### FY 2013-14 Year-to-Date Gross Appropriation

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total Changes</td>
<td>$85,922,800</td>
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### Changes from FY 2013-14 Year-to-Date:

**Items Included by the Senate and House**

1. **Tuition Incentive Program (TIP).** The Governor, House, and Senate increased this program by \$1.5 million GF/GP (3.2%), from \$47.0 million to \$48.5 million.  
   A change of \$ 1,500,000

2. **Higher Education Database Modernization and Conversion.** This funding provides support for the maintenance of the Higher Education Institutional Data Inventory (HEIDI). The Governor, Senate, and House increased funding from \$105,000 to \$200,000. 
   A change of \$ 95,000

**Conference Agreement on Items of Difference**

3. **University Operations Increase.** The Governor included a \$76.9 million (6.1%) increase, distributed through the same performance metrics as FY 2013-14 with certain modifications. The changes include distributing half the increase proportionally to universities based on FY 2010-11 appropriations, and adding Pell grants to the metrics that are based on Carnegie classifications. The Senate concurred with the Governor. The House reduced funding by \$6,462,000. Conference included an overall 5.9% increase. See Tables 1 and 2. 
   A change of \$ 74,637,500

4. **Prohibited Instruction Activity.** The Senate reduced funding for MSU by \$500,000 based on new language (Sec. 271A) stating intent that a public university shall not participate in any instructional activity that encourages or discourages union organizing. Conference removed the reduction and modified Sec. 271A. 
   A change of 0

5. **MSU AgBioResearch.** AgBioResearch performs agricultural research to promote efficient production, marketing, distribution, and use of farm products. The Governor and Senate increased funding by \$1,844,900 (6.1%), from \$30,243,900 to \$32,088,800. The House reduced the increase by \$161,500 (a 5.6% increase). Conference included a 5.9% increase. 
   A change of \$ 1,784,000

6. **MSU Extension.** The MSU Extension Services identifies and solves farm, home, and community problems. The Governor and Senate increased funding by \$1,588,700 (6.1%), from \$26,044,800 to \$27,633,500. The House reduced the increase by \$139,000 (a 5.6% increase). Conference included 5.9% increase. 
   A change of \$ 1,536,300

7. **North American Indian Tuition Waiver.** Public Act 174 of 1976 provides for free tuition for Michigan resident North American Indians who attend Michigan public community colleges, universities, and certain Federal tribally controlled community colleges. State appropriations have not kept pace with actual costs. In FY 2013-14, universities absorbed \$4.7 million of waiver costs. The Senate added \$500,000 to partially offset the shortfall. Conference concurred with the Senate. 
   A change of \$ 500,000

8. **Tuition Grants.** The House increased funding by \$1,762,500 (5.6%), from \$31,664,700 to 33,427,200. Conference provided a 5.9% increase. 
   A change of \$ 1,867,800

9. **FY 2014-15 One-Time Appropriations-Michigan Public School Employees Retirement System (MPSERS) Reform.** The Senate included \$15.0 million appropriated from the State School Aid Fund to provide funding assistance to universities that have employees who are members of the MPSERS (Central, Eastern, Ferris, Lake Superior, Michigan Tech, Northern, and Western). Conference reduced funding to \$4.0 million (School Aid Fund), and designated the funding as one-time. 
   A change of \$ 4,002,200

### FY 2014-15 Conference Report Ongoing/One-Time Gross Appropriation

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<th>Description</th>
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<tr>
<td>FY 2014-15 Conference Report Ongoing/One-Time Gross Appropriation</td>
<td>$1,516,496,300</td>
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**Amount Over/(Under) GF/GP Target:** \$0
Changes from FY 2013-14 Year-to-Date:

Items Included by the Senate and House

1. **Tuition Incentive Program.** The Governor, Senate, and House specified that the application for certification must be before August 31, and require compliance with satisfactory academic progress policy. (Sec. 256)

2. **Tuition Restraint.** Governor set the maximum tuition and fee increase for FY 2014-15 at 3.2% and eliminated cost of mandated health insurance from calculation. Senate and House concurred with the 3.2% tuition restraint but maintained current year requirements regarding the calculation for compliance. (Sec. 265)

3. **Performance Funding Criteria.** Reflects FY 2014-15 distribution. Governor eliminated intent language that would change the score for improving universities from 2 to 1 in the next year. Senate and House restored. (Sec. 265a)

4. **Transfer Credits.** Requires report on the number of transfer credits rejected for incoming students. Governor, Senate, and House limited report to credits earned by resident students at Michigan postsecondary institutions. (Sec. 272a)

5. **King-Chavez-Parks-Hood Unexpended Grant Funds.** Governor provided up to $100,000 in unexpended funds may be used by Workforce Development Agency for administration. Senate and House did not concur. (Sec. 282)

6. **Restored Sections.** Senate and House restored the following sections that were removed by the Governor: Purchase of foreign automobiles prohibition (Sec. 239a); acceptance of Federal or private funds does not obligate Legislature to continue program (part of Sec. 242); protection/preservation of Douglas Lake Biological Station (Sec. 261); policies to minimize the cost of textbooks/course materials (Sec 262a); counseling degree programs/student's religious beliefs (Sec. 273); human embryonic stem cell research report (Sec. 274); adult co-resident health benefits (Sec. 274a); Yellow Ribbon GI Program reporting requirements (part of Sec. 275); compliance with Section 238 of 1984 PA 431/ JCOS rules (Sec. 275a); and Federal Educational Rights & Privacy Act compliance (Sec. 293).

Conference Agreement on Items of Difference

7. **Posting of Expenditures.** Governor eliminated State Budget Director’s authority to determine whether a university complied with this section and withhold a public university's monthly installments for noncompliance. Senate and House retained current year requirements with minor wording changes. Senate added new reporting on dual enrollment. Conference concurred with Senate but changed submission of the new report to CEPI. (Sec. 245)

8. **MPSERS Reimbursement.** Conference modified this section based on new funding and changed the distribution from being based on health care premiums to based on combined MPSERS payroll. (Sec. 246)

9. **State Tuition Grant Program.** Governor changed the application deadline, eliminated carry-forward authorization, and required submission of annual P-20 longitudinal data system sets and annual reports on the number of tuition grant students that successfully complete a program or graduate, the number of tuition grant students taking remedial classes, and Pell grant students that successfully complete a program or graduate. Senate did not include the Governor’s changes. House increased cap for single institution from $3.0 million to $3.5 million and required reporting on number of tuition grant students that complete programs or graduate, take remedial education courses or receive Pell Grants. Conference concurred with House but set cap at $3.2 million. (Sec. 252)

10. **Indian Tuition Waiver.** Governor removed legislative intent to allocated funding from the General Fund for North American Indian tuition waiver costs. Senate and House restored. Senate modified language providing criteria for distribution of funds the Senate added for the program. Conference concurred with Senate. (Sec. 268)

11. **Prohibited Instruction Activity.** Senate added new language stating intent that a public university shall not participate in any instructional activity that encourages or discourages union organizing of employees and included $500,000 penalty. Conference modified to instead state intent that a public university shall not knowingly and directly use any portion of State funds to offer any instructional activity that targets specific companies or specific groups of companies for unionization or decertification of a union. (Sec. 271A)

12. **Health Insurance Report.** Senate added new language requiring a report on the number of students who had health insurance, the number of students who did not have health insurance, and how much each university spent on health services for uninsured students. Conference removed. (Sec. 271B)

13. **Yellow Ribbon GI Education Enhancement Program.** House and Conference added subsection (2) requiring each public university to report on services provided specifically to veterans and active military duty personnel. (Sec. 275)

Date Completed: 6-5-14
Fiscal Analyst: Bill Bowerman

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations.
<table>
<thead>
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<th>Program Area</th>
<th>FY 2014-15 Request</th>
<th>FY 2014-15 Appropriation</th>
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<tr>
<td>Grants and Research</td>
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<tr>
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Note: The above table represents the preliminary budget for FY 2014-15 Higher Education Appropriation Bill.
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<thead>
<tr>
<th>Year</th>
<th>Total State Grants</th>
<th>Total State Grants Eligible</th>
<th>Total State Grants Expenditures</th>
<th>Total State Grants Effective Enrollment</th>
<th>Total All Funds</th>
<th>Total All Funds - Federal</th>
<th>Total All Funds - Non-Federal</th>
<th>Total Higher Education</th>
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**Table 2: FY 2014-15 Higher Education Conference Committee Details**