$8,000,000		$8,000,000
24a	Juvenile Detention Facility Programs	$2,195,500		$2,195,500	$2,189,800	$2,189,800	$2,189,800	($5,700)	$2,189,800
24c	Youth ChalleNGe Program	$1,500,000		$1,500,000	$1,497,400	$1,497,400	$1,497,400	($2,600)	$1,497,400
25f	Strict Discipline Academy	$2,000,000		$2,000,000	$1,000,000		$1,500,000		$1,000,000
25g	Dropout Recovery Programs	$0		$0	$0	$1,000,000	$0		$1,000,000
26a	Renaissance Zone Reimbursement	$26,300,000		$26,300,000	$26,300,000	$26,300,000	$26,300,000		$26,300,000
26b	PILT Reimbursement	$4,210,000		$4,210,000	$4,276,800	$4,276,800	$4,276,800	$66,800	$4,276,800
26c	Promise Zone Funding	$293,100		$293,100	$610,000	$610,000	$610,000	$316,900	$610,000
31a	"At Risk" Pupil Support	$308,988,200		$308,988,200	$408,988,200	$308,988,200	$406,988,200	$70,000,000	$378,988,200
31a(6)	School Based Health Centers	$3,557,300		$3,557,300	$3,557,300	$3,557,300	$5,557,300	$2,000,000	$5,557,300
31a(7)	Hearing and Vision Screening	$5,150,000		$5,150,000	$5,150,000	$5,150,000	$5,150,000		$5,150,000
31c	Gang Prevention and Intervention Programs **- NEW**	$0		$0	$1,000,000	$0	$0	$1,000,000	$1,000,000
31d	State School Lunch Programs	$22,495,100		$22,495,100	$22,495,100	$22,495,100	$22,495,100		$22,495,100
31d	Federal School Lunch Programs	$513,200,000		$513,200,000	$513,200,000	$513,200,000	$513,200,000		$513,200,000
31f	School Breakfast Program	$5,625,000		$5,625,000	$5,625,000	$5,625,000	$5,625,000		$5,625,000
31h	Cooperative Education Grant **- NEW**	$0		$0	$0	$0	$350,000	$300,000	$300,000
32d	Great Start Readiness Program	$239,575,000		$239,575,000	$239,575,000	$239,575,000	$239,575,000		$239,575,000
32p	Early Childhood Block Grants	$10,900,000		$10,900,000	$15,900,000	$10,900,000	$15,900,000	$2,500,000	$13,400,000
35	Early Literacy Implementation **- NEW**	$0		$0	$1,000,000	$0	$1,000,000	$1,000,000	$1,000,000
35a(2)	Early Literacy Parents University Pilot **- NEW**	$0		$0	$1,000,000	$0	$1,000,000	$1,000,000	$1,000,000
35a(3)	Early Literacy Professional Development **- NEW**	$0		$0	$950,000	$0	$950,000	$950,000	$950,000
35a(4)	Early Literacy Diagnostic Tools **- NEW**	$0		$0	$1,450,000	$0	$1,450,000	$1,450,000	$1,450,000
35a(5)	Early Literacy Teacher Coaches **- NEW**	$0		$0	$3,000,000	$0	$3,000,000	$3,000,000	$3,000,000
35a(6)	Early Literacy Added Instructional Time **- NEW**	$0		$0	$10,000,000	$0	$20,000,000	$17,500,000	$17,500,000
35g	Early Literacy Research Clearinghouse **- NEW**	$0		$0	$500,000	$0	$0		$0
35a(7)	Early Literacy - Michigan Education Corps **- NEW**			$0	$0	$0	$0	$1,000,000	$1,000,000
35a(8)	Early Literacy Teacher Certification Test **- NEW**	$0		$0	$500,000	$0	$0	$500,000	$500,000
39a(1)	Federal "No Child Left Behind"	$807,969,900		$807,969,900	$779,076,400	$779,076,400	$779,076,400	($28,893,500)	$779,076,400
39a(2)	Other Federal Funding	$31,300,000		$31,300,000	$30,800,000	$30,800,000	$30,800,000	($500,000)	$30,800,000
41	Bilingual Education Grants	$1,200,000		$1,200,000	$1,200,000	$0	$1,200,000		$1,200,000
43	Teacher Certification Test Rewrite	$1,800,000		$1,800,000	$1,800,000	$1,800,000	$1,800,000		$1,800,000
51a(1)	Special Education - Federal Reimbursement	$370,000,000		$370,000,000	$370,000,000	$370,000,000	$370,000,000		$370,000,000
51a(2)	Special Ed ISD Foundation and Costs	$251,800,000	($3,700,000)	$248,100,000	$257,200,000	$257,200,000	$257,200,000		$251,800,000
51a(3)	Special Ed ISD Hold Harmless Payment	$1,000,000		$1,000,000	$1,000,000	$1,000,000	$1,000,000	$300,000	$1,300,000
51a(6)	Special Ed Admin Rules Changes	$2,200,000		$2,200,000	$2,200,000	$2,200,000	$2,200,000		$2,200,000
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs	$4,000,000	($600,000)	$3,400,000	$3,200,000	$3,200,000	$3,200,000	($700,000)	$3,300,000
51c	Special Ed Headlee Obligation (Durant)	$606,000,000	($8,700,000)	$597,300,000	$621,000,000	$621,000,000	$621,000,000	$4,000,000	$610,000,000
51d	Special Education - Other Federal Grants	$74,000,000		$74,000,000	$71,000,000	$71,000,000	$71,000,000	($3,000,000)	$71,000,000
53a	Special Ed for Court Placed Pupils	$10,500,000		$10,500,000	$10,500,000	$10,500,000	$10,500,000		$10,500,000

SCHOOL AID LINE ITEM SUMMARY

		FY 2014-15			FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	
		YTD	Change from YTD	Current Year Revisions HB 4089 Conference	Exec Rec	HB 4115 (H-1) House Passed	SB 134 (S-1) Senate Passed	Change from YTD	Conference
54	Special Ed Michigan School Blind/Deaf	$1,688,000		$1,688,000	$1,688,000	$1,688,000	$1,688,000		$1,688,000
55	Conductive Learning Study- **NEW**	$0		$0	$0	$150,000	$150,000	$150,000	$150,000
56	Special Ed ISD Millage Equalization	$37,758,100		$37,758,100	$37,758,100	$37,758,100	$37,758,100		$37,758,100
61a	Career & Tech Ed Programs	$27,611,300		$27,611,300	$26,611,300	$42,611,300	$40,000,000	$9,000,000	$36,611,300
61b	Career & Tech Ed Dual Enrollment Programs - **NEW**	$0		$0	$17,800,000	$0	$17,800,000	$10,000,000	$10,000,000
62	ISD Vocational Education Millage Equalization	$9,190,000		$9,190,000	$9,190,000	$9,190,000	$9,190,000		$9,190,000
64b	Dual Enrollment Incentive Payments	$1,750,000		$1,750,000	$1,750,000	$0	$1,750,000		$1,750,000
64c	Career Readiness Study	$250,000		$250,000	$0	$0	$0	($250,000)	$0
65	Detroit PreCollege Engineering - **NEW**	$0		$0	$0	$340,000	$0	$340,000	$340,000
67	Career and College Readiness Tools - **NEW**	$0		$0	$3,600,000	$2,000,000	$3,600,000	$3,600,000	$3,600,000
74	School Bus Driver Safety Instruction	$1,625,000		$1,625,000	$1,625,000	$1,625,000	$1,625,000		$1,625,000
74	School Bus Inspections	$1,691,500		$1,691,500	$1,690,700	$1,690,700	$1,690,700	($800)	$1,690,700
74a	School Bus Diesel to Natural Gas Conversion	$3,000,000		$3,000,000	$0	$0	$0	($3,000,000)	$0
81	ISD General Operations Support	$67,115,000		$67,115,000	$67,108,000	$67,108,000	$68,108,000	($7,000)	$67,108,000
94	Advanced Placement (AP) Incentive Program	$250,000		$250,000	$250,000	$250,000	$250,000		$250,000
94a	Center for Educational Performance and Information	$12,022,800		$12,022,800	$11,967,000	$11,967,000	$11,967,000	($55,800)	$11,967,000
94a	Center for Educational Performance and Info - Federal	$193,500		$193,500	$193,500	$193,500	$193,500		$193,500
95a	Educator and Administrator Evaluations	$14,800,000		$14,800,000	$0	$0	$0	($14,800,000)	$0
98	Michigan Virtual University	$7,387,500		$7,387,500	$7,987,500	$7,987,500	$7,387,500		$7,387,500
99	Math and Science Centers - State **(move to 99s)**	$3,225,000		$3,225,000	$3,225,000	$0	$4,225,000		$3,225,000
99	Math and Science Centers - Federal **(move to 99s)**	$5,249,300		$5,249,300	$5,249,300	$5,249,300	$5,249,300		$5,249,300
99b	STEM Professional Development **(move to 99s)**	$330,000		$330,000	$0	$330,000	$0	($80,000)	$250,000
99c	Civic Education - **NEW**	$0		$0	$0	$0	$60,000	$60,000	$60,000
99h	FIRST Robotics	$2,000,000		$2,000,000	$2,000,000	$2,660,000	$2,000,000		$2,000,000
99q	Science Olympiad - **NEW (move to 99s)**	$0		$0	$0	$900,000	$0	$250,000	$250,000
99r	Van Andel Education Institute - **NEW (move to 99s)**	$0		$0	$0	$500,000	$0	$250,000	$250,000
99s	MiSTEM Grants - **NEW**	$0		$0	$0	$100	$0	$50,000	$50,000
102d	Financial Data Analysis Tools - **NEW**	$0		$0	$0	$0	$1,500,000	$1,500,000	$1,500,000
104	Education Assessments - State	$41,394,400		$41,394,400	$43,994,400	$41,394,400	$43,994,400	$2,600,000	$43,994,400
104	Education Assessments - Federal	$6,250,000		$6,250,000	$6,250,000	$6,250,000	$6,250,000		$6,250,000
104d	Computer Adaptive Test - **NEW**	$0		$0	$0	$0	$5,000,000	$4,000,000	$4,000,000
107	Adult Education	$22,000,000		$22,000,000	$22,000,000	$100	$29,000,000	$3,000,000	$25,000,000
147a	MPSERS Cost Offset	$100,000,000		$100,000,000	$100,000,000	$50,000,000	$100,000,000		$100,000,000
147c	MPSERS State Share of Unfunded Liability Payments	$676,900,000		$676,900,000	$893,500,000	$893,500,000	$893,500,000	$216,600,000	$893,500,000
147d	MPSERS ONE-TIME Extra UAL Payment	$19,634,500		$19,634,500	$0	$0	$0	($19,634,500)	$0
152a	Adair - Database Payment	$38,000,500		$38,000,500	$38,000,500	$38,000,500	$38,000,500		$38,000,500
152b	Nonpublic school reimbursement - **NEW**	$0		$0	$0	$0	$0		$0
	TOTAL APPROPRIATIONS	**$13,686,960,100**	**($13,000,000)**	**$13,673,960,100**	**$13,958,963,900**	**$13,906,469,100**	**$13,969,063,900**	**$209,369,200**	**$13,896,329,300**
	REVENUE BY SOURCE								
	Federal Aid	$1,808,162,700		$1,808,162,700	$1,775,769,200	$1,775,769,200	$1,775,769,200	($32,393,500)	$1,775,769,200
	School Aid Fund	$11,827,097,400	($13,000,000)	$11,814,097,400	$12,137,294,700	$12,084,799,900	$12,151,594,700	$247,562,700	$12,074,660,100
	MPSERS Reserve Fund	$18,000,000		$18,000,000	$0	$0	$0	($18,000,000)	$0
	General Fund/General Purpose	$33,700,000		$33,700,000	$45,900,000	$45,900,000	$41,700,000	$12,200,000	$45,900,000
	TOTAL REVENUE	**$13,686,960,100**	**($13,000,000)**	**$13,673,960,100**	**$13,958,963,900**	**$13,906,469,100**	**$13,969,063,900**	**$209,369,200**	**$13,896,329,300**

FY 2015-16: COMMUNITY COLLEGES
Summary: Conference
Article II, House Bill 4115 (H-1) CR-1

Analyst: Marilyn Peterson

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Conference	*Difference: Conference From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	--
Federal	0	0	0	0	0	*0*	--
Local	0	0	0	0	0	*0*	--
Private	0	0	0	0	0	*0*	--
Restricted	364,724,900	256,714,800	256,714,800	271,114,800	256,714,800	*(108,010,100)*	*(29.6)*
GF/GP	0	137,110,800	135,882,000	122,710,800	131,110,800	*131,110,800*	--
Gross	**$364,724,900**	**$393,825,600**	**$392,596,800**	**$393,825,600**	**$387,825,600**	***$23,100,700***	***6.3***

Notes: (1) FY 2014-15 year-to-date figures include mid-year budget adjustments through May 5, 2015 (including House Bill 4110). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Community Colleges budget supports the 28 public community colleges located throughout the state. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associates' degrees, career and technical education, developmental and remedial education, continuing education, and, after 2012, baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

NOTE: Information on House budget action in this document is based on House Bill 4115 as passed by the House. Information on Senate budget action is based on Senate Bill 134 as passed by the Senate.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
1. Community College Operations Grants	**Gross**	**$307,191,300**	**$4,300,700**
	Restricted	307,191,300	(71,010,100)
	GF/GP	$0	$75,310,800

Executive increases funding for community college operations grants by $4.3 million (1.4%), to be distributed according to a revised performance funding formula. Projected increases for individual community colleges range from 1.2% to 1.9%. Total funding would be $311.5 million: $230.2 million School Aid Fund (SAF), $81.3 million GF/GP.

House increases operations grant funding by $6.1 million (2.0%), to be distributed under the current performance funding formula. Projected increases for individual colleges range from 1.8% to 2.4%. Total funding would be $313.3 million: $233.3 million SAF, $80.1 million GF/GP.

Senate concurs with overall Executive increase, but distributes according to current performance funding formula. Projected increases for individual colleges range from 1.2% to 1.7%. Total funding would be $311.5 million: $244.6 million SAF, $66.9 million GF/GP.

Conference increases funding by 1.4% (same as Executive and Senate), and distributes according to current performance funding formula. Projected increases for individual community colleges range from 1.2% to 1.7%. Total funding is $311.5 million: $236.2 million SAF, $75.3 million GF/GP.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
2. Michigan Public School Employees' Retirement System (MPSERS) State Share	**Gross**	**$52,300,000**	**$17,200,000**
Executive includes $17.2 million increase, funded with SAF, for the state's share of colleges' unfunded liability to MPSERS; state's share is the difference between the actuarial accrued liability to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement act (MCL 38.1341). Total funding for state share would be $69.5 million ($52.3 million GF/GP). An additional $6.9 million is expected to be needed in FY 2016-17.	Restricted	52,300,000	(35,100,000)
	GF/GP	$0	$52,300,000
Conference, House, and Senate concur.			
3. MPSERS Offset	**Gross**	**$1,733,600**	**$0**
Executive maintains funding for payments to community colleges to offset prior-year retirement contributions. Conference, House, and Senate concur.	Restricted	1,733,600	0
	GF/GP	$0	$0
4. Financial Aid	**Gross**	**$0**	**$0**
Executive provides $6.0 million SAF to re-institute the Independent Part-Time Student Grant program, which was last funded in FY 2008-09. Program to be limited to community colleges and to provide assistance to adult students taking fewer than 12 credits, with priority for former postsecondary students who left prior to completing a degree or certificate.	Restricted	0	0
	GF/GP	$0	$0
House funds at $2.9 million, using the difference to provide increased funding for college operations grants.			
Senate concurs with Executive.			
Conference does not include the program, using the $6.0 million SAF to replace an equal amount of GF/GP in funding for operations grants, thus reducing the overall budget by $6.0 million GF/GP.			
5. Renaissance Zone Reimbursements	**Gross**	**$3,500,000**	**$1,600,000**
Executive increases funding for Renaissance Zone reimbursements by $1.6 million SAF, bringing total funding to $5.1 million ($3.5 million GF/GP), the approximate amount of college tax revenue lost under Renaissance Zones in FY 2013-14. Restores GF/GP funding support to its previously-enacted level of $3.5 million.	Restricted	3,500,000	(1,900,000)
	GF/GP	$0	$3,500,000
Conference, House, and Senate concur.			

Major Boilerplate Changes From FY 2014-15

***Sec. 209. Community College Transparency* – RETAINED**
Executive deletes from college transparency reporting requirements a requirement to post the estimated cost resulting from the Affordable Care Act, and a requirement to post a copy of the board of trustees resolution regarding compliance with the funding formula's local strategic value component (a component that the Executive proposes to eliminate). Executive also deletes a provision authorizing state budget director to withhold payment from a college that failed to comply with the reporting requirements, and provisions added in FY 2014-15 that require a community college to report certain data on dual enrollment, early college programs, and related endeavors.

Conference, House, and Senate retain current transparency requirements without substantive changes.

***Sec. 210b. Michigan Transfer Agreement* – RETAINED**
Encourages implementation of Michigan Transfer Agreement and requires status report. Executive includes substantially similar language in another section, while deleting the reporting requirement. Conference, House, and Senate retain Sec. 210b.

***Sec. 210c. Block Transfer Study Committee* – NEW**
House establishes a study committee to develop a process to improve the transferability and applicability of associates' degrees as a block of credits between community colleges and public universities on a statewide basis. Senate concurs, with minor language differences. Conference concurs with House.

Major Boilerplate Changes From FY 2014-15

***Sec. 215. Independent Part-Time Student Grants* – DELETED**
Executive urges community colleges to prioritize funds for aid to students who have enrolled in an academic program after not being enrolled for more than a semester or term, who have previously earned credits in an academic program, and who have not yet earned a certificate or degree. House and Senate concur. Conference does not fund the program, and therefore excludes the associated boilerplate.

***Sec. 216. Activities Classification Structure (ACS) Advisory Committee* – REVISED**
Executive deletes language referring to initial report of ACS advisory committee, due July 30, 2015. Conference, House, and Senate concur.

***Sec. 226. Completion Data* – REVISED**
Executive adds to a requirement to report degree and completion data to the Workforce Development Agency (WDA) a requirement to work with WDA and the Center for Educational Performance and Information (CEPI) to develop a systematic approach to accomplish the task. Conference, House, and Senate concur.

***Sec. 229a. State Building Authority (SBA) Rent Payments* – REVISED**
Executive updates itemized list of community college capital outlay projects on which the state will pay SBA rent in FY 2015-16. Funding for SBA rent is appropriated under the General Government budget. Conference, House, and Senate concur.

***Sec. 230. Performance Funding Formula* – REVISED**
Executive eliminates the "local strategic value" component (currently set at 15%) of the formula for distributing performance-based funding, increases the weighted degree component from its current 17.5% to 32.5% of the formula, and adds a requirement to actively participate in the Michigan transfer network, which enables students to identify courses and credits transferable to and from Michigan postsecondary institutions.

House and Senate retain the local strategic value component of the performance funding formula, but concur with the Executive in requiring colleges to submit timely updates to the Michigan transfer network. Senate in addition specifies that timely updates include updates of course equivalences at least every six months. Conference concurs with Senate.

***Sec. 230a. Performance Indicators Task Force* – NEW**
Senate requires creation by October 15 of a performance indicators task force to make recommendations on community college performance funding metrics. The nine-member task force would include representation from the legislature, state budget office, and community colleges, and would submit its report by January 15, 2016. Executive and House did not include. Conference concurs with Senate.

FY 2015-16 COMMUNITY COLLEGE PERFORMANCE FUNDING
CONFERENCE REPORT: HB 4113 (H-2) CR-1

	% of formula:	50.0%		17.5%		10.0%		7.5%		15.0%				
		Proportional to FY 2014-15 Operations Funding		Weighted Completions		Contact-Hour-Equated Students		Adjusted Administrative Costs		Presumed Local Strategic Value Funds				
College	**FY 2014-15 Year-to-Date Appropriation**	Share of Total	Funding	Total Weighted Completions	Funding	Number	Funding	Difference from Average	Funding	Share of Total	Funding	**Total Performance Funding**	**Total Operations Funding**	**% Change from FY15**
Alpena	$5,390,700	1.8%	$37,735	1,128	$10,402	1,415	$3,454	8.6%	$10,830	1.8%	$11,321	**$73,700**	**$5,464,400**	1.4%
Bay de Noc	$5,419,500	1.8%	$37,937	1,196	$11,024	1,834	$4,477	4.7%	$5,865	1.8%	$11,381	**$70,700**	**$5,490,200**	1.3%
Delta	$14,498,900	4.7%	$101,493	4,195	$38,684	8,009	$19,550	11.8%	$14,879	4.7%	$30,448	**$205,100**	**$14,704,000**	1.4%
Glen Oaks	$2,516,100	0.8%	$17,613	955	$8,807	985	$2,404	0.7%	$917	0.8%	$5,284	**$35,000**	**$2,551,100**	1.4%
Gogebic	$4,451,400	1.4%	$31,160	739	$6,810	1,006	$2,456	6.9%	$8,709	1.4%	$9,348	**$58,500**	**$4,509,900**	1.3%
Grand Rapids	$17,947,500	5.8%	$125,633	3,414	$31,482	12,309	$30,047	11.9%	$14,905	5.8%	$37,690	**$239,800**	**$18,187,300**	1.3%
Henry Ford	$21,623,800	7.0%	$151,367	3,656	$33,714	11,856	$28,941	8.0%	$10,023	7.0%	$45,410	**$269,500**	**$21,893,300**	1.2%
Jackson	$12,087,300	3.9%	$84,612	2,859	$26,364	4,459	$10,885	8.6%	$10,763	3.9%	$25,383	**$158,000**	**$12,245,300**	1.3%
Kalamazoo Valley	$12,503,100	4.1%	$87,522	4,023	$37,094	7,897	$19,277	12.8%	$16,131	4.1%	$26,257	**$186,300**	**$12,689,400**	1.5%
Kellogg	$9,813,500	3.2%	$68,695	2,243	$20,679	4,628	$11,296	12.2%	$15,369	3.2%	$20,608	**$136,600**	**$9,950,100**	1.4%
Kirtland	$3,167,700	1.0%	$22,174	1,189	$10,960	1,410	$3,442	8.4%	$10,591	1.0%	$6,652	**$53,800**	**$3,221,500**	1.7%
Lake Michigan	$5,342,900	1.7%	$37,400	1,045	$9,632	3,196	$7,802	7.0%	$8,794	1.7%	$11,220	**$74,800**	**$5,417,700**	1.4%
Lansing	$30,877,600	10.1%	$216,144	8,435	$77,783	13,800	$33,686	14.4%	$18,144	10.1%	$64,843	**$410,600**	**$31,288,200**	1.3%
Macomb	$32,816,600	10.7%	$229,717	6,557	$60,465	19,283	$47,070	13.3%	$16,683	10.7%	$68,915	**$422,900**	**$33,239,500**	1.3%
Mid Michigan	$4,682,000	1.5%	$32,774	1,724	$15,893	3,178	$7,758	7.5%	$9,420	1.5%	$9,832	**$75,700**	**$4,757,700**	1.6%
Monroe County	$4,492,900	1.5%	$31,450	1,119	$10,319	2,799	$6,832	11.7%	$14,709	1.5%	$9,435	**$72,700**	**$4,565,600**	1.6%
Montcalm	$3,226,700	1.1%	$22,587	1,012	$9,328	1,335	$3,258	9.5%	$11,925	1.1%	$6,776	**$53,900**	**$3,280,600**	1.7%
Mott	$15,686,100	5.1%	$109,803	4,071	$37,541	8,452	$20,632	11.7%	$14,696	5.1%	$32,941	**$215,600**	**$15,901,700**	1.4%
Muskegon	$8,901,000	2.9%	$62,307	1,495	$13,782	3,740	$9,129	12.5%	$15,768	2.9%	$18,692	**$119,700**	**$9,020,700**	1.3%
North Central	$3,172,400	1.0%	$22,207	651	$5,999	1,815	$4,429	10.5%	$13,138	1.0%	$6,662	**$52,400**	**$3,224,800**	1.7%
Northwestern	$9,078,800	3.0%	$63,552	1,731	$15,962	3,977	$9,707	10.6%	$13,385	3.0%	$19,066	**$121,700**	**$9,200,500**	1.3%
Oakland	$21,123,300	6.9%	$147,864	5,795	$53,434	20,359	$49,697	8.5%	$10,744	6.9%	$44,359	**$306,100**	**$21,429,400**	1.4%
Schoolcraft	$12,513,700	4.1%	$87,596	4,555	$41,999	10,234	$24,980	9.4%	$11,844	4.1%	$26,279	**$192,700**	**$12,706,400**	1.5%
Southwestern	$6,576,400	2.1%	$46,035	1,158	$10,679	2,256	$5,506	4.1%	$5,210	2.1%	$13,811	**$81,200**	**$6,657,600**	1.2%
St Clair County	$7,061,600	2.3%	$49,431	1,449	$13,362	3,341	$8,154	8.5%	$10,630	2.3%	$14,829	**$96,400**	**$7,158,000**	1.4%
Washtenaw	$13,077,300	4.3%	$91,542	7,131	$65,754	10,083	$24,612	11.5%	$14,435	4.3%	$27,462	**$223,800**	**$13,301,100**	1.7%
Wayne County	$16,727,600	5.4%	$117,094	7,621	$70,277	11,455	$27,962	9.3%	$11,742	5.4%	$35,128	**$262,200**	**$16,989,800**	1.6%
West Shore	$2,414,900	0.8%	$16,904	477	$4,394	1,078	$2,630	1.8%	$2,303	0.8%	$5,071	**$31,300**	**$2,446,200**	1.3%
TOTAL:	**$307,191,300**	**100.0%**	**$2,150,350**	**81,616**	**$752,623**	**176,185**	**$430,070**		**$322,553**			**$4,300,700**	**$311,492,000**	**1.4%**

Notes:
1. Calculations for weighted completions, contact hour equated students, and adjusted administrative costs are based on a two-year average of data from FYs 2013 and 2014.
2. Weighted completions metric includes awards for computer and information sciences
3. Contact Hour Equated Students and Adjusted Administrative Cost data are preliminary data provided by the Workforce Development Agency. Completions data are from IPEDS.

FY 2015-16: HIGHER EDUCATION
Summary: Conference
Article III, House Bill 4115 (H-1) CR-1

Analyst: Marilyn Peterson

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Conference	*Difference: Conference From FY 2014-15 YTD Amount*	*%*
IDG/IDT	$0	$0	$0	$0	$0	*$0*	--
Federal	97,026,400	97,026,400	97,026,400	97,026,400	97,026,400	*0*	*0.0*
Local	0	0	0	0	0	*0*	--
Private	0	0	0	0	0	*0*	--
Restricted	206,567,900	205,279,500	205,279,500	205,279,500	205,279,500	*(1,288,400)*	*(0.6)*
GF/GP	$1,212,902,000	$1,238,913,300	1,224,917,700	1,238,913,300	1,232,418,500	*19,516,500*	*1.6*
Gross	**$1,516,496,300**	**$1,541,219,200**	**$1,527,223,600**	**$1,541,219,200**	**$1,534,724,400**	***$18,228,100***	***1.2***

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through May 5, 2015 (including House Bill 4110). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Higher Education budget, as contained in Article III of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University, various financial aid programs for students attending public and independent colleges and universities in the state, and several other smaller higher education-related programs.

NOTE: Information on House budget action in this document is based on House Bill 4115 as passed by the House. Information on Senate budget action is based on SB 134 as passed by the Senate.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
1. University Operations	**Gross**	**$1,339,958,200**	**$20,099,400**
	Restricted	200,019,500	0
	GF/GP	$1,139,938,700	$20,099,400

Executive increases university operations funding by $26.8 million GF/GP (2.0%), bringing total support to $1.4 billion ($1.2 billion GF/GP). Funding increase to be distributed according to a performance funding formula, which would be revised to eliminate the component that distributes 50% of performance funding based on each university's share of operational funding appropriated in the baseline year of FY 2010-11. Percentages applying to other formula components (weighted completions, research and development, and comparison to Carnegie peers) thus would be doubled. Conditions receipt of performance funding on restraining resident undergraduate tuition/fee increases to 2.8% (set at 3.2% in the current year). Projected increases for individual universities range from 0.6% to 4.0%.

House provides a 1.0% increase over current year, increasing funding by $13.1 million GF/GP (a $13.7 million reduction from the Executive). Increase distributed according Executive's revised formula. Receipt of performance funding conditioned on restraining resident undergraduate tuition/fee increases to 4.0% or $400 per student, whichever was greater. House also differs from Executive in revising individual universities' scores based on corrected data entries in the federal IPEDS database. Projected funding increases for individual universities range from 0.3% to 1.9%.

Senate concurs with Executive.

Conference provides 1.5% increase, utilizes the revised performance funding formula recommended by the Executive, and concurs with House's use of revised scoring based on corrected data entries in the federal IPEDS database. Projected funding increases for individual universities range from 0.4% to 3.0%.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
2. Michigan Public School Employees Retirement System (MPSERS) Executive institutes a cap of 25.73% of payroll on university payments for unfunded accrued liability under MPSERS. Funding of $5.2 million in School Aid Fund (SAF) revenues would be provided to pay the difference between the 25.73% cap and universities' unfunded accrued liability rate. This would affect the seven universities with MPSERS employees: Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western. Current-year funding of $6.4 million includes $4.0 million designated as one-time appropriations. Current-year funding is allocated based on specified payroll and appropriated "solely for the purpose of offsetting a portion of the retirement contributions owed by the university."	**Gross**	**$6,448,400**	**($1,288,400)**
	Restricted	6,448,400	(1,288,400)
	GF/GP	$0	$0
Conference, House, and Senate concur with Executive.			
3. MSU Extension Service and AgBioResearch Executive provides 2.0% increase ($1.2 million GF/GP) for Michigan State's AgBioResearch ($640,600) and Extension ($551,600) programs, bringing total funding to $60.8 million.	**Gross**	**$59,609,000**	**$894,100**
	GF/GP	$59,609,000	$894,100
House provides a 1.0% increase, funding AgBioResearch at $32.3 million (a $267,400 increase from current year), and Extension at $27.9 million (a $269,400 increase).			
Senate concurs with Executive.			
Conference provides a 1.5% increase, funding AgBioResearch at $32.5 million (a $480,400 increase from current year), and Extension at $28.0 million (a $413,700 increase).			
4. Michigan College Access Network (MCAN) Executive moves support for the Michigan College Access Network, currently funded in the Higher Education budget at $2.0 million GF/GP, to the K-12 budget. Conference, House and Senate concur with not funding MCAN under the Higher Education budget.	**Gross**	**$2,000,000**	**($2,000,000)**
	GF/GP	$2,000,000	($2,000,000)
5. Midwest Higher Education Compact Executive funds dues increase for participation in the Midwest Higher Education Compact, which promotes regional cooperation and economies of scale in purchasing, encourages tuition reciprocity programs, and conducts research into higher education issues. Conference, House, and Senate concur.	**Gross**	**$95,000**	**$20,000**
	GF/GP	$95,000	$20,000
6. Indian Tuition Waivers Executive rolls current-year appropriation for Indian Tuition Waivers into individual university operations appropriations based on the number of eligible students at each university. Current-year appropriation was distributed based on the amount of tuition waived at each university, adjusted for amounts included in university operations appropriations. (Funding for Indian Tuition Waivers was rolled into university operations appropriations in FY 1996-97, and has been assumed to rise or fall with subsequent across-the-board increases and decreases.) Conference, House, and Senate concur.	**Gross**	**$500,000**	**$0**
	GF/GP	$500,000	$0

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 Conference Change
7. Grants and Financial Aid	**Gross**	**$104,994,200**	**$503,000**
Executive maintains current-year funding levels for the various financial aid programs:	Federal	97,026,400	0
	Restricted	100,000	0
• Tuition Incentive Program (total $48.5 million, $43.8 million federal TANF funds and $4.7 million GF/GP).	GF/GP	$7,867,800	$503,000
• Tuition Grant Program (total $33.5 million, $31.7 million TANF and $1.9 million GF/GP).			
• State competitive scholarships ($18.4 million, all TANF).			
• Project GEAR-UP scholarships ($3.2 million federal program funds)			
• Children of Veterans and Officer's Survivor Tuition Grant Programs ($1.3 million GF/GP, $100,000 restricted revenue).			
House increases funding for Tuition Grant Program by $327,500 GF/GP (a 1.0% increase), concurs with Executive on other funding levels.			
Senate concurs with Executive.			
Conference provides a 1.5% increase ($503,000 GF/GP) for the tuition grant program.			
8. King-Chavez-Parks (KCP) Programs	**Gross**	**$2,691,500**	**$0**
In addition to allocations contained in each university's operations appropriation, Executive maintains funding for the three KCP programs that are separately funded:	GF/GP	$2,691,500	$0
• Select Student Support Services ($2.0 million)			
• Michigan College/University Partnership Program ($586,800)			
• Morris Hood, Jr. Educator Development Program ($148,600)			
Conference, House, and Senate concur with Executive.			
9. Higher Education Institutional Data Inventory (HEIDI)	**Gross**	**$200,000**	**$0**
Executive maintains funding for the state's higher education database. Public universities submit finance, enrollment, and other data annually under statutory and budget act requirements. Conference, House, and Senate concur.	GF/GP	$200,000	$0

Major Boilerplate Changes From FY 2014-15

GENERAL SECTIONS

***Sec. 236a. Intent Regarding Succeeding Fiscal Year* – RETAINED**
Executive replaces Sec. 236a, which expresses legislative intent to maintain appropriations, with a new Article IV containing an itemized summary of appropriations for FY 2015-16 and anticipated appropriations for FY 2016-17, with the only FY 2016-17 change being an additional $180,000 in funding for MPSERS unfunded accrued liabilities in excess of the proposed 25.73% employer cap. Conference, House, and Senate do not concur, instead retaining Sec. 236a.

***Sec. 236c. State Building Authority (SBA) Rent Payments* – REVISED**
Itemizes SBA rent payments made under the DTMB budget for university capital outlay projects. Current-year payments total $124.8 million, updated to $136.0 million in FY 2015-16. Conference, House, and Senate concur.

***Sec. 239a. Foreign Auto Manufacturers* – RETAINED**
States intent that funds appropriated to universities not be used to purchase vehicles assembled outside the United States. Executive deletes, Conference, House, and Senate retain.

***Sec. 242. Federal or Private Funds* – RETAINED**
Appropriates federal or private funds received by the state for use by a college or university. Executive deletes language specifying that acceptance of funds does not create an ongoing obligation. Conference, House, and Senate retain this language.

***Sec. 245. University Transparency* – RETAINED**
Requires universities to post various budget, compensation (including salary list), other financial, and performance data, as well as transfer policies, on its website, using a standard format. Executive deletes requirement that state budget director determine compliance and language granting authority to withhold payments for a university not in compliance. Conference, House, and Senate retain this language.

Major Boilerplate Changes From FY 2014-15

***Sec. 246. Michigan Public School Employees' Retirement System (MPSERS)* – REVISED**
Allocates MPSERS funding based on each participating university's percentage of the total combined payrolls of employees who are MPSERS members hired before January 1, 1996, and employees who would have been MPSERS members but for enactment of 1995 PA 272, which closed the system to new hires. Under Executive, new language would assume a maximum employer rate of 25.73% of payroll and would specify that the amount of a university's MPSERS payment would be equal to the difference between the capped rate and the rate that would otherwise apply in order to meet the unfunded accrued actuarial liability. Language requiring funding to be used "solely for the purpose of offsetting a portion of the retirement contributions owed by the university" would be replaced with language requiring each university that receives MPSERS support to forward the amount received to MPSERS. Conference, House, and Senate concur.

GRANTS AND FINANCIAL AID

***Sec. 252. Tuition Grant Program* – REVISED**
Establishes conditions for the tuition grant program, which provides need-based tuition assistance at Michigan independent (i.e., private nonprofit) colleges and universities:

- Executive deletes requirement for unexpended funds to continue to be available in the next fiscal year; unexpended funds thus would lapse to the General Fund. Conference, House, and Senate retain the requirement, thus enabling fund to be rolled over to the next fiscal year.
- Executive reduces cap on awards at any one institution from the current $3.2 million to $3.0 million. House increases the cap to $3.3 million. Conference and Senate retains current-year cap of $3.2 million.
- Executive conditions student eligibility for awards on the college's submission of annual P-20 longitudinal data system data sets to the Center for Education Performance and Information (CEPI). Conference, House, and Senate do not include this language.
- Executive moves application deadline from July 1 to March 1. Conference, House, and Senate retain deadline of July 1.
- Executive deletes requirement for Department of Treasury to report projected year-end appropriation balance. Conference, House, and Senate retain the requirement.
- Executive revises requirement for Department of Treasury to confirm by December 15 and again by February 18 whether appropriations are sufficient for awards, deleting the December 15 requirement. Conference and House concur with Executive. Senate retains both dates.
- Executive moves deadline for institutional reporting from August 31 to September 30. Conference, House, and Senate concur.
- Conference and House add requirement for independent colleges and universities to report to the legislature and the state budget director on efforts to develop and implement sexual assault response training for key personnel. Executive and Senate do not include.

***Sec. 254. Financial Aid Payment Schedule* – RETAINED**
Specifies quarterly payment schedule for financial aid. Executive extends to Independent Part-Time Student Grants Program, which was proposed for funding under the Community Colleges budget. House retains current law, enabling the schedule to be replicated in the community college budget if necessary. Senate revised to refer to financial aid programs funded under the Higher Education article, rather than itemizing the programs. Conference concurs with House.

***Sec. 255. Financial Aid Needs Criteria* – RETAINED**
Provides for Treasury to determine the needs analysis criteria for students to qualify for state competitive scholarship program and tuition grant program. Executive extends provision to Independent Part-Time Student Grants Program, which is proposed for funding under the Community Colleges budget. House retains current law, enabling the provision to be replicated in the community college budget if necessary. Senate revises to refer to financial aid programs funded under the Higher Education article, rather than itemizing the programs. Conference concurs with House.

***Sec. 258. Treasury Financial Aid Reports* – REVISED**
Executive extends requirement for Treasury to post annual report on financial aid programs to include financial aid that is appropriated through the community college budget as well as financial aid programs funded under the higher education budget. House and Senate concur.

***Sec. 259. Michigan College Access Network (MCAN)* – DELETED**
In conjunction with transferring the college access program to the K-12 budget, Executive removes MCAN language from the Higher Education budget. Conference, House, and Senate concur.

UNIVERSITY OPERATIONS

***Sec. 260. Common Application for Admissions* – NEW**
Executive encourages public universities to adopt the common application (a standardized application developed by the eponymous and nonprofit The Common Application) in order to make postsecondary education more accessible. House concurs. Conference and Senate do not include.

***Sec. 261. Douglas Lake Biological Station* – RETAINED**
Designates University of Michigan Douglas Lake Biological Station as a unique resource. Executive deletes; Conference, House, and Senate retain.

Major Boilerplate Changes From FY 2014-15

***Sec. 262a. Textbook Polices* – DELETED**
States intent that universities develop policies for reviewing required textbook and course materials to minimize costs while maintaining quality of education; requires report on university policies. Executive deletes; Conference, House, and Senate concur.

***Sec. 265. Performance Funding Criteria: Tuition Restraint* – REVISED**
Current law conditions receipt of performance funding in part on compliance with tuition restraint requirements that limit allowable resident undergraduate tuition/fee increases to 3.2% over the prior year.
Executive lowers limit to 2.8% and deletes language that in part defines "fee" to include the cost of a university-affiliated health insurance policy for a university that compels resident undergraduate students to have health insurance coverage as a condition of enrollment.
House sets limit at 4.0% or $400 per student, whichever is greater, and concurs with Executive on deleting language pertaining to university-affiliated health insurance.
Senate lowers limit to 2.8% (same as Executive), but retains the current definition of "fee."
Conference retains current limit of 3.2% and retains the current definition of "fee."

***Sec. 265a. Performance Funding Criteria and Formula* – REVISED**
Conditions receipt of performance funding on:

- Compliance with tuition restraint provisions.
- Certification that university participates in reverse transfer agreements with at least three Michigan community colleges.
- Certification that dual enrollment policy does not consider use of credits toward high school graduation requirements.
- Participation in Michigan Transfer Network; Executive revises to specify active participation, including submission of timely updates. House and Senate do not include this change.

Establishes process for universities to certify compliance with all requirements. Provides for performance funding forfeited due to noncompliance to be redistributed to other universities based on their performance funding appropriations.

Sets the formula used to distribute performance funding, currently distributed as follows:

- 50% proportional to each university's share of total operations funding in the baseline year of FY 2010-11.
- 11.1% based on weighted undergraduate completions in critical skills areas.
- 5.6% based on research and development expenditures (for high-research universities)
- 33.3% based on comparisons with Carnegie classification peers on four metrics: six-year graduation rate, total degree completions, institutional support as a percentage of core expenditures, and number of students receiving Pell grants.

Executive deletes the component based on FY 2010-11 allocations, thereby doubling the percentages applying to the remaining three components, and revises the Pell grant metric to apply to the percentage of students receiving Pell grants, rather than the number of students receiving Pell grants. Also deletes statement of intent to lower scoring for university improving over three-year period from 2 points to 1 point. Conference, House, and Senate concur with these changes.

***Sec. 268. Indian Tuition Waivers* – REVISED**
Executive deletes language expressing legislative intent for universities to allocate Indian Tuition Waiver costs from the general fund, and adds a requirement that a public university provide Department of Civil Rights any information necessary for preparing the report required by the budget. Conference and House retains the intent language regarding university allocations, Senate excludes. Conference, House, and Senate add the Executive-recommended requirement to provide information to the Department of Civil Rights.

***Sec. 271a. Instructional Activity Pertaining to Unionization* – RETAINED**
Bars public universities from using appropriations to offer instructional activity that targets companies or groups of companies for unionization or decertification of a union. Executive deletes; Conference, House, and Senate retain.

***Sec. 272a. Rejection of Transfer Credits* – DELETED**
Conference and Senate repeal section that requires universities to report on transfer credits that they rejected in the prior year. Executive and House retained this section.

***Sec. 273. Student Religious Beliefs* – DELETED**
States intent that universities report on efforts to accommodate the religious beliefs of students in accredited counseling programs. Executive deletes; Conference, House, and Senate concur.

***Sec. 274. Embryonic Stem Cell Research* – RETAINED**
States intent that universities conducting research using human embryonic stem cells report to the Department of Community Health regarding compliance with federal guidelines and stem cell lines derived by university. Executive deletes; Conference, House, and Senate retain.

***Sec. 274a. Adult Coresident Health Benefits* – DELETED**
States intent that universities not provide benefits to unmarried adult coresidents or their dependents, and that each university report on the costs of providing such benefits. Executive deletes, Conference, House, and Senate concur.

Major Boilerplate Changes From FY 2014-15

***Sec. 274c. Sexual Assault Response Training* – NEW**
Conference and House add requirement for universities to report to the legislature and the state budget director on efforts to develop and implement sexual assault response training for key personnel. Executive and Senate do not include.

***Sec. 275. Veterans' Policies* – RETAINED**
Encourages universities to provide various veterans-related services and requires certain reports. Executive deletes report requirements; Conference, House, and Senate retain.

***Sec. 275a. Capital Outlay Reporting* – RETAINED**
Prohibits use of state funds for self-liquidating projects; requires compliance with Joint Capital Outlay Subcommittee reporting compliance, with specified penalty of 1.0% of appropriation for failure to comply. Executive deletes, Conference, House, and Senate retain.

GENERAL REPORTS AND AUDITS

***Sec. 283. Former High School Students* – RETAINED**
Requires universities to systematically inform Michigan high schools regarding former students' academic status. Executive explicitly requires universities to use the P-20 longitudinal data system to comply with requirement; House concurs. Conference and Senate do not include the P-20 requirement.

***Sec. 284. Former Community College Students* – RETAINED**
Requires universities to systematically inform Michigan community colleges regarding former students' academic status. Executive explicitly requires universities to use the P-20 longitudinal data system to comply with requirement; House concurs. Conference and Senate do not include the P-20 requirement.

***Sec. 293. Student Records* – RETAINED**
Requires universities to provide information from the records of a student to persons authorized by the student. Executive deletes, House concurs. Conference and Senate retain.

FY 2016 University Performance Funding
Conference Report: 1.5% Increase

		Performance Funding Proportional to Share of Total				Performance Funding Scored vs. National Carnegie Peers											
	% of formula:	22.2%		11.1%		66.7%											
	Funding per unit:	$288.43 per completion		$0.0017 per dollar		$7.68 per weighted point											
University	FY 2014-15 Year-to-Date Appropriation	Critical Skills Undergrad Completions	Funding	Research & Development Expenditures	Funding	6-year Grad Rate	Total Degrees	Instl. Support as % of Expends.	% Students Receiving Pell Grants	Total Points	Total Undergrad FYES	FYES-Weighted Score	Funding	Total Performance Funding Increase Dollars	%	Add FY15 ITW funding to base	FY 2015-16 Appropriation
Michigan State	$264,429,100	2,716	$783,254	$328,770,128	$553,972	2	3	2	2	9	36,203	325,827	$2,503,779	$3,841,000	1.5%	$8,800	**$268,278,900**
UM-Ann Arbor	$295,174,100	2,911	$839,606	$746,124,000	$1,257,206	3	3	2	2	10	28,048	280,480	$2,155,315	$4,252,100	1.4%	$4,400	**$299,430,600**
Wayne State	$190,519,800	731	$210,839	$155,643,759	$262,257	0	0	0	3	3	14,909	44,727	$343,699	$816,800	0.4%	$10,100	**$191,346,700**
Michigan Tech	$45,923,100	886	$255,418	$53,719,135	$90,516	3	2	2	2	9	5,466	49,194	$378,025	$724,000	1.6%	$14,900	**$46,662,000**
Western	$102,742,000	1,066	$307,461	$19,502,342	$32,861	2	2	2	2	8	17,149	137,192	$1,054,236	$1,394,500	1.4%	$19,100	**$104,155,600**
Central	$79,115,000	766	$220,934	$11,338,433	$19,105	3	3	3	2	11	17,740	195,140	$1,499,530	$1,739,600	2.2%	$49,800	**$80,904,400**
Oakland	$48,364,100	1,089	$314,095	$10,296,931	$17,350	2	2	2	2	8	14,591	116,728	$896,982	$1,228,400	2.5%	$7,800	**$49,600,300**
Eastern	$71,771,100	741	$213,579			0	3	2	2	7	15,601	109,207	$839,188	$1,052,800	1.5%	$11,400	**$72,835,300**
Ferris	$49,087,000	1,249	$360,261			2	3	2	2	9	10,822	97,398	$748,443	$1,108,700	2.3%	$32,100	**$50,227,800**
Grand Valley	$63,136,000	1,293	$372,988			3	3	2	2	10	19,594	195,940	$1,505,678	$1,878,700	3.0%	$20,500	**$65,035,200**
Saginaw Valley	$27,610,200	427	$123,158			0	2	2	2	6	8,089	48,534	$372,954	$496,100	1.8%	$11,400	**$28,117,700**
UM-Dearborn	$23,689,300	404	$116,524			2	0	0	2	4	5,786	23,144	$177,847	$294,400	1.2%	$11,700	**$23,995,400**
UM-Flint	$21,337,700	505	$145,655			0	2	2	2	6	5,606	33,636	$258,472	$404,100	1.9%	$21,900	**$21,763,700**
Northern	$44,277,200	520	$149,999			2	3	2	2	9	7,694	69,246	$532,113	$682,100	1.5%	$61,100	**$45,020,400**
Lake Superior	$12,782,500	183	$52,764			2	2	2	2	8	2,169	17,352	$133,339	$186,100	1.5%	$215,000	**$13,183,600**
TOTAL:	**$1,339,958,200**	**15,486**	**$4,466,533**	**$1,325,394,728**	**$2,233,267**	**26**	**33**	**27**	**31**	**117**	**209,467**	**1,743,745**	**$13,399,600**	**$20,099,400**	1.5%	**$500,000**	**$1,360,557,600**

Funding Increase:	**$20,099,400**
Percent Increase:	**1.5**

Note: formula distributions account for corrected IPEDS data.

Data Notes

Component	Source	Years	Notes
Critical skills undergrad completions	State HEIDI	FYs 2013-2014	STEM/health/etc.
Research & develop expends	Federal IPEDS	FY 2013	Carnegie research universities only
Six-year graduation rate	Federal IPEDS^	FYs 2009-2012	First-time, full-time degree seeking students
Total degree completions	Federal IPEDS^	FYs 2009-2012	Includes graduate degrees
Inst support as % of core expends	Federal IPEDS^	FYs 2009-2012	Measure of administrative costs
Pell grant students	Federal IPEDS^	FYs 2010-2012	Federal need-based aid for undergrads
Undergrad FYES	State HEIDI	FY 2013	Includes nonresident students

^ via Business Leaders for Michigan and Anderson Economic Group

Scoring Based on Carnegie Peers	
Top 20% nationally	3
Above national median	2
Improving over 3 years	2

***Requirements to receive funding increase:**

1. Restrain FY 2015-16 resident undergraduate tuition/fee rate increase to 3.2% 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