

FY 2018-19 EDUCATION OMNIBUS BUDGET
Summary: As Reported by House Appropriations Committee
House Bill 5579 (H-1)



Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area (Bill Page) [Summary Page]	FY 2018-19		
	Gross	SAF	GF/GP
School Aid (3) [2]	\$14,822,789,000	\$12,849,145,400	\$45,000,000
Community College (322) [15]	408,215,500	408,215,500	0
Higher Education (346) [18]	1,650,317,500	\$385,588,300	1,145,602,800
TOTAL	\$16,881,322,000	\$13,642,949,200	\$1,190,602,800

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

FY 2018-19: SCHOOL AID

Summary: As Reported by House Appropriations Committee Article I, House Bill 5579 (H-1)



Analysts: Bethany Wicksall
Samuel Christensen

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Revised Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: House From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0			\$0	--
Federal	1,726,943,500	1,724,743,500	1,724,743,500			(2,200,000)	(0.1)
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	12,642,370,400	12,951,225,300	13,053,045,500			410,675,100	3.2
GF/GP	215,000,000	60,000,000	45,000,000			(170,000,000)	(79.1)
Gross	\$14,584,313,900	\$14,735,968,800	\$14,822,789,000			\$238,475,100	1.6

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The School Aid budget makes appropriations to the state's 539 local school districts, 294 public school academies, and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Michigan Department of Education (MDE), Center for Educational Performance and Information (CEPI), the Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

Major Budget Changes From FY 2017-18 YTD Appropriations

1. Foundation Allowances (Secs. 22a and 22b)

Executive increases by \$312.0 million to provide increases ranging from \$120 to \$240 per pupil using the 2x formula. The minimum foundation allowance would increase from \$7,631 to \$7,871 (3.1%), and the state maximum guaranteed foundation allowance would increase from \$8,289 to \$8,409 (1.4%).

House concurs with Executive.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 House Change
Gross	\$9,219,300,000	\$312,000,000
Restricted	9,073,560,500	456,656,700
GF/GP	\$145,739,500	(\$144,656,700)

2. Shared-Time Instruction for Nonpublic Pupils (Sec. 23f) – NEW

Executive revises state support of shared-time instruction for nonpublic pupils from a per-pupil foundation allowance to a categorical program. Caps the number of pupils for whom a district is eligible for reimbursement at 5% of the district's per pupil membership and limits participation to pupils in grades 1 to 12, excluding kindergarten. Results in a reduction of \$68.0 million leaving an estimated cost of \$64.1 million.

(See Major Boilerplate Changes below for related Sec. 166b revisions.)

House maintains current law related to shared-time instruction funding. (See Major Boilerplate Changes below for other Sec. 166b revisions.)

Gross	NA	\$0
Restricted	NA	0
GF/GP	NA	\$0

3. Foundation Allowances – Cyber Schools (Secs. 22a and 22b)

Executive reduces cyber school foundation allowances to 75% of the minimum foundation allowance at an estimated savings of \$25.0 million. For FY 2018-19 the cyber foundation allowance would be \$5,903.

House maintains current law.

Gross	NA	\$0
Restricted	NA	0
GF/GP	NA	\$0

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 House Change
4. Marshall Plan for Talent – Competency-Based Education Pilots (Sec. 21j/306)	Gross	\$500,000	\$2,500,000
<u>Executive</u> increases funding to \$3.0 million Talent Investment Fund for competency-based Education district grants. Increases the allocation from \$500,000 GF/GP to \$2.5 million Talent Investment Fund for competitive grants for the design and implementation of competency-based education programs, not to exceed \$100,000, to districts or consortia of 2 or more districts. Allocates \$450,000 for statewide supports and \$50,000 for grant administration from the Talent Investment Fund to MDE to develop capacity to support competency-based education statewide.	Restricted	0	3,000,000
<u>House</u> concurs with Executive.	GF/GP	\$500,000	(\$500,000)
5. Marshall Plan for Talent – Career and Technical Education (CTE) Skilled Trades Initiative (Sec. 61c/305)	Gross	\$12,500,000	\$12,500,000
<u>Executive</u> eliminates \$12.5 million GF/GP including equipment grants for career education planning districts (CEPDs) (\$7.0 million), CTE equipment and innovation competitive grants (\$5.0 million), and mechatronics grants (\$500,000). Replaces with \$11.6 million Talent Investment Fund for competitive grants for equipment for programs that result in competencies or credentials in emerging and high-demand fields. Grants are capped at \$150,000 and provided on a 1:1 matching basis to entities in a talent consortium, or are capped at \$350,000 and provided on a 2:1 matching basis if the community participates in crowdsourcing to raise its share.	Restricted	0	25,000,000
<u>House</u> doubles the appropriation to \$25.0 million Talent Investment Fund for CTE equipment and maintains current law programs. Doubles current allocations bringing them to \$14.0 million for CEPD formula grants; \$10.0 million for competitive grants; and \$1.0 million for mechatronics grants.	GF/GP	\$12,500,000	(\$12,500,000)
6. Marshall Plan for Talent – Online Career Preparation (Sec. 67a/311)	Gross	\$1,000,000	\$500,000
<u>Executive</u> increases funding to \$4.0 million Talent Development Fund to expand the online career preparation tool funded in FY 2017-18 (MI Bright Future) statewide if it commits to provide at least \$1.0 million in matching funds through FY 2020-21.	Restricted	0	1,500,000
<u>House</u> increases to a total of \$1.5 million Talent Development Fund and requires a 25% match.	GF/GP	\$1,000,000	(\$1,000,000)
7. Marshall Plan for Talent – Competency Programs (Sec. 68/303)	Gross	\$0	\$21,900,000
<u>Executive</u> provides \$21.9 million Talent Investment Fund to expand K-12 education programs focused on creating competencies in high-demand fields. Allocates \$21.0 million for competitive grants, to be paid over 3 years, to districts, ISDs, community colleges, colleges, and universities that are part of and apply on behalf of a talent consortium for the following uses: stipends of up to \$5,000 for industry mentors to assist in teaching classes in high-demand fields; testing and project fees of up to \$200 per pupil on behalf of pupils earning credentials in high-demand fields; relevant equipment for courses that result in credentials in high-demand fields, which requires equal local match and caps grant at \$20,000 each; professional development grants of up to \$5,000 for teachers to improve their capacity to teach high-demand skills; and grants capped at \$100,000 to hire staff to create or expand a program in a high-demand field, whereby the applicant must commit to provide the program for at least 3 years after final disbursement of funds. Allocates \$1.0 million for MDE to administer this section.	Restricted	0	21,900,000
<u>House</u> concurs with Executive.	GF/GP	\$0	\$0
8. Marshall Plan for Talent – Curriculum Creation (Sec. 68a/304)	Gross	\$0	\$6,100,000
<u>Executive</u> provides \$6.1 million Talent Investment Fund for competency development and credentials in high-demand fields. Allocates \$4.0 million for competitive grants to members of talent consortiums for the development of new curriculum, materials, professional development, instructional practices, and student projects in high-demand fields. Allocates \$2.0 million to MDE to provide technical assistance to districts to integrate the Michigan Merit Curriculum into competency-based programs, including CTE programs. Allocates \$100,000 to MDE to administer this section.	Restricted	0	6,100,000
<u>House</u> concurs with the executive.	GF/GP	\$0	\$0

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 House Change
Major Budget Changes From FY 2017-18 YTD Appropriations			
9. Marshall Plan for Talent – Talent Pledge Scholarships (Sec. 68b/309)			
<p><u>Executive</u> provides \$25.5 million Talent Investment Fund for the Michigan Talent Pledge Scholarship program. Allocates \$20.0 million to fund scholarships and stipends to assist low-income individuals with the cost of obtaining a qualifying degree or credential in a high-demand field. Allocates \$2.4 million for grants to community colleges, universities, or private nonprofit colleges to provide coaches to students receiving scholarships, capped at \$40,000 per coach. Allocates \$2.3 million for awards of \$500 (half to student and half to district) for the completion of an in-demand workforce certificates in high-demand fields. Allocates \$760,000 to Treasury to develop an application and eligibility determination process, distribute scholarship and stipends, and work with CEPI to report the number scholarship/stipend recipients and completed programs.</p> <p><u>House</u> provides \$10.7 million Talent Investment Fund for the Michigan Talent Pledge Scholarship program including \$10.0 million to fund scholarships and stipends to assist low-income individuals with the cost of obtaining a qualifying degree or credential in high-demand field and \$700,000 to Treasury for administrative costs.</p>	Gross	\$0	\$10,700,000
	Restricted	0	10,700,000
	GF/GP	\$0	\$0
10. Marshall Plan for Talent – Innovative Educator Corps (Sec. 68c/314)			
<p><u>Executive</u> provides \$4.8 million Talent Development Fund for the Innovative Educator Corps program. Allocates \$4.6 million for stipends of \$5,000 per educator to replicate, expand, and disseminate specialized skills and innovative programs across the state and, contingent on available funds, an additional \$5,000 per educator to be awarded to their ISD for expenses related to the member's participation in the Corps. Allocates \$200,000 for MDE administrative costs to develop a process for selecting Corps members and monitoring the program.</p> <p><u>House</u> concurs with the executive funding levels but revises the selection process and criteria. Provides stipends ranging from \$5,000 to \$10,000 to educators, but does not include stipends for ISDs.</p>	Gross	\$0	\$4,800,000
	Restricted	0	4,800,000
	GF/GP	\$0	\$0
11. Marshall Plan for Talent – Cyber Security (Sec. 99k/308)			
<p><u>Executive</u> increases by \$1.5 million Gross (\$2.0 million Talent Investment Fund and a reduction of \$500,000 GF/GP) but revises purpose. Allocates \$620,000 for competitive grants programs to districts to participate in competitive cybersecurity events like the Governor's High school Challenge, National Youth Cyber Defense Competition, Cyber security for Automotive Challenge or other related competition. Allocates \$1.1 million to DTMB to support critical cybersecurity training and infrastructure programs and expand the Michigan high school cyber challenge program. Allocates \$280,000 to support the expansion of the Michigan CyberPatriot program.</p> <p><u>House</u> concurs with Executive.</p>	Gross	\$500,000	\$1,500,000
	Restricted	0	2,000,000
	GF/GP	\$500,000	(\$500,000)
12. Marshall Plan for Talent – University Partnerships (Sec. 307)			
<p><u>Executive</u> provides \$4.0 million Talent Investment Fund for competitive grants to public universities that are members of the Michigan University Research Corridor. Allocates \$2.0 million for competitive grants up to \$50,000 requiring 50% cost-sharing to create curriculum, credentials, certifications, and professional development, with at least one grant that focuses on curriculum for autonomous and connected vehicle technology. Allocates \$2.0 million to an eligible Michigan public university to support Michigan's Future Talent Council.</p> <p><u>House</u> does not include this section.</p>	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
13. Marshall Plan for Talent – Career Navigators (Sec. 310)			
<p><u>Executive</u> provides \$10.1 million Talent Investment Fund including \$10.0 million for competitive grants to districts and ISDs to hire counselors focused in career navigation and career facilitation and dropout prevention/recovery. Allocates \$100,000 to the department of Talent and Economic Development (TED) for administrative costs.</p> <p><u>House</u> does not include this section.</p>	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 House Change
14. Marshall Plan for Talent – Awareness Campaigns (Sec. 312)	Gross	\$0	\$0
<u>Executive</u> provides \$5.5 million Talent Investment Fund for talent recruitment, development, and retention. Allocates \$3.4 million for a marketing campaign to recruit and retain talent in high-demand fields. Allocates \$1.0 million to augment the existing Going Pro campaign in TED. Allocates \$600,000 for a social media campaign to explain the talent initiative. Allocates \$500,000 to support activities of the Michigan's Future Talent Council.	Restricted	0	0
<u>House</u> does not include this section.	GF/GP	\$0	\$0
15. Marshall Plan for Talent – Critical Shortage Certificate Program (Sec. 313)	Gross	\$0	\$0
<u>Executive</u> provides \$1.5 million Talent Investment Fund for a certificate program to address a critical shortage of K-12 instructors in high-demand fields. Allocates \$1.3 million for competitive grants, up to \$8,000 per teacher, to districts and ISDs to assist certified teachers in earning additional endorsements in high-demand fields. Allocates \$250,000 to MDE for the development of a condensed teaching certificate for professional trades instructors.	Restricted	0	0
<u>House</u> does not include this section.	GF/GP	\$0	\$0
16. Career and Technical Education (CTE) Programs (Sec. 61a)	Gross	\$37,850,300	\$4,841,000
<u>Executive</u> maintains current funding for CTE program added costs but eliminates \$1.0 million SAF for competitive grants to up to 3 intermediate school districts (ISDs) to hire career and technical education counselors, \$160,000 SAF for 2 school districts for CTE counselors, and \$79,000 GF/GP to fund a non-profit organization that provides curriculum and training to CTE programs in restaurant management and culinary training.	Restricted	37,771,300	4,840,000
<u>House</u> increases funding for CTE program added costs by \$5.0 million bringing the total to \$41.6 million, but shifts \$22.7 million from SAF to Talent Investment Fund. House maintains funding of \$1.0 million for competitive grants to ISDs for CTE counselor grants and increases funding to \$80,000 GF/GP for CTE programs in restaurant management and culinary training. House concurs with Executive to eliminate \$160,000 SAF for 2 school districts for CTE counselors.	GF/GP	\$79,000	\$1,000
17. CTE Per Pupil Incentive Payment (Sec. 61d) – NEW	Gross	\$0	\$0
<u>Executive</u> provides \$5.0 million SAF to provide \$25 per pupil for pupils in grades 9 to 12 enrolled in CTE programs and an additional \$25 per pupil for those in CTE programs identified as "critical skills" programs. (See <i>Major Boilerplate Changes</i> below.)	Restricted	0	0
<u>House</u> does not include this section.	GF/GP	\$0	\$0
18. Flint Declaration of Emergency (Sec. 11s)	Gross	\$8,730,100	(\$5,500,000)
<u>Executive</u> reduces by \$5.5 million to a total of \$3.2 million to continue to provide additional school nurses and school social workers in Flint Public Schools (\$2.3 million) and nutritional services to children in Flint (\$605,000). Reductions do not represent a reduction in services as unexpended funds from previous fiscal years are available in a work project for that purpose.	Restricted	0	0
<u>House</u> concurs with Executive.	GF/GP	\$8,730,100	(\$5,500,000)
19. Partnership Models (Sec. 21h)	Gross	\$6,000,000	\$0
<u>Executive</u> increases by \$2.0 million SAF to a total of \$8.0 million to provide funding for interventions in districts identified as needing additional academic supports.	Restricted	6,000,000	0
<u>House</u> maintains current year appropriation.	GF/GP	\$0	\$0
20. Transportation Payments (Sec. 22o) – NEW	Gross	\$0	\$100
<u>Executive</u> does not include this section.	Restricted	0	100
<u>House</u> includes a \$100 placeholder for payments to districts that provide general education transportation in an amount equal to \$25 per general education rider.	GF/GP	\$0	\$0

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 House Change
21. Strict Discipline Academy (Sec. 25f)	Gross	\$750,000	\$250,000
<u>Executive</u> maintains current year appropriation.	Restricted	750,000	250,000
<u>House</u> increases by \$250,000 SAF to a total of \$1.0 million for the added costs of educating strict discipline academy pupils. Revises to require that any unexpended funds remaining after the first distribution be distributed to SDA's on an equal per-pupil basis, not to exceed an SDA's added cost.	GF/GP	\$0	\$0
22. Dropout Recovery Programs (Sec. 25g)	Gross	\$750,000	\$250,000
<u>Executive</u> maintains current year appropriation.	Restricted	750,000	250,000
<u>House</u> increases by \$250,000 SAF to a total of \$1.0 million for the additional costs of educating pupils in a year-round dropout recovery program.	GF/GP	\$0	\$0
23. Dropout Prevention Programs (Sec. 25h)	Gross	\$0	\$100
<u>House</u> adds \$100 grant for a district working with a dropout prevention program.	Restricted	0	100
	GF/GP	\$0	\$0
24. At Risk Program (Sec. 31a)	Gross	\$499,000,000	\$0
<u>Executive</u> maintains funding of \$499.0 million SAF but revises program requirements. (See <i>Major Boilerplate Changes</i> below.)	Restricted	499,000,000	0
<u>House</u> concurs with Executive to maintain funding levels but provides for alternative program revisions. (See <i>Major Boilerplate Changes</i> below.)	GF/GP	\$0	\$0
25. Year-round Instruction Grants (Sec. 31b)	Gross	\$1,500,000	\$0
<u>Executive</u> eliminates funding for year-round, balanced-calendar instruction grants that support districts with funds for building modifications or other nonrecurring costs related to the transition to a balanced-calendar.	Restricted	1,500,000	0
<u>House</u> maintains current year appropriation.	GF/GP	\$0	\$0
26. Local Produce in School Meals (Sec. 31j)	Gross	\$375,000	\$50,000
<u>Executive</u> eliminates funding to support districts in the purchase of locally grown fruits and vegetables for the use in school lunches.	Restricted	0	0
<u>House</u> maintains current funding and the allocation of \$125,000 per region for prosperity regions 2, 4, and 9, and adds \$50,000 for prosperity region 8.	GF/GP	\$375,000	\$50,000
27. Early Learning Cooperative (Sec. 32q)	Gross	\$175,000	\$0
<u>Executive</u> eliminates funding for a preschool early learning cooperative pilot.	Restricted	175,000	0
<u>House</u> maintains current year appropriation for the 3 rd of 3 years of funding.	GF/GP	\$0	\$0
28. Early Literacy Implementation (Sec. 35)	Gross	\$1,000,000	(\$1,000,000)
<u>Executive</u> reduces by \$1.0 million GF/GP to move to the MDE budget.	Restricted	0	0
<u>House</u> concurs with Executive.	GF/GP	\$1,000,000	(\$1,000,000)
29. Early Literacy (Sec. 35a)	Gross	\$29,400,000	(\$2,500,000)
<u>Executive</u> maintains \$6.0 million for teacher coaches and \$20.9 million for added instructional time but eliminates \$2.5 million GF/GP for the Michigan Educator Corps.	Restricted	26,900,000	0
<u>House</u> concurs with Executive.	GF/GP	\$2,500,000	(\$2,500,000)
30. District – Dyslexia Center Collaboration Grant (Sec. 35b) – NEW	Gross	\$0	\$250,000
<u>Executive</u> does not include this section	Restricted	0	0
<u>House</u> provides \$250,000 GF/GP for a grant to a district that works with a dyslexia center to pilot the use of multisensory structured language education to improve reading proficiency rates.	GF/GP	\$0	\$250,000
31. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)	Gross	\$1,387,746,100	\$23,100,000
<u>Executive</u> updated to reflect revised consensus cost estimates for special education costs.	Federal	431,000,000	0
<u>House</u> concurs with Executive.	Restricted	956,246,100	23,100,000
	GF/GP	\$500,000	\$0
32. Special Ed Task Force: Mediation and Parental Supports (Sec. 54c)	Gross	\$0	\$0
<u>Executive</u> provides \$500,000 GP/GP total including \$205,000 to enhance the capacity of the Michigan Alliance for Families – Michigan's Parent Training Information Center and \$295,000 to improve mediation services offered through the Michigan Special Education Mediation Program.	Restricted	0	0
<u>House</u> does not include this section.	GF/GP	\$0	\$0

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 House Change
33. Special Ed Task Force: Early On (Sec. 54d) – NEW	Gross	\$0	\$5,000,000
<u>Executive</u> provides \$5.0 million SAF for competitive grants to ISDs to provide Early On services including early identification and interventions for children birth to 3 years old with developmental delays or disabilities.	Restricted	0	5,000,000
<u>House</u> concurs to provide \$5.0 million SAF to provide Early On services but revises from a competitive grant process to an ISD funding formula based on the existing Early On formula used to distribute federal funds.	GF/GP	\$0	\$0
34. Information Technology Certifications (Sec. 64d)	Gross	\$2,300,000	\$0
<u>Executive</u> eliminates funding for a competitive grant to provide information technology education opportunities to students attending districts, ISDs, or PSAs, CTE programs, and Community Colleges.	Restricted	0	2,300,000
<u>House</u> maintains current year appropriation but revises the fund source from GF/GP to Talent Investment Fund. Intended to be 2 nd of 3 years of funding.	GF/GP	\$2,300,000	(\$2,300,000)
35. Detroit PreCollege Engineering (Sec. 65)	Gross	\$340,000	\$0
<u>Executive</u> eliminates funding for the Detroit PreCollege Engineering program	Restricted	0	0
<u>House</u> maintains current year appropriation.	GF/GP	\$340,000	\$0
36. Statewide Evaluation Tool (Sec. 95b)	Gross	\$2,500,000	\$0
<u>Executive</u> eliminates funding for a statewide value-added growth and projection analytics system.	Restricted	0	0
<u>House</u> maintains current year appropriation.	GF/GP	\$2,500,000	\$0
37. FIRST Robotics (Sec. 99h)	Gross	\$2,800,000	\$0
<u>Executive</u> reduces \$300,000 GF/GP for nonpublic schools participation but maintains \$2.5 million for districts and expands to include ISDs.	Restricted	2,500,000	0
<u>House</u> maintains current year appropriation for districts and nonpublic schools, but does not expand to ISDs. House expands to allow other robotics competitions including those hosted by the Robotics Education and Competition (REC) Foundation.	GF/GP	\$300,000	\$0
38. MiSTEM Centers Reorganization (Secs. 99r and 99s)	Gross	\$12,784,300	(\$1,150,000)
<u>Executive</u> reduces MiSTEM programming by \$1.4 million bringing it to a total of \$11.4 million to do all of the following:	Federal	4,700,000	(1,200,000)
<ul style="list-style-type: none"> Maintains \$2.9 million for MiSTEM Council Grants. Continues the transition of funding 16 MiSTEM regions rather than 33 Math and Science Centers. Allocates \$3.8 million SAF plus \$3.5 million Federal (reduced by \$1.2 million) to provide each MiSTEM region \$200,000 in base funding and distributes the remaining funds to regions on an equal per pupil basis based on prior year pupil counts. Also provides \$750,000 total to those MiSTEM network regions able to provide curriculum and professional development support to assist districts implementing the Michigan Merit curriculum components for math and science. Increases MiSTEM director, staff support, and MiSTEM council costs by \$200,000 to a total of \$400,000. Eliminates Van Andel Education Institute grant of \$150,000 GF/GP. 	Restricted	6,234,300	1,600,000
<u>House</u> reduces MiSTEM programming by \$1.2 million, bringing it to a total of \$11.6 million allocated as follows:	GF/GP	\$1,850,000	(\$1,550,000)
<ul style="list-style-type: none"> Increases MiSTEM Council Grants to \$4.0 million. Concurs with Executive regarding the transition and base funding of MiSTEM regions rather than Math and Science Centers. Does not include \$750,000 to MiSTEM network regions able to provide curriculum and professional development. Increases MiSTEM Network Director and staff support by \$50,000 bringing it to a total of \$300,000 and eliminates funding for MiSTEM council support (\$50,000). Concurs with Executive regarding elimination of the Van Andel Education Institute grant (\$150,000 GF/GP). 			

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 House Change
39. Online Algebra Tool (Sec. 99t)	Gross	\$1,100,000	\$400,000
<u>Executive</u> eliminates funding for statewide access to an online algebra tool.	Restricted	0	0
<u>House</u> increases by \$400,000 GF/GP for a total of \$1.5 million for the tool purchased in FY 2017-18, Algebra Nation.	GF/GP	\$1,100,000	\$400,000
40. Online Mathematics Tool (Sec. 99u)	Gross	\$1,000,000	\$500,000
<u>Executive</u> eliminates funding for a statewide online mathematics tool aligned to state standards.	Restricted	0	0
<u>House</u> increases appropriation by \$500,000 for a total of \$1.5 million for the tool purchased in FY 2017-18, Imagine Math.	GF/GP	\$1,000,000	\$500,000
41. Financial Data Analysis Tools (Sec. 102d)	Gross	\$1,500,000	\$0
<u>Executive</u> eliminates funding to reimburse districts and ISDs for the licensing of school data analytical tools.	Restricted	1,500,000	0
<u>House</u> maintains current year appropriation.	GF/GP	\$0	\$0
42. Education Assessments (Sec. 104)	Gross	\$40,959,400	(\$3,700,000)
<u>Executive</u> reduces by \$3.7 million SAF to a total of total of \$37.3 million. Reduces funding for the online student data reporting tool from \$3.2 million to \$500,000 to reflect the shift from development to maintenance. Removes \$1.0 million for the Michigan kindergarten entry observation (KEO) tool pilot.	Federal	6,250,000	0
<u>House</u> concurs with Executive on total funding levels, but from that total maintains the allocation of \$1.0 million for the KEO and allocates a \$100 placeholder for benchmark assessments approved by MDE under the prior year bid process in Section 104c.	Restricted	34,709,400	(3,700,000)
	GF/GP	\$0	\$0
43. Computer Adaptive Tests (Sec. 104d)	Gross	\$4,000,000	\$0
<u>Executive</u> eliminates funding to reimburse districts for the purchase of computer adaptive tests and benchmark assessments.	Restricted	4,000,000	0
<u>House</u> maintains current year appropriation.	GF/GP	\$0	\$0
44. Digital Literacy Preparation Tools (Sec. 104e)	Gross	\$250,000	\$0
<u>Executive</u> eliminates funding for the implementation of a pilot to assess pupil digital literacy skill levels.	Restricted	0	0
<u>House</u> maintains current year appropriation and reduces the required number of districts with which the contract recipient participates from 220 to 50.	GF/GP	\$250,000	\$0
45. Secure Schools Program – Panic Button App (Sec. 110) – NEW	Gross	\$0	\$600,000
<u>Executive</u> does not include this section.	Restricted	0	0
<u>House</u> provides \$600,000 GF/GP to expand an existing Advanced 911 state contract to implement a statewide pilot secure schools program and panic button application system in public and nonpublic high schools.	GF/GP	\$0	\$600,000
46. MPSERS Payments (Secs. 147a, 147c, and 147e)	Gross	\$1,332,853,000	(\$74,414,000)
<u>Executive</u> decreases total state support for K-12 MPSERS costs by \$74.5 million to a total of \$1.3 billion with the following changes:	Restricted	1,332,170,000	(74,479,000)
<ul style="list-style-type: none"> Eliminates a one-time \$200.0 million additional deposit to accelerate the payoff of the 2010 early retirement incentive. (Sec.147c(2)) Increases state share of UAAL payments by \$71.9 million. (Sec. 147c(1)) Increases state support of higher employer normal costs resulting from the 2nd year of phasing in a reduced assumed rate of return from 8.0% to 7.5% by \$39.2 million. (Sec. 147a(2)) Increases state support of higher defined contribution and hybrid plan costs required under PA 92 of 201 by \$14.5 million. (Sec. 147e) 	GF/GP	\$683,000	\$65,000
<u>House</u> concurs with Executive.			
47. Nonpublic School Reimbursement (Sec. 152b)	Gross	\$2,500,000	\$0
<u>Executive</u> eliminates funding to reimburse nonpublic schools for the costs of with state statutory or administrative rule requirements related to the health, safety, and welfare of students.	Restricted	0	0
<u>House</u> maintains current year appropriation.	GF/GP	\$2,500,000	\$0

<u>Major Budget Changes From FY 2017-18 YTD Appropriations</u>	<u>FY 2017-18 Year-to-Date (as of 2/7/18)</u>	<u>FY 2018-19 House Change</u>	
48. Other Major Cost Adjustments	Gross	NA	\$17,648,900
<u>Executive</u> revises the following to reflect updated cost estimates:	Restricted	NA	17,648,900
Sec. 11m – Increases Cash Flow Borrowing by \$17.5 million to \$24.0 million.	GF/GP	NA	\$0
Sec. 26a – Decreases Renaissance Zone Reimbursements by \$2.0 million to \$15.0 million.			
Sec. 26c – Increases Promise Zone Funding by \$1.5 million to \$3.0 million.			
Sec. 31d – Increases School Lunch state costs by \$648,900 to \$23.1 million.			
<u>House</u> concurs with Executive.			

Major Boilerplate Changes From FY 2017-18

Sec. 15. State Aid Allocation Adjustments – REVISED

Executive reduces maximum allowable repayment period for district state aid payment deductions resulting from an audit from 9 years to 4 and eliminates option for state Superintendent to waive repayment under certain circumstances, reversing changes made in FY 2017-18.

House does not concur with either of these changes. Additionally, removes the provision allowing MDE to adjust district payments for prior fiscal years if an audit determines payments were incorrect.

Sec. 17c. Grant Process Timeline – NEW

Executive does not include the section.

House adds new section to require MDE to do all of the following for funds appropriated under this article, unless otherwise specified: open grant application or bid process and provide lists of grants and schedules to districts and ISDs and on the MDE website for grants available in the next fiscal year by August 1, close grant application or bid process by October 1, and publish grant or contract awards by November 1. Provides that grants and contracts awarded from funds appropriated under this article are not subject to approval by the state board of education.

Sec. 18(12). Virtual Course Cost Report – REVISED

Executive currently requires that districts report cost information for virtual courses provided through Section 21f. Expands to include cyber schools, whose courses are not offered through Sec. 21f.

House concurs with Executive.

Sec. 19. State and Federal Reporting Requirements – REVISED

Executive in addition to the graduation report information, requires that districts submit data necessary for state and federal accountability reports, both in November and June. Revises June 30 to the last business day in June. Revises required district appeal process for accountability designations to require MDE to utilize data that was certified as accurate and complete after districts and ISDs have adhered to deadlines, data quality reviews, and correction processes leading to local certification of final student data. Changes to allow districts and ISDs to appeal “any calculation errors used in the preparation of accountability metrics” rather than a designation.

House concurs with Executive.

Sec. 22m. Technology Regional Data Hubs – REVISED

Executive maintains current law.

House revises to make participation in technology regional data hubs mandatory by 2020-2021.

Sec. 23f. Shared-Time Pupil Payments – NEW

Executive in addition to capping pupils at 5% of a district’s membership and eliminating kindergarten, requires the following to receive funding:

- (a) That a district ensure that all individuals that have student contact as part of a course offered under Sec. 166b have not been convicted of sexual misconduct and receive the same criminal history and criminal records checks as employees of the district as required by state statute.
- (b) That a district ensure that if a course offered under Sec. 166b has an associated optional experience, it must be offered on a schedule to make it fully available to the majority of pupils in the district in the same grade level or age groups as the pupils participating in the course under Sec. 166b.
- (c) That the district provide MDE information necessary to quantify the following:
 - (i) A complete listing of all courses in which students reported for membership in the district have been served.
 - (ii) Course enrollments by each participant using local coding and the school codes for the exchange of data (SCED).
 - (iii) Identification of the course teacher or mentor.
 - (iv) Outcomes for each student in each course.

House does not include this section.

Major Boilerplate Changes From FY 2017-18

Sec. 25e(7). Pupil Transfer Process – Pupils transferring In and Out of State – DELETED

Executive revises current requirement that would require CEPI to report on the number of pupils transferring in and out of the state between the count dates in 2018-2019 to instead require the number of pupils transferring in and out of public schools. Deletes requirement that CEPI discuss the benefits and obstacles to developing a pupil enrollment process to count pupils moving in and out of state between count dates.

House deletes all of subsection (7).

Sec. 31a. At Risk Program – REVISED

Executive expands to add an additional purpose for the program: that districts implement with fidelity a multi-tiered system of supports (MTSS). Condenses MTSS components to the following: (a) Team-based leadership; (b) Tiered delivery system; (c) Selection and implementation of instruction, interventions, and supports; (d) Comprehensive screening and assessment system; and (e) Continuous data-based decision making. House does not add MTSS implementation to program goals but does concur MTSS component revisions.

Executive expands to require that districts comply with MCL 380.1280f and use resources to address early literacy for grades K-12 instead of K-3. Adds focus on numeracy for K-12. Requires a district to implement MTSS in grades K-8 instead of 4-8. House maintains K-3 requirements for MCL 380.1280f. Revises to K-12 for literacy, numeracy and MTSS.

Executive requires that for English learners, a district implement culturally and linguistically responsive teaching strategies focused on academic language development aligned with state English language arts (ELA) proficiency standards. House does not include.

Executive revises consequences beginning in FY 2018-19 for districts that are below the statewide average based on the number of economically disadvantaged pupils proficient in either ELA by the end of 3rd grade or math by the end of 8th grade or career and college ready by the end of 11th grade based on statewide assessments given in FY 2017-18. Requires those districts to meet either the statewide average by FY 2020-21 or see an improvement of at least 10 percentage points in the number of economically disadvantaged pupils who are proficient by FY 2020-21. For a district that fails to meet those goals by FY 2020-21, requires it to conduct an evaluation in coordination with MDE and other stakeholders, adopt a school improvement plan based on recommendations from that evaluation, and spend At Risk funds only in accordance with that plan. House maintains current accountability measures for Grade 3 ELA and Career- and College-readiness and adds one for Grade 8 math to reflect its addition to the program purpose in 2017-2018. Revises so that if one of three metrics is not met than 1/3 of funds would have to be redirected for each rather than 1/2 to recognize the inclusion of a third metric.

Executive increases amount that may be used on professional development to 5% and expands to include implementing a coaching model that supports the MTSS framework. House concurs.

Executive increases share of pupil membership that must be economically disadvantaged from 40% to at least 50% for a district that may use funds for schoolwide reform. Requires that the schoolwide reforms also be tier 1 evidence-based high quality academic, behavioral, and social-emotional instruction, and part of a district's MTSS framework. Schoolwide reforms must be guided by district's comprehensive needs assessment and must feature parent and community supports, activities, and services, which may include Pathways to Potential or Communities in Schools programs. House concurs.

Sec. 32d. Great Start Readiness Program – REVISED

Executive maintains current law.

House revises to prohibit the use of The Creative Curriculum in GSRP programs.

Sec. 32p. Early Childhood Block Grants – RETAINED

Executive revises goals of Home Visit program to delete the reduction of pupils retained in grade level and reduction of pupils requiring special education services and replaces with new goals of improving positive parenting practices and improving family economic self-sufficiency while reducing the impact of high risk factors through community resources and referrals.

House maintains current law.

Sec. 35a. Early Literacy – REVISED

Executive requires the State Superintendent to designate people employed or contracted with funds from this section as critical shortage for the purposes of allowing retirees to work without reducing their pensions under the Public School Employees Retirement Act, MCL 38.1361. However, the critical shortage subsection is currently set to expire on July 1, 2018.

House concurs with Executive. Additionally, adds that by November 1, 2018 a district that receives funding under this section shall report the following: school and grades that were served along with services provided and entity providing each service; pupil proficiency and growth data, both in the aggregate and by subgroup for school, grade, pupils identified as having reading deficiencies, and pupils receiving additional instruction time funded under this section. Revises MTSS program components to mirror the revisions in Sec. 31a.

Sec. 39. GSRP Per Pupil Allocation Formula – REVISED

Executive maintains current law.

House revises to prohibit the application for receiving GSRP funds from requiring an eligible applicant to amend its current accounting cycle or adopt the state fiscal year accounting cycle for financial transactions under section 32d and 39.

Major Boilerplate Changes From FY 2017-18

Sec. 61a. CTE Programs – REVISED

Executive maintains current law.

House adds district and ISD report requirement on the number of male and female program participants and steps a district or intermediate district is taking to reduce the disparity between the number of male and female program participants. Requires the department to compile and summarize the results and provide recommendations to reduce the disparity.

Sec. 61d. Per Pupil Incentive Payment – NEW

Executive defines a CTE program that qualifies for the additional \$25 payments for critical skills programs as one classified under any of the following CIP codes:

- (i) 01 – Agriculture
- (ii) 03 – Natural Resources and Conservation
- (iii) 10 through 11 – Communications Technologies and Computer and Information Sciences
- (iv) 14 through 15 – Engineering and Engineering technologies and related fields
- (v) 26 – Biological and Biomedical Sciences
- (vi) 46 through 48 – Construction Trades, Mechanic and Repair Technologies, and Precision Production
- (vii) 51 – Health Professions and related programs.

House does not include this section.

Sec. 104c. State Assessments – REVISED

Executive moves state assessment for science from grades 4 and 7 to 5 and 8. Deletes requirement that MDE approve at least 3 benchmark assessments for district use. Requires MDE to provide guidance to districts on optionally adopting and implementing department-approved benchmark assessments for grades 3 to 7 in ELA and math and to recommend that districts commit to using the same benchmark assessment for no less than 3 years without switching to another benchmark assessment.

House concurs with Executive.

Sec. 104d. Computer Adaptive Tests – REVISED

Executive repealed this section.

House maintains section but adds the following reporting requirements: requires that by December 1, 2018 districts receiving funds report to MDE which tests, tools, and assessments were purchased; and requires that MDE compile that data and report to the Legislature by February 1, 2019.

Sec. 160. Labor Day Waiver Hearing – DELETED

Executive removes MDE's participation in joint public hearings by MDE and the ISD that are required if a district or ISD is applying for a pre-Labor Day waiver.

House repeals this section.

Sec. 163. Educator Certification Requirements – RETAINED

Executive revises to replace references to noncertificated teachers with updated references to Revised School Code requirements for educator certification.

House maintains current law.

Sec. 164g. Legal Action Against the State – RETAINED

Executive establishes a penalty in an amount equal to the amount spent if a district or ISD uses state funding to pay for an expense relating to any legal action initiated by the district or ISD against the state.

House maintains current law.

Sec. 164h. Collective Bargaining Agreement Penalty – RETAINED

Executive establishes a penalty in an amount equal to 5% of a district or ISD's total state aid if it enters into a collective bargaining agreement that does any of the following: Establishes racial or religious preferences; Automatically deducts union dues from paychecks; Is in conflict with any state or federal transparency laws; Uses a method of compensation that does not comply with Sec. 380.1250.

House maintains current law.

Sec. 166b. Shared-Time Instruction for Nonpublic Pupils – REVISED

Executive requires that an applicable curricular offering include optional experiences associated with the curricular offering, and that the optional experience must also be available to the district's full-time pupils in the same grade level or age group. Eliminates kindergarten from allowable shared-time instruction. Revises definition for grades 9-12 nonessential courses from courses other than the specific subjects mentioned or those "that fulfill the same requirement credit requirement" to "those that can fill the same credit requirement".

House does not concur with Executive revisions. Instead, revises to replace the requirement that a curricular offering is available to full-time pupils in the minor's grade level or age group in the district with requirement that the district has published the curricular offering in a course catalog provided to full-time pupils in the minor's grade level or age group or the district has published the offering on its publicly available website. Revises definition for grades 1-8 nonessential course to exclude math, science, social studies, or ELA course "required by the district for grade progression" to "that contains substantially all of the grade level model core academic curriculum content standards". Revises definition for grades 9-12 nonessential courses from courses other than the specific subjects mentioned or those "that fulfill the same requirement credit requirement" to those "that are aligned with the same subject area content expectations".

Major Boilerplate Changes From FY 2017-18

Sec. 167a. School Violence Tip Line Report – NEW

House adds that a district or ISD that operates a tip line must report annually to the Attorney General including whether the tip line operates 24 hours a day, whether it is connected to local law enforcement, and the type and duration required for personnel that operate the tip line. It also would require that each district must designate at least 1 and not more than 2 staff and provide the Attorney General with their contact information at which they can be contacted 24 hours a day, 365 days a year.

Supplemental Recommendations for FY 2017-18 Appropriations		FY 2017-18 Recommendation
1. GF/GP and SAF Revenue Shift		Gross \$0
<u>Executive</u> includes a fund shift of \$137.0 million reducing GF/GP from \$215.0 million to \$78.0 million and replacing it with SAF.	Restricted	25,000,000
<u>House</u> includes a fund shift of \$25.0 million reducing GF/GP from \$215.0 million to \$190.0 million and replacing it with SAF.	GF/GP	(\$25,000,000)
2. Cash Flow Borrowing (Sec. 11m)		Gross \$11,500,000
<u>Executive</u> increases by \$11.5 million SAF to a total of \$18.0 million to reflect updated cost estimates for the interest costs of inter-fund borrowing between the School Aid Fund and the General Fund to balance the timing of revenue collections and required state aid payments.	Restricted	11,500,000
<u>House</u> concurs with Executive.	GF/GP	\$0
3. Foundation Allowances (Secs. 22a and 22b)		Gross (\$24,300,000)
<u>Executive</u> reduces by \$24.3 million SAF to a total of \$9.2 billion to reflect updated consensus cost estimates for pupil membership counts and taxable values.	Restricted	(24,300,000)
<u>House</u> concurs with Executive.	GF/GP	\$0
4. Renaissance Zone Reimbursements (Secs. 26a)		Gross (\$2,000,000)
<u>Executive</u> reduces reimbursement payments by \$2.0 million SAF to a total of \$15.0 million. Estimated reimbursement payments required by statute have decreased due to recent Personal Property Tax reform.	Restricted	(2,000,000)
<u>House</u> concurs with Executive.	GF/GP	\$0
5. Promise Zone Funding (Sec. 26c)		Gross \$100,000
<u>Executive</u> increases by \$100,000 SAF to a total of \$1.6 million for required funds for districts and ISDs with approved Promise Zone development plans for the purposes of the local Promise Zone Authority.	Restricted	100,000
<u>House</u> concurs with Executive.	GF/GP	\$0
6. School Lunch Programs (Sec. 31d)		Gross \$306,900
<u>Executive</u> increases by \$306,900 SAF to ensure the state meets its obligation under Durant v. State of Michigan to fund 6.0127% of school lunch programs, bringing total to \$22.8 million SAF and \$532.2 million Federal.	Restricted	306,900
<u>House</u> concurs with Executive.	GF/GP	\$0
7. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)		Gross \$3,200,000
<u>Executive</u> increases by a total \$3.2 million SAF to reflect revised consensus cost estimates based on actual FY 2016-17 year-end special education costs data. Total estimated special education costs for FY 2017-18 are \$1.4 billion.	Restricted	3,200,000
<u>House</u> concurs with Executive.	GF/GP	\$0
8. Advanced Placement Incentives (Sec. 94)		Gross \$0
<u>House</u> removes the cap on the amount the state may pay for Advanced Placement (AP) test fees (\$20) and International Baccalaureate (IB) registration fees (\$150) for low-income students.	Restricted	0
	GF/GP	\$0
9. Digital Learning Preparation (Sec. 104e)		Gross \$0
<u>House</u> reduces the required number of districts with which the contract recipient participates from 220 to 50.	Restricted	0
	GF/GP	\$0
10. Nonpublic Schools Reimbursements (Sec. 152b)		Gross \$0
<u>House</u> adds work project language for funds appropriated in FY 2017-18.	Restricted	0
	GF/GP	\$0

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2017-18			FY 2018-19		FY 2018-19		FY 2018-19	
		YTD PA 143 of 2017 Supplemental	Change from YTD	FY 18 House Revised	Change from FY 18 YTD	FY 19 Exec	Change from FY 18 YTD	FY 19 House Committee	Change from FY 18 YTD	FY 19 Senate Subcommittee
11j	School Bond Redemption Fund	\$125,500,000		\$125,500,000		\$125,500,000		\$125,500,000		\$125,500,000
11m	Cash Flow Borrowing Costs	\$6,500,000	\$11,500,000	\$18,000,000	\$17,500,000	\$24,000,000	\$17,500,000	\$24,000,000	\$17,500,000	\$24,000,000
11s	Flint Declaration of Emergency	\$8,730,100		\$8,730,100	(\$5,500,000)	\$3,230,100	(\$5,500,000)	\$3,230,100	(\$5,500,000)	\$3,230,100
20f	Categorical Offset Payments	\$18,000,000		\$18,000,000		\$18,000,000		\$18,000,000		\$18,000,000
21h	Partnership Model Districts	\$6,000,000		\$6,000,000	\$2,000,000	\$8,000,000		\$8,000,000		\$8,000,000
21j	Marshall Plan - Competency Programs (Sec. 303)	\$500,000		\$500,000	\$2,500,000	\$3,000,000		\$3,000,000	(\$500,000)	\$0
22a	Foundations: Proposal A Obligation Payment	\$5,181,800,000	(\$5,800,000)	\$5,176,000,000	(\$133,800,000)	\$5,042,200,000	(\$59,800,000)	\$5,122,000,000	(\$66,800,000)	\$5,115,000,000
22b	Foundations: Discretionary Payment	\$4,037,500,000	(\$18,500,000)	\$4,019,000,000	\$191,100,000	\$4,228,600,000	\$274,100,000	\$4,311,600,000	(\$147,500,000)	\$3,890,000,000
22d	Isolated District Funding	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000	\$1,000,000	\$6,000,000
22m	Technology Regional Data Hubs	\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000
22n	High School Per Pupil Bonus	\$11,000,000		\$11,000,000		\$11,000,000		\$11,000,000		\$11,000,000
22o	Transportation Payments - NEW	\$0		\$0		\$0	\$100	\$100		\$0
22p	Partnership District Discretionary Payment - NEW	\$0		\$0		\$0		\$0	\$400,000,000	\$400,000,000
23f	Shared Time Pupils - NEW	\$0		\$0	\$64,100,000	\$64,100,000		\$0		\$0
24	Court-Placed Pupils	\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000	(\$850,000)	\$7,150,000
24a	Juvenile Detention Facility Programs	\$1,339,000		\$1,339,000	\$16,700	\$1,355,700	\$16,700	\$1,355,700	\$16,700	\$1,355,700
24c	Youth Challenge Program	\$1,528,400		\$1,528,400	\$17,000	\$1,545,400	\$17,000	\$1,545,400	\$17,000	\$1,545,400
25f	Strict Discipline Academy	\$750,000		\$750,000		\$750,000	\$250,000	\$1,000,000	\$850,000	\$1,600,000
25g	Dropout Recovery Programs	\$750,000		\$750,000		\$750,000	\$250,000	\$1,000,000		\$750,000
25h	Dropout Prevention Program - NEW	\$0		\$0		\$0	\$100	\$100		\$0
26a	Renaissance Zone Reimbursement	\$17,000,000	(\$2,000,000)	\$15,000,000	(\$2,000,000)	\$15,000,000	(\$2,000,000)	\$15,000,000	(\$2,000,000)	\$15,000,000
26b	PILT Reimbursement	\$4,405,100		\$4,405,100		\$4,405,100		\$4,405,100		\$4,405,100
26c	Promise Zone Funding	\$1,500,000	\$100,000	\$1,600,000	\$1,500,000	\$3,000,000	\$1,500,000	\$3,000,000	\$1,500,000	\$3,000,000
31a	"At Risk" Pupil Support	\$499,000,000		\$499,000,000		\$499,000,000		\$499,000,000		\$499,000,000
31a(7)	School Based Health Centers	\$6,057,300		\$6,057,300		\$6,057,300		\$6,057,300		\$6,057,300
31a(8)	Hearing and Vision Screening	\$5,150,000		\$5,150,000		\$5,150,000		\$5,150,000		\$5,150,000
31b	Year-round Instruction Grants	\$1,500,000		\$1,500,000	(\$1,500,000)	\$0		\$1,500,000	(\$1,500,000)	\$0
31d	State School Lunch Programs	\$22,495,100	\$306,900	\$22,802,000	\$648,900	\$23,144,000	\$648,900	\$23,144,000	\$648,900	\$23,144,000
31d	Federal School Lunch Programs	\$523,200,000		\$523,200,000		\$523,200,000		\$523,200,000		\$523,200,000
31f	School Breakfast Program	\$4,500,000		\$4,500,000		\$4,500,000		\$4,500,000		\$4,500,000
31j	Local Produce in School Meals	\$375,000		\$375,000	(\$375,000)	\$0	\$50,000	\$425,000	\$325,000	\$700,000
32d	Great Start Readiness Program	\$243,900,000		\$243,900,000		\$243,900,000		\$243,900,000		\$243,900,000
32p	Early Childhood Block Grants	\$13,400,000		\$13,400,000		\$13,400,000		\$13,400,000		\$13,400,000
32q	Early Learning Cooperative	\$175,000		\$175,000	(\$175,000)	\$0		\$175,000		\$175,000
35	Early Literacy Implementation	\$1,000,000		\$1,000,000	(\$1,000,000)	\$0	(\$1,000,000)	\$0	(\$1,000,000)	\$0
35a(4)	Early Literacy Teacher Coaches	\$6,000,000		\$6,000,000		\$6,000,000		\$6,000,000	\$1,000,000	\$7,000,000
35a(5)	Early Literacy Added Instructional Time	\$20,900,000		\$20,900,000		\$20,900,000		\$20,900,000	(\$1,000,000)	\$19,900,000
35a(6)	Early Literacy - Michigan Education Corps	\$2,500,000		\$2,500,000	(\$2,500,000)	\$0	(\$2,500,000)	\$0	\$500,000	\$3,000,000
35a(7)	Summer Reading Project - NEW	\$0		\$0		\$0		\$0	\$500,000	\$500,000
35b	District and Dyslexia Center Collaboration Grant - NEW	\$0		\$0		\$0	\$250,000	\$250,000		\$0
39a(1)	Federal NCLB/ESSA Grant Funds	\$731,600,000		\$731,600,000	(\$1,000,000)	\$730,600,000	(\$1,000,000)	\$730,600,000	(\$1,000,000)	\$730,600,000
39a(2)	Other Federal Funding	\$30,000,000		\$30,000,000		\$30,000,000		\$30,000,000		\$30,000,000
41	English Language Learner Grants	\$6,000,000		\$6,000,000		\$6,000,000		\$6,000,000		\$6,000,000
51a(1)	Special Education - Federal Reimbursement	\$370,000,000		\$370,000,000		\$370,000,000		\$370,000,000		\$370,000,000
51a(2)	Special Ed ISD Foundation and Costs	\$264,200,000	\$2,200,000	\$266,400,000	\$7,900,000	\$272,100,000	\$7,900,000	\$272,100,000	\$7,900,000	\$272,100,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,000,000		\$1,000,000	\$100,000	\$1,100,000	\$100,000	\$1,100,000	\$100,000	\$1,100,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs	\$3,600,000	(\$300,000)	\$3,300,000	(\$200,000)	\$3,400,000	(\$200,000)	\$3,400,000	(\$200,000)	\$3,400,000
51a(16)	Special Ed ISD Compliance Reimbursement	\$500,000		\$500,000		\$500,000		\$500,000		\$500,000
51c	Special Ed Headlee Obligation (Durant)	\$635,300,000	\$1,300,000	\$636,600,000	\$15,300,000	\$650,600,000	\$15,300,000	\$650,600,000	\$15,300,000	\$650,600,000
51d	Special Education - Other Federal Grants	\$61,000,000		\$61,000,000		\$61,000,000		\$61,000,000		\$61,000,000
53a	Special Ed for Court Placed Pupils	\$10,500,000		\$10,500,000		\$10,500,000		\$10,500,000		\$10,500,000
54	Special Ed Michigan School Blind/Deaf	\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000
54b	Special Education Task Force Reforms (MiBLSI)	\$1,600,000		\$1,600,000		\$1,600,000		\$1,600,000		\$1,600,000
54c	Spec. Ed. Task Force - Mediation and Parental Supports - NEW	\$0		\$0	\$500,000	\$500,000		\$0	\$500,000	\$500,000
54d	Spec. Ed. Task Force - Early On - NEW	\$0		\$0	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
55	Conductive Learning Study	\$150,000		\$150,000	(\$150,000)	\$0	(\$150,000)	\$0	(\$150,000)	\$0
56	Special Ed ISD Millage Equalization	\$37,758,100		\$37,758,100		\$37,758,100		\$37,758,100	\$4,500,000	\$42,258,100
61a	Career & Tech Ed Programs	\$37,850,300		\$37,850,300	(\$1,239,000)	\$36,611,300	\$4,841,000	\$42,691,300	(\$1,089,000)	\$36,761,300
61b	Career & Tech Ed Early/Middle College	\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000		\$8,000,000
61c	Marshall Plan - Career & Tech Ed Equipment (Sec. 305)	\$12,500,000		\$12,500,000	(\$900,000)	\$11,600,000	\$12,500,000	\$25,000,000	(\$12,500,000)	\$0
61d	CTE Incentive Payment - NEW	\$0		\$0	\$5,000,000	\$5,000,000		\$0	\$5,000,000	\$5,000,000
62	ISD Career & Tech Ed Millage Equalization	\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000
64b	Dual Enrollment Incentive Payments	\$1,750,000		\$1,750,000		\$1,750,000		\$1,750,000		\$1,750,000
64d	Information Technology Certifications	\$2,300,000		\$2,300,000	(\$2,300,000)	\$0		\$2,300,000	(\$2,300,000)	\$0
65	Detroit PreCollege Engineering	\$340,000		\$340,000	(\$340,000)	\$0		\$340,000	\$160,000	\$500,000

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2017-18			FY 2018-19		FY 2018-19		FY 2018-19	
		YTD PA 143 of 2017 Supplemental	Change from YTD	FY 18 House Revised	Change from FY 18 YTD	FY 19 Exec	Change from FY 18 YTD	FY 19 House Committee	Change from FY 18 YTD	FY 19 Senate Subcommittee
67	Career and College Readiness Tools	\$3,000,000		\$3,000,000		\$3,000,000		\$3,000,000		\$3,000,000
67a	Marshall Plan - Online Career Preparation (Sec. 311)	\$1,000,000		\$1,000,000	\$3,000,000	\$4,000,000	\$500,000	\$1,500,000	(\$1,000,000)	\$0
68	Marshall Plan - Competency Programs (Sec. 303)	\$0		\$0	\$21,900,000	\$21,900,000	\$21,900,000	\$21,900,000		\$0
68a	Marshall Plan - Curriculum Creation (Sec. 304)	\$0		\$0	\$6,100,000	\$6,100,000	\$6,100,000	\$6,100,000		\$0
68b	Marshall Plan - Talent Pledge Scholarships (Sec. 309)	\$0		\$0	\$25,500,000	\$25,500,000	\$10,700,000	\$10,700,000		\$0
68c	Marshall Plan - Innovative Educator Corps (Sec. 314)	\$0		\$0	\$4,800,000	\$4,800,000	\$4,800,000	\$4,800,000		\$0
	Marshall Plan - University Partnerships (Sec. 307)	\$0		\$0	\$4,000,000	\$4,000,000		\$0		\$0
	Marshall Plan - Career Navigators (Sec. 310)	\$0		\$0	\$10,100,000	\$10,100,000		\$0		\$0
	Marshall Plan - Awareness Campaigns (Sec. 312)	\$0		\$0	\$5,500,000	\$5,500,000		\$0		\$0
	Marshall Plan - Critical Shortage Certificate Program (Sec. 313)	\$0		\$0	\$1,500,000	\$1,500,000		\$0		\$0
74	School Bus Driver Safety Instruction	\$2,025,000		\$2,025,000		\$2,025,000		\$2,025,000		\$2,025,000
74	School Bus Inspections	\$1,705,300		\$1,705,300	\$24,600	\$1,729,900	\$24,600	\$1,729,900	\$24,600	\$1,729,900
81	ISD General Operations Support	\$67,108,000		\$67,108,000		\$67,108,000		\$67,108,000	\$672,000	\$67,780,000
94	Advanced Placement (AP) Incentive Program	\$750,000		\$750,000		\$750,000		\$750,000	\$750,000	\$1,500,000
94a	Center for Educational Performance and Information	\$16,216,000		\$16,216,000	\$140,700	\$16,356,700	\$140,700	\$16,356,700		\$16,216,000
94a	Center for Educational Performance and Info - Federal	\$193,500		\$193,500		\$193,500		\$193,500		\$193,500
95b	Statewide Evaluation Tool	\$2,500,000		\$2,500,000	(\$2,500,000)	\$0		\$2,500,000		\$2,500,000
98	Michigan Virtual University	\$7,387,500		\$7,387,500		\$7,387,500		\$7,387,500		\$7,387,500
99h	FIRST Robotics	\$2,800,000		\$2,800,000	(\$300,000)	\$2,500,000		\$2,800,000		\$2,800,000
99k	Marshall Plan - Cyber Security (Sec. 308)	\$500,000		\$500,000	\$1,500,000	\$2,000,000	\$1,500,000	\$2,000,000	(\$500,000)	\$0
99r	MISTEM Staff	\$250,000		\$250,000	\$150,000	\$400,000	\$50,000	\$300,000	\$150,000	\$400,000
99s(2)(3)	MISTEM Council and Grants - Council	\$2,900,000		\$2,900,000	\$50,000	\$2,950,000	\$1,100,000	\$4,000,000	\$50,000	\$2,950,000
99s(4)	MISTEM Grants - Math and Science Centers - State	\$3,299,300		\$3,299,300	(\$3,299,300)	\$0	(\$3,299,300)	\$0	(\$3,299,300)	\$0
99s(4)	MISTEM Grants - Math and Science Centers - Federal	\$4,700,000		\$4,700,000	(\$1,200,000)	\$3,500,000	(\$1,200,000)	\$3,500,000	(\$1,200,000)	\$3,500,000
99s(5)(6)	MISTEM Centers Transition	\$1,485,000		\$1,485,000	\$3,099,300	\$4,584,300	\$2,349,300	\$3,834,300	\$3,099,300	\$4,584,300
99s(13)	MISTEM Grants - Van Andel Education Institute	\$150,000		\$150,000	(\$150,000)	\$0	(\$150,000)	\$0		\$150,000
99t	Online Algebra Tool	\$1,100,000		\$1,100,000	(\$1,100,000)	\$0	\$400,000	\$1,500,000	\$400,000	\$1,500,000
99u	Online Mathematics Tool	\$1,000,000		\$1,000,000	(\$1,000,000)	\$0	\$500,000	\$1,500,000		\$1,000,000
99x	Dana Center - NEW	\$0		\$0		\$0		\$0	\$25,000	\$25,000
102d	Financial Data Analysis Tools	\$1,500,000		\$1,500,000	(\$1,500,000)	\$0		\$1,500,000		\$1,500,000
104	Education Assessments - State	\$34,709,400		\$34,709,400	(\$3,700,000)	\$31,009,400	(\$3,700,000)	\$31,009,400	\$3,300,000	\$38,009,400
104	Education Assessments - Federal	\$6,250,000		\$6,250,000		\$6,250,000		\$6,250,000		\$6,250,000
104d	Computer Adaptive Test	\$4,000,000		\$4,000,000	(\$4,000,000)	\$0		\$4,000,000	(\$4,000,000)	\$0
104e	Digital Learning Prep	\$250,000		\$250,000	(\$250,000)	\$0		\$250,000	(\$250,000)	\$0
107	Adult Education	\$27,000,000		\$27,000,000		\$27,000,000		\$27,000,000	\$3,500,000	\$30,500,000
110	Secure Schools - Panic Button App - NEW					\$0	\$600,000	\$600,000		\$0
147a	MPSERS Cost Offset	\$100,000,000		\$100,000,000		\$100,000,000		\$100,000,000	\$5,000,000	\$105,000,000
147a(2)	MPSERS Normal Cost Offset	\$48,969,000		\$48,969,000	\$39,170,000	\$88,139,000	\$39,170,000	\$88,139,000	\$39,170,000	\$88,139,000
147c(1)	MPSERS State Share of Unfunded Liability Payments	\$960,784,000		\$960,784,000	\$71,916,000	\$1,032,700,000	\$71,916,000	\$1,032,700,000	\$71,916,000	\$1,032,700,000
147c(2)	MPSERS One-time Unfunded Liability Payment	\$200,000,000		\$200,000,000	(\$200,000,000)	\$0	(\$200,000,000)	\$0	(\$200,000,000)	\$0
147e	MPSERS SB 401 Added Costs	\$23,100,000		\$23,100,000	\$14,500,000	\$37,600,000	\$14,500,000	\$37,600,000	\$14,500,000	\$37,600,000
152a	Adair - Database Payment	\$38,000,500		\$38,000,500		\$38,000,500		\$38,000,500		\$38,000,500
152b	Nonpublic School Reimbursement	\$2,500,000		\$2,500,000	(\$2,500,000)	\$0		\$2,500,000	(\$2,500,000)	\$0
	TOTAL APPROPRIATIONS	\$14,584,313,900	(\$11,193,100)	\$14,573,120,800	\$151,654,900	\$14,735,968,800	\$238,475,100	\$14,822,789,000	\$148,236,200	\$14,732,550,100
	REVENUE BY SOURCE									
	Federal Aid	\$1,726,943,500	\$0	\$1,726,943,500	(\$2,200,000)	\$1,724,743,500	(\$2,200,000)	\$1,724,743,500	(\$2,200,000)	\$1,724,743,500
	School Aid Fund	\$12,547,270,300	\$13,806,900	\$12,561,077,200	\$200,054,900	\$12,747,325,200	\$301,875,100	\$12,849,145,400	\$206,136,200	\$12,753,406,500
	MPSERS retirement obligation reform Reserve Fund	\$23,100,000	\$0	\$23,100,000	\$8,800,000	\$31,900,000	\$8,800,000	\$31,900,000	\$8,800,000	\$31,900,000
	Community District Trust Fund/Other Restricted Fund	\$72,000,100	\$0	\$72,000,100	\$0	\$72,000,100	\$0	\$72,000,100	\$0	\$72,000,100
	Marshall Plan - Talent Investment Fund				\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000		\$0
	General Fund/General Purpose	\$215,000,000	(\$25,000,000)	\$190,000,000	(\$155,000,000)	\$60,000,000	(\$170,000,000)	\$45,000,000	(\$64,500,000)	\$150,500,000
	TOTAL REVENUE	\$14,584,313,900	(\$11,193,100)	\$14,573,120,800	\$151,654,900	\$14,735,968,800	\$238,475,100	\$14,822,789,000	\$148,236,200	\$14,732,550,100

FY 2018-19: COMMUNITY COLLEGES
Summary: As Reported by House Appropriations Committee
Article II, House Bill 5579 (H-1)



Analyst: Perry Zielak

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	<i>Difference: House From FY 2017-18 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$0	\$0	\$0			\$0	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	398,301,500	405,015,500	408,215,500			9,914,000	2.5
GF/GP	1,025,000	0	0			(1,025,000)	(100.0)
Gross	\$399,326,500	\$405,015,500	\$408,215,500			\$8,889,000	2.2

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Community Colleges budget supports the 28 public community colleges located throughout the state. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associates' degrees, career and technical education, developmental and remedial education, continuing education, and 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.

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 House Change
Major Budget Changes From FY 2017-18 YTD Appropriations			
1. Michigan Public School Employee Retirement System (MPERS)	Gross	\$70,805,000	\$4,495,000
<u>Executive</u> increases funding by \$4.5 million SAF for MPERS. This includes a reduction of \$3.2 million SAF for the state's share of colleges' unfunded liability to MPERS and a \$7.7 million SAF increase to cover the second year of a two-year phase in to reduce the assumed rate of return for MPERS from 8% to 7.5%. The state's share is the difference between the actuarial accrued liability to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement act (MCL 38.1341). Total funding for the state share of MPERS would be \$75.3 million SAF. <u>House</u> concurs.	Restricted	70,805,000	4,495,000
	GF/GP	\$0	\$0
2. Community College Operations Grants	Gross	\$319,050,900	\$3,200,000
<u>House</u> increases funding by \$3.2 million SAF, a 1.0% increase. Funding for Operations grants would total \$322.3 million SAF.	Restricted	319,050,900	3,200,000
	GF/GP	\$0	\$0
3. MPERS Normal Cost Offset	Gross	\$3,612,000	\$2,819,000
<u>Executive</u> increases funding by \$2.8 million SAF to reimburse community colleges for their normal cost portion for the second year of a two-year phase in to reduce the assumed rate of return for MPERS from 8% to 7.5%. The total funding for MPERS normal cost offset would be \$6.4 million. <u>House</u> concurs.	Restricted	3,612,000	2,819,000
	GF/GP	\$0	\$0
4. Renaissance Zone Reimbursement Costs	Gross	\$3,100,000	(\$600,000)
<u>Executive</u> reduces funding for Renaissance Zone reimbursements to community colleges by \$600,000 SAF. Estimated reimbursement payments required by statute have decreased due to Personal Property Tax reforms. Total funding for reimbursements would be \$2.5 million SAF. <u>House</u> concurs.	Restricted	3,100,000	(600,000)
	GF/GP	\$0	\$0
5. Removal of One-Time Funding	Gross	\$1,025,000	(\$1,025,000)
<u>Executive</u> eliminates \$1.0 million GF/GP of one-time funding for the Michigan Transfer Network. <u>House</u> concurs.	GF/GP	\$1,025,000	(\$1,025,000)

Major Boilerplate Changes From FY 2017-18

Sec. 206. Community Colleges Activities Classification Structure (ACS) Data – REVISED

Executive changes name of data collection entity from Activities Classification Structure to the Michigan Community Colleges Data Inventory. Deletes requirement that the State Budget Director notify the legislature before withholding funds from community colleges that fail to comply with requirements. House concurs with name change but retains State Budget Director notification requirement.

Sec. 208. Self-Liquidating Projects – RETAINED

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

Sec. 209. Community College Transparency – REVISED

Executive changes formal name of community colleges database to Michigan Community College Data Inventory. Deletes a provision authorizing State Budget Director to withhold payment from a college that failed to comply with the reporting requirements. House concurs with name change but retains subsection on withholding payment.

Sec. 210e. Articulation Agreements and Academic Partnerships Reporting – NEW

Executive adds language that requires the Michigan Community College Association (MCCA), the Michigan Association of State Universities (MASU), and the Michigan Independent Colleges and Universities (MICU) to report on the names and number of baccalaureate degree programs offered on community college campuses, the names of articulation agreements between universities and community colleges, and the number of students enrolled and degrees awarded through articulation agreements and on-campus baccalaureate programs. House concurs but relabels as Sec. 210f.

Sec. 212. Cost Containment Initiatives – RETAINED

Executive deletes language that encourages 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.

Sec. 215. Annual Sexual Assault Reports – NEW

House adds language requiring that community colleges must submit a Title IX annual report on sexual assault incidents, as required under the Campus Save Act of 2013, to the House and Senate subcommittees on Community Colleges, the House and Senate fiscal agencies, and the State Budget Director.

Sec. 217. Activities Classification Structure Data – REVISED

Executive changes name of data collection entity from Activities Classification Structure to the Michigan Community Colleges Data Inventory and removes MCCA appointment restrictions for advisory committee. House concurs and also adds language that the Center for Educational Performance and Information (CEPI) publishes the Demographic Enrollment Profile with support from the Talent Investment Agency.

Sec. 225. Tuition Rate Reports – REVISED

Executive deletes language that requires community colleges to include the annual cost of attendance based on 30 credits. House concurs but adds requirement that colleges must specify the total increase of tuition and fees from the prior academic year.

Sec. 226. Degrees Awarded by Colleges – REVISED

Executive changes reporting deadline from November 15 to October 15. House concurs.

Sec. 227. Community College Automobile Purchases – RETAINED

Executive deletes language that forbids lease or purchase of foreign-made vehicles if vehicles made in Michigan or elsewhere in the U.S. are competitively priced and of comparable quality. House retains.

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.

**FY 2018-19 Community Colleges Operations Appropriations
As Reported by the House Appropriations Committee**

	30%	10%	10%	10%	30%	5%	5%	100%			
	FY 2017-18		Performance-	Performance-	Contact	Local			%	FY 2018-19	
	Base	Sustainability	Improvement	Completion	Completion	Hours	Administrative	Strategic	Total	Change	Appropriation
			Number	Rate			Value				
Alpena	5,627,500	16,933	4,515	3,755	11,735	8,683	5,690	2,822	54,100	1.0%	\$5,681,600
Bay de Noc	5,589,000	16,817	4,503	4,298	4,485	8,780	4,754	2,803	46,400	0.8%	5,635,400
Delta	14,990,700	45,106	15,235	17,617	12,028	42,824	7,137	7,518	147,500	1.0%	15,138,200
Glen Oaks	2,601,400	7,827	5,129	1,888	2,087	5,765	196	1,305	24,200	0.9%	2,625,600
Gogebic	4,715,400	14,188	3,784	2,138	12,076	6,672	3,637	2,365	44,900	1.0%	4,760,300
Grand Rapids	18,556,800	55,836	14,890	18,616	14,890	77,621	6,812	9,306	198,000	1.1%	18,754,800
Henry Ford	22,299,200	67,097	17,892	14,972	25,244	69,491	7,643	11,183	213,500	1.0%	22,512,700
Jackson	12,590,100	37,883	10,102	8,369	10,102	25,486	6,880	6,314	105,100	0.8%	12,695,200
Kalamazoo Valley	12,948,700	38,962	10,390	12,332	10,390	41,518	6,983	6,494	127,100	1.0%	13,075,800
Kellogg	10,143,600	30,521	8,139	8,885	8,139	23,651	7,476	5,087	91,900	0.9%	10,235,500
Kirtland	3,289,400	9,898	9,725	3,489	2,639	8,684	5,775	1,650	41,900	1.3%	3,331,300
Lake Michigan	5,523,600	16,620	4,487	4,059	4,432	17,726	3,293	2,770	53,400	1.0%	5,577,000
Lansing	32,324,200	97,261	25,936	29,541	25,936	72,203	6,067	16,210	273,200	0.8%	32,597,400
Macomb	33,863,600	101,893	37,825	28,220	33,892	112,338	7,075	16,982	338,100	1.0%	34,201,700
Mid-Michigan	4,968,900	14,951	3,987	7,194	3,987	19,428	5,166	2,492	57,200	1.2%	5,026,100
Monroe County	4,665,500	14,038	8,165	4,584	3,744	16,204	6,874	2,340	55,900	1.2%	4,721,400
Montcalm	3,446,300	10,370	2,765	3,817	2,765	7,526	6,936	1,728	35,900	1.0%	3,482,200
Mott	16,258,100	48,919	13,045	21,244	19,684	43,527	5,785	8,153	160,400	1.0%	16,418,500
Muskegon	9,203,000	27,691	7,384	5,037	7,384	20,440	7,535	4,615	80,100	0.9%	9,283,100
North Central	3,353,200	10,090	2,691	3,203	9,694	10,627	6,367	1,682	44,400	1.3%	3,397,600
Northwestern	9,508,900	28,612	7,630	7,656	7,630	23,122	5,868	4,769	85,300	0.9%	9,594,200
Oakland	21,905,700	65,913	33,739	27,167	17,577	81,371	6,537	10,985	243,300	1.1%	22,149,000
Schoolcraft	12,991,300	39,090	13,764	16,144	17,430	58,186	6,782	6,515	157,900	1.2%	13,149,200
Southwestern	6,860,700	20,643	5,505	5,956	5,505	12,148	3,397	3,441	56,600	0.8%	6,917,300
St. Clair	7,300,100	21,965	5,857	6,278	12,734	19,894	5,677	3,661	76,100	1.0%	7,376,200
Washtenaw	13,631,400	41,016	10,938	26,955	17,829	61,845	6,717	6,836	172,100	1.3%	13,803,500
Wayne County	17,338,300	52,170	29,926	24,557	13,912	58,213	5,844	8,695	193,300	1.1%	17,531,600
West Shore	2,556,300	7,692	2,051	2,031	2,051	6,025	1,098	1,282	22,200	0.9%	2,578,500
	319,050,900	960,000	320,000	320,000	320,000	960,000	160,000	160,000	3,200,000	1.0%	\$322,250,900

FY 2018-19: HIGHER EDUCATION

Summary: As Reported by House Appropriations Committee Article III, House Bill 5579 (H-1)



Analyst: Perry Zielak

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: House From FY 2017-18 YTD	
						Amount	%
	\$0	\$0	\$0			\$0	--
Federal	111,526,400	113,026,400	119,026,400			7,500,000	6.7
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	238,443,500	385,688,300	385,688,300			147,244,800	61.8
GF/GP	1,279,254,500	1,160,217,900	1,145,602,800			(133,651,700)	(10.4)
Gross	\$1,629,224,400	\$1,658,932,600	\$1,650,317,500			\$21,093,100	1.3

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

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, 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 2017-18 YTD Appropriations

1. University Operations Funding

Executive increases university operations funding by \$28.6 million School Aid Fund (SAF), a 2.0% increase. The increase is distributed under the performance funding formula, where 50% is allocated based on each university's share of operational funding appropriated in the baseline year of FY 2010-11, while the remaining increase is distributed based on other formula components (weighted completions, research and development spending, and comparison to Carnegie peers). Attainment of performance funding would be conditioned on restraining resident undergraduate tuition and fee increases to 3.8% or \$490 (set at 3.8% or \$475 in the current year). Projected funding increases for individual universities range from 1.5 to 3.1%. Also includes a fund shift of \$120.0 million from GF/GP to SAF.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 House Change
Gross	\$1,428,345,000	\$14,283,500
Restricted	231,219,500	148,566,800
GF/GP	\$1,197,125,500	(\$134,283,300)

House increases university operations funding by \$14.3 million SAF, a 1.0% increase. The House concurs with the condition that resident undergraduate tuition and fee increases must be restrained to 3.8% or \$490, whichever is greater. The House increases the fund shift of GF/GP to SAF from \$120 million to \$134.3 million. Adds stipulation that operations funding will be reduced by 10% for universities that fail to submit Title IX reports specified in Sec. 274c and Sec. 274d or fail to comply with various Title IX and sexual assault stipulations found in Sec. 265b. Projected funding increases for individual universities range from 0.8% to 1.5%.

2. Michigan Competitive Scholarship

Executive increases funding for Michigan Competitive Scholarships by \$6.0 million in federal Temporary Assistance for Needy Families (TANF) funds. The scholarships are awarded to students with a qualifying ACT/SAT score and demonstrated financial need. The funding is taken from the Tuition Grant Program, due to higher than expected demand in Michigan Competitive Scholarships and lower participation in the Tuition Grant Program. Total funding for Michigan Competitive Scholarships would be \$32.4 million.

	Gross	\$26,361,700	\$6,000,000
Federal	18,361,700		6,000,000
GF/GP	\$8,000,000		\$0

House concurs with the funding increase for Michigan Competitive Scholarships but does not change the Tuition Grant Program funding levels.

Major Budget Changes From FY 2017-18 YTD Appropriations		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 House Change
3. Michigan Public School Employee Retirement System (MPERS) Rate Cap Costs	Gross	\$6,705,000	(\$1,572,000)
<u>Executive</u> reduces funding by \$1.6 million SAF for the state's share of the universities' unfunded liability to MPERS. The state's share is the difference between the unfunded accrued liability to the system and the employer contribution cap of 25.73% of payroll for the seven universities with MPERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Total funding for the state share of MPERS would be \$5.1 million SAF. <u>House</u> concurs.	Restricted	6,705,000	(1,572,000)
	GF/GP	\$0	\$0
4. Tuition Incentive Program	Gross	\$58,300,000	\$1,500,000
<u>Executive</u> increases funding for Tuition Incentive Program by \$1.5 million in federal TANF funds, a 2.6% increase, which pays for Medicaid-eligible students' tuition costs for associate's degrees. Total funding for TIP would be \$59.8 million. <u>House</u> concurs.	Federal	58,300,000	1,500,000
	GF/GP	\$0	\$0
5. MSU Extension and AgBioResearch Programs	Gross	\$63,165,700	\$631,600
<u>Executive</u> increases funding for Michigan State's AgBioResearch program by \$678,300 GF/GP and Extension program by \$585,100 GF/GP, a 2.0% increase for both.	GF/GP	\$63,165,700	\$631,600
<u>House</u> increases funding for AgBioResearch by \$339,100 GF/GP and Extension program by \$292,500 GF/GP, a 1.0% increase for both programs.			
6. MPERS Normal Cost Offset	Gross	\$419,000	\$250,000
<u>Executive</u> increases funding by \$250,000 SAF to reimburse universities for the normal cost increase for the second year of a two-year phase in to reduce the assumed rate of return for MPERS from 8% to 7.5%. Total funding for the offset would be \$669,000 SAF. <u>House</u> concurs.	Restricted	419,000	250,000
	GF/GP	\$0	\$0
7. Tuition Grant Program	Gross	\$38,021,500	\$0
<u>Executive</u> decreases funding for the Tuition Grant Program by \$6.0 million in federal TANF funds. The program provides need-based tuition assistance to students at Michigan independent (i.e. private, non-profit) colleges and universities. The \$6.0 million reduction is transferred to Michigan Competitive Scholarships, due to higher than expected demand in Michigan Competitive Scholarships and lower participation in the Tuition Grant Program. Tuition Grant maximum per-student annual award amounts would increase from \$2,000 to \$2,100. Total funding for the Tuition Grant Program would be \$32.0 million.	Federal	31,664,700	0
<u>House</u> maintains current funding levels. Tuition Grant maximum per-student annual award amounts would increase from \$2,000 to \$2,300. Total funding for the Tuition Grant Program would be \$38.0 million.	GF/GP	\$6,356,800	\$0
8. North American Indian Tuition Waiver One-Time Funding	Gross	\$300,000	\$0
<u>Executive</u> eliminates \$300,000 GF/GP of one-time funding for the North American Indian Tuition Waiver Program.	GF/GP	\$300,000	\$0
<u>House</u> maintains current funding levels.			

Major Boilerplate Changes From FY 2017-18

Sec. 242. Federal or Private Funds – RETAINED

Executive deletes language specifying that acceptance of federal or private funds does not place an ongoing obligation on the legislature. House retains.

Sec. 245. University Transparency – RETAINED

Executive deletes requirement that state budget director determine compliance and language granting authority to withhold payments for a university not in compliance. House retains.

Major Boilerplate Changes From FY 2017-18

Sec. 252. Tuition Grant Program – REVISED

Executive revises program application deadline from July 1 to March 1 to be considered for a tuition grant award. Deletes language that a tuition grant may not be renewed for more than 10 semesters or its equivalent in trimesters or quarters, or if a student has not completed using the grant within 10 years of determined eligibility by the Department of Treasury. Increases maximum award amount from \$2,000 to \$2,100. Deletes expiration date of unexpended funds as a work project. Increases individual institution cap on awards from \$3.5 million to \$4.2 million.

House concurs with deadline revision, deletion of renewal language and increasing individual institution cap from \$3.5 million to \$4.2 million. Increases maximum award amount from \$2,000 to \$2,300. Retains work project expiration date.

Sec. 256. Tuition Incentive Program – REVISED

Executive deletes requirement for unexpended funds to continue to be available in the next fiscal year as a work project.

House retains work project language. Increases award cap on institutions from \$8.5 million to \$10.0 million and specifies students who currently receive program funds have priority in receiving funds in the upcoming academic year.

Sec. 261. Douglas Lake Biological Station – RETAINED

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

Sec. 265. Performance Funding Criteria: Tuition Restraint – REVISED

Executive revises tuition restraint cap for universities to 3.8% or \$490.00, whichever is greater. Deletes language that defines fees to include the cost of a university-affiliated health insurance policy for a university that compels resident undergraduate students to have health insurance coverage. Deletes legislative intent language that indicates universities that violate the tuition restriction cap shall not receive a capital outlay project authorization in FY 2018-19 and FY 2019-20 and will have its appropriation adjusted.

House concurs on the tuition restraint cap of 3.8% or \$490.00, whichever is greater. Retains language on fee definition and tuition restraint violation penalties.

Sec. 265a. Performance Funding Criteria and Formula – REVISED

Executive revises language around weighted undergraduate completions in critical skills areas. Deletes legislative intent language to lower score for three-year improvement criteria from 2 points to 1 point. Deletes intent language about allocating more funding based on performance metrics in future years.

House retains current weighted levels for undergraduate completions in critical skills areas. Retains language on current scoring system and intent to allocate more funding based on metrics in future years.

Sec. 265b. Articulation Agreements and Academic Partnerships Reporting – NEW

Executive adds language that requires that the Michigan Community College Association (MCCA), the Michigan Association of State Universities (MASU), and the Michigan Independent Colleges and Universities (MICU) report on the names and number of baccalaureate degree programs offered on community college campuses, the names of articulation agreements between universities and community colleges, and the number of students enrolled and degrees awarded through articulation agreements and on-campus baccalaureate programs.

House concurs but makes report biennial and changes to Sec. 265c.

Sec. 265b. Operations Funding Criteria and Sexual Assault/Title IX Standards – NEW

House adds language penalizing universities that fail to comply with Title IX reporting requirements found in sections 274c and 274d and a number of other requirements with a 10% reduction in operations funding, including:

- Prohibiting the use of in-house medical experts in Title IX investigations.
- Prohibiting the issuance of divergent Title IX investigation report.
- Allowing the complainant to have the university notify a law enforcement agency in an investigation of a university employee.
- Instituting an in-person sexual assault prevention course or presentation for all freshmen and sophomores and an electronic course or presentation for all other students.
- Prohibiting compensation for medical procedures and related charges from medical professionals convicted of a felony.
- Having a third-party investigator examine the Title IX office and policies before the 2018-19 academic year.
- Requiring that Title IX reports against employees are shared with the university's governing body.
- Requiring a third-party Title IX investigation against an employee with more than one "no misconduct" finding.
- Certifying that the president or chancellor and one governing body board member has reviewed all Title IX reports involving university employees.

Sec. 268. Indian Tuition Waivers – RETAINED

Executive deletes language that states unfunded Indian Tuition Waiver costs be allocated from the general fund. Deletes language around distribution of funds from one-time appropriation. House retains.

Sec. 271a. Instructional Activity Pertaining to Unionization – RETAINED

Executive deletes legislative intent language that instructs public universities not to use appropriations to offer instructional activity that targets companies or groups of companies for unionization or decertification of a union. House retains.

Major Boilerplate Changes From FY 2017-18

Sec. 274. Embryonic Stem Cell Research – RETAINED

Executive deletes legislative intent language that instructs organizations conducting research using human embryonic stem cells report to the Department of Health and Human Services regarding compliance with federal guidelines and detailing usage of stem cell lines. House retains.

Sec. 274d. Sexual Assault Reports – REVISED

House adds language that requires universities to send the annual Title IX report to the Attorney General, the Department of Civil Rights and relevant county sheriff in addition to current report recipients. Adds a Title IX summary report requirement.

Sec. 274e. Auditor General Audits of Title IX Operations – NEW

House adds language that requires the Auditor General to audit Title IX operations of all public universities a minimum of once every three years.

Sec. 274f. Sexual Assault Prevention and Education Initiative Grants – NEW

House adds language providing for allowable uses of grant money in the Department of State Police budget for sexual assault prevention programs and initiatives.

Sec. 275a. Capital Outlay Requirements – RETAINED

Executive deletes section 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% of appropriation for failure to comply. (Executive Recommendation originally repeals Sec. 275. The State Budget Office notified the fiscal agencies of the mistake.) House retains.

Sec. 289. Audit of Higher Education Institutional Data Inventory (HEIDI) Data – REVISED

Executive revises language that the Auditor General shall audit the HEIDI data and selected universities from periodically to not less than every four years. House concurs.

Sec. 292. Performance Formula Review Task Force – NEW

House adds language that creates a task force created by August 15, 2019 to review and recommend changes to the Performance Formula. The task force would comprise two members from the House, two members from the Senate, one member from the Department of Technology, Management and Budget, and four members from the universities, and would have to submit a report by November 15, 2019.

Summary: FY 2018-19 University Performance Funding Increases
As Reported by the House Appropriations Committee

University	Proportional to FY 2010-11			Performance Funding Proportional to Share of Total				Performance Funding Scored vs. National Carnegie Peers								*Total Performance Funding Increase	Proposed FY 2018-19 Appropriation	Percent Change
	% of formula:	50.0%		11.1%		5.6%		33.3%										
	Funding per unit:	\$0.005 per dollar		\$89.95 per completion		\$0.0005 per dollar		\$3.36 per weighted point										
FY 2017-18 Year-to-Date Appropriation	FY 2010-11 Appropriation	Funding	Critical Skills Undergrad Completions	Funding	Research & Development Expenditures	Funding	6-year Grad Rate	Total Degrees	Instl. Support as % of Expend.	% Students Receiving Pell Grants	Total Points	Undergrad FYES	FYES-Weighted Points	Funding				
Michigan State	\$281,239,100	\$283,685,200	\$1,426,420	3,232	\$290,708	\$349,725,075	\$184,621	2	3	0	0	5	36,703	183,515	\$615,838	\$2,517,600	\$283,756,700	0.9%
UM-Ann Arbor	314,589,100	\$316,254,500	1,590,185	3,159	284,097	\$857,589,000	452,725	3	3	2	0	8	28,671	229,371	769,720	\$3,096,700	317,685,800	1.0%
Wayne State	199,169,800	\$214,171,400	1,076,892	961	86,394	\$181,378,000	95,750	2	2	0	3	7	14,375	100,622	337,664	1,596,700	200,766,500	0.8%
Central Michigan Tech Western	85,654,400 49,052,200 109,376,800	\$80,132,000 \$47,924,200 \$109,615,100	402,918 240,972 551,164	822 921 1,173	73,891 82,841 105,463	\$14,889,698 \$59,326,199 \$22,801,658	7,860 31,319 12,037	2 3 0	3 0 2	0 2 0	2 0 2	7 5 4	16,842 5,577 16,272	117,894 27,884 65,087	395,627 93,571 218,419	880,300 448,700 887,100	86,534,700 49,500,900 110,263,900	1.0% 0.9% 0.8%
Eastern Oakland	75,169,900 51,235,900	\$76,026,200 \$50,761,300	382,273 255,237	938 1,348	84,370 121,248	\$4,847,557 \$12,609,712	2,559 6,657	2 2	3 2	2 2	2 2	9 8	14,419 15,216	129,775 121,728	435,496 408,493	904,700 791,600	76,074,600 52,027,500	1.2% 1.5%
Grand Valley Saginaw Valley UM-Dearborn UM-Flint	70,100,100 29,766,100 25,421,900 23,061,800	\$61,976,400 \$27,720,700 \$24,726,200 \$20,898,000	311,629 139,385 124,328 105,079	1,389 495 481 610	124,936 44,479 43,300 54,823			3 2 2 2	3 2 2 2	2 2 2 0	0 2 2 2	8 8 8 6	20,178 7,341 5,861 5,062	161,420 58,726 46,885 30,372	541,691 197,071 157,337 101,921	978,300 380,900 325,000 261,800	71,078,400 30,147,000 25,746,900 23,323,600	1.4% 1.3% 1.3% 1.1%
Ferris Northern	53,595,500 47,137,400	\$48,619,200 \$45,140,300	244,466 226,974	1,381 556	124,216 50,010			2 2	3 3	2 2	2 0	9 7	10,229 6,534	92,061 45,738	308,937 153,487	677,600 430,500	54,273,100 47,567,900	1.3% 0.9%
Lake Superior	13,775,000	\$12,694,200	63,829	181	16,280			2	2	0	0	4	1,929	7,716	25,893	106,000	13,881,000	0.8%
TOTAL:	\$1,428,345,000	\$1,420,344,900	\$7,141,750	17,644	\$1,587,056	\$1,503,166,899	\$793,528	31	35	18	19	103	205,208	1,418,792	\$4,761,167	\$14,283,500	\$1,442,628,500	1.0%

Component	Source	Years	Notes
Critical skills undergrad completions	State HEIDI	FYs 2016-2017	STEM/health/etc.
Research & develop expend	Federal IPEDS	FY 2016	Carnegie research universities only
Six-year graduation rate	Federal IPEDS^	FYs 2012-2015	First-time, full-time degree seeking students
Total degree completions	Federal IPEDS^	FYs 2012-2015	Includes graduate degrees
Inst support as % of core expend	Federal IPEDS^	FYs 2012-2015	Measure of administrative costs
Pell grant students	Federal IPEDS^	FYs 2013-2015	Federal need-based aid for undergrads
Undergrad FYES	State HEIDI	FY 2017	Includes nonresident students

^ via Business Leaders for Michigan and Anderson Economic Group

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

- *Requirements to receive funding increase:
1. Restrain FY 2018-19 resident undergraduate tuition/fee rate increase to 3.8% or \$490 (whichever is greater)
 2. Participate in at least three reverse transfer agreements with community colleges
 3. Maintain a dual enrollment credit policy that does not consider whether credits were used toward high school graduation
 4. 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