

FY 2021-22 EDUCATION OMNIBUS BUDGET
Summary: Conference Report
House Bill 4400 (H-2) CR-1



Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area [Summary Page]	FY 2021-22		
	Gross	SAF	GF/GP
Community College [2]	\$431,917,000	\$431,917,000	\$0
Higher Education [9]	1,808,251,200	361,403,300	1,318,321,500
TOTAL	\$2,240,168,200	\$793,320,300	\$1,318,321,500

Budget Area [Summary Page]	FY 2020-21	
	Gross	GF/GP
Community College Supplemental [20]	\$12,696,000	\$0
Higher Education Supplemental [20]	\$57,304,000	57,304,000
TOTAL	\$70,000,000	\$57,304,000

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

FY 2021-22: COMMUNITY COLLEGES
Summary: Conference Report
Article 2, House Bill 4400 (H-2) CR-1



Analyst: Perry Zielak

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: Conference From FY 2020-21 YTD	
						Amount	%
	\$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	425,667,600	434,653,600	445,266,900	434,653,600	431,917,000	6,249,400	1.5
GF/GP	0	0	4,688,100	0	0	0	--
Gross	\$425,667,600	\$434,653,600	\$449,955,000	\$434,653,600	\$431,917,000	\$6,249,400	1.5

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4401 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 94 as passed by the Senate.

Overview

The Community Colleges budget, contained in Article II of the compiled School Aid Act, provides funding for operational support of the 28 public community colleges located throughout the state and some retirement costs for employees who participate in the state public school employee retirement system. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associate degrees, career and technical education, developmental and remedial education, continuing education, and 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.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. Community College Operations Increase

Executive increases community college operations funding by \$6.4 million School Aid Fund (SAF). This includes a one-time \$6.5 million SAF increase to operations grants for community colleges, a 2.0% increase, which would be distributed through the performance funding formula, and a \$93,100 SAF decrease based on FY 2019-20 North American Indian Tuition Waiver program costs reported by institutions. Attainment of the one-time operations increase would be conditioned on restraining in-district undergraduate tuition and fee increases to 4.2%. Projected funding increases for individual community colleges would range from 1.4% to 2.7%. Total funding for operations would be \$331.8 million SAF. House increases community college operations funding by \$21.7 million Gross (\$4.7 million GF/GP), a 6.7% increase. This includes a \$93,100 SAF decrease based on FY 2019-20 North American Indian Tuition Waiver program costs reported by institutions. All operations funding would be allocated based on a funding formula that allocates \$3.5 million to each institution, uses a 3-year average of fiscal year equated students (FYES) multiplied by an established funding per FYES measure and FY 2020-21 appropriation levels, and a 10% cap on increases above FY 2020-21 levels, with amounts over the cap redistributed through an iterative process to all institutions below the cap. Hold harmless adjustments were made for two community colleges below FY 2020-21 funding levels, Lansing and C.S. Mott. Projected funding changes for [continued on next page]

	FY 2020-21 Year-to-Date (as of 2/6/20)	FY 2021-22 Conference Change
Gross	\$325,440,000	\$3,143,400
Restricted	325,440,000	3,143,400
GF/GP	\$0	\$0

Major Budget Changes from FY 2020-21 YTD Appropriations

1. Community College Operations Increase (continued)

individual community colleges would range from 0.0% to 10.6%. Total funding for operations would be \$347.1 million Gross (\$4.7 million GF/GP). Senate concurs with Executive in increasing community college operations funding by \$6.4 million SAF, including a one-time \$6.5 million SAF increase to operations grants distributed through the performance funding formula, and a \$93,100 SAF decrease based on FY 2019-20 North American Indian Tuition Waiver program costs. Attainment of performance funding would be conditioned on restraining in-district undergraduate tuition and fee increases to 4.2%. Projected funding increases for individual community colleges would range from 1.4% to 2.7%. Total funding for operations would be \$331.8 million SAF.

Conference increases community college operations funding by \$3.1 million SAF, including a one-time \$3.2 million SAF increase to operations grants distributed through the performance funding formula and a \$93,100 SAF decrease based on FY 2019-20 North American Indian Tuition Waiver program costs. Projected funding increases for individual community colleges would range from 0.3% to 1.6%. Total funding for operations would be \$328.6 million SAF.

2. Michigan Public School Employee Retirement System (MPERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment

Gross	\$83,900,000	\$3,300,000
Restricted	83,900,000	3,300,000
GF/GP	\$0	\$0

Executive increases funding by \$3.3 million SAF for the state's share of community colleges' UAAL to MPERS, a 3.9% increase, due to changes in payroll growth assumptions. The state's share is the difference between the calculated UAAL contribution 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 the state share of MPERS would be \$87.2 million SAF. House concurs. Senate concurs. Conference concurs.

3. MPERS Normal Cost Offset

Gross	\$12,394,000	(\$694,000)
Restricted	12,394,000	(694,000)
GF/GP	\$0	\$0

Executive decreases funding by \$694,000 SAF for the community colleges' normal cost portion, a 5.6% decrease, due to maintaining the current assumed rate of return at 6.8%. Total funding for the MPERS Normal Cost Offset would be \$11.7 million SAF. House concurs. Senate concurs. Conference concurs.

4. Pregnant and Parenting Support Services

Gross	\$0	\$500,000
Restricted	0	500,000
GF/GP	\$0	\$0

Conference adds \$500,000 SAF for pregnant and parenting services. Community colleges that establish and operate a pregnant and parenting student services office according to the guidelines found in 2004 PA 500 are eligible for grants to operate the office.

Major Boilerplate Changes from FY 2020-21

Sec. 201e. FY 2020-21 One-Time Operational Support Payment Detail – NEW

Executive adds language detailing the FY 2021-22 one-time operational support payment allocations for each community college. House does not include. Senate concurs with Executive. Conference adds language detailing the one-time operational support payment for FY 2020-21, which would represent a 4% operations increase and would be distributed across-the-board. The operational support payment fulfills the maintenance of effort requirement for the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Major Boilerplate Changes from FY 2020-21

Sec. 206. Appropriations Payment Schedule and Reporting Requirements – REVISED

Provides for payment of appropriations in 11 installments per year to community colleges to be paid on the 16th of each month; directs Department of Treasury to withhold appropriations if colleges fail to submit Michigan Community College Data Inventory (MCCDI) data, longitudinal data system data, annual independent audits, tuition and fee information, and degree and certificate award data as required. Executive adds language stating that payments related to the MPSERS Normal Cost Offset would be distributed in quarterly payments. Deletes requirement that the state budget director notify the legislature before withholding funds from community colleges that fail to comply with reporting requirements. Revises MCCDI data reporting date to the first business day of November. House concurs but retains the state budget director notification requirement. Senate concurs with House. Conference concurs with House.

Sec. 207a. MPSERS Offset Appropriation – REVISED

Specifies the purpose and allocation method for the MPSERS offset. Funds to be allocated based on prior-year covered payroll and to be used solely for offsetting a portion of the retirement contributions owed by the receiving college. Executive adds language specifying that the MPSERS Normal Cost offset would be based on reported quarterly payroll for members in the current fiscal year. House concurs. Senate concurs. Conference concurs.

Sec. 208. Self-Liquidating Projects Restriction and Capital Outlay Requirements – RETAINED

Executive deletes language that prohibits community colleges from using state funds for construction or maintenance of a self-liquidating project and deletes requirement that colleges comply with Joint Capital Outlay Subcommittee (JCOS) use and finance policy for any capital outlay projects and subjects community colleges that fail to comply with JCOS requirements to a penalty of 1% of the operations funding for each violation. House retains. Senate retains. Conference retains.

Sec. 209. Transparency Website and Various Reporting Requirements – REVISED

Requires colleges to post specified information on their websites, including: annual operating budgets, general fund revenue and expenditure projections, a listing of debt service obligations, collective bargaining agreements, health care benefits plans, audits and financial reports, and information on dual enrollment programs and other opportunities for earning college credit while in high school. Executive deletes a provision authorizing the state budget director to withhold a community college's monthly installment payment for failure to comply with posting specified fiscal information on a transparency website. Deletes reporting requirements around budgeted current fiscal year revenues, in addition to reporting requirements involving career and technical programs, dual enrollment and early middle college programs. House retains deleted language but deletes reference to local strategic value component. Adds requirement that community colleges submit information to the Michigan Community College Association (MCCA), which would compile and report the information to the House and Senate Appropriation Subcommittees on Community Colleges, House and Senate Fiscal Agencies and the state budget director. Senate retains. Conference concurs with House but changes report compiling responsibility from MCCA to the state budget director.

Sec. 209a. Campus Safety Information and Resources Website, Safety Reporting Requirements – RETAINED

Requires community colleges to develop a "campus safety information and resources" webpage, which must be linked and displayed on their home webpage. The page must display various safety information and policies, and the schools must certify compliance to the state budget director or have monthly state payments withheld. Executive deletes language that requires certification to the state budget director. House retains. Senate retains. Conference retains.

Sec. 210b. Community Colleges and Universities Transfer Agreement Reporting – REVISED

Requires the Michigan Community College Association and the Michigan Association of State Universities to submit a progress report on the implementation of the Michigan Transfer Agreement, the development and implementation of transfer pathways, and various other transfer requirements between community colleges and state universities. Senate revises requirements to add additional focus on improving transfer outcomes and implementing MiTransfer pathways. Conference concurs with Senate.

Sec. 210g. Bachelor of Science in Nursing Articulation Agreements Reporting – NEW

Senate adds a reporting requirement on a summary of efforts for any community college seeking articulation agreements with universities on a bachelor of science in nursing. Conference concurs with Senate.

Sec. 210h. Community College COVID-19 Vaccination Exemption Requirement – NEW

House adds language that restricts community colleges from requiring COVID-19 vaccination as a prerequisite for enrollment or attending in-person instruction as Sec. 226f. Senate does not include. Conference does not include House language but adds language detailing exemptions and reporting requirements that community colleges must provide if a campus mandatory vaccine policy is implemented.

Major Boilerplate Changes from FY 2020-21

Sec. 212. Cost Containment and Efficiency Initiatives – RETAINED

Executive deletes language that encourages community colleges to evaluate and pursue efficiency and cost-containment measures, including joint ventures, consolidating services, program collaboration, increasing web-based instruction, improving energy efficiency, eliminating low-volume/high-cost instructional programs, self-insurance, and group purchasing. House retains. Senate concurs with Executive. Conference concurs with House.

Sec. 220. Auditor General Performance Audits – REVISED

Executive deletes language that explicitly authorizes performance audits by the auditor general and requires audited colleges to report audit responses to the legislature, the fiscal agencies, the Auditor General and the state budget director. House retains. Senate retains with minor revisions. Conference concurs with Senate.

Sec. 226b. 2020-21 Academic Year and COVID-19 Reporting Requirements – REVISED

Executive deletes language that requires community colleges to report various enrollment and student residential data for the 2020-21 academic year by September 30, 2021 and deletes requirement for community colleges to report information related to online and COVID-19 fees, along with COVID-19 mitigation strategies and related data by November 1, 2020. House retains deleted language but revises requirements to have community colleges report all federal and state funding received related to the COVID-19 pandemic. Senate concurs with Executive. Conference revises requirements to report all federal funding received related to the COVID-19 pandemic and post the report on a public website.

Sec. 226d. Free and Open Speech Policies Reporting Requirement – REVISED

Executive deletes language that requires community colleges to report on activities related to strategic planning or assessment of policies that provide for open and free speech while protecting students from hate speech and discrimination. House retains with minor revisions. Senate retains and revises with legislative intent language that community colleges adopt advocacy policies for distribution and demonstrations around first amendment activities and political speech. Conference concurs with House but adds legislative intent language and adds Senate revised language as Sec. 226g.

Sec. 226f. Pregnant and Parenting Student Services Office Requirements – NEW

Senate adds language establishing the requirements of a pregnant and parenting student services office. If a community college establishes an office, a report must be submitted by December 1, 2022 detailing expenditures, a performance evaluation and the number of students served. Conference concurs.

Sec. 226g. Campus Advocacy Policy – NEW

Senate revises Sec. 226d with legislative intent language that universities adopt advocacy policies for distribution and demonstrations around first amendment activities and political speech and to submit a report of complaints under the policy and the actions taken in response to those complaints. Conference concurs with Senate but adds as Sec. 226g and does not include the reporting requirement.

Sec. 228. Communication with the Legislature – RETAINED

Executive deletes language that forbids a community college from taking disciplinary action against an employee for communicating with the legislature. House retains. Senate retains. Conference retains.

Major Boilerplate Changes from FY 2020-21

Sec. 230. Performance Formula Detail and Local Strategic Value Categories – REVISED

States the formula by which the amount available for performance funding (which is the amount of the annual increase in funding for community college operations) is allocated: 30% proportionate to prior-year base appropriations, 30% based on contact-hour-equated students weighted for health and technology/industrial fields, 10% based on performance completion improvement, 10% based on performance completion number, 10% based on performance completion rate, 5% based on administrative costs, 5% based on meeting certain requirements reflective of providing strategic value to the local community. Lists requirements for the local strategic value categories. States that community colleges must participate and submit semi-annual updates to the Michigan Transfer Network to receive performance funding payments. Executive adds language specifying the one-time operational support payments are distributed using the formula.

House revises formula that distributes operational funding by starting the phase in of a formula that multiplies the 3-year average of community colleges' FYES measure by a calculated FYES funding figure. The FYES funding figure is obtained by dividing the prior fiscal year's operations funding plus any new funding, excluding North American Indian Tuition Waiver funding, by the total sum of all community colleges' 3-year average FYES measure. The formula also distributes \$98.0 million equally divided by all institutions, and caps individual community college increases at 10% above FY 2020-21, redistributing amounts over the cap using an iterative process to every institution below the 10% cap through a revised 3-year average FYES measure.

The formula for FY 2021-22 would allocate 33.3% of operations funding based on the FYES average and 66.7% based on FY 2020-21 appropriation levels, plus \$98.0 million equally divided by all institutions and redistributed funding from the 10% institutional appropriation increase cap. FY 2022-23 formula funding would allocate 66.7% of operations funding on the FYES average and 33.3% based on FY 2020-21 appropriation levels, plus \$98.0 million equally divided by all institutions and redistributed funding from the 10% institutional appropriation increase cap. For FY 2023-24, 100% of operations funding would be distributed based on the FYES average, plus \$98.0 million equally divided by all institutions and redistributed funding from the 10% institutional appropriation increase cap. Indian Tuition Waiver funding would be excluded from formula calculations. Deletes all local strategic value related language. Adds language that states community colleges should work to ensure courses are transferable to all public universities in the state.

Senate revises language to include the tuition restraint requirements the Executive proposes in section 231, revises the requirement to apply to receiving performance funding, and does not include the state budget director determining compliance. Conference retains current law but updates dates.

Sec. 231. Community Colleges Tuition Restraint Requirement – NOT INCLUDED

Executive adds language that provides tuition restraint requirements in order to receive the one-time operational support payments for FY 2021-22; community colleges must limit in-district tuition and fee increase to 4.2%. Defines the term "fee" to include the cost of any charges paid by more than half of all resident students. Defines the term "tuition and fee rate" to be the average cost charged to the majority of students for the 2 semesters with the highest amount of full-time equated students during an academic year. Specifies that the state budget director determines if a community college has satisfied the requirements to receive operational support payments and provides reports to the appropriations subcommittees and the fiscal agencies. House does not include. Senate includes majority of language as a subsection to section 230, revises the requirement to apply to receiving performance funding but does not include the state budget director determining compliance with the requirement. Conference concurs with House.

FY 2021-22 Community College Operations Appropriations Conference Report

% of Formula:		30%	10%	10%	10%	30%	5%	5%						
	FY 2020-21 Indian Tuition Waiver Payment	FY 2020-21 Base Appropriation	Sustainability	Performance- Improvement	Performance- Completion Number	Performance- Completion Rate	Contact Hours	Administrative	Local Strategic Value	Total One- Time Performance Funding	Indian Tuition Waiver Adjustments	*Total Indian Tuition Waiver Payment	FY 2021-22 Appropriation	% Change
Alpena	\$14,200	\$5,753,300	\$17,260	\$6,098	\$3,728	\$8,237	\$8,831	\$6,360	\$2,877	\$53,400	9,700	\$23,900	\$5,830,600	1.1%
Bay de Noc	116,700	5,602,800	16,808	10,583	3,983	8,058	10,143	5,600	2,801	58,000	(5,100)	111,600	5,772,400	0.9%
Delta	47,700	15,160,500	45,481	13,265	13,249	15,581	42,214	6,029	7,580	143,400	12,400	60,100	15,364,000	1.0%
Glen Oaks	0	2,651,200	7,953	8,658	1,723	5,720	7,159	772	1,326	33,300	0	0	2,684,500	1.3%
Gogebic	49,600	4,873,700	14,621	3,899	2,158	8,151	6,158	4,933	2,437	42,400	2,400	52,000	4,968,100	0.9%
Grand Rapids	233,900	18,773,100	56,319	18,773	21,218	18,509	90,433	6,884	9,386	221,500	(35,300)	198,600	19,193,200	1.0%
Henry Ford	24,500	22,533,100	67,598	18,026	15,526	18,026	68,372	6,992	11,266	205,800	(9,500)	15,000	22,753,900	0.9%
Jackson	58,000	12,756,200	38,268	12,337	8,577	10,205	27,713	6,445	6,378	109,900	(11,800)	46,200	12,912,300	0.8%
Kalamazoo Valley	63,800	13,099,900	39,299	14,730	10,996	13,837	41,668	7,271	6,550	134,400	22,300	86,100	13,320,400	1.2%
Kellogg	61,600	10,267,100	30,801	11,410	9,365	11,762	25,273	7,017	5,133	100,800	(10,300)	51,300	10,419,200	0.9%
Kirtland	36,400	3,358,400	10,075	6,439	3,259	2,687	9,445	5,529	1,679	39,100	(29,900)	6,500	3,404,000	0.3%
Lake Michigan	8,600	5,702,700	17,108	4,562	4,774	4,562	15,338	3,210	2,851	52,400	4,500	13,100	5,768,200	1.0%
Lansing	158,000	32,852,000	98,555	29,400	27,752	29,800	72,160	6,467	16,426	280,600	(35,300)	122,700	33,255,300	0.7%
Macomb	43,400	34,276,100	102,827	27,421	30,151	31,025	114,684	7,022	17,138	330,300	(20,100)	23,300	34,629,700	0.9%
Mid-Michigan	124,800	5,184,400	15,553	4,147	5,308	7,494	18,486	4,621	2,592	58,000	29,100	153,900	5,396,300	1.6%
Monroe County	500	4,746,200	14,238	5,599	4,482	3,797	14,466	6,264	2,373	51,200	200	700	4,798,100	1.1%
Montcalm	7,100	3,570,600	10,712	4,614	3,860	2,856	7,510	5,903	1,785	37,200	(2,300)	4,800	3,612,600	1.0%
Mott	24,000	16,440,000	49,319	13,152	14,802	13,152	37,649	6,199	8,220	142,500	17,000	41,000	16,623,500	1.0%
Muskegon	73,900	9,289,100	27,867	7,431	6,623	10,953	20,776	6,767	4,644	85,100	(16,400)	57,500	9,431,700	0.7%
North Central	173,400	3,389,300	10,168	4,477	3,605	6,108	10,097	6,060	1,695	42,200	7,800	181,200	3,612,700	1.4%
Northwestern	276,000	9,567,100	28,701	9,795	7,024	11,324	21,188	5,757	4,783	88,600	(24,800)	251,200	9,906,900	0.6%
Oakland	35,100	22,211,700	66,634	21,522	29,523	21,311	83,529	6,405	11,106	240,000	(1,600)	33,500	22,485,200	1.1%
Schoolcraft	40,300	13,196,200	39,588	10,557	17,198	14,039	56,624	7,139	6,598	151,700	(1,500)	38,800	13,386,700	1.1%
Southwestern	37,200	6,979,400	20,938	16,150	4,768	5,583	12,772	4,709	3,490	68,400	(3,100)	34,100	7,081,900	0.9%
St. Clair County	3,400	7,385,200	22,155	6,409	8,444	9,837	22,470	5,349	3,693	78,400	11,700	15,100	7,478,700	1.2%
Washtenaw	32,300	13,855,900	41,567	11,085	39,802	14,892	68,438	6,660	6,928	189,400	3,000	35,300	14,080,600	1.4%
Wayne County	14,900	17,593,400	52,780	21,012	19,651	14,075	51,808	5,554	8,797	173,700	100	15,000	17,782,100	1.0%
West Shore	26,500	2,585,600	7,757	2,099	2,103	2,068	5,544	3,908	1,293	24,800	(6,300)	20,200	2,630,600	0.7%
	\$1,785,800	\$323,654,200	\$970,950	\$323,650	\$323,650	\$323,650	\$970,950	\$161,825	\$161,825	\$3,236,500	(\$93,100)	\$1,692,700	\$328,583,400	1.0%

Data Notes		
Component	Source	Years
Performance improvement	CEPI	FYs 2017-2019
Performance completion number	Federal IPEDS	FYs 2017-2019
Performance completion rate	CEPI	FYs 2017-2019
Contact hours	State MCCDI	FY 2020
Administrative	State MCCDI	FYs 2019-2020

**FY 2020-21 Community College Revised Operations Appropriations
Conference Report**

	FY 2020-21 Indian Tuition Waiver Payment	FY 2020-21 Base Appropriation	Allocation from Sec. 201e	Revised Total FY 2020-21 Appropriation	% Change	Change From Original FY 2020-21 Total
Alpena	\$14,200	\$5,753,300	\$225,700	\$5,979,000	3.9%	\$225,700
Bay de Noc	116,700	5,602,800	219,800	5,822,600	3.9%	219,800
Delta	47,700	15,160,500	594,700	15,755,200	3.9%	594,700
Glen Oaks	0	2,651,200	104,000	2,755,200	3.9%	104,000
Gogebic	49,600	4,873,700	191,100	5,064,800	3.9%	191,100
Grand Rapids	233,900	18,773,100	736,400	19,509,500	3.9%	736,400
Henry Ford	24,500	22,533,100	883,900	23,417,000	3.9%	883,900
Jackson	58,000	12,756,200	500,400	13,256,600	3.9%	500,400
Kalamazoo Valley	63,800	13,099,900	513,900	13,613,800	3.9%	513,900
Kellogg	61,600	10,267,100	402,700	10,669,800	3.9%	402,700
Kirtland	36,400	3,358,400	131,700	3,490,100	3.9%	131,700
Lake Michigan	8,600	5,702,700	223,700	5,926,400	3.9%	223,700
Lansing	158,000	32,852,000	1,288,700	34,140,700	3.9%	1,288,700
Macomb	43,400	34,276,100	1,344,500	35,620,600	3.9%	1,344,500
Mid-Michigan	124,800	5,184,400	203,400	5,387,800	3.9%	203,400
Monroe County	500	4,746,200	186,200	4,932,400	3.9%	186,200
Montcalm	7,100	3,570,600	140,100	3,710,700	3.9%	140,100
Mott	24,000	16,440,000	644,900	17,084,900	3.9%	644,900
Muskegon	73,900	9,289,100	364,400	9,653,500	3.9%	364,400
North Central	173,400	3,389,300	133,000	3,522,300	3.9%	133,000
Northwestern	276,000	9,567,100	375,300	9,942,400	3.9%	375,300
Oakland	35,100	22,211,700	871,300	23,083,000	3.9%	871,300
Schoolcraft	40,300	13,196,200	517,700	13,713,900	3.9%	517,700
Southwestern	37,200	6,979,400	273,800	7,253,200	3.9%	273,800
St. Clair County	3,400	7,385,200	289,700	7,674,900	3.9%	289,700
Washtenaw	32,300	13,855,900	543,500	14,399,400	3.9%	543,500
Wayne County	14,900	17,593,400	690,100	18,283,500	3.9%	690,100
West Shore	26,500	2,585,600	101,400	2,687,000	3.9%	101,400
	\$1,785,800	\$323,654,200	\$12,696,000	\$336,350,200	3.9%	12,696,000

**FY 2021-22: HIGHER EDUCATION
Summary: Conference Report
Article 3, House Bill 4400 (H-2) CR-1**



Analyst: Perry Zielak

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: Conference From FY 2020-21 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	126,026,400	122,726,400	128,526,400	128,526,400	128,526,400	2,500,000	2.0
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	356,063,300	361,403,300	361,403,300	361,403,300	361,403,300	5,340,000	1.5
GF/GP	1,217,835,700	1,247,837,600	1,218,971,500	1,247,837,600	1,318,321,500	100,485,800	8.3
Gross	\$1,699,925,400	\$1,731,967,300	\$1,708,901,200	\$1,737,767,300	\$1,808,251,200	\$108,325,800	6.4

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4400 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 93 as passed by the Senate.

Overview

The Higher Education budget, 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; some retirement costs for employees who participate in the state public school employee retirement system; various financial aid programs for students attending public and independent colleges and universities in the state; and several other smaller higher education-related programs.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. University Operations Increase

Executive increases university operations funding by \$29.7 million GF/GP. This includes a one-time \$29.2 million GF/GP increase to operations grants for universities, a 2.0% increase, and a \$484,000 GF/GP increase based on FY 2019-20 North American Indian Tuition Waiver program costs reported by institutions. Attainment of the one-time operations increase, labeled operational support payments, would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.2% or \$590 (set at 4.25% or \$586 in the current year). Projected funding increases for individual universities would range from 1.7% to 2.1%. Total funding for operations would be \$1.5 billion Gross (\$1.2 billion GF/GP).

House increases university operations funding by \$484,000 GF/GP based on FY 2019-20 North American Indian Tuition Waiver program costs reported by institutions. All operations funding would be allocated based on a funding formula that primarily uses a 3-year average of fiscal year equated students (FYES) multiplied by an established funding per FYES measure and FY 2020-21 appropriations levels and a 10% cap on increases above FY 2020-21 levels, with amounts over the cap redistributed through an iterative process to all institutions below the cap. House does not include the one-time funding increase or the undergraduate tuition and fee restraints. Projected funding changes for individual universities would range from (12.2%) to 10.1%. Total funding for operations would be \$1.5 billion Gross (\$1.2 billion GF/GP).

[continued on next page]

	FY 2020-21 Year-to-Date (as of 2/6/20)	FY 2021-22 Conference Change
Gross	\$1,473,667,300	\$15,091,500
Restricted	343,168,300	0
GF/GP	\$1,130,499,000	\$15,091,500

Major Budget Changes from FY 2020-21 YTD Appropriations

1. University Operations Increase (continued)

Senate increases university operations funding by \$28.6 million GF/GP. This includes a one-time \$29.2 million GF/GP increase to operations grants, a \$484,000 GF/GP increase based on FY 2019-20 North American Indian Tuition Waiver costs, and a \$75,000 reduction based on King-Chavez-Parks (KCP) Visiting Professors program. The one-time increase would be distributed in proportion to FY 2020-21 base operations. Projected funding increases for individual universities would range from 1.7% to 2.1%. Total funding for operations would be \$1.5 billion Gross (\$1.2 billion GF/GP).

Conference increases university operations funding by \$15.1 million GF/GP. This includes a one-time \$14.6 million GF/GP increase to operations grants and a \$484,000 GF/GP increase based on FY 2019-20 North American Indian Tuition Waiver costs. The one-time increase would be distributed in proportion to FY 2020-21 base operations. Projected funding increases for individual universities would range from 0.8% to 1.1%. Total funding for operations would be \$1.5 billion Gross (\$1.1 billion GF/GP).

2. Michigan State University Extension and AgBioResearch Programs One-Time Funding Increase

Gross	\$65,073,400	\$650,800
GF/GP	\$65,073,400	\$650,800

Executive includes a one-time operations increase for MSU's AgBioResearch program of \$698,700 GF/GP and Extension program of \$602,700 GF/GP, a 2.0% increase for both programs. Total funding for AgBioResearch and Extension programs would be \$66.4 million GF/GP. House does not include. Senate concurs with Executive. Conference includes a one-time operations increase for the AgBioResearch program of \$349,400 GF/GP and Extension program of \$301,400 GF/GP, a 1.0% increase for both programs. Total funding for AgBioResearch and Extension programs would be \$65.7 million GF/GP

3. Michigan Public School Employee Retirement System (MPSERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment

Gross	\$11,695,000	\$86,541,700
Restricted	11,695,000	1,800,000
GF/GP	\$0	\$84,741,700

Executive increases funding by \$1.8 million School Aid Fund (SAF) for the state's share of the universities' UAAL contribution to MPSERS, a 15.4% increase. The state's share is the difference between the calculated unfunded accrued liability contribution to the system and the employer contribution cap of 25.73% of payroll for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Funding for the state share of MPSERS would be \$13.5 million SAF. House concurs. Senate concurs. Conference increases funding by \$86.5 million Gross (\$84.7 million GF/GP). This includes a one-time \$84.7 million GF/GP increase and a \$1.8 million SAF increase for the state's share of the universities' UAAL contribution to MPSERS. Funding for the state share of MPSERS would be \$98.2 million (\$84.7 million GF/GP).

4. MPSERS Normal Cost Offset

Gross	\$1,200,000	\$3,540,000
Restricted	1,200,000	3,540,000
GF/GP	\$0	\$0

Executive increases reimbursement funding provided to universities by \$3.5 million SAF, a 295.0% increase, for the normal cost required to maintain the assumed rate of return for MPSERS at 6.8%. Total funding for the MPSERS Normal Cost Offset would be \$4.7 million GF/GP. House concurs. Senate concurs. Conference concurs.

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/6/20)</u>	<u>FY 2021-22 Conference Change</u>
5. Tuition Incentive Program	Gross	\$68,800,000	\$2,500,000
<u>Executive</u> decreases Tuition Incentive Program (TIP) by \$3.3 million federal TANF funding, a 4.8% decrease. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The decrease is the net result of a \$2.5 million increase to address anticipated program growth in FY 2021-22, and a \$5.8 million reduction through implementation of a program reimbursement rate cap of 2.5 times the average in-district community college tuition rate. Total funding for TIP would be \$65.5 million TANF. <u>House</u> increases TIP by \$2.5 million federal TANF funding to address anticipated program growth in FY 2021-22. Does not include the reimbursement rate cap. Total funding for TIP would be \$71.3 million TANF. <u>Senate</u> concurs with House. <u>Conference</u> concurs with House.	Federal	68,800,00	2,500,000
	GF/GP	\$0	\$0
6. Bay Mills Community College One-Time Pass-through Payment	Gross	\$1,000,000	(\$1,000,000)
<u>Executive</u> removes \$1.0 million GF/GP in one-time funding to Bay Mills Community College, a tribal college, as a pass-through payment through Lake Superior State University. The payment helps the college offset the costs of educating non-Native American students. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$1,000,000	(\$1,000,000)
7. Japan Center for Michigan Universities	Gross	\$0	\$500,000
<u>Conference</u> adds \$500,000 GF/GP in one-time funding to support operations at the Japan Center for Michigan Universities.	GF/GP	\$0	\$500,000
8. Pregnant and Parenting Support Services	Gross	\$0	\$500,000
<u>House</u> adds \$500,000 GF/GP for pregnant and parenting services. Universities that establish and operate a pregnant and parenting student services office according to the guidelines found in 2004 PA 500 are eligible for grants to operate the office. <u>Senate</u> does not include but does add a KCP Pregnant and Parenting Support Services program funded by redistributing KCP funding (see Item #9). <u>Conference</u> concurs with House.	GF/GP	\$0	\$500,000
9. King-Chavez-Parks Pregnant and Parenting Support Services and Program Revisions	Gross	\$2,691,500	\$0
<u>Senate</u> reduces KCP Visiting Professors program funding rolled into operations grants by \$75,000, reduces KCP Select Student Support Service program funding by \$73,600, and adds the combined \$148,600 to a new KCP Pregnant and Parenting Support Services program. Total KCP program funding would be \$2.8 million GF/GP. <u>Conference</u> does not include.	GF/GP	\$2,691,500	\$0
10. Calvin University Prison Initiative One-Time Funding	Gross	\$0	\$0
<u>House</u> adds \$1,000,000 GF/GP to Calvin University's prison collegiate education initiative program. The university would work with other public universities to establish additional collegiate educational programs in public correctional facilities. <u>Senate</u> does not include. <u>Conference</u> does not include.	GF/GP	\$0	\$0
11. Wayne State University De-escalation Training Center	Gross	\$0	\$0
<u>House</u> adds \$150,000 GF/GP to Wayne State University for a non-profit de-escalation training center. The center would be used for, but not be limited to, training law enforcement agencies at no charge for participating agencies. <u>Senate</u> does not include. <u>Conference</u> does not include.	GF/GP	\$0	\$0

Major Boilerplate Changes from FY 2020-21

Sec. 236b. Federal Contingency Funds – REVISED

Appropriates up to \$6.0 million in federal contingency funds for grants and financial aid, to be expended only after transfer to specific line items through the legislative transfer process. House revises wording of "contingency funds" to "contingency authorization." Senate deletes. Conference concurs with House.

Sec. 236h. MPSERS One-Time Payment Detail – NEW

Conference adds language detailing the one-time payment for MPSERS unfunded actuarial accrued liability contributions to the system for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western) and states payments will be distributed no later than December 31, 2021.

Sec. 236i. FY 2020-21 One-Time Operational Support Payment Detail – NEW

Executive adds language detailing the FY 2021-22 one-time operational support payment allocations for each university, along with one-time appropriations for MSU's AgBioResearch and Extension programs. House does not include. Senate concurs with Executive. Conference adds language detailing the one-time operational support payment for FY 2020-21, which would represent a 4% operations increase and would be distributed across-the-board. The operational support payment fulfills the maintenance of effort requirement for the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Sec. 245. Transparency Website and Various Reporting Requirements – REVISED

Requires each university to post on its website specified data on budget, revenue, expenditures, and employee compensation, as well as university performance data, information on transfer policies and opportunities for high school students to earn college credit, collective bargaining agreements, benefit plans, and audits. Executive deletes requirement that state budget director determine compliance and language granting authority to withhold payments for a university not in compliance. Deletes reporting requirements about institutional positions in addition to reporting on career and technical programs, dual enrollment and early middle college programs. House retains deleted language but adds requirement that universities submit information to the Michigan Association of State Universities (MASU), which will compile and report the data to the House and Senate Appropriation Subcommittees on Higher Education, House and Senate Fiscal Agencies and the state budget director. Senate retains but deletes reporting language on early college programs. Conference concurs with House but changes report compiling responsibility from MASU to the state budget director.

Sec. 245a. Campus Safety Information and Resources, Safety Reporting Requirements – REVISED

Requires universities to develop a "campus safety information and resources" webpage, which must be linked and displayed on their home webpage. The page must display various safety information and policies, and the schools must certify compliance to the state budget director by October 1, 2020, or have monthly state payments withheld. Executive deletes certification requirement to the state budget director. House retains deleted language but updates dates. Senate concurs with House. Conference concurs with House.

Sec. 252. Tuition Grant Program Detail – RETAINED

Provides for distribution of funds appropriated for Tuition Grants; specifies grant amount of \$2,800, unless insufficient funds are available, in which case a report is required. Executive deletes language that specifies that the \$4.8 million institutional cap does not apply to any other student financial aid program or in combination with any other financial aid program. House retains deleted language but adds an institutional cap exemption for prisoner education programs. Senate retains language but raises institutional cap from \$4.8 million to \$5.0 million and deletes reporting language for independent colleges and universities. Conference retains current law.

Sec. 256. Tuition Incentive Program Detail – REVISED

Specifies criteria for Tuition Incentive Program (TIP) eligibility; provides for award conditions and limits under Phases I (associate degree and certificate programs) and II (third and fourth years toward bachelor's degree) of the program. Executive includes new language that states the program will cover tuition and fees that do not exceed 2.5x the in-district community college tuition per-credit rate of the previous academic year. House does not include new language but makes various minor technical revisions. Senate concurs with House. Conference concurs with House.

Sec. 259. Department of Treasury Financial Aid Information Program – REVISED

Executive deletes legislative intent language that instructs the Department of Treasury to launch an aggressive information campaign about state scholarships and the eligibility requirements. House retains. Senate revises language to add information on free or reduced tuition programs by community colleges and state universities. Conference concurs with Senate.

Major Boilerplate Changes from FY 2020-21

Sec. 260. Student Loan and Financial Aid Website – REVISED

Requires the Department of Treasury, working with the Michigan College Access Network, the Michigan Association of State Universities (MASU), the Michigan Community College Association (MCCA), and Michigan Independent Colleges and Universities (MICU) to the extent possible, create a website containing various student loan and other financial aid information. Requires universities to post a link to the website on its homepage. Executive deletes list of loan servicers and student loan information, and adds information on the federal public service loan forgiveness program. House retains. Senate revises to add information on promise zones, the federal public service loan forgiveness program and directs the Department of Treasury to inform each high school about the financial aid information website. Conference concurs with Senate.

Sec. 261. University of Michigan's Douglas Lake Biological Station – RETAINED

Executive deletes legislative intent language that designates the University of Michigan's Douglas Lake Biological Station as a unique research resource and aims to protect the lake area. House retains. Senate retains. Conference retains.

Sec. 264a. Michigan State University's 4-H Program In-Person Metrics – NOT INCLUDED

House adds conditions to Michigan State's Extension program funding in which MSU must establish metrics and policies that will lead to in-person meetings, events and activities for the 4-H program in 2021 and post the established metrics to a public website while also submitting the information to the House and Senate Appropriation Subcommittees on Higher Education, House and Senate Fiscal Agencies and the state budget director. Senate does not include. Conference concurs with Senate.

Sec. 265. Performance Funding Tuition and Fees Restraint Requirement – REVISED

Provides tuition restraint requirements in order to receive performance funding increase. Executive revises requirement to apply to one-time operational support payments for FY 2021-22. Revises tuition restraint cap for universities to the greater of 4.2% or \$590. Revises reporting date from October 1 to the last business day of August. Deletes legislative intent language that indicates universities that violate the tuition restraint cap shall not receive a capital outlay project authorization in FY 2020-21, FY 2021-22, and FY 2022-23 and will have its appropriation adjusted. House deletes. Senate concurs with Executive on the tuition restraint cap and the reporting date revision but retains legislative intent language. Conference concurs with Senate but adds language linking the FY 2021-22 one-time operation supplemental payments to the tuition restraint requirements.

Sec. 265a. Performance Funding Formula Detail and Additional Requirements – RETAINED

Includes requirements for a university to receive the performance funding increase.

Executive revises language specifying funding applies to FY 2021-22 only. Replaces "performance funding" with "operational support payments." Revises reporting date from October 1 to the last business day of August. Deletes language detailing the performance formula and revises to state that universities receive one-time operational support payments as an across-the-board funding increase proportional to each university's share of total operations funding from the prior fiscal year. Deletes intent language about allocating more funding based on performance metrics in future years. House concurs with reporting date revision and legislative intent language about performance metrics in future years. Revises formula that distributes operational funding by starting the phase in of a formula that multiplies the 3-year average of universities' resident undergraduate and graduate FYES measure by a calculated FYES funding figure. The FYES funding figure is obtained by dividing the prior fiscal year's operations funding, less \$100,000,000 for Carnegie Tier 1 distributions (universities classified as doctoral universities, very high research activity) and \$35,000,000 for Carnegie Tier 2 distributions (universities classified as doctoral universities, high research activity), plus any new funding, excluding North American Indian Tuition Waiver funding, by the total of all universities' 3-year FYES averages. Carnegie Tier 1 and Tier 2 distributions would be divided equally by all universities classified in the tiers. The formula caps individual university increases at 10% above FY 2020-21, redistributing amounts over the cap using both an iterative process to every institution below the 10% cap through a revised 3-year average FYES measure while also including a hold-harmless distribution to universities located in the Upper Peninsula.

The formula for FY 2021-22 would allocate 33.3% of operations funding based on the FYES average and Carnegie Tier 1 or Tier 2 funding, and 66.7% based on FY 2020-21 appropriation levels, plus redistributed funding from the 10% institutional appropriation increase cap and Northern Regional hold-harmless funding if applicable. FY 2022-23 formula funding would allocate 66.7% of operations funding on the FYES average and Carnegie Tier 1 or Tier 2 funding, and 33.3% based on FY 2020-21 appropriation levels, plus redistributed funding from the 10% institutional appropriation increase cap and Northern Regional hold-harmless funding if applicable. For FY 2023-24, 100% of operations funding would be distributed based on the FYES average and Carnegie Tier 1 or Tier 2 funding, plus redistributed funding from the 10% institutional appropriation increase cap and Northern Regional hold-harmless funding if applicable. Indian Tuition Waiver funding would be excluded from formula calculations.

Senate retains. Conference retains.

Major Boilerplate Changes from FY 2020-21

Sec. 265e. Distribution of Sexual Assault Prevention, Safety, and Mental Health Funds – RETAINED

Executive deletes legislative intent language that encourages universities to use a portion of operations funding for sexual assault prevention, campus safety, and student mental health programs. House retains. Senate retains. Conference retains.

Sec. 268. North American Indian Tuition Waiver Reporting Requirements – REVISED

Requires Department of Civil Rights to report certain information related to the waivers, and requires universities and tribal colleges receiving waiver pass-through funding to provide data under guidelines and procedures developed by the Department of Civil Rights by January 15. Executive deletes legislative intent language that states unfunded Indian Tuition Waiver costs be allocated from the General Fund. House concurs. Senate retains legislative intent language and adds January 1 reporting deadline for universities. Conference concurs with Senate.

Sec. 269. Saginaw Chippewa Tribal College North American Indian Tuition Waiver Funding – REVISED

Specifies a \$79,700 pass-through payment from Central Michigan's North American Indian Tuition Waiver appropriation to Saginaw Chippewa Tribal College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to the Department of Civil Rights. Executive revises payment from \$79,700 to \$82,380. House concurs. Senate concurs. Conference concurs.

Sec. 270. Bay Mills Community College North American Indian Tuition Waiver Funding – DELETED

Executive deletes language that specifies a \$0 pass-through payment from Lake Superior State's North American Indian Tuition Waiver appropriation to Bay Mills Community College for costs of Indian Tuition Waiver Program and requires the institution to report waiver information specified under Sec. 268 to the Department of Civil Rights. House retains and updates dates. Senate concurs with Executive. Conference concurs with Executive.

Sec. 270b. Bay Mills Community College Non-Native Students Pass-Through Payment – DELETED

Executive deletes language that specifies a \$1.0 million pass-through payment from Lake Superior State University to Bay Mills Community College for the costs of educating non-Native American students and that requires Bay Mills to comply with various reporting requirements to the Center for Educational Performance and Information (CEPI) or the state treasurer will have LSSU withhold payments of the pass-through. House concurs. Senate concurs. Conference concurs.

Sec. 271a. Union-Related Activities Prohibition – RETAINED

Executive deletes legislative intent language that prohibits universities from knowingly and directly using state funds to offer instructional activity that targets specific companies or specific groups of companies for unionization or decertification of a union. House retains. Senate retains. Conference retains.

Sec. 274. Embryonic Stem Cell Research Reporting – RETAINED

Executive deletes legislative intent language that requires universities conducting research using human embryonic stem cells to report to the Department of Health and Human Services regarding compliance with federal guidelines and stem cell lines derived by university. House retains and updates dates. Senate retains. Conference retains.

Sec. 274d. Annual Sexual Assault/Title IX Reporting – REVISED

Requires public universities to submit their Title IX report on student sexual misconduct and a Title IX summary report to the Higher Education appropriations subcommittees, the fiscal agencies, the Attorney General, and the state budget director. Senate revises to have universities submit annual Clery Act report and adds two categories for the Title IX report. Conference concurs with Senate.

Sec. 275a. Self-liquidating Projects Restriction and Capital Outlay Reporting – RETAINED

Executive deletes language that prohibits use of state funds for self-liquidating projects and requires compliance with Joint Capital Outlay Subcommittee reporting requirements, with specified penalty of 1.0% appropriation reduction. House retains. Senate retains. Conference retains.

Sec. 275d. Communication with the Legislature – REVISED

Executive deletes legislative intent language that urges a university to not take disciplinary action against an employee for communicating with the legislature. House retains and revises language to state a university shall not take action against employees for communicating with the legislature. Senate retains. Conference concurs with House.

Sec. 275f. Free and Open Speech Policies Reporting Requirement – REVISED

Executive deletes language that requires universities to report on activities related to strategic planning or assessment of policies that provide for open and free speech while protecting students from hate speech and discrimination. House retains and updates dates. Senate revises with legislative intent language that universities adopt advocacy policies for distribution and demonstrations around first amendment activities and political speech. Conference concurs with House but adds legislative intent language and adds Senate revised language as Sec. 275h.

Major Boilerplate Changes from FY 2020-21

Sec. 275g. 2020-21 Academic Year and Covid-19 Reporting Requirements – REVISED

Executive deletes language that requires universities to report enrollment and student residential data for the 2020-21 academic year by September 30, 2021 and requires universities to report information related to online and COVID-19 fees, along with COVID-19 mitigation strategies and data by November 1, 2020. House retains deleted language but revises requirements to report all federal and state funding received related to the COVID-19 pandemic. Senate deletes. Conference revises requirements to report all federal funding received related to the COVID-19 pandemic and post the report on a public website.

Sec. 275h. Campus Advocacy Policy – NEW

Senate revises Sec. 275f with legislative intent language that universities adopt advocacy policies for distribution and demonstrations around first amendment activities and political speech and to submit a report of complaints under the policy and the actions taken in response to those complaints. Conference concurs with Senate but adds as Sec. 275h and does not include the reporting requirement.

Sec. 275i. Students with Dependent Children Data Reporting Requirement – DELETED

Executive deletes language that requires public universities to collect data on students with dependent children, such as the number of enrolled students with dependents, programs and resources available, and the barriers preventing students from completing a degree. House concurs. Senate concurs. Conference concurs.

Sec. 275i. University COVID-19 Vaccination Exemption Requirement – NEW

House adds language as Sec. 275j that restricts universities from requiring COVID-19 vaccination as a prerequisite for enrollment, moving into or residing in university offered housing, or attending in-person instruction. Senate does not include. Conference does not include House language but adds language detailing exemptions and reporting requirements that universities must provide if a campus mandatory vaccine policy is implemented.

Sec. 275j. King-Chavez-Parks Pregnant and Parenting Student Support Services – NEW

Senate adds language detailing the KCP Pregnant and Parenting Student Support Services program, states that individual institutional awards for the program cannot exceed \$50,000 and must have a 30% university match, gives the Department of Labor and Economic Opportunity administrative responsibility for the program, and adds a reporting requirement for universities that establish a program. Conference concurs with Senate but deletes the reference to the King-Chavez-Parks program.

Sec. 281a. Martin Luther King, Jr. – Cesar Chavez – Rosa Parks (KCP) Reporting Requirement – REVISED

Requires public universities to report data about the six support programs behind the King-Chavez-Parks university programs to the Department of Labor and Economic Opportunity by February 15. Senate revises and adds various reporting requirements for KCP programs. Conference concurs with Senate.

Sec. 286b. Bachelor of Science in Nursing Articulation Agreements Reporting – NEW

Senate adds a reporting requirement on a summary of efforts for any university seeking articulation agreements with community colleges on a bachelor of science in nursing. Conference concurs with Senate.

Sec. 291. Auditor General University Performance Audits – REVISED

Executive deletes language that permits the Office of Auditor General to conduct performance audits of public universities. House retains. Senate revises to add reference to article IV of the state constitution. Conference concurs with Senate.

**FY 2021-22 University Operations Appropriations
Conference Report**

University	FY 2020-21 Indian Tuition Waiver Payment*	FY 2020-21 Base Appropriation	FY 2021-22 One-Time Supplemental Funding	Indian Tuition Waiver Adjustment	Total FY 22 Indian Tuition Waiver Payment	Proposed Total FY 2021-22 Appropriation	Percent Change	Change From FY 2020-21 Total
Central	\$1,964,500	\$87,600,000	\$876,000	\$0	\$1,964,500	\$90,440,500	1.0%	\$876,000
Eastern	301,500	77,253,700	772,500	(21,800)	279,700	78,305,900	1.0%	750,700
Ferris	908,800	55,025,500	550,300	57,000	965,800	56,541,600	1.1%	607,300
Grand Valley	1,177,200	72,313,500	723,100	0	1,177,200	74,213,800	1.0%	723,100
Lake Superior	1,945,100	13,307,000	133,100	(1,018,600)	926,500	14,366,600	(5.8%)	(885,500)
Michigan State	1,604,000	287,331,700	2,873,300	328,800	1,932,800	292,137,800	1.1%	3,202,100
Michigan Tech	693,600	50,101,600	501,000	75,700	769,300	51,371,900	1.1%	576,700
Northern	1,060,600	47,809,100	478,100	(9,100)	1,051,500	49,338,700	1.0%	469,000
Oakland	266,100	53,147,400	531,500	67,900	334,000	54,012,900	1.1%	599,400
Saginaw Valley	219,500	30,583,800	305,800	(65,600)	153,900	31,043,500	0.8%	240,200
UM-Ann Arbor	961,000	321,970,100	3,219,700	114,600	1,075,600	326,265,400	1.0%	3,334,300
UM-Dearborn	167,800	26,167,000	261,700	(2,800)	165,000	26,593,700	1.0%	258,900
UM-Flint	348,200	23,616,200	236,200	(3,200)	345,000	24,197,400	1.0%	233,000
Wayne State	462,200	202,996,700	2,030,000	7,500	469,700	205,496,400	1.0%	2,037,500
Western	841,700	111,522,200	1,115,200	(46,400)	795,300	113,432,700	1.0%	1,068,800
TOTAL:	\$12,921,800	\$1,460,745,500	\$14,607,500	(\$516,000)	\$12,405,800	\$1,487,758,800	1.0%	\$14,091,500

* Includes a Lake Superior State one-time pass-through payment to Bay Mills Community College

Requirements to receive one-time supplemental funding payment for FY 2021-22:

1. Participate in at least three reverse transfer agreements with community colleges
2. Maintain a dual enrollment credit policy that does not consider if credits were used toward high school graduation
3. Actively participate in and submit timely updates to the Michigan Transfer Network

Requirements to avoid a 10% reduction in operations funding:

1. Submit Sec. 274c & 274d Title IX reports
2. Comply with various Title IX requirements listed in Sec. 265b

**FY 2020-21 University Revised Operations Appropriations
Conference Report**

University	FY 2020-21 Indian Tuition Waiver Payment*	FY 2020-21 Base Appropriation	Allocation from Sec. 236i	Revised Total FY 2020-21 Appropriation	Percent Change	Change From Original FY 2020-21 Total
Central	\$1,964,500	\$87,600,000	\$3,437,300	\$93,001,800	3.9%	\$3,437,300
Eastern	301,500	77,253,700	3,030,400	80,585,600	3.9%	3,030,400
Ferris	908,800	55,025,500	2,158,400	58,092,700	3.9%	2,158,400
Grand Valley	1,177,200	72,313,500	2,836,600	76,327,300	3.9%	2,836,600
Lake Superior	1,945,100	13,307,000	525,900	15,778,000	4.0%	525,900
Michigan State	1,604,000	287,331,700	11,270,800	300,206,500	3.9%	11,270,800
Michigan Tech	693,600	50,101,600	1,965,300	52,760,500	3.9%	1,965,300
Northern	1,060,600	47,809,100	1,875,400	50,745,100	3.9%	1,875,400
Oakland	266,100	53,147,400	2,084,800	55,498,300	3.9%	2,084,800
Saginaw Valley	219,500	30,583,800	1,199,700	32,003,000	3.9%	1,199,700
UM-Ann Arbor	961,000	321,970,100	12,629,500	335,560,600	3.9%	12,629,500
UM-Dearborn	167,800	26,167,000	1,026,400	27,361,200	3.9%	1,026,400
UM-Flint	348,200	23,616,200	926,400	24,890,800	3.9%	926,400
Wayne State	462,200	202,996,700	7,962,600	211,421,500	3.9%	7,962,600
Western	841,700	111,522,200	4,374,500	116,738,400	3.9%	4,374,500
TOTAL:	\$12,921,800	\$1,460,745,500	\$57,304,000	\$1,530,971,300	3.9%	\$57,304,000

* Includes a Lake Superior State one-time pass-through payment to Bay Mills Community College

FY 2020-21 Appropriations

APPENDIX

Supplemental Appropriation

FY 2020-21 SUPPLEMENTAL APPROPRIATIONS
Summary: Conference Report
House Bill 4400 (H-2) CR-1



HFA Director: Mary Ann Cleary
 Senior Fiscal Analyst: Perry Zielak

<u>Supplemental Recommendations for FY 2020-21 Appropriations</u>	<u>Appropriation Change</u>	
COMMUNITY COLLEGES		
1. <i>Community College Operations Payment for Maintenance of Effort (MOE) Requirement</i>	Gross	\$12,696,000
<u>Conference</u> includes \$12.7 million SAF for community college operations grant funding. The funding restores reductions made to operations grants in FY 2019-20, which would meet the MOE requirements in the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.	Restricted	12,696,000
	GF/GP	\$0
HIGHER EDUCATION		
2. <i>University Operations Payment for Maintenance of Effort (MOE) Requirement</i>	Gross	\$57,304,000
<u>Conference</u> includes \$57.3 million GF/GP for university operations grant funding. The funding restores reductions made to operations grants in FY 2019-20, which would meet the MOE requirements in the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.	GF/GP	\$57,304,000