

FY 2023-24: HIGHER EDUCATION
Summary: Conference Report
Article 3, Senate Bill 173 (S-3) CR-1



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IDG/IDT	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: Conference From FY 2022-23 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	128,526,400	128,526,400	148,526,400	128,526,400	131,026,400	2,500,000	1.9
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	347,888,300	352,268,300	352,268,300	352,268,300	482,268,300	134,380,000	38.6
GF/GP	1,540,221,000	1,708,886,500	1,697,285,700	1,851,296,500	1,677,754,100	137,533,100	8.9
Gross	\$2,016,635,700	\$2,189,681,200	\$2,198,080,400	\$2,332,091,200	\$2,291,048,800	\$274,413,100	13.6

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (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 3 of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University; some retirement costs for employees who participate in the state public school employee retirement system; various financial aid programs for students attending public and independent colleges and universities in the state; and several other smaller higher education-related programs.

Major Budget Changes from FY 2022-23 YTD Appropriations	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
1. University Operations Increase	Gross \$1,542,797,100	\$99,246,800
<u>Executive</u> includes a net increase of \$68.9 million GF/GP for university operations, a 4.5% increase. This includes:	Restricted 343,168,300	100,000,000
	GF/GP \$1,199,628,800	(\$753,200)

- \$61.2 million GF/GP increase to operations grants for universities, with all universities receiving a 4.0% increase.
- \$7.3 million GF/GP increase to fund the second year of a three-year phase-in of a \$4,500 funding floor based on fiscal year equated students (FYES).
- \$376,000 GF/GP increase based on FY 2021-22 North American Indian Tuition Waiver program costs reported by institutions.

Attainment of the operations increase and FYES floor funding would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.5% or \$676 (set at 5.0% or \$722 in the current year). Projected funding changes for universities would range from 3.7% to 9.1%. Total funding for operations would be \$1.6 billion Gross (\$1.3 billion GF/GP).

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Major Budget Changes from FY 2022-23 YTD Appropriations

1. University Operations Increase (continued)

House includes a net increase of \$99.5 million GF/GP for university operations, a 6.4% increase. This includes:

- \$62.1 million GF/GP ongoing increase to operations grants for universities, with all universities receiving a 4.0% increase.
- \$15.5 million GF/GP for a one-time increase to operations grants for universities, a 1.0% increase.
- \$21.4 million GF/GP (\$14.1 million one-time GF/GP) increase to fund a \$4,500 funding floor based on fiscal year equated students (FYES) phased in over two years instead of the planned three-year phase-in. The funding floor calculation would be applied before the ongoing and one-time operations increase.
- \$492,600 GF/GP increase based on FY 2021-22 North American Indian Tuition Waiver program costs reported by institutions and incorporating Bay Mills Community College into the ITW program.

Projected funding changes for universities would range from 4.7% to 19.8%. Total funding for operations would be \$1.6 billion Gross (\$1.3 billion GF/GP).

Senate includes a net increase of \$252.0 million GF/GP for university operations, a 16.3% increase. This includes:

- \$91.8 million GF/GP ongoing increase to operations grants for universities, with all universities receiving a 6.0% increase.
- \$13.0 million GF/GP one-time increase to operations grants for the seven universities participating in MPSERS. The funding accounts for the difference between what MPSERS and non-MPSERS universities received as an ongoing operations increase for FY 2022-23.
- \$5.6 million GF/GP increase to fund the second year of a three-year phase-in of a \$4,500 funding floor based on fiscal year equated students (FYES).
- \$141.3 million GF/GP of one-time funding for Infrastructure, Technology, Equipment, and Maintenance (ITEM), which would allow universities to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, and debt payments. Individual university allocations would be distributed based on calculated FY 2021-22 fiscal year equated student (FYES) enrollment.
- \$257,200 GF/GP increase based on FY 2021-22 North American Indian Tuition Waiver program costs reported by institutions.

Attainment of the operations increase and FYES floor funding would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.5% or \$676 (set at 5.0% or \$722 in the current year). Projected funding changes for universities would range from 12.0% to 24.8%. Total funding for operations would be \$1.8 billion Gross (\$1.5 billion GF/GP).

Conference includes a net increase of \$99.2 million Gross (\$753,200 GF/GP reduction) for university operations, a 6.4% increase. This includes:

- \$77.6 million GF/GP ongoing increase to operations grants for universities, with all universities receiving a 5.0% increase.
- \$21.4 million GF/GP increase to fund a \$4,500 funding floor based on fiscal year equated students (FYES) phased in over two years instead of the planned three-year phase-in. The funding floor calculation would be applied before the ongoing operations increase.
- \$257,200 GF/GP increase based on FY 2021-22 North American Indian Tuition Waiver program costs reported by institutions.
- Swaps \$100.0 million SAF with a corresponding amount of GF/GP.

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Major Budget Changes from FY 2022-23 YTD Appropriations

1. University Operations Increase (continued)

Attainment of the operations increase and FYES floor funding would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.5% or \$676 (set at 5.0% or \$722 in the current year). Projected funding changes for universities would range from 4.7% to 19.8%. Total funding for operations would be \$1.6 billion Gross (\$1.2 billion GF/GP).

2. Michigan State University Extension and AgBioResearch Programs Increase

Gross	\$68,327,100	\$3,416,300
GF/GP	\$68,327,100	\$3,416,300

Executive includes a total increase of \$2.7 million GF/GP for MSU's AgBioResearch and Extension program funding. This includes an ongoing operations increase for the MSU AgBioResearch program of \$1.5 million GF/GP and an ongoing operations increase of \$1.3 million GF/GP for the MSU Extension program. These adjustments represent a 4.0% increase for both programs. Total funding for AgBioResearch and Extension programs would be \$71.1 million GF/GP.

House includes a net increase of \$8.3 million GF/GP for MSU's AgBioResearch and Extension program funding. This includes:

- \$3.4 million GF/GP ongoing operations increase for the MSU AgBioResearch program, including the addition of \$1.9 million GF/GP for the new Solving Emerging Environmental Developments and Securing Sustainability (SEEDSS) Initiative, a 9.3% increase.
- \$3.3 million GF/GP one-time operations increase for MSU AgBioResearch, including the addition of \$2.9 million for the SEEDSS Initiative.
- \$1.3 million GF/GP ongoing operations increase for the MSU Extension program, a 4.0% increase.
- \$316,400 GF/GP one-time operations increase for MSU Extension.

Total funding for AgBioResearch and Extension programs would be \$76.6 million GF/GP.

Senate includes a net increase of \$4.1 million GF/GP for MSU's AgBioResearch and Extension program funding. This includes:

- \$2.2 million GF/GP ongoing operations increase for the MSU AgBioResearch program, a 6.0% increase.
- \$1.9 million GF/GP ongoing operations increase for the MSU Extension program, a 6.0% increase.

Total funding for AgBioResearch and Extension programs would be \$72.4 million GF/GP.

Conference includes a net increase of \$3.4 million GF/GP for MSU's AgBioResearch and Extension program funding. This includes:

- \$1.8 million GF/GP ongoing operations increase for the MSU AgBioResearch program, a 5.0% increase.
- \$1.6 million GF/GP ongoing operations increase for the MSU Extension program, a 5.0% increase.

Total funding for AgBioResearch and Extension programs would be \$71.7 million GF/GP.

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
3. Michigan Public School Employee Retirement System (MPERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment			
	Gross	\$70,000	(\$70,000)
	Restricted	70,000	(70,000)
	GF/GP	\$0	\$0
<p><u>Executive</u> removes \$70,000 School Aid Fund (SAF) for the state's share of the universities' MPERS UAAL contribution, a 100.0% decrease. The state's share is the difference between the calculated UAAL contribution 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). Due to an one-time FY 2021-22 MPERS deposit, the amount needed for the state share was reduced due to no institution being above the payroll contribution cap based on projections from the Office of Retirement Services. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.</p>			
4. MPERS Normal Cost Offset			
	Gross	\$4,650,000	\$4,450,000
	Restricted	4,650,000	4,450,000
	GF/GP	\$0	\$0
<p><u>Executive</u> increases reimbursement funding provided to universities by \$4.5 million SAF, a 95.7% increase, due to lowering the assumed rate of return for MPERS from 6.8% to 6.0% pursuant to the dedicated gains policy. Total funding for the MPERS Normal Cost Offset would be \$9.1 million SAF. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.</p>			
5. Michigan Achievement Scholarship/Postsecondary Scholarship Fund Deposit			
	Gross	\$250,000,000	\$50,000,000
	Restricted	0	0
	GF/GP	\$250,000,000	\$50,000,000
<p><u>Executive</u> includes a net increase of \$100.0 million GF/GP for deposit into the Postsecondary Scholarship Fund, a 40.0% increase, which is the funding source for Michigan Achievement Scholarships. The deposit includes a \$50.0 million GF/GP ongoing and a \$50.0 million GF/GP one-time deposit into the fund. The scholarships are awarded to eligible in-state students that graduate high school or achieve an equivalency certificate in 2023 or after and attend an eligible Michigan public university, community college, tribal college or independent nonprofit college or university full-time. After a total \$350.0 million GF/GP deposit into the Postsecondary Scholarship Fund, total funding for Michigan Achievement Scholarships for FY 2023-24 would be \$350.0 million restricted. <u>House</u> includes an increase of \$50.0 million GF/GP ongoing for deposit into the Postsecondary Scholarship Fund, a 20.0% increase. After a total \$300.0 million GF/GP deposit into the Postsecondary Scholarship Fund, total funding for Michigan Achievement Scholarship for FY 2023-24 would be \$300.0 million restricted. <u>Senate</u> concurs with <u>House</u>. <u>Conference</u> concurs with <u>House</u>.</p>			
6. Tuition Incentive Program			
	Gross	\$71,300,000	\$2,500,000
	Federal	71,300,000	2,500,000
	GF/GP	\$0	\$0
<p><u>Conference</u> increases funding for the Tuition Incentive Program (TIP) by \$2.5 million federal Temporary Assistance for Needy Families (TANF) funding, a 3.5% increase. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The increase addresses an anticipated increase in program costs that began in FY 2022-23. Total funding for TIP would be \$73.8 million TANF.</p>			
7. Michigan Competitive Scholarship			
	Gross	\$29,861,700	(\$3,000,000)
	Federal	23,930,800	0
	GF/GP	\$5,930,900	(\$3,000,000)
<p><u>Executive</u> decreases funding for Michigan Competitive Scholarships by \$3.0 million GF/GP, a 10.0% decrease. The scholarships are awarded to students with a qualifying SAT score and demonstrated financial need. The reduction is due to the anticipated phase-out of the scholarship program as student awards increase under the new Michigan Achievement Scholarship program. Total funding for Michigan Competitive Scholarships would be \$26.9 million Gross (\$2.9 million GF/GP). <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.</p>			

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
8. Infrastructure, Technology, Equipment, Maintenance, and Safety	Gross	\$0	\$79,000,000
<u>Conference</u> adds \$79.0 million GF/GP for Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS), which would allow public universities to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, debt, and school safety measures. Public universities that receive a Capital Outlay project authorization by December 15, 2023 would not be eligible to receive ITEM funding. Individual public university allocations would be distributed based on calculated FY 2021-22 fiscal year equated student (FYES) enrollment and would not be distributed until January 2024. Total funding for ITEM would be \$79.0 million GF/GP.	GF/GP	\$0	\$79,000,000
9. Michigan State University Engineering and Digital Innovation Center	Gross	\$0	\$30,000,000
<u>Conference</u> adds \$30.0 million SAF for Michigan State University's Engineering and Digital Innovation Center. The new building would contain classrooms, laboratories and project studios that would focus on computational sciences and digital literacy disciplines. Total funding for Michigan State's Engineering and Digital Innovation Center would be \$30.0 million SAF.	Restricted	0	30,000,000
	GF/GP	\$0	\$0
10. Critical Incident Mapping	Gross	\$0	\$5,000,000
<u>Senate</u> adds \$2.5 million GF/GP for critical incident mapping. The distribution of funds would be proportional to each university's operations funding. Total funding for critical incident mapping would be \$2.5 million GF/GP. <u>Conference</u> adds \$5.0 million GF/GP for critical incident mapping. The distribution of funds would be proportional to each university's operations funding. Total funding for critical incident mapping would be \$5.0 million GF/GP.	GF/GP	\$0	\$5,000,000
11. Michigan Geological Survey	Gross	\$0	\$3,000,000
<u>Senate</u> adds \$2.0 million GF/GP to develop and construct a new facility for the Michigan Geological Survey, which would be located at Western Michigan University. Total funding for the Michigan Geological Survey would be \$2.0 million GF/GP. <u>Conference</u> adds \$3.0 million GF/GP to develop and construct a new facility for the Michigan Geological Survey, which would be located at Western Michigan University. Total funding for the Michigan Geological Survey would be \$3.0 million GF/GP.	GF/GP	\$0	\$3,000,000
12. Michigan Technological University Bachelor of Science in Nursing (BSN) Program Creation	Gross	\$0	\$870,000
<u>House</u> adds \$1.0 million of federal SFRF for the creation of a BSN program at Michigan Technological University. The BSN program will fulfill the need for four-year nursing program in the Western Upper Peninsula with the closure of Finlandia University at the end of the 2022-23 academic year. Total funding for the creation of Michigan Tech's BSN program is \$1.0 million Gross. <u>Senate</u> does not include. <u>Conference</u> adds \$870,000 GF/GP for the creation of a BSN program at Michigan Technological University. Total funding for the creation of Michigan Tech's BSN program is \$870,000 GF/GP.	Federal	0	0
	GF/GP	\$0	\$870,000
13. Finlandia University Student Reenrollment Scholarship	Gross	\$0	\$0
<u>Senate</u> adds \$1.0 million GF/GP of one-time funding for a scholarship for students impacted by the closure of Finlandia University, which closed at the end of the 2022-23 academic year. Students who attended Finlandia in 2022-23 and subsequently enroll at a public university or community college would be eligible for the \$3,000 scholarship. Total funding for the Finlandia University Student Reenrollment Scholarship would be \$1.0 million GF/GP. <u>Conference</u> does not include.	GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Conference Change</u>
14. Postsecondary Education Coordinating Council	Gross	\$0	\$0
<u>Senate</u> adds \$2.5 million GF/GP for the creation of the Postsecondary Education Coordinating Council, located in the Department of Labor and Economic Opportunity. The council would coordinate state financial aid programs, survey stakeholders to improve financial aid, consolidate various reports, and work to improve postsecondary attendance. Total funding for the Postsecondary Education Coordinating Council would be \$2.5 million GF/GP. <u>Conference</u> does not include.	GF/GP	\$0	\$0
15. Student Mental Health Support	Gross	\$0	\$0
<u>House</u> adds \$5.6 million of federal Coronavirus State Fiscal Recovery Fund (SFRF) for student mental support at public universities. The distribution of funds to public universities would be determined by October 1, 2023. Total funding for student mental health support would be \$5.6 million Gross. <u>Senate</u> does not include. <u>Conference</u> does not include.	Federal	0	0
	GF/GP	\$0	\$0
16. Public University Academic Catch-Up Program	Gross	\$0	\$0
<u>House</u> adds \$5.6 million of federal SFRF for an academic catch-up program at public universities for incoming students. The distribution of funds to public universities would be determined by October 1, 2023. Total funding for the Public University Academic Catch-Up program would be \$5.6 million Gross. <u>Senate</u> does not include. <u>Conference</u> does not include.	Federal	0	0
	GF/GP	\$0	\$0
17. Michigan State University Mental Health Support and Counseling and Psychiatric Services Supplemental Payment	Gross	\$0	\$0
<u>House</u> adds \$3.0 million of federal SFRF for a supplemental payment to Michigan State University for mental health support and counseling and psychiatric services. Total funding for Michigan State University's mental health support and counseling and psychiatric services supplemental payment would be \$3.0 million Gross. <u>Senate</u> does not include. <u>Conference</u> does not include.	Federal	0	0
	GF/GP	\$0	\$0
18. Wayne State University Perinatology Research Branch Storage and Research	Gross	\$0	\$0
<u>House</u> adds \$3.0 million of federal SFRF for a supplemental payment to Wayne State University for storage and research at the Perinatology Research Branch, which would continue to conduct research leading to lower pre-term births in the state. Total funding for Wayne State University's Perinatology Research Branch storage and research would be \$3.0 million Gross. <u>Senate</u> does not include. <u>Conference</u> does not include.	Federal	0	0
	GF/GP	\$0	\$0
19. Michigan Small Business Development Center Regional Centers Support	Gross	\$0	\$0
<u>House</u> adds \$2.3 million GF/GP of one-time funding to the Michigan Small Business Development Center for operational support of regional centers hosted at public and independent universities and community colleges throughout the state. Total funding for the Michigan Small Business Development Center Regional Centers Support is \$2.3 million GF/GP. <u>Senate</u> does not include. <u>Conference</u> does not include.	GF/GP	\$0	\$0
20. Eastern Michigan University Special Education Certification Program Expansion	Gross	\$0	\$0
<u>House</u> adds \$900,000 of federal SFRF for the expansion of the special education certification program at Eastern Michigan University. The expansion of the program would enable Eastern Michigan to partner with additional intermediate school districts to allow more paraprofessionals to earn special education certification. Total funding for the Eastern Michigan special education certification program expansion would be \$900,000 Gross. <u>Senate</u> does not include. <u>Conference</u> does not include.	Federal	0	0
	GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Conference Change</u>
21. Eastern Michigan University Autism College Supports Program	Gross	\$0	\$0
<u>House</u> adds \$440,000 of federal SFRF for the expansion of the Autism College Supports program at Eastern Michigan University. The expansion of the program would allow additional students diagnosed with Autism Spectrum Disorder to receive increased support while enrolled at the university. Total funding for the Eastern Michigan Autism College Supports program would be \$440,000 Gross. <u>Senate</u> does not include. <u>Conference</u> does not include.	Federal	0	0
	GF/GP	\$0	\$0
22. Michigan Technological University Advanced Life Support (ALS) Ambulance Facility	Gross	\$0	\$0
<u>House</u> adds \$400,000 of federal SFRF for the construction of an ALS ambulance facility at Michigan Technological University. The new facility will decrease ambulance response times for the Houghton community. Total funding for Michigan Tech's ALS Ambulance Facility would be \$400,000 Gross. <u>Senate</u> does not include. <u>Conference</u> does not include.	Federal	0	0
	GF/GP	\$0	\$0
23. Northern Michigan University Northern Commitment to Student Success Program	Gross	\$0	\$0
<u>House</u> adds \$100 GF/GP placeholder for Northern Michigan University's Northern Commitment to Student Success program. The program would allow Northern Michigan to increase student support, advising and financial aid services to transfer students resulting from the closure of Finlandia University at the end of the 2022-23 academic year. <u>Senate</u> does not include. <u>Conference</u> does not include.	GF/GP	\$0	\$0
24. University Campus Security and Safety Upgrades	Gross	\$0	\$0
<u>House</u> adds \$100 GF/GP placeholder for campus security and safety upgrades at universities. <u>Senate</u> does not include. <u>Conference</u> does not include.	GF/GP	\$0	\$0

Major Boilerplate Changes from FY 2022-23

Consolidation of Boilerplate Reporting Requirements

Executive consolidates various reporting requirements into Sections 241a, 241b, and 241c. The following sections were revised or deleted to facilitate the consolidation (unless otherwise stated section was DELETED):

- Section 241a: Sections 241 – HEIDI reporting (revised), 245 – Transparency Website (see additional details below), and 245a – Campus Safety Information and Resources
- Section 241b: Sections 265b – Operations Funding Criteria and Sexual Assault/Title IX Standards (see additional details below), 274c – Sexual Assault Response Training Reporting, and 274d – Annual Clergy Act/Security Reporting
- Section 241c: Sections 265 – Performance Funding Tuition and Fees Restraint Requirement and 267 – Tuition and Fees Rate Reporting Requirement

House concurs with consolidations with revisions. Senate concurs with House with minor differences but does not remove Section 274c. Conference concurs with consolidations with revisions.

Sec. 236d. One-Time Operations Payment Detail – NOT INCLUDED

House adds language detailing the one-time operations payment allocations for each university, along with one-time appropriations for MSU's AgBioResearch and Extension programs. Senate does not include. Conference does not include.

Sec. 236h. FY 2022-23 MPSERS One-Time Payment Detail – REVISED

Executive deletes language that details the \$384.7 million one-time payment for MPSERS unfunded actuarial accrued liability contributions to the system for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western) and states payments will be distributed no later than September 30, 2022. House concurs. Senate concurs. Conference revises to detail the \$200.0 million one-time payment for MPSERS unfunded actuarial accrued liability contributions to the system for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western) and states payments will be distributed no later than September 30, 2023.

Major Boilerplate Changes from FY 2022-23

Sec. 236j. Postsecondary Scholarship Fund Detail – REVISED

Creates the Postsecondary Scholarship Fund in the Department of Treasury. States money in the fund would require an appropriation to be expended; provides that money in the fund at the end of a fiscal year does not lapse; and deposits \$250.0 million into the fund for FY 2022-23. Executive revises language to include \$350.0 million deposit into the fund for FY 2023-24. House revises to include language allowing the Department of Treasury to use up to \$10.0 million for outreach and marketing efforts for the Michigan Achievement Scholarship and deposits \$300.0 million into the fund for FY 2023-24. Senate revises language to deposit \$300.0 million into the fund for FY 2023-24. Conference concurs with House.

Sec. 236k. Fiscal Year Equated Student (FYES) Funding Floor – REVISED

Details the three-year implementation of a \$4,500 FYES funding floor for each university below the per-student funding calculation. Executive revises calculation from three years to two years for the universities below the funding calculation to continue phase-in. House revises calculation from three years to one year for the universities below the funding calculation to accelerate the phase-in by one year. Senate concurs with Executive. Conference concurs with House.

Sec. 236l. Finlandia University Reenrollment Scholarship Program Detail – NOT INCLUDED

Senate adds language that details award amount of \$3,000 to students who were enrolled at Finlandia University during the 2022-23 academic year and would be enrolled at a public community college or university for the 2023-24 academic year. States the Department of Treasury would establish procedural rules for scholarship distribution and work with the successor entity to Finlandia University to promote the scholarship. Conference does not include.

Sec. 236m. Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) Appropriation Detail – NEW

Senate adds language that details the various infrastructure, technology, equipment, maintenance, and debt repayment categories that one-time ITEM funding could be used for by public universities. Details distribution of funding based on FY 2021-22 calculated FYES headcount. Conference adds language that details infrastructure, technology, equipment, maintenance, safety and debt repayment categories that ITEMS funding could be used for by public universities. Specifies that only public universities that do not receive a Capital Outlay planning or construction authorization between January 1, 2023 and December 15, 2023 are eligible for ITEMS funding. Details distribution of funding based on FY 2021-22 calculated FYES headcount and lump-sum payments would be distributed in January 2024.

Sec. 236n. FY 2022-23 Supplemental Increase for Tuition Incentive Program – NEW

Conference adds language that increases FY 2022-23 funding for the Tuition Incentive Program by \$2.5 million federal TANF funding.

Sec. 241a. Annual University HEIDI and Public Reporting Requirements – NEW

Executive adds language originally located in Sections 241, 245, and 245a that details various annual reporting requirements around university finances, safety, and institutional data, along with posting information on a public website. House concurs but revises language indicating a public university must submit certification regarding compliance with the public website postings to the State Budget Director. Senate concurs with House but adds requirement of reporting combined information to the fiscal agencies and the State Budget Director. Conference concurs with Senate.

Sec. 241b. Annual University Safety and Title IX Reporting Requirements – NEW

Executive adds language originally located in Sections 265b, 274c, and 274d that requires universities to submit their annual Clery Act security report, a Title IX summary report and certify compliance on Title IX reporting requirements. House concurs. Senate concurs. Conference concurs.

Sec. 241c. University Tuition and Fee Restraint and Annual Rate Reporting Requirements – NEW

Executive adds language originally located in Sections 265 and 267 that requires tuition and fee data to be submitted to the HEIDI database and a report of any revisions to tuition and fees within 15 days of adoption, and specifies tuition and fee restraint requirements in order to receive the operations increase and FYES student floor funding for FY 2023-24, set at 4.5% or \$676, whichever is greater (currently set at 5.0% or \$722). House concurs but does not include language linking the tuition and fee restraint requirements to the operations increase and FYES student floor funding. Adds language originally located in Section 265 on reverse transfer agreements with community colleges, the counting of credits earned outside the university and participation in the Michigan Transfer Network. Senate concurs with Executive. Conference concurs with Executive.

Major Boilerplate Changes from FY 2022-23

Sec. 241d. Michigan Office of Postsecondary Educational Attainment – NEW

Senate adds language that creates the Michigan Postsecondary Education Coordinating Council in the Department of Labor and Economic Opportunity, which would coordinate state financial aid programs, solicit feedback from stakeholders on improving financial aid program administration, consolidate reports into a single statewide report, provide data analysis to assist prospective students on postsecondary options and work to improve postsecondary education in the state. The council would provide a report to the Legislature on council expenses, achievements, and recommendations to improve postsecondary education by September 30, 2024. Conference adds language that creates the Michigan Office of Postsecondary Educational Attainment in the Department of Labor and Economic Opportunity, which would review, evaluate and recommend improvements to all state financial aid programs within the Executive branch, serve as the coordinating office for agencies responsible for state financial aid programs, survey stakeholders on improving financial aid program administration, consolidate reports and make available to the Executive and Legislature, and provide data analysis to assist prospective students on postsecondary options. The office would provide a report to the Legislature on expenses, achievements, and recommendations to improve financial aid administration and postsecondary education by September 30, 2024.

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

Requires each university to post on its website and submit to the state budget director, who will report the data to the legislature all of the following: specified data on budget, revenue, expenditures, and employee compensation; university performance data; information on transfer policies and opportunities for high school students to earn college credit; collective bargaining agreements; benefit plans; audits; and Free Application for Federal Student Aid (FAFSA) information. Allows state budget director to withhold payments for noncompliance. Executive deletes and relocates reporting requirements to Section 241a, deletes language on transfer policies and earning college credit. House concurs. Senate concurs. Conference concurs.

Sec. 246. Michigan Public School Employees' Retirement System (MPERS) Appropriation – RETAINED

Executive deletes language that allocates MPERS funding based on each participating university's percentage of the total combined payrolls of employees who are MPERS members hired before January 1, 1996, and employees who would have been members but for enactment of 1995 PA 272, which closed the system to new hires. A university's MPERS payment would be equal to the difference between the unfunded actuarial accrued liability contribution rate and the employer contribution cap of 25.73% of applicable payroll set by 2016 PA 136. House concurs. Senate concurs. Conference retains.

Sec. 248. Michigan Achievement Scholarship Program Detail – REVISED

Provides for distribution of funds appropriated for Michigan Achievement Scholarships. Specifies criteria for scholarship eligibility. Details award amounts of up to \$2,750 for students at a community college or tribal institution, up to \$4,000 for students at an independent nonprofit college or university, and up to \$5,500 for students at public universities. Requires Department of Treasury to report on numerous awarded scholarship data and requires institutions to report financial aid data. House revises language to specify students earning a baccalaureate at an eligible community college can receive up to \$5,500. Revises last-dollar payment definition; adds minimum payment definition. Creates financial aid packaging order; sets eligibility priority deadline of August 1 and allows awards after the date if funds are available. Allows Department of Treasury to expend up to \$10.0 million for marketing. Deletes institutional financial aid reporting requirement and tuition restraint violations. Senate concurs with House on minimum payment definition and priority deadline, but revises gift aid definition; revises last-dollar payment amount; and adds workgroup requirement for the Department of Treasury to advise on scholarship administration, aid packaging order, and definitions. Conference revises language on last-dollar payment definition; adds minimum payment definition; allows Department of Treasury to expend up to \$10.0 million for marketing; includes requirement for the Department of Treasury to convene a workgroup to advise on scholarship administration, aid packaging order, and definitions; revises institutional financial aid reporting requirements.

Sec. 251. Michigan Competitive Scholarship Program Detail – REVISED

Provides for distribution of funds appropriated for State Competitive Scholarships. Specifies grant amount of \$1,500, unless insufficient funds are available, in which case a report is required. Students enrolled less than full-time in a semester or term will receive a proportional scholarship amount. Executive adds language detailing students enrolled in college after the end of FY 2022-23 would be ineligible for the scholarship due to potential eligibility for the Michigan Achievement Scholarship. House concurs but revises eligibility guidelines to legislative intent language. Senate adds language specifying a scholarship priority deadline of August 1 and directs the Department of Treasury to make awards for students who apply after the priority deadline if program funds remain available. Conference concurs with House.

Major Boilerplate Changes from FY 2022-23

Sec. 252. Tuition Grant Program Detail – REVISED

Provides for distribution of funds appropriated for Tuition Grants; specifies grant amount of \$3,000, unless insufficient funds are available, in which case a report is required. Executive deletes language that specifies that the \$5.0 million institutional cap does not apply to any other student financial aid program or in combination with any other financial aid program. House concurs but lowers institutional cap from \$5.0 million to \$4.0 million. Senate concurs with Executive but removes March 1 deadline; specifies a scholarship priority deadline of August 1; directs the Department of Treasury to make awards for students who apply after the priority deadline if program funds remain available; and states program funds may be used for other education expenses after Michigan Educational Trust Fund dollars or other financial aid have been applied. Conference concurs with Executive and removes March 1 deadline.

Sec. 256. Tuition Incentive Program Detail – REVISED

Specifies criteria for Tuition Incentive Program (TIP) eligibility. Provides for award conditions and limits under Phase I dealing with associate degree and certificate programs and Phase II, third and fourth years toward bachelor's degree. House adds language implementing a maximum semester reimbursement rate on community college mandatory fees at \$515. Senate makes minor revisions removing gendered language. Conference concurs with Senate.

Sec. 263b. Michigan State University's SEEDSS Initiative – NEW

House adds language allocating \$1.9 million ongoing and \$2.9 million in one-time funds from MSU's AgBioResearch appropriation for the SEEDSS Initiative (Solving Emerging Environmental Developments and Securing Sustainability), which addresses sustainability issues in Michigan agriculture and educates agricultural workers on improving sustainability. Senate does not include. Conference adds language allowing funds from MSU's AgBioResearch and Extension appropriations to be used for the SEEDSS Initiative.

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

Executive deletes language that includes requirements for a university to receive the performance funding increase and details performance funding formula. House concurs but relocates the following requirements to Section 241c:

- Certify that university participates in reverse transfer agreements with at least three Michigan community colleges.
- Certify that credits earned outside of the university will count whether or not credits were earned using dual enrollment, the location of the course, if the course was online or in person, or if the credits were used toward high school graduation requirements.
- Actively participate in Michigan Transfer Network.

Senate concurs with Executive. Conference concurs with House.

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

Penalizes universities with a 10% reduction in operations funding for schools that fail to submit certification of compliance to the state budget director on Title IX reporting requirements found in sections 274c and 274d and a number of other requirements. Executive deletes and relocates Title IX reporting requirements to Section 241b, removes 10% penalty. House concurs. Senate concurs. Conference concurs.

Sec. 265d. Sexual Misconduct Memorandum of Understanding – RETAINED

Executive deletes language that encourages public universities to enter into at least one memorandum of understanding (MOU) with a local law enforcement agency for communication and response coordination of sexual assault incidents. House retains. Senate retains. Conference retains.

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

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

Sec. 265f. College Level Equivalent Credit Examination Requirements – DELETED

Executive deletes language that requires public universities to develop and implement policies for awarding academic credit for college level equivalent credit examinations, allow students to earn college credit through exams once enrolled, post the policies and opportunities for credit examinations and submit a report if the university requires exam scores higher than those recommended by the American Council on Education to earn credit through examinations. House concurs. Senate retains. Conference concurs with Executive.

Sec. 265g. Accelerated Degree Completion Pathways Requirement – DELETED

Executive deletes language that requires public universities to provide all students with information on accelerated degree completion pathways within the first semester of enrollment, post the information on a public website and create accelerated degree completion pathways if they do not exist. Independent colleges and universities are encouraged to create accelerated degree completion pathways. House concurs. Senate retains. Conference concurs with Executive.

Major Boilerplate Changes from FY 2022-23

Sec. 266a. University Declining Enrollment Testimony – DELETED

Executive deletes legislative intent language that states public universities who have a 10% decline in enrollment since 2012 may be called to testify to the House or Senate Higher Education appropriation subcommittees to answer questions on enrollment, finances, tuition and possible consolidation of services with another public university. House concurs. Senate retains. Conference concurs with Executive.

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

States legislative intent that funds be allocated for unfunded Indian Tuition Waiver costs at public universities from the General Fund. Requires Department of Civil Rights to report certain information related to the waivers by January 15, and requires universities and tribal colleges receiving waiver pass-through funding to provide data under guidelines and procedures developed by the Department of Civil Rights by January 1. Executive deletes legislative intent language that states unfunded Indian Tuition Waiver costs be allocated from the General Fund. House retains intent language and adds the number of students who transfer to a four-year university and the number of students who receive a waiver to reporting requirements. Senate concurs with House on intent language. Conference concurs with House.

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

Specifies a \$31,000 pass-through payment from Central Michigan's North American Indian Tuition Waiver appropriation to Saginaw Chippewa Tribal College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to the Department of Civil Rights. Executive revises payment from \$31,000 to \$63,200. House concurs. Senate concurs. Conference concurs.

Sec. 270. Bay Mills Community College North American Indian Tuition Waiver Funding – NOT INCLUDED

House adds language that specifies a \$235,400 pass-through payment from Lake Superior State's North American Indian Tuition Waiver appropriation to Bay Mills Community College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to the Department of Civil Rights. Senate does not include. Conference concurs with Senate.

Sec. 270c. Keweenaw Bay Ojibwa Community College North American Indian Tuition Waiver Funding – REVISED

Specifies an \$87,800 pass-through payment from Northern Michigan's North American Indian Tuition Waiver appropriation to Keweenaw Bay Ojibwa Community College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to the Department of Civil Rights. Executive revises payment from \$87,800 to \$90,200. House concurs. Senate concurs. Conference concurs.

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

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

Sec. 274. Embryonic Stem Cell Research Reporting – DELETED

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

Sec. 275. University Veteran-Friendly Policies – REVISED

Requires universities to participate in the Yellow Ribbon GI Education Enhancement Program and provide other veterans-related services. Requires report on program participation. States universities should consider all veterans as in-state residents for determining tuition/fees and waive enrollment fees for all veterans. Requires reasonable programming and scheduling accommodation for military duties and training obligations. Requires report on all services provided specific to veterans and active duty military personnel. Requires universities to provide college-level equivalent credit examination opportunities for veterans, active military members, National Guard or military reserves, and to grant college credit or create a structure that awards college credit for military service and prior experiences. Executive deletes reporting requirements on program participation and services provided. House concurs. Senate concurs. Conference concurs.

Sec. 275d. Communication with the Legislature – RETAINED

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

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

Executive deletes legislative intent language that requires universities to report on activities related to strategic planning or assessment of policies that provide for open and free speech while protecting students from hate speech and discrimination. House concurs. Senate concurs. Conference concurs.

Sec. 275g. COVID-19 Federal Funding Reporting Requirement – DELETED

Executive deletes language that requires universities to report all federal funding received related to the COVID-19 pandemic and requires report to be posted on a public website. House concurs. Senate concurs. Conference concurs.

Major Boilerplate Changes from FY 2022-23

Sec. 275h. Campus Advocacy Policy – DELETED

Executive deletes legislative intent language that requires universities adopt advocacy policies for distribution and demonstrations around first amendment activities and political speech. House concurs. Senate concurs. Conference concurs.

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

Executive deletes language that details exemptions and reporting requirements that universities must provide to students and employees if a campus mandatory vaccine policy is implemented. House concurs. Senate concurs. Conference concurs.

Sec. 275k. University Charter School Authorization Reporting Requirement – NEW

Senate adds language that requires universities that serve or have served as an authorizer of charter schools to submit a report to the legislature that contains various details about the charter schools authorized, the academic performance of the schools, enrollment data, fees, board members, and university actions in regards to compliance for each authorized school. Conference concurs.

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

Executive deletes language that requires public universities to report various data about the six support programs behind the King-Chavez-Parks university programs to the Department of Labor and Economic Opportunity by December 15 and requires the Department report the compiled information to the legislature and state budget director by February 15. House concurs. Senate concurs. Conference concurs.

Sec. 283. University Student Aggregate Academic Data Report to High Schools – REVISED

Requires Center for Educational Performance and Information (CEPI) to inform high schools regarding the academic status of students from each high school. Requires universities to work with CEPI to implement requirement. House adds language requiring CEPI to provide basic demographic and contact information of high school students to public and independent non-profit postsecondary institutions to encourage college attendance, working with the Michigan Association of State Universities, the Michigan Community College Association, Michigan Independent Colleges and Universities and the Michigan Association of Secondary School Principals. Senate concurs. Conference adds language stating CEPI will conduct a review of the data system to allow for the legal dissemination of student information and recommend a process by June 30, 2024.

Sec. 284a. P-20 Longitudinal Data Reporting by Legislative District – NEW

House adds language requiring CEPI to use the P-20 longitudinal data system to report on postsecondary outcomes and enrollment broken down by legislative district by working with the Michigan Association of State Universities, the Michigan Community College Association, Michigan Independent Colleges and Universities and the Michigan Association of Secondary School Principals. Senate concurs. Conference concurs but states CEPI will work to accomplish creating legislative district reporting mechanism.

		<u>FY 2022-23 Recommendation</u>
<u>Supplemental Recommendations for FY 2022-23 Appropriations</u>		
<i>1. FY 2022-23 MPSERS One-Time UAAL Payment</i>		Gross \$200,000,000
<u>Conference</u> adds \$200.0 million SAF for a one-time payment for MPSERS UAAL contributions to the system for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western).	Restricted GF/GP	200,000,000 \$0
<i>2. Tuition Incentive Program</i>		Gross \$2,500,000
<u>Conference</u> increases funding for the Tuition Incentive Program (TIP) by \$2.5 million federal TANF funding. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The increase addresses higher spending levels in FY 2022-23 compared to the previous fiscal year. Total funding for TIP would be \$73.8 million TANF.	Federal GF/GP	2,500,000 \$0

**FY 2023-24 University Operations Appropriations
Conference Report**

University	FY 2022-23		FY 2022-23 Base Appropriation	FYES Funding Floor Supplemental Payment	Total Ongoing Operations Increase	FY 22 Indian Tuition Waiver Cost	Indian Tuition Waiver Pass- Through Payments	Indian Tuition Waiver Adjustment	Total FY24 Indian Tuition Waiver Payment	Total FY 2023-24 Appropriation	Percent Change	Change From FY 2022-23 Total
	Total FY 2022-23 Appropriation	Indian Tuition Waiver Payment										
Central	\$91,145,100	\$1,793,100	\$89,352,000	\$0	\$4,467,600	\$1,531,000	\$63,200	(\$198,900)	\$1,594,200	\$95,413,800	4.7%	\$4,268,700
Eastern	79,152,400	353,600	78,798,800	0	3,939,900	406,000	0	52,400	406,000	83,144,700	5.0%	3,992,300
Ferris	56,952,900	826,900	56,126,000	0	2,806,300	714,200	0	(112,700)	714,200	59,646,500	4.7%	2,693,600
Grand Valley	81,253,800	1,279,300	79,974,500	11,560,000	4,576,700	1,253,800	0	(25,500)	1,253,800	97,365,000	19.8%	16,111,200
Lake Superior	14,361,900	788,800	13,573,100	0	678,700	938,500	0	149,700	938,500	15,190,300	5.8%	828,400
Michigan State	303,727,700	2,046,400	301,681,300	0	15,084,100	1,943,800	0	(102,600)	1,943,800	318,709,200	4.9%	14,981,500
Michigan Tech	51,951,000	847,400	51,103,600	0	2,555,200	866,900	0	19,500	866,900	54,525,700	5.0%	2,574,700
Northern	50,751,100	1,161,300	49,589,800	0	2,479,500	1,160,500	90,200	89,400	1,250,700	53,320,000	5.1%	2,568,900
Oakland	60,761,900	355,300	60,406,600	8,123,900	3,426,500	331,800	0	(23,500)	331,800	72,288,800	19.0%	11,526,900
Saginaw Valley	32,274,600	188,300	32,086,300	0	1,604,300	203,900	0	15,600	203,900	33,894,500	5.0%	1,619,900
UM-Ann Arbor	339,198,000	837,700	338,360,300	0	16,918,000	1,290,500	0	452,800	1,290,500	356,568,800	5.1%	17,370,800
UM-Dearborn	28,115,900	246,200	27,869,700	1,699,800	1,478,500	185,500	0	(60,700)	185,500	31,233,500	11.1%	3,117,600
UM-Flint	25,159,200	384,400	24,774,800	0	1,238,700	391,200	0	6,800	391,200	26,404,700	5.0%	1,245,500
Wayne State	213,639,700	353,100	213,286,600	0	10,664,300	403,600	0	50,500	403,600	224,354,500	5.0%	10,714,800
Western	114,351,900	599,300	113,752,600	0	5,687,600	543,700	0	(55,600)	543,700	119,983,900	4.9%	5,632,000
TOTAL:	\$1,542,797,100	\$12,061,100	\$1,530,736,000	\$21,383,700	\$77,605,900	\$12,164,900	\$153,400	\$257,200	\$12,318,300	\$1,642,043,900	6.4%	\$99,246,800