



Senate Fiscal Agency
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BILL ANALYSIS



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**Senate Bill 801:
FY 2020-21 Education Omnibus Appropriation Bill**

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Date Completed: 3-11-20

Article I
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	15,177,263,600	15,923,137,100	745,873,500	4.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	15,177,263,600	15,923,137,100	745,873,500	4.9
Less:				
Federal Funds	1,749,578,500	1,806,878,500	57,300,000	3.3
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	13,427,685,100	14,116,258,600	688,573,500	5.1
Less:				
Other State Restricted Funds	13,365,065,100	14,036,258,600	671,193,500	5.0
GENERAL FUND/GENERAL PURPOSE	62,620,000	80,000,000	17,380,000	27.8
PAYMENTS TO LOCALS	13,221,615,300	13,908,147,100	686,531,800	5.2

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$15,177,263,600	\$62,620,000

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

- | | | |
|--|-------------|----------|
| 1. Foundation Allowance. The Governor recommended an increase of \$290.0 million for the foundation allowance, which would provide a \$150 per-pupil increase to districts with foundation allowances at or above the target (currently \$8,529) and 1.5 times that amount (\$225) for districts with foundation allowances at the minimum (currently \$8,111). Districts with foundation allowances between the minimum and target would receive an increase somewhere between 1-1.5 times the \$150 increase. | 290,000,000 | 0 |
| 2. Michigan Public School Employees' Retirement System. The Governor recommended an increase of \$205.9 million for MPERS, the bulk of which would pay for increases in life expectancy. | 205,866,000 | (13,000) |
| 3. Special Education. The Governor recommended an increase of \$60.0 million in additional (nonrequired) reimbursements to districts for special education costs. This would increase the additional reimbursements (new for FY 2019-20) from 2% to 4%. | 60,000,000 | 0 |
| 4. At Risk. The Governor proposed a \$60.0 million increase in At Risk funds, which would increase the weight from roughly 9% currently to 10% in FY 2020-21. In addition, the Governor proposed to increase funding for higher funded districts to 50% of what lower funded districts receive (currently, those districts receive 30%). | 60,000,000 | 0 |
| 5. Federal Grants. The Governor increased Federal grants in anticipation of actual funding levels. | 57,300,000 | 0 |

<p>6. Expanded Access Program for Preschool. The Governor included new funding for a program like the Great Start Readiness Program, but with expanded access for an estimated 5,000 children in 26 eligible districts. To be eligible, a child would have to live in a district that is a member in a Community Engagement Advisory Committee or in a district where more than 75% of third graders were identified as not meeting proficiency in English Language Arts and more than 75% of students districtwide were identified as economically disadvantaged.</p>	<p>42,000,000</p>	<p>0</p>
<p>7. School Infrastructure Grants. The Governor included new funding for competitive grants to improve school infrastructure.</p>	<p>40,000,000</p>	<p>40,000,000</p>
<p>8. Required Increases for Special Education. In addition to the increase proposed for optional reimbursements, the Governor included required cost increases for special education.</p>	<p>39,900,000</p>	<p>0</p>
<p>9. Great Start Readiness Program. The Governor proposed an increase in the per-child funding of GSRP, from \$7,250 for a full-day program to \$8,336, the same as the proposed minimum foundation allowance.</p>	<p>35,500,000</p>	<p>0</p>
<p>10. Teacher Supplies Reimbursement. The Governor proposed a new program to reimburse teachers up to \$250 for purchasing supplies.</p>	<p>25,000,000</p>	<p>0</p>
<p>11. Three-Year Pupil Blend for Eligible Districts. The Governor proposed a new three-year average pupil blend for districts that establish a Community Engagement Advisory Committee in partnership with the Department of Treasury. At the present time, only Benton Harbor Schools have established a committee, but more are anticipated.</p>	<p>6,000,000</p>	<p>0</p>
<p>12. Reorganization and Cooperative Activities Grants. The Governor proposed funding to incentivize consolidation and reorganization.</p>	<p>5,000,000</p>	<p>0</p>
<p>13. Professional Development. The Governor proposed a new professional development program for teachers for the development of peer-to-peer learning networks or university-partnered professional development.</p>	<p>5,000,000</p>	<p>0</p>
<p>14. Bilingual Education. The Governor increased bilingual education from \$13.0 million to \$18.0 million; the additional \$5.0 million would be distributed based on the number of English Language Learner students (estimated to pay districts \$50 per ELL student).</p>	<p>5,000,000</p>	<p>0</p>
<p>15. Literacy Essentials. The Governor proposed an increase in literacy essentials, from \$1.0 million to \$4.0 million. This program implements literacy essentials teacher and principal training modules, and face-to-face and online professional learning of literacy essentials for literacy coaches, principals, and teachers. The expansion would fund the placement of regional lead literacy coaches and earmark \$500,000 for literacy training, modeling, coaching, and feedback. Training would be required to use literacy practices created by the General Education Leadership Network as the framework.</p>	<p>3,000,000</p>	<p>0</p>
<p>16. Michigan Reading Corps. The Governor proposed to fund the Michigan Reading Corps program at \$2.0 million. The program was funded in FY 2018-19 but vetoed for FY 2019-20.</p>	<p>2,000,000</p>	<p>2,000,000</p>
<p>17. Intermediate School District (ISD) Operations. The Governor proposed a 3% increase in ISD operations.</p>	<p>2,074,200</p>	<p>0</p>
<p>18. Teacher Cadet Program. The Governor proposed \$1.5 million to create or expand local teacher cadet programs.</p>	<p>1,500,000</p>	<p>0</p>
<p>19. Other Changes. The Governor included an increase of \$1.3 million for Promise Zones based on updated cost estimates.</p>	<p>1,300,000</p>	<p>0</p>

20. School Meal Debt Forgiveness. The Governor proposed \$1.0 million for a new program to reimburse schools that forgive school meal debt.	1,000,000	0
21. 10 Cents a Meal. The Governor proposed to fund the 10 Cents a Meal program at \$1.0 million statewide. The program was funded in FY 2018-19 but vetoed for FY 2019-20.	1,000,000	0
22. Cost Adjustments for the Foundation Allowance. The Governor included savings in baseline foundation allowance costs.	(101,000,000)	0
23. Cyber Schools - 20% Reduction. The Governor proposed reducing the foundation allowance for cyber schools by 20%.	(24,000,000)	0
24. Program Eliminations. The Governor proposed eliminating the following: school safety grants (\$10.0 million); summer school reading program (\$5.0 million); strict discipline academies (\$1.6 million); dropout recovery program (\$750,000); autism intervention (\$350,000); and, multisensory education (\$300,000).	(18,000,000)	(350,000)
25. Fund Shift. The Governor increased GF/GP support of the budget, but the increase was earmarked for infrastructure grants, necessitating a fund shift of SAF replacing GF/GP.	0	(24,648,700)
26. Economic Adjustments. Includes \$433,300 Gross and \$41,600 GF/GP for total economic adjustments, of which an estimated \$263,100 Gross and \$30,600 GF/GP is for legacy retirement costs (pension and retiree health).	433,300	391,700
Total Changes	\$745,873,500	\$17,380,000
FY 2020-21 Governor's Recommendation	\$15,923,137,100	\$80,000,000

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

- Three-Year Blend.** The Governor proposed to expand the existing three-year average pupil membership blend provision to include districts that have established a community engagement advisory committee in partnership with the Department of Treasury. (Sec. 6(4)(x))
- Expansion of Partnership District Funding to Include Financial Distress.** The Governor proposed to include districts demonstrating financial stress (as well as those currently demonstrating academic stress), as determined by the State Treasurer, as eligible for partnership district funding. (Sec. 21h)
- Transfers between Sections.** The Governor reinstated language that had been part of the budget prior to FY 2019-20 that allows for automatic transfers of funds between Sections 22a and 22b (foundation allowance), and 51c (special education) to fully fund the calculated allocations during the fiscal year. (Sections 22a, 22b, and 51c)
- At Risk.** The Governor increased the payment for districts with per-pupil revenue that exceeds the target foundation allowance, from 30% in current law to 50% of what lower-funded districts receive. In addition, intent language was included stating that the percentage be increased annually until reaching 100%. (Sec. 31a(2))
- 10 Cents a Meal Program.** The Governor restructured this program to be statewide with competitive grants provided to districts, rather than to specified prosperity regions. (Sec. 31j)
- School Mental Health Grants.** The Governor proposed to allow ISDs to retain up to 5% of the grant award to coordinate services and to improve or develop an integrated system of mental health and support services. In addition, the Governor included language allowing funds received in FY 2018-19, FY 2019-20, or FY 2020-21 to be used over a three-year rolling time period. (Sec. 31n)
- Report Removal.** The Governor proposed to remove a report listing each intermediate district and the number and percentage of each ISD's GSRP allocation allocated to community-based providers by provider type. (Sec. 32d)

8. **Reduction in Allowable Carryforward.** The Governor included language capping at 30% the amount of ISD early childhood funding that may be carried forward into the next year, with intent language dropping that percentage carryforward for subsequent years. (Sec. 32p)
9. **GSRP Per-Child Payment.** The Governor increased the full-day programming per child payment in GSRP from \$7,250 to \$8,336, and the half-day programming payment from \$3,625 to \$4,168. (Sec. 39)
10. **Robotics.** The Governor proposed to reduce the local match from 50% to 25% for districts receiving robotics grants. (Sec. 99h)
11. **MiSTEM to MiSTEAM Grants.** The Governor proposed to expand MiSTEM (Michigan science, technology, engineering, mathematics) to MiSTEAM, adding arts to the list of programs eligible to compete for grants and broadening the scope of the network. (Sec. 99s)
12. **Seat-Time Waiver.** The Governor proposed to extend the length of time a seat time waiver is valid, from one year in current law to three years. (Sec. 101)
13. **Correction in Distribution of MPSERS Hold Harmless Payments.** The Governor included a correction to the distribution of MPSERS hold harmless payments that are paid to districts to reimburse for the additional normal costs that arise when the assumed rate of return is reduced. In current law, districts are reimbursed based on their entire payroll, but they should be reimbursed on affected payroll (i.e., payroll in basic, MIP, or the first pension plus hybrid plan. (Sec. 147a(2))
14. **Repealers.** The Governor proposed to repeal Section 152b (which appropriated funds in FY 2018-19 to nonpublic schools for mandates); Section 164g (which prohibits the use of State funds to be used by a district if suing the State); Section 164g (which prohibits a district from entering into a collective bargaining agreement that establishes racial or religious preferences, automatically deducts union dues, is in conflict with any State or Federal law regarding transparency, or includes compensation that does not comply with MCL 380.1250); and, Section 166 (which requires a district to adopt and implement a disciplinary policy for an employee or district or board official who refers a pupil for an abortion or assists a pupil in obtaining an abortion).

Date Completed: 3-11-20

Fiscal Analyst: Kathryn Summers



Fiscal Year 2019-20 Year-to-Date Budget and CREC Cost Adjustments
 FY 2020-21 Governor's Recommendation

		12/20/2019	2/6/2020	2/6/2020	2/6/2020
		Year-to-Date PA 162 of 2019 FY 2019-20 Budget	CREC Cost Adjustments and Federal Increase	Resulting Budget Recommendation	Gov's Rec FY 2020-21 Initial Rec
Section	Line Item Description				Change from FY 2019-20 Year-to-Date
99s(3)	Comprehensive STEM Grants	\$3,050,000		\$3,050,000	\$0
99s(4)	Math/Science Centers - Federal	\$235,000		\$235,000	\$0
99s(4)	MiSTEM Network Regions	\$3,834,300		\$3,834,300	\$0
99s(6)	MiSTEM Professional Development and Curriculum	\$750,000		\$750,000	\$0
104	Assessment Testing - State Share	\$32,009,400		\$32,009,400	\$0
104	Assessment Testing - Federal Share	\$6,250,000		\$6,250,000	\$0
107	Adult Education - State	\$30,500,000		\$30,500,000	\$0
147a(1)	MPSERS District Reimbursement	\$100,000,000		\$100,000,000	\$0
147a(2)	MPSERS Normal Cost for Lower AROR/Dedicated Gains	\$172,069,000		\$172,069,000	\$8,137,000
147c	MPSERS Rate Cap (Section 41 of MPSERS Act)	\$1,030,900,000		\$1,030,900,000	\$188,900,000
147e	MPSERS Additional Normal/DC Costs for PA 92 of 2017	\$42,571,000		\$42,571,000	\$8,829,000
152a	Adair v State of Michigan	\$38,000,500		\$38,000,500	\$0
TOTAL SCHOOL AID APPROPRIATIONS		\$15,177,263,600	\$6,600,000	\$15,183,863,600	\$745,873,500
REVENUE SOURCES					
11	Federal Aid	\$1,749,578,500	\$10,000,000	\$1,759,578,500	\$57,300,000
11	School Aid Fund (SAF)	\$13,287,765,000	(\$3,800,000)	\$13,283,965,000	\$670,093,500
11	School Mental Health Services Fund	\$0	\$0	\$0	\$0
11	Talent Investment Fund	\$0	\$0	\$0	\$0
11	MPSERS Reforms Fund	\$1,900,000	\$0	\$1,900,000	(\$1,900,000)
11	General Fund/General Purpose	\$62,620,000	\$0	\$62,620,000	\$17,380,000
11	Community District Trust Fund (\$72.0 m)/Other (\$100 Flint Reserve)	\$75,400,100	\$400,000	\$75,800,100	\$3,000,000
TOTAL REVENUE		\$15,177,263,600	\$6,600,000	\$15,183,863,600	\$745,873,500



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Article II
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	414,719,000	433,792,400	19,073,400	4.6
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	414,719,000	433,792,400	19,073,400	4.6
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	414,719,000	433,792,400	19,073,400	4.6
Less:				
Other State Restricted Funds	414,719,000	433,792,400	19,073,400	4.6
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	414,719,000	433,792,400	19,073,400	4.6

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$414,719,000	\$0
Changes from FY 2019-20 Year-to-Date:		
1. Community Colleges Operations. The Governor included a 2.5% increase in community college operations. The increase would be distributed through the existing performance funding formula developed by the 2016 Performance Indicators Review Task Force. The formula allocates the money as follows: 30% proportional to FY 2019-20 base appropriation, 25% weighted contact hours, 10% performance improvement, 10% performance completion number, 10% performance completion rate, 5% administrative costs, 5% local strategic value, 5% lowest taxable value.	8,091,400	0
2. Michigan Public School Employees' Retirement System (MPSERS) Unfunded Accrued Actuarial Liability (UAAL) Stabilization Payments. The Governor included an increase for this item to reflect an increase in the State's share of costs above the statutory cap. The increase is largely due to updated plan assumptions stemming from the 2018 MPSERS experience study. This change would bring total MPSERS UAAL stabilization payments for community colleges to \$83.9 million.	10,800,000	0
3. MPSERS Normal Cost Offset. The Governor increased this item to a total of \$12.4 million. The increase reflects the continued reduction to the assumed rate of return for MPSERS from 7.05% to 6.8%.	182,000	0
Total Changes	\$19,073,400	\$0
FY 2020-21 Governor's Recommendation	\$433,792,400	\$0

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

1. **FY 2021-22 Anticipated Appropriations.** The Governor removed a section that states intent for FY 2021-22 appropriations and provides an estimate of FY 2021-22 MPSERS costs to be included in the FY 2021-22 budget. (Sec. 201a)
2. **Schedule of Payments to Community Colleges.** The Governor removed language requiring the State Budget Director to notify the House and Senate subcommittees before funds are withheld because of a failure to report certain information as required by statute. (Sec. 206)
3. **Use and Finance Noncompliance Penalty.** The Governor removed a section that imposes a 1% reduction in State funding to a community college for each violation of certain requirements of the Management and Budget Act. (Sec. 208)
4. **Transparency Reporting - Noncompliance Penalty.** The Governor removed language that allows the State Budget Director to withhold monthly payments to community colleges if the colleges do not comply with statutory transparency reporting requirements. The Governor also removed various reporting requirements from this section. (Sec. 209)
5. **Academic Program Partnerships.** The Governor removed a section requiring the Michigan Community College Association, Michigan Independent Colleges and Universities, and the Michigan Association of State Universities to submit a report on academic partnership programs. (Sec. 210f)
6. **Cost Containment.** The Governor removed a section requiring community colleges to pursue various efficiencies in their operations. (Sec. 212)
7. **Performance Audits.** The Governor removed a section allowing the Auditor General to conduct performance audits on community colleges. (Sec. 220)
8. **Tuition and Fees Report.** The Governor removed language requiring community colleges to include the annual cost of tuition and fees based on a full-time course load of 30 credits in their tuition and fees report. (Sec. 225)
9. **Communication with the Legislature.** The Governor removed a section prohibiting a community college from taking disciplinary action against an employee who communicates with members of the Legislature or their staff. (Sec. 228)
10. **Tuition Restraint.** The Governor included a new section that would make the receipt of performance funding contingent upon keeping increases in tuition and fee rates for the 2020-21 academic year less than 4.25%. (Sec. 231)

Date Completed: 3-11-20

Fiscal Analyst: Josh Sefton



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Article III
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	1,691,395,000	1,743,845,600	52,450,600	3.1
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,691,395,000	1,743,845,600	52,450,600	3.1
Less:				
Federal Funds	134,026,400	116,026,400	(18,000,000)	(13.4)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,557,368,600	1,627,819,200	70,450,600	4.5
Less:				
Other State Restricted Funds	349,419,300	356,063,300	6,644,000	1.9
GENERAL FUND/GENERAL PURPOSE	1,207,949,300	1,271,755,900	63,806,600	5.3
PAYMENTS TO LOCALS	0	0	0	0.0

*As of February 6, 2020.

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

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

- | | | |
|---|------------|------------|
| 1. University Operations Increase. The Governor included a 2.5% across-the-board increase based on each university's FY 2019-20 operations funding. This item also includes a 2.5% increase for MSU AgBioResearch and Extension. | 38,148,600 | 38,148,600 |
| 2. Michigan Student Loan Refinance Program. The Governor included \$10.0 million in one-time GF/GP as seed money for a revolving fund that would allow qualifying Michigan residents to refinance up to \$50,000 in student loans at a lower interest rate. | 10,000,000 | 10,000,000 |
| 3. Michigan Public School Employees' Retirement System (MPSERS) Unfunded Accrued Actuarial Liability (UAAL) Stabilization Payments. The Governor included an increase for this item to reflect an increase in the State's share of costs above the statutory cap. The increase is largely due to updated plan assumptions stemming from the 2018 MPSERS experience study. This change would bring total MPSERS UAAL stabilization payments for universities to \$11.7 million. | 6,678,000 | 0 |
| 4. MPSERS Normal Cost Offset. The Governor reduced this item to a total of \$1.2 million. The adjustment reflects the continued reduction to the assumed rate of return for MPSERS from 7.05% to 6.8%. | (34,000) | 0 |

5. Tuition Incentive Program. The Governor included boilerplate that would limit payments to 2.5 times the average rate for in-district tuition at community colleges. This change is estimated to save \$5.3 million. The Governor also included an additional \$9.0 million to reflect an anticipated increase in demand for this program. On net, these changes would bring total funding for the program to \$68.0 million.	3,658,000	3,658,000
6. Michigan Tuition Grant Reduction. The Governor reduced TANF support for this program to align program appropriations with anticipated expenditures. This change would bring total support for the program to \$32.0 million.	(6,000,000)	0
7. Michigan Tuition Grant Fund Shift. The Governor included a \$12.0 million TANF to GF/GP fund shift in this program.	0	12,000,000
Total Changes	\$52,450,600	\$63,806,600
FY 2020-21 Governor's Recommendation	\$1,743,845,600	\$1,271,755,900

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

- FY 2021-22 Anticipated Appropriations.** The Governor removed a section that states intent for FY 2021-22 appropriations and provides an estimate of FY 2021-22 MPERS costs to be included in the FY 2021-22 budget. (Sec. 236a)
- Receipt of Federal and Private Funds.** Specifies that Federal and private funds received by the State for use of a college or university are appropriated for the purposes for which they are received. The Governor removed a sentence that specifies that the acceptance of funds does not obligate the Legislature to continue the purposes for which the funds are made available. (Sec. 242)
- Transparency Reporting.** The Governor removed certain transparency reporting requirements as well as language that allows the State Budget Director to withhold monthly payments to universities if they fail to comply with statutory financial transparency requirements. (Sec. 245)
- Michigan Student Loan Refinance Program.** The Governor included a new section establishing this program. (Sec. 248)
- Michigan Student Loan Refinance Fund.** The Governor included a new section establishing this fund. The Fund would receive the \$10.0 million GF/GP included in Sec. 236 for FY 2020-21, as well as the proceeds from refinanced loan payments. (Sec. 248a)
- Michigan Tuition Grants - Institutional Limitation.** The Governor removed language that specifies that the \$4.8 million institutional limit for Tuition Grants does not apply to other financial aid programs. (Sec. 252)
- Tuition Incentive Program - Limit Payment Size.** The Governor included new language that would limit payments made to universities under Phase I of this program to a per-credit payment that does not exceed 2.5 times the average community college in-district tuition rate. (Sec. 256)
- U of M Douglas Lake Biological Station.** The Governor removed a section that designates Douglas Lake a special reserve and states the intent of the Legislature that no State programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake. (Sec. 261)
- Tuition Restraint - Lower Threshold.** The Governor reduced the allowable tuition increase under this section from 4.4% or \$587 to 4.25% or \$586. (Sec. 265)
- Tuition Restraint - Exceeding Limit.** The Governor removed language that restricts a university that exceeds the rate cap from receiving a capital outlay planning or construction authorization, as well as language that specifies that the Legislature may adjust the appropriation to any university that exceeds the rate cap. (Sec. 265)
- Performance Funding.** The Governor changed the name of "performance funding" to "student affordability funding" and replaced the funding formula with an increase of 2.5% for all universities based on their FY 2019-20 operations funding. (Sec. 265a)

12. **Academic Program Partnerships.** The Governor removed a section requiring the Michigan Community College Association, Michigan Independent Colleges and Universities, and the Michigan Association of State Universities to submit a report on academic partnership programs. (Sec. 265c)
13. **Campus Safety Programs.** The Governor removed a section stating the intent of the Legislature that a portion of State appropriations be used for campus safety, sexual assault prevention programs, and student mental health programs. (Sec. 265e)
14. **Discouraged Instruction Activity.** The Governor removed a section stating the intent of the Legislature that public universities not use State funds to offer instructional activities that target companies or groups of companies for unionization or decertification of a union. (Sec. 271a)
15. **Human Embryonic Stem Cell Research.** The Governor removed a section stating the intent of the Legislature that public and private organizations stem cell research provide certain information to the Director of the Department of Health and Human Services. (Sec. 274)
16. **Use and Finance Noncompliance Penalty.** The Governor removed a section that imposes a 1% reduction in State funding to a community college for each violation of certain requirement of the Management and Budget Act. (Sec. 275a)
17. **Communications with the Legislature.** The Governor removed a section urging universities not to take disciplinary action against employees who communicate with members of the Legislature or their staff. (Sec. 275d)
18. **Performance Audits.** The Governor removed a section allowing the Auditor General to conduct performance audits of universities as deemed necessary. (Sec. 291)

Date Completed: 3-11-20

Fiscal Analyst: Josh Sefton

Table 1: HIGHER EDUCATION APPROPRIATIONS: GOVERNOR'S RECOMMENDATION

University	FY 2019-20 Year-To-Date Operations	FY 2019-20 Year-To-Date ITW Reimb.	FY 2019-20 Year-To-Date Appropriation	Formula Adjustments		Other Changes	FY 2020-21 Gov. Rec.	Dollar Change From FY 2019-20	Percent Change	Appropriation Per FYES
				2.5% Across the Board from FY 2019-20 Operations	Total Formula Distribution					
Central	\$87,629,700	\$1,598,100	\$89,227,800	\$2,190,700	\$2,190,700		\$91,418,500	\$2,190,700	2.5%	\$ 4,887
Eastern	77,253,700	302,300	77,556,000	1,931,300	1,931,300		79,487,300	1,931,300	2.5	\$ 5,242
Ferris	55,025,500	1,007,300	56,032,800	1,375,600	1,375,600		57,408,400	1,375,600	2.5	\$ 5,335
Grand Valley	72,313,500	1,075,000	73,388,500	1,807,800	1,807,800		75,196,300	1,807,800	2.5	\$ 3,351
Lake Superior	13,407,000	954,000	14,361,000	335,200	335,200		14,696,200	335,200	2.3	\$ 8,403
Michigan State	287,331,700	1,467,700	288,799,400	7,183,300	7,183,300		295,982,700	7,183,300	2.5	\$ 6,398
Michigan Tech	50,101,600	466,500	50,568,100	1,252,500	1,252,500		51,820,600	1,252,500	2.5	\$ 7,788
Northern	47,809,100	1,100,000	48,909,100	1,195,200	1,195,200		50,104,300	1,195,200	2.4	\$ 7,403
Oakland	53,147,400	285,100	53,432,500	1,328,700	1,328,700		54,761,200	1,328,700	2.5	\$ 3,156
Saginaw Valley	30,583,800	223,900	30,807,700	764,600	764,600		31,572,300	764,600	2.5	\$ 4,254
UM-Ann Arbor	321,970,100	803,500	322,773,600	8,049,300	8,049,300		330,822,900	8,049,300	2.5	\$ 6,941
UM-Dearborn	26,167,000	160,200	26,327,200	654,200	654,200		26,981,400	654,200	2.5	\$ 3,766
UM-Flint	23,616,200	277,000	23,893,200	590,400	590,400		24,483,600	590,400	2.5	\$ 4,022
Wayne State	202,996,700	417,200	203,413,900	5,074,900	5,074,900		208,488,800	5,074,900	2.5	\$ 9,125
Western	111,522,200	767,900	112,290,100	2,788,100	2,788,100		115,078,200	2,788,100	2.5	\$ 6,039
Subtotal University Operations:	\$1,460,875,200	\$10,905,700	\$1,471,780,900	\$36,521,800	\$36,521,800	\$0	\$1,508,302,700	\$36,521,800	2.5%	\$ 5,859
MPERS Reimbursement			\$5,017,000			6,678,000	\$11,695,000	\$6,678,000	133.1%	
MPERS Normal Cost Offset			1,234,000			(34,000)	1,200,000	(34,000)	(2.8)	
MSU AgBioResearch	34,937,300		34,937,300	873,400	873,400		35,810,700	873,400	2.5	
MSU Extension	30,136,100		30,136,100	753,400	753,400		30,889,500	753,400	2.5	
Higher Education Database			200,000				200,000	0	0.0	
Midwest Higher Ed Compact			115,000				115,000	0	0.0	
King-Chavez-Parks			2,691,500				2,691,500	0	0.0	
Total Universities			\$1,546,111,800	\$38,148,600	\$38,148,600	\$6,644,000	\$1,590,904,400	\$44,792,600	2.9%	
School Aid Fund			349,419,300	0	0	6,644,000	356,063,300	6,644,000	1.9	
State GF/GP			\$1,196,692,500	\$38,148,600	\$38,148,600	\$0	\$1,234,841,100	\$38,148,600	3.2%	
Grants and Financial Aid										
State Competitive Scholarships			\$38,361,700				\$38,361,700	\$0	0.0%	
Tuition Grants			38,021,500			(6,000,000)	32,021,500	(6,000,000)	(15.8)	
Tuition Incentive Program (TIP)			64,300,000			3,658,000	67,958,000	3,658,000	5.7	
Children of Veterans & Officer's Tuition			1,400,000				1,400,000	0	0.0	
Project Gear-Up			3,200,000				3,200,000	0	0.0	
Michigan Student Loan Refinance Program - one time			0			10,000,000	10,000,000	10,000,000	N/A	
Total Grants/Financial Aid			\$145,283,200			\$7,658,000	\$152,941,200	\$7,658,000	5.3%	
Federal Higher Ed Act			3,200,000			0	3,200,000	0	0.0	
Federal TANF			130,826,400			(18,000,000)	112,826,400	(18,000,000)	(13.8)	
State GF/GP			\$11,256,800	\$0	\$0	\$25,658,000	\$36,914,800	\$25,658,000	227.9%	
TOTAL HIGHER EDUCATION										
TOTAL ALL FUNDS			\$1,691,395,000	\$38,148,600	\$38,148,600	\$14,302,000	\$1,743,845,600	\$52,450,600	3.1%	
TOTAL FEDERAL			134,026,400	0	0	(18,000,000)	116,026,400	(18,000,000)	(13.4)	
TOTAL STATE RESTRICTED			349,419,300	0	0	6,644,000	356,063,300	6,644,000	1.9	
TOTAL STATE GF/GP			\$1,207,949,300	\$38,148,600	\$38,148,600	\$25,658,000	\$1,271,755,900	\$63,806,600	5.3%	