

MEMORANDUM



DATE: September 11, 2009
TO: House Appropriations Subcommittee on Community Colleges
FROM: Ben Gielczyk, Fiscal Analyst
RE: Indian Tuition Waiver Program

INDIAN TUITION WAIVER PROGRAM

Public Act 174 of 1976 created the Indian Tuition Waiver program, under which state universities and public and tribal community colleges are required to waive tuition costs for North American Indians meeting certain requirements. To qualify for the Indian Tuition Waiver, the following must apply:

- The person must be no less than 1/4 quantum blood degree, and whose blood quantum (citizenship) is certified by the student's tribe
- Has legal residence in the State of Michigan for the past 12 months
- Qualifies for admission as a full-time, part-time, or summer school student attending a public, state, community, junior college, public college, or public university.

Until FY 1995-96, the costs of the Indian Tuition Waiver program were appropriated in a line item in the financial aid section of the annual Higher Education budget act. In response to a veto threat during the FY 1996-97 budget process, funding for the program was rolled into the individual operations line items of the 15 state universities and the 28 public community colleges beginning in that budget year.

No boilerplate language exists specifically allocating the funds rolled into the community college's line items for the Indian Tuition Waiver program. The community colleges have, however, continued to waive tuition pursuant to Public Act 174 of 1976. Costs of the waivers are paid through the community college's general fund resources - state aid, tuition revenue, and property tax revenue. Historically, the funds allocated to the community colleges for the waivers in FY 1996-97 have been viewed as a continuing allocation of resources for the program.

The attached table shows the amount of funds originally rolled into each community college's line item, the amount of funds theoretically built into FY 2008-09 appropriations accounting for across-the-board appropriation adjustments since FY 1996-97, and the actual costs of the program in FY 2007-08. Actual costs of the program were almost double the theoretical amount of funds allocated for the program in FY 2008-09 -- \$1.9 million vs. \$969,874. This difference is the result of both growth in the number of program participants and tuition increases adopted by the community colleges.

Please call if you have questions about this information.

Attachment

c: Mitch Bean, HFA Director
Mary Ann Cleary, HFA Deputy Director

Community College Indian Tuition Waiver Costs: Fiscal Year 2008-09

<u>College</u>	<u>Funds Rolled into FY 1996-97 Appropriation</u>	<u>FY 2008-09 Theoretical Appropriation</u>	<u>Actual Costs: FY 2007-08*</u>	<u>Actual Costs vs. FY 1996-97 Appropriation</u>	<u>Actual Costs vs. Theoretical</u>
Alpena	\$9,800	\$10,149	\$24,030	\$14,230	\$13,881
Bay de Noc	69,000	71,459	80,428	11,428	8,969
Delta	41,400	42,875	21,240	(20,160)	(21,635)
Glen Oaks	3,100	3,210	250	(2,850)	(2,960)
Gogebic	14,100	14,602	36,579	22,479	21,977
Grand Rapids	73,000	75,601	188,918	115,918	113,317
Henry Ford	73,900	76,534	60,945	(12,955)	(15,589)
Jackson	16,700	17,295	49,492	32,792	32,197
Kalamazoo Valley	33,600	34,797	47,190	13,590	12,393
Kellogg	13,400	13,878	37,003	23,603	23,125
Kirtland	9,100	9,424	13,585	4,485	4,161
Lake Michigan	8,000	8,285	16,634	8,634	8,349
Lansing	66,600	68,973	175,519	108,919	106,546
Macomb	73,300	75,912	72,395	(905)	(3,517)
Mid Michigan	10,900	11,288	159,390	148,490	148,102
Monroe County	1,900	1,968	15,200	13,300	13,232
Montcalm	1,400	1,450	12,801	11,401	11,351
Mott	50,600	52,403	86,040	35,440	33,637
Muskegon	31,000	32,105	86,796	55,796	54,691
North Central	40,300	41,736	162,613	122,313	120,877
Northwestern	110,500	114,438	238,512	128,012	124,074
Oakland	54,300	56,235	60,122	5,822	3,887
St. Clair County	26,400	27,341	53,230	26,830	25,889
Schoolcraft	29,300	30,344	72,042	42,742	41,698
Southwestern	12,900	13,360	18,916	6,016	5,556
Washtenaw	30,500	31,587	52,640	22,140	21,053
Wayne County	24,900	25,787	31,117	6,217	5,330
West Shore	6,600	6,835	47,007	40,407	40,172
TOTAL	\$936,500	\$969,874	\$1,920,634	\$984,134	\$950,760

*Most recent DELEG statistics