

# **Senate Bill 193 – DRAFT**

**FY 2013-14**

**Higher Education Budget**

**Items of Difference Between  
Senate and House**

**May 23, 2013**

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## HIGHER EDUCATION: LINE ITEM DIFFERENCES BETWEEN THE HOUSE AND SENATE

			FY 2013-14												
			FY 2012-13	Governor	Senate	House	Conference								
<b>1. Performance Funding.</b> Carnegie scoring differences.  <div style="display: flex; justify-content: space-around;"> <span><u>House</u></span> <span><u>Senate</u></span> </div> <table style="margin-left: 40px; border-collapse: collapse;"> <tr> <td>Improving</td> <td style="text-align: center;">3</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Top 20%</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Above Median</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> </table> <p>House weights Carnegie distributions by resident undergraduate FYES. Senate does not. Conference weights Carnegie distribution by all undergraduates and uses Senate scoring.</p>	Improving	3	2	Top 20%	2	3	Above Median	1	2	Gross GF/GP		18,651,700 16,651,700	20,869,000 20,869,000	24,869,000 24,869,000	21,869,000 21,869,000
	Improving	3	2												
	Top 20%	2	3												
	Above Median	1	2												
<b>2. Tuition Restraint.</b> House and Senate eliminate as a separate allocation and tie all of performance funding to tuition restraint. Senate: under 4.0%. House: 3.0%. Conference sets at 3.75%.	Gross GF/GP		6,217,300	0	0	0									
<b>3. Indian Tuition Waiver.</b> In FY 2012-13, universities absorbed \$4.5 million of waiver costs. The Senate added funds to offset part of the shortfall. House and Conference did not include.	Gross GF/GP	0 0	0 0	2,000,000 2,000,000	0 0	0 0									
<b>4. MPSERS Reimbursements.</b> The FY 2012-13 budget included \$446,200 for the purpose of offsetting a portion of the MPSERS retirement contributions. Senate increased appropriation by \$2.0 million GF/GP. House did not include this increase. Conference concurs with Senate.	Gross Restricted GF/GP	446,200 446,200 0	446,200 446,200 0	2,446,200 446,200 2,000,000	446,200 446,200 0	2,446,200 446,200 2,000,000									
<b>5. MSU AgBioResearch/Extension.</b> Governor and Senate include current year roll-up line item. House includes separate line items. Conference concurs with House format and adds \$1.0 million.	Gross GF/GP	54,204,600 54,204,600	55,288,700 55,288,700	55,288,700 55,288,700	55,288,700 55,288,700	56,288,700 56,288,700									
MSU AgBioResearch/MSU Extension MSU AgBioResearch MSU Extension		54,204,600 N/A N/A	55,288,700 N/A N/A	55,288,700 N/A N/A	N/A 29,706,600 25,582,100	N/A 30,243,900 26,044,800									

**FY 2013-14 University Funding: Conference Report**

University	FY 2012-13 Year-to-Date	Funding Proportional to Share of Total				Scored vs. National Carnegie Peers								*Total Performance Funding	FY 2013-14 Appropriation w/ Perf Funding	Percent Change
		22.2%		11.1%		Six-year Graduation Rate	Total Degree Completions	Inst Support as % of Core Expends	Total Score	Total Undergrad FYES	FYES- Weighted Score	66.7% \$14.05 per weighted pt Funding				
		% of formula: Funding per unit: \$387 per completion			\$0.0022 per dollar											
Michigan State	\$245,037,000	2,664	\$906,890	\$293,704,711	\$555,802	2	3	2	7	34,841	243,887	\$2,986,649	\$4,449,300	\$249,486,300	1.82	
UM-Ann Arbor	274,156,700	2,629	895,059	728,871,000	1,379,305	3	3	2	8	27,332	218,656	2,677,669	4,952,000	279,108,700	1.81	
Wayne State	183,398,300	659	224,361	163,944,192	310,246	0	0	0	0	15,828	0	0	534,700	183,933,000	0.29	
Michigan Tech	42,579,100	903	307,474	52,917,000	100,139	3	2	2	7	5,427	37,989	465,215	872,800	43,451,900	2.05	
Western	95,487,500	1,037	353,053	27,538,940	52,114	2	2	2	6	18,272	109,632	1,342,557	1,747,700	97,235,200	1.83	
Central	71,352,300	681	231,680	7,527,977	14,246	3	3	2	8	19,275	154,200	1,888,339	2,134,300	73,486,600	2.99	
Oakland	44,964,100	918	312,539	9,531,111	18,037	0	2	0	2	13,888	27,776	340,146	670,700	45,634,800	1.49	
Eastern	66,466,700	642	218,573			0	3	0	3	15,525	46,575	570,359	788,900	67,255,600	1.19	
Ferris	44,250,700	1,212	412,718			2	3	2	7	10,956	76,692	939,173	1,351,900	45,602,600	3.06	
Grand Valley	55,436,000	1,182	402,270			3	3	2	8	19,668	157,344	1,926,840	2,329,100	57,765,100	4.20	
Saginaw Valley	25,656,700	362	123,075			2	0	0	2	8,288	16,576	202,990	326,100	25,982,800	1.27	
UM-Dearborn	22,237,300	356	121,202			2	0	0	2	5,927	11,854	145,164	266,400	22,503,700	1.20	
UM-Flint	19,526,600	375	127,671			2	2	0	4	5,591	22,364	273,870	401,500	19,928,100	2.06	
Northern	40,856,600	472	160,759			2	3	2	7	8,194	57,358	702,408	863,200	41,719,800	2.11	
Lake Superior	12,046,100	183	62,452			2	2	0	4	2,408	9,632	117,954	180,400	12,226,500	1.50	
<b>TOTAL:</b>	<b>\$1,243,451,700</b>	<b>14,274</b>	<b>\$4,859,778</b>	<b>\$1,284,034,931</b>	<b>\$2,429,889</b>	<b>28</b>	<b>31</b>	<b>16</b>	<b>75</b>	<b>211,420</b>	<b>1,190,535</b>	<b>\$14,579,333</b>	<b>\$21,869,000</b>	<b>\$1,265,320,700</b>	<b>1.76</b>	

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

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

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

\*Requirements to receive performance funding amounts:

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

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

**BOILERPLATE ITEMS OF DIFFERENCE BETWEEN THE HOUSE AND SENATE**

**HIGHER EDUCATION**

		FY 2013-14				
		FY 2012-13 Year-to-Date 2012 PA 201	Governor	Senate	House	Conference
1.	<b>Federal and Private Funds.</b> Funds received by the State from the Federal government or private sources for the use of a college or university, are appropriated for the purposes for which they are provided. The acceptance and use of Federal or private funds do not place an obligation upon the Legislature to continue the purposes for which the funds are made available.	Sec. 242	Sec. 242 Removed last sentence.	Sec. 242	Sec. 242 Removed last sentence.	Sec. 242 Maintains current year language.
2.	<b>Posting of Expenditures.</b> Posting of financial and other information on university websites. Includes specific salary information. Authorizes Budget Director to withhold State aid payments for noncompliance.	Sec. 245	Sec. 245 Modified. Removed listing of individual names and salaries. Adds listing of number of employees by job classification, revenue and expenditure projections, and institution debt service. Changes "shall" to "may" regarding Budget Director determining compliance. Adds information on graduating Pell grant recipients.	Sec. 245 Removed listing of individual names and salaries. Adds listing of number of employees by job classification, revenue and expenditure projections, and institution debt service. Adds information on graduating Pell grant recipients. Adds policy on "block transfers" from community colleges and number of reverse transfer agreements.	Sec. 245 Maintained current year reporting detail and adds additional requirements recommended by the Governor for revenue and expenditure projections, institution debt service, and information on graduating Pell grant recipients.	Sec, 245. Provides for listing by position classification. Adds revenue and expenditure projections, institution debt service, information on graduating Pell grant recipients, and policy on "block transfers" from community colleges and number of reverse transfer agreements.
3.	<b>State Tuition Grant Program.</b> Provides for distribution pursuant to 1966 PA 313.	Sec. 252	Sec. 252. Application/reporting changes.	Sec. 252 Updates fiscal years.	Sec. 252 Updates fiscal years.	Sec. 252 Updates fiscal years. Technical corrections to carry-forward.

		FY 2013-14				
		FY 2012-13 Year-to-Date 2012 PA 201	Governor	Senate	House	Conference
4.	<b>Tuition Incentive Program.</b> Sets criteria and financial thresholds for the Tuition Incentive Program (TIP). TIP provides an incentive to students to complete high school and go on to college. Students in grades 6 through 12 who are Medicaid-eligible for 24 months can qualify for TIP. Certification of Medicaid eligibility can only be provided by DHS. Incarcerated individuals are not eligible for TIP.	Sec. 256	Sec. 256a Eliminated program criteria and recommends and new statute implementing program.	Sec. 256 Maintains program criteria and includes intent limiting amounts paid to universities in FY 2014-15.	Sec. 256 Maintains program criteria and includes intent limiting amounts paid to universities in FY 2014-15.	Sec. 256 Maintains program criteria, but does not include FY 2014-15 intent language.
5.	<b>U of M Douglas Lake Biological Station.</b> States intent of the Legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake.	Sec. 261	Not Included	Sec. 261	Not Included	Sec. 261
6.	<b>Textbook Cost Review.</b> Legislative intent that public universities develop policies for reviewing required textbook and course materials aimed at minimizing cost while maintaining quality of education and academic freedom. The university shall review any potential financial conflict of interest that may occur if a faculty member requires the purchase of any textbooks or course materials he or she has written. Requires report on the policies developed pursuant to this section.	Not Included	Not Included	Sec. 262a	Not Included	Sec. 262a
7.	<b>Project GREEN.</b> (1) Earmarks \$5,628,100 from the MSU AgBioResearch and MSU Extension line item for Project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this State's plant-based agriculture, forestry, and processing industries.	Sec. 263	Sec. 263 Governor includes reference to FY 2013-14 and FY 2014-15.	Sec. 263	Sec. 263 Modified to reflect separating appropriations (AgBioResearch and Extension).	Sec. 263 Modified to reflect separating appropriations (AgBioResearch and Extension)

			FY 2013-14			
		FY 2012-13 Year-to-Date 2012 PA 201	Governor	Senate	House	Conference
8.	<b>Tuition Restraint.</b> Sets criteria for tuition restraint incentive. Universities that increase tuition and fees above 4.0% will not receive the tuition restraint appropriation. Includes HEIDI definition for reporting tuition and fees. Includes annual cost of health insurance where universities mandate coverage. Requires report on average tuition and fee charges, budgeted tuition revenue, total revenue, actual and budgeted expenditures for financial aid, actual and total budgeted expenditures, and projected enrollments.	Sec. 265	Sec. 265 Changes limit for resident undergraduate tuition increase from not "greater than 4.0%" to not 4.0% or higher." Eliminated cost of mandated health insurance in calculation. Eliminated report on tuition, revenue, and expenditures.	Sec. 265 Revised - ties tuition restraint to all of performance funding. Includes Governor's other changes.	Sec. 265 Revised - ties tuition restraint to all of performance funding and reduces cap from 4.0% to 3.0%. Restores health insurance calculation, includes Governor's other changes.	Sec. 265 Revised - ties tuition restraint to all of performance funding. Sets tuition restraint at 3.75%. Restores health insurance calculation. Eliminated report on tuition, revenue, and expenditures.
9.	<b>Performance Funding Criteria.</b> Prerequisites for performance funding include; participation in reverse transfer agreements with at least three Michigan community colleges; the university certifies that it does not consider whether dual enrollment credits earned by an incoming student were utilized towards his or her high school graduation requirements; and the university participates in the Michigan transfer network. Forfeited performance funding due to noncompliance is reappropriated for tuition restraint funding. Requires State Budget Director to report regarding any performance funding amounts not paid to a public university because of noncompliance and any reappropriation of funds.	Sec. 265a	Sec. 265a Modified/Updated based on Governor's recommendation. Maintains conditions and includes formula criteria. Eliminates reporting requirement in (3).	Sec. 265a Adjusted based on Senate distribution. Performance funding not paid to a university shall be redistributed as performance funding to other universities. Includes new intent language on scoring of Carnegie classifications.	Sec. 265a Adjusted based on House distribution. Conditions all of performance funding on compliance with tuition restraint. Provides that forfeited amounts shall be re-appropriated pursuant to performance funding.	Sec. 265a Adjusted based on Conference distribution. Conditions all of performance funding on compliance with tuition restraint. Provides that forfeited amounts shall be re-appropriated pursuant to performance funding.
10.	<b>Unfunded Indian Tuition Waiver Costs.</b> States intent that funds be allocated for unfunded North American Indian tuition waiver costs from the General Fund/General Purpose.	Sec. 268	Not Included.	Sec. 268 Date revisions. Includes language related to additional funding and new reporting requirements.	Sec. 268 Date revisions.	Sec. 268 Date revisions, no new funding, and includes new modified reporting requirements.

			FY 2013-14			
		FY 2012-13 Year-to-Date 2012 PA 201	Governor	Senate	House	Conference
11.	<b>Transfer Credits.</b> Requires universities to submit a report regarding the number of rejected transfer credits (C grade or higher) along with explanatory information.	Not Included	Not Included	Not Included	Sec. 272a	Sec. 272a
12.	<b>Counseling Degree Programs/Student's Religious Beliefs.</b> Legislative intent that public universities submit a report on efforts to accommodate the sincerely held religious beliefs of students enrolled in accredited counseling degree programs at the university.	Sec. 273	Not Included	Not Included	Sec. 273 Date revisions.	Sec. 273 Date revisions.
13.	<b>Adult Co-resident Health Benefits.</b> States legislative intent that universities not provide health insurance or other fringe benefits for any adult co-resident of a university employee who is not married to that employee or a dependent of such an adult co-resident. Requires report.	Sec. 274a	Not Included	Not Included	Sec. 274a Date revisions.	Sec. 274a Date revisions.
14.	<b>Yellow Ribbon GI Education Enhancement Program.</b> Legislative intent that public universities meet the provisions of section 5003 of the post-911 veterans educational assistance act of 2008 including; voluntary participation in the yellow ribbon GI Education Enhancement Program., establish an on-campus veterans' liaison to provide information and assistance to all student veterans, provide flexible enrollment application deadlines for veterans, and include in admission application process a specific question as to whether an applicant for admission is a veteran, an active member of the military, national guard or military reserves, or the spouse or dependent thereof, in order to more quickly identify potential educational assistance available to that applicant.	Sec. 275	Sec. 275 Replaced "legislative intent" with "encourages" and removed reporting and notice requirements.	Sec. 275 Does not include Governor's changes. Includes new provision stating legislative intent that each university consider all veterans residents of this state for the purpose of determining their tuition rates and fees and waive enrollment fees for all veterans.	Sec. 275 Maintains current year language.	Sec. 275 Does not include Governor's changes. Includes new provision stating legislative intent that each university consider all veterans residents of this state for the purpose of determining their tuition rates and fees and waive enrollment fees for all veterans.

		FY 2013-14				
		FY 2012-13 Year-to-Date 2012 PA 201	Governor	Senate	House	Conference
15.	<b>Self-liquidating Projects and Joint Capital Outlay Subcommittee (JCOS) Rule Compliance.</b> Prohibits use of appropriations for the construction or maintenance of a self-liquidating project. Provides for 1% appropriation penalty if university is not in compliance JCOS Use and Finance rules.	Sec. 275a	Not Included	Sec. 275a Modified based on 1984 PA 431 capital outlay reforms.	Not Included	Sec. 275a Modified based on 1984 PA 431 capital outlay reforms.
16.	<b>Unexpended Grant Funds.</b> Provides that institutions receiving funds under section 278, 279, or 281 shall notify the department as to whether it will expend by the end of its fiscal year the funds received. The amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received.	Sec. 282	Sec. 282 Modified to allow funds remaining after reallocation may be used by the Workforce Development Agency for administration.	Sec. 282 Modified to provide that funds remaining after reallocation shall lapse to the General Fund.	Sec. 282 Date revisions.	Sec. 282 Date revisions.
17.	<b>HEIDI Data Audit.</b> Provides the Auditor General shall review higher education institutional data inventory (HEIDI) enrollment data and may perform audits if determined necessary. Requires report. Excludes certain student credit hours from the report.	Sec. 289	Sec. 289 Minor wording changes.	Sec. 289 Modified based on elimination of Section 290.	Sec. 289 Minor wording changes.	Sec. 289 Modified based on Conference adjustments to Sec. 290.
18.	<b>New Degree Programs.</b> Provides that public universities may establish the degree programs listed in this section. States that the listing of degree programs does not constitute legislative intent to provide additional dollars for those programs. Requires the Presidents Council of State Universities to also provide a listing of degree programs that institutions of higher education will no longer offer.	Sec. 290	Not Included	Not Included	Sec. 290 Updated based on information from President's Council.	Sec. 290 Eliminated listing of new degree programs in bill, maintained requirement that Presidents Council provide information and Legislature's authority to exclude rejected new degree programs from enrollment audits.



			FY 2013-14			
		FY 2012-13 Year-to-Date 2012 PA 201	Governor	Senate	House	Conference
19.	<b>Federal Educational Rights &amp; Privacy Act (FERPA).</b> Requires universities subject to FERPA to provide information from the records of a student to any person to whom the student has authorized disclosure on a written consent pursuant to Federal law.	Sec. 293	Not Included	Sec. 293	Not Included	Sec. 293
20.	<b>State Building Authority Rent.</b> Lists amounts paid by the State for previously constructed capital outlay projects.	Sec. 293a	Sec. 293a Updated based on projected payments.	Sec. 293a Updated based on projected payments.	Sec. 236c Updated based on projected payments.	Sec. 236c Updated based on projected payments.