

MEMORANDUM



DATE: March 6, 2017
TO: All Interested Parties
FROM: Perry Zielak
RE: Brief History of Indian Tuition Waivers for Michigan Universities

The North American Indian Tuition Waiver Program was created by Public Act 174 of 1976. The act requires public universities and public and tribal community colleges to waive tuition costs for North American Indians meeting certain requirements:

- No less than 1/4 quantum blood degree (citizenship), as certified by the student's tribe.
- Legal residence in the State of Michigan for the past 12 months.
- Admission as a full-time, part-time, or summer school student attending a public university, public community college, or tribal college meeting specified criteria.¹

Before FY 1995-96, the costs of the waiver program were appropriated in a line item in the financial aid section of the annual Higher Education budget act. Payments were made by the state to the various institutions to reimburse them for the costs of waiving tuition under the statute. During the FY 1996-97 budget process, funding for the program was rolled into the individual operations line items of the 15 public universities and 28 public community colleges beginning in that budget year.

In addition, \$100,000 was added to Northern Michigan's line item to be passed through to Bay Mills College (a tribal community college) for the costs of the program incurred by the college. In FY 2004-05, this funding was shifted to Lake Superior State's line item and boilerplate language was added specifically allocating the funds for the pass-through to Bay Mills. In FY 2009-10, \$29,700 and associated boilerplate language was added to Central Michigan's line item for a pass-through to Saginaw Chippewa Tribal College for its costs of the waiver program. The amount of the pass-through allocation was prorated based on the relative enrollments of the two tribal colleges. The two allocation amounts for Bay Mills Tribal College and Saginaw Chippewa Tribal College have remained \$100,000 and \$29,700 respectively, through the current fiscal year.

Since the waivers were rolled into the operations lines in FY 1996-97, each university's state funding for the Indian Tuition Waiver program has been assumed to increase (or decrease) at the same rate as across-the-board changes made by the annual budget act. However, there is no boilerplate language specifically allocating the funds rolled into the universities' operations line items. In practice, waiver costs are paid through university general fund resources, which include state appropriations.

Additional funding has twice been explicitly appropriated to address the difference between costs of the waivers versus the funding provided. FY 2007-08 saw an additional \$1.4 million appropriation to the 15 universities in proportion to the gap between the funds rolled into their line items and the actual costs

¹ In 2010, administrative responsibility to determine eligibility under the program was moved from the Intertribal Council of Michigan, to which that responsibility had informally been assigned, to the Michigan Department of Civil Rights (MDCR). MDCR has established revised eligibility criteria under the statutory provisions of the program to require both 1/4 quantum blood and membership in a United States-recognized tribe.

of the waivers, which had grown substantially since 1996-97². Another \$500,000 was similarly appropriated for FY 2015-16. This history is summarized in the table below.

Indian Tuition Waiver Program Funding - Universities

	Funding Added to Base in FY 1996-97	FY 2007-08 Appropriation Adjustment	FY 2015-16 Appropriation Adjustment	Adjustments for Across-the- Board Changes, FY 98- FY 17	Total Estimated FY 2016-17 Funding ³	FY 2015-16 Actual Waiver Program Costs ⁴	Estimated University Share
Central	\$144,117	\$151,000	\$49,800	(\$33,125)	\$311,792	\$1,559,795	(\$1,248,003)
Eastern	103,478	62,900	11,400	(18,143)	159,635	241,292	(\$81,657)
Ferris	156,380	46,300	32,100	(20,776)	214,004	834,254	(\$620,250)
Grand Valley	114,121	169,200	20,500	(33,047)	270,774	1,110,371	(\$839,597)
Lake Superior	276,146	181,500	215,000	(47,514)	625,132	851,062	(\$225,930)
Michigan State	313,968	192,800	8,800	(55,680)	459,888	1,247,597	(\$787,709)
Michigan Tech	58,509	50,800	14,900	(12,140)	112,069	204,109	(\$92,040)
Northern	264,054	130,600	61,100	(41,887)	413,867	1,082,800	(\$668,933)
Oakland	50,610	50,300	7,800	(11,415)	97,295	265,681	(\$168,386)
Saginaw Valley	37,266	28,600	11,400	(7,211)	70,055	209,251	(\$139,196)
UM-Ann Arbor	432,567	139,500	4,400	(60,207)	516,260	722,115	(\$205,855)
UM-Dearborn	58,541	21,800	11,700	(8,370)	83,671	175,520	(\$91,849)
UM-Flint	54,531	21,100	21,900	(7,741)	89,790	349,972	(\$260,182)
Wayne State	169,537	94,700	10,100	(28,749)	245,588	393,585	(\$147,997)
Western	111,851	58,900	19,100	(18,314)	171,537	653,204	(\$481,667)
Total:	\$2,345,676	\$1,400,000	\$500,000	(\$404,319)	\$3,841,357	\$9,900,608	(\$6,059,251)

The total FY 2016-17 estimated funding for the Indian Tuition Waiver program is \$3.8 million, which is rolled up into each university's operations appropriation. The universities reported that total costs for the waivers for FY 2015-16 were \$9.9 million. This results in a difference of \$6.1 million between the waiver program's funding and costs that fall upon the universities to cover.

² Costs increased due to increases in both tuition costs and the number of participating students. However, both costs and participation declined immediately following the determination by the Michigan Department of Civil Rights that the waiver would be confined to federally recognized tribes.

³ Reflects amounts assumed to be incorporated into baseline operations appropriations.

⁴ Based on numbers reported by universities in the Higher Education Institutional Data Inventory (HEIDI).