

**Summary: House Appropriations Committee  
FY 2002-03 Higher Education  
SB 1105 (H-1)**

	FTEs	Gross	IDG/IDT	Federal	Local	Private	State Restricted	GF/GP
<b>2001-02 YTD</b>	1.0	\$1,925,842,366	\$0	\$4,900,000	\$0	\$0	\$108,273,850	\$1,812,668,516
<b>Executive</b>	<b>0.0</b>	<b>\$1,939,071,166</b>	<b>\$0</b>	<b>\$5,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$121,573,850</b>	<b>\$1,811,997,316</b>
Exec Change from YTD	(1.0)	\$13,228,800	\$0	\$600,000	\$0	\$0	\$13,300,000	(\$671,200)
Exec % Change from YTD	(100%)	0.7%	0.0%	12.2%	0.0%	0.0%	12.3%	(0.0%)
<b>Senate</b>	<b>1.0</b>	<b>\$1,943,717,366</b>	<b>\$0</b>	<b>\$5,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$125,573,850</b>	<b>\$1,812,643,516</b>
Senate Change from YTD	0	\$17,875,000	\$0	\$600,000	\$0	\$0	\$17,300,000	(\$25,000)
Senate % Change from YTD	0.0%	0.9%	0.0%	12.2%	0.0%	0.0%	16.0%	(0.0%)
<b>House</b>	<b>1.0</b>	<b>\$1,943,717,366</b>	<b>\$0</b>	<b>\$5,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$125,573,850</b>	<b>\$1,812,643,516</b>
House Change from YTD	0.0	\$17,875,000	\$0	\$600,000	\$0	\$0	\$17,300,000	(\$25,000)
House % Change from YTD	0.0%	0.9%	0.0%	12.2%	0.0%	0.0%	16.0%	(0.0%)

**OVERVIEW**

The Higher Education budget provides state operational support for the fifteen state universities, grants to independent colleges and universities, need-based financial aid for students attending public and independent colleges and universities within Michigan, Michigan Merit Awards, and support for statewide programs such as the Agricultural Experiment Station and the Cooperative Extension Service.

**Major Budget Changes from FY 2001-02 YTD Appropriations:**

**Executive**

**Senate**

**House**

**UNIVERSITY OPERATIONS**

**1. Base University Funding**

Maintains same level of funding as in FY2001-02 as part of state university agreement to restrain resident undergraduate tuition and fee increases (see Sec. 436 below). The Executive, Senate, and House Appropriations Committee concur.

<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>GF/GP</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Major Budget Changes from FY 2001-02 YTD Appropriations:****Executive****Senate****House****STATEWIDE PROGRAMS****2. Rare Isotope Accelerator**

Provides funding from the Tobacco Settlement Trust Fund to support design and architectural study efforts to enable Michigan State University to become the national location of this federally funded research facility. The Executive, Senate, and the House Appropriations Committee concur.

<b>Gross</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
Restr	\$2,000,000	\$2,000,000	\$2,000,000
GF/GP	\$0	\$0	\$0

**3. Project GREEN**

Executive reduces funding for this agricultural research project to level of previous commitment. The reductions are split between the Agricultural Experiment Station (\$101,500) and Cooperative Extension Service (\$90,000). The Senate does not reduce funding from FY2001-02 levels. The House Appropriations Committee also does not reduce funding.

<b>Gross</b>	<b>(\$191,500)</b>	<b>\$0</b>	<b>\$0</b>
GF/GP	(\$191,500)	\$0	\$0

**4. Michigan Molecular Institute**

Executive recommends elimination of funding to support research in polymers and carbon filaments at this private institute; the Senate and the House Appropriations Committee do not concur.

<b>Gross</b>	<b>(\$236,900)</b>	<b>\$0</b>	<b>\$0</b>
GF/GP	(\$236,900)	\$0	\$0

**5. Midwestern Higher Education Compact**

Executive eliminates payment of annual dues for Michigan's participation in the Compact. The Executive Budget also recommends repeal of 1990 PA 195, the enabling statute. The Senate and the House Appropriations Committee do not concur.

<b>Gross</b>	<b>(\$82,500)</b>	<b>\$0</b>	<b>\$0</b>
GF/GP	(\$82,500)	\$0	\$0

**6. Grant for General Degree Graduates**

Eliminates the previous set-aside of \$135,300 for the prison education program conducted by Spring Arbor University. The college has suspended program operations until May, 2002. Neither the Senate nor the House Appropriations Committee reduces funding for the general degree reimbursement program, and both retain the Spring Arbor University set-aside.

<b>Gross</b>	<b>(\$135,300)</b>	<b>\$0</b>	<b>\$0</b>
GF/GP	(\$135,300)	\$0	\$0

**7. Federal Financial Aid**

Executive recognizes additional federal funding for State Competitive Scholarship (\$300,000) and Byrd Honors Scholarship (\$300,000) programs. The Senate and the House Appropriations Committee concur.

<b>Gross</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>
Federal	\$600,000	\$600,000	\$600,000
GF/GP	\$0	\$0	\$0

**8. Michigan Merit Award Program**

Executive increases funding from the Merit Award Trust Fund to provide for estimated increase in recipients in FY 2002-03. The proposed amount assumes that the underlying statute is amended to restrict usage to the two academic years immediately after high school graduation and to provide a deadline for submission of required certification forms. The Senate and the House Appropriations Committee concur.

<b>Gross</b>	<b>\$11,300,000</b>	<b>\$11,300,000</b>	<b>\$11,300,000</b>
Restr	\$11,300,000	\$11,300,000	\$11,300,000
GF/GP	\$0	\$0	\$0

**9. Nursing Scholarships**

Senate proposes a Nursing Scholarship program to be funded from Michigan Merit Award Trust Fund. SB 792 and SB 793, which amends the Merit Award Trust Fund statute and creates the program, respectively, are pending in a Senate subcommittee. The Senate includes language in Sec. 312. The House Appropriations Committee also funds a proposed scholarship program but includes specific operational language in Sec. 312.

<b>Gross</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$4,000,000</b>
Restr	\$0	\$4,000,000	\$4,000,000
GF/GP	\$0	\$0	\$0

<b><u>Major Boilerplate Changes from FY 2001-02:</u></b>
<p><b>Sec. 214. Tuition Tax Credit Repeal Contingency Appropriation</b> Executive removes former Sec. 214 that provided for an appropriation contingent upon repeal of the tuition tax credit. The Senate removes the contingent appropriation, but retains the reporting requirement. The House Appropriations Committee concurs with the Senate.</p>
<p><b>Sec. 217. Prohibition on Luxury Vehicles and Chauffeurs</b> House Appropriations Committee adds language prohibiting use of state appropriations to purchase or lease luxury vehicles or to hire chauffeurs for university officials.</p>
<p><b>Sec. 302(7). Tuition Grant Program</b> Executive revises language to permit Ferris State University students enrolled in its Kendall College of Art and Design prior to January 1, 2001 to receive tuition grant support until they graduate or are no longer enrolled. The Senate concurs with the Executive. The House Appropriations Committee restricts eligibility to students who continue to be enrolled in FSU's Kendall College.</p>
<p><b>Sec. 310(14). Tuition Incentive Program (TIP)</b> Executive deletes requirement that department of treasury continue outreach components of tuition incentive program (TIP). The House Appropriations Committee concurs with the Senate.</p>
<p><b>Sec. 312. Nursing Scholarship Program</b> Senate proposes that the Michigan Higher Education Assistance Authority establish and administer the nursing scholarship program as provided by law. The House Appropriations Committee appropriates funds for a nursing scholarship program administered by the Michigan Board of Nursing and specifies some of the parameters of the program, including the expenses that may be covered by the scholarships. If statutory provisions are enacted, the provisions of Sec. 312 are superseded.</p>
<p><b>Sec. 401. WSU Psychiatric Research and Training Program</b> The House Appropriations Committee inserts language to direct WSU to use not less than 25% of the funds allocated to this program for research and treatment for adolescents in southeastern Michigan.</p>
<p><b>Sec. 404. Detroit College of Law at MSU</b> Executive deletes legislative intent language regarding use of funds to support the joint law school, and to have audit regarding compliance with prohibition on use of funds. The House Appropriations Committee concurs with the Senate.</p>
<p><b>Sec. 409. Funding-floor Grouping of State Universities</b> Executive retains current-law division of state universities into four groupings with separate funding floors. The Senate deletes the groupings language and inserts Sec. 438 (legislative intent language related to contingent available revenue to raise all campuses below \$4,500 per FYES to \$4,500). The House Appropriations Committee retains the current-law language.</p>
<p><b>Sec. 426. Private Bookstores</b> Executive deletes legislative intent language regarding provision of accurate lists of required textbooks to private bookstores and to student government offering book swaps. The Senate and the House Appropriations Committee retain current law.</p>
<p><b>Sec. 433. Project GREEN</b> Executive specifies reduced amounts for this project included in Agricultural Experiment Station and Cooperative Extension Service overall funding. Intent is to fund project at FY2000-01 level. The Senate and the House Appropriations Committee retain current funding levels.</p>
<p><b>Sec. 436. Tuition Restraint Language</b> Executive inserts language providing for a maximum increase in resident undergraduate tuition and fees of \$425 or 8.5% over the prior year, whichever is greater, for a full-year equated student (FYES) enrolled at a state university. A state university president shall inform the legislature by February 28, 2002 of the institution's voluntary agreement to this condition. The state budget director is authorized to withhold an amount equal to resident undergraduate tuition revenue for the 2002-03 academic year for a university that does not comply and to have those funds redistributed to the universities honoring the restraint. The Senate and the House Appropriations Committee concur.</p>
<p><b>Sec. 437. Rare Isotope Accelerator</b> Executive specifies use of a \$2 million appropriation (Tobacco Settlement funds) for design and architectural studies related to proposed accelerator facilities at MSU. The House Appropriations Committee concurs with the Executive and the Senate.</p>

**Major Boilerplate Changes from FY 2001-02:**

***Sec. 438. Contingent Floor-funding Intent Language***

Senate inserts new section: "It is the intent of the legislature that if the May 2002 consensus revenue estimating conference determines that additional state general fund general purpose revenue is available for expenditure in fiscal year 2002-2003, funds shall be appropriated to the state public universities that have a per fiscal-year-equated student appropriation of \$4,500.00 or less to increase the per fiscal-year-equated student funding floor to at least \$4,500.00." The House Appropriations Committee revises the text to refer to the universities below the funding floors listed in Sec. 409.

***Sec. 439. Bipartisan Dual-enrollment Workgroup***

House Appropriations Committee inserts intent language concerning formation of a bipartisan workgroup to examine state university admission and enrollment policies regarding acceptance and application of college credits earned through postsecondary enrollment options act.

***Sec. 701. Enrollment Audits***

Executive amends language to provide for a field audit of a randomly selected public university if a review of submitted higher education database (HEIDI) enrollment data indicates an on-site audit may be necessary. The Senate concurs. The House Appropriations Committee revises the text to provide for review of enrollment data submitted by all state universities and an on-site audit of selected universities if necessary.

***Sec. 701a. New Academic Program Offerings***

Executive and Senate deletes this section, awaiting submission of new academic programs by the Presidents Council. The House Appropriations Committee includes the list of new academic programs.