

**FY 2018-19 EDUCATION OMNIBUS BUDGET**  
**Summary: Conference Report**  
**House Bill 5579 (H-1) CR-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]	\$14,765,468,800	\$12,876,825,200	\$60,000,000
Community College (322) [20]	408,215,500	408,215,500	0
Higher Education (348) [24]	1,669,732,600	500,088,300	1,046,017,900
<b>TOTAL</b>	<b>\$16,843,416,900</b>	<b>\$13,785,129,000</b>	<b>\$1,106,017,900</b>

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

**FY 2018-19: SCHOOL AID**  
**Summary: Conference Report**  
**Article I, House Bill 5579 (H-1) CR-1**



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	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 Conference	Difference: Conference From FY 2017-18 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	1,726,943,500	1,724,743,500	1,724,743,500	1,724,743,500	1,724,743,500	(2,200,000)	(0.1)
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	12,642,370,400	12,951,225,300	13,053,045,600	12,860,106,800	12,980,725,300	338,354,900	2.7
<b>GF/GP</b>	215,000,000	60,000,000	47,400,000	150,500,000	60,000,000	(155,000,000)	(72.1)
<b>Gross</b>	<b>\$14,584,313,900</b>	<b>\$14,735,968,800</b>	<b>\$14,825,189,100</b>	<b>\$14,735,350,300</b>	<b>\$14,765,468,800</b>	<b>\$181,154,900</b>	<b>1.2</b>

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." (3) Information on House budget action in this document is based on House Bill 5579 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 863 as passed by the Senate.

**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 fund 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.

Senate increases by \$299.0 to provide increases ranging from \$115 to \$230 per pupil using the 2x formula. The minimum foundation allowance would increase from \$7,631 to \$7,861 (3.0%), and the state maximum guaranteed foundation allowance would increase from \$8,289 to \$8,404 (1.4%)

Conference concurs with Executive and House.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$9,219,300,000</b>	<b>\$312,000,000</b>
Restricted	9,073,560,500	447,461,700
GF/GP	\$145,739,500	(\$135,461,700)

**2. Shared-Time Instruction for Nonpublic Pupils (Secs. 22a and 22b)**

Executive revises state support of shared-time instruction for nonpublic pupils from a per-pupil foundation allowance to a categorical program in Sec. 23f. 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.

House maintains current law related to shared-time instruction funding.

Senate reduces shared-time costs by \$15.6 million through the following reductions: eliminating kindergarten shared-time instruction (\$13.0 million); capping shared-time foundation allowance at the minimum (\$1.9 million); and reducing the maximum FTE for which a nonpublic pupil may be claimed in a shared-time program from 0.75 FTE to 0.67 FTE (\$700,000).

Conference concurs with House.

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

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>3. Foundation Allowances – Cyber Schools (Secs. 22a and 22b)</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> 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.	Restricted	NA	0
<u>House, Senate, and Conference</u> maintain current law.	GF/GP	NA	\$0
<b>4. Partnership District Discretionary Payment (Sec. 22p) – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> does not include this section.	Restricted	0	0
<u>House</u> does not include this section.	GF/GP	\$0	\$0
<u>Senate</u> shifts \$400.0 million for the discretionary portion of the foundation allowance payments to partnership districts from Sec. 22b to a separate categorical with compliance requirements.			
<u>Conference</u> does not include fund shift but concurs with Senate to require partnership districts to comply with Sec. 22p in order to receive their discretionary foundation allowance payments under Sec. 22b. (see <i>Major Boilerplate Changes</i> for Sec. 22p below.)			
<b>5. Marshall Plan for Talent – Career and Technical Education (CTE) Skilled Trades Initiative (Sec. 61c/305)</b>	<b>Gross</b>	<b>\$12,500,000</b>	<b>(\$10,000,000)</b>
<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.	Restricted	0	0
<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	(\$10,000,000)
<u>Senate</u> reduces to \$5.0 million SAF and limits funding to CEPDs in ISDs that did not levy a CTE millage in 2018 and requires that at least 50% of the funding allocated to each eligible CEPD must be used to update CTE equipment for current CTE programs that have been identified in the highest 5 career cluster rankings.			
<u>Conference</u> concurs with Senate but reduces to \$2.5 million GF/GP, but revises to require that toe be eligible at least 50% of the area served by a CEPD be located in an ISD that does not levy a CTE millage. Additional CTE equipment funding included in Marshall plan SB 941.			
<b>6. CTE Per Pupil Incentive Payment (Sec. 61d) – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$5,000,000</b>
<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	5,000,000
<u>House and Senate</u> do not include this section.	GF/GP	\$0	\$0
<u>Conference</u> concurs with Executive.			
<b>7. Special Ed Task Force: Early On (Sec. 54d) – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$5,000,000</b>
<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, Senate, and Conference</u> concur to provide \$5.0 million SAF to provide Early On services but revise 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
<b>8. Special Education Millage Equalization (Sec. 56)</b>	<b>Gross</b>	<b>\$37,758,100</b>	<b>\$2,500,000</b>
<u>Senate</u> adds \$4.5 million bringing to a total of \$42.3 million by increasing the per pupil equalization amount from \$189,900 to \$196,000, but caps Wayne RESA at 2.5% more than its allocation in FY 2017-18.	Restricted	37,758,100	2,500,000
<u>Conference</u> adds \$2.3 million bringing to a total of \$40.0 million by increasing the per pupil equalization amount from \$189,900 to \$193,700 and caps Wayne RESA at 2.5% more than its allocation in FY2017-18.	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>9. Benchmark Assessments (Sec. 104d)</b>	<b>Gross</b>	<b>\$4,000,000</b>	<b>\$5,200,000</b>
<u>Executive</u> eliminates funding to reimburse districts for the purchase of computer adaptive tests and benchmark assessments.	Restricted	4,000,000	5,200,000
<u>House</u> maintains current year appropriation.	GF/GP	\$0	\$0
<u>Senate</u> concurs with Executive.			
<u>Conference</u> increases by \$5.2 million SAF to \$9.2 million SAF to expand funding for computer-adaptive tests, diagnostic tools, screening tools, or benchmark assessments.			
<b>10. Adult Education (Sec. 107)</b>	<b>Gross</b>	<b>\$27,000,000</b>	<b>\$3,500,000</b>
<u>Executive</u> and <u>House</u> maintain current year appropriation for Adult Education.	Restricted	27,000,000	3,500,000
<u>Senate</u> increases allocation for adult education programs by \$1.0 million and allows formula revision begun in FY 2014-15 to continue one more phase, such that 1/3 of a district's allocation would be based on prior year share and 2/3 would be based on revised formula. However, provides that no ISD shall receive less than it did in the prior year. Deletes the final intended phase in which 100% of funds would be allocated under revised formula. Adds \$500,000 to reimburse funding recipients for administrative costs of commingling of Adult Ed and CTE programs, providing each recipient a proportionate share of funds based on their formula funding. Increases funding for pilot Adult Ed/CTE collaboration programs from \$2.0 million to \$4.0 million to transform pilot projects into grants to ISDs that are fiscal agents for programs and reduces the cap from \$400,000 to \$350,000 per program.	GF/GP	\$0	\$0
<u>Conference</u> concurs with Senate.			
<b>11. ISD General Operations Support (Sec. 81)</b>	<b>Gross</b>	<b>\$67,108,000</b>	<b>\$1,345,000</b>
<u>Executive</u> and <u>House</u> maintain current year appropriation for ISD general operations support.	Restricted	67,108,000	1,345,000
<u>Senate</u> increases each ISD's allocation by 1% for a total increase of \$672,000.	GF/GP	\$0	\$0
<u>Conference</u> increases each ISD's allocation by 2% for a total increase of \$1.3 million.			
<b>12. Flint Declaration of Emergency (Sec. 11s)</b>	<b>Gross</b>	<b>\$8,730,100</b>	<b>(\$5,500,000)</b>
<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) and adds \$250,000 for MDE administration. 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 total but maintains \$2.6 million for school nurses and social workers and does not include MDE administration funding.	GF/GP	\$8,730,100	(\$5,500,000)
<u>Senate</u> concurs with Executive but expands the allowable uses from school nurses and school social workers to also include classroom aides.			
<u>Conference</u> concurs with House funding levels and Senate expanded allowable uses.			
<b>13. Marshall Plan for Talent – Competency-Based Education Pilots (Sec. 21j/306)</b>	<b>Gross</b>	<b>\$500,000</b>	<b>(\$500,000)</b>
<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	0
<u>House</u> concurs with Executive.	GF/GP	\$500,000	(\$500,000)
<u>Senate</u> and <u>Conference</u> do not include, see Marshall Plan in SB 941.			

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>14. Partnership Models (Sec. 21h)</b>	<b>Gross</b>	<b>\$6,000,000</b>	<b>\$1,000,000</b>
<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	1,000,000
<u>House</u> maintains current year appropriation.	GF/GP	\$0	\$0
<u>Senate</u> maintains current year appropriation.			
<u>Conference</u> increases to \$7.0 million. (see <i>Major Boilerplate Changes</i> below.)			
<b>15. Isolated District Funding (Sec. 22d)</b>	<b>Gross</b>	<b>\$5,000,000</b>	<b>\$1,000,000</b>
<u>Executive</u> maintains current year appropriation for funding certain small, rural or low-density school districts.	Restricted	5,000,000	1,000,000
<u>House</u> maintains current year appropriation.	GF/GP	\$0	\$0
<u>Senate</u> increases funding by \$1.0 million to \$6.0 million and increases qualifying pupil density from fewer than 7.3 to 7.7 pupils per sq. mile. Increases per pupil grant approximately from \$45 to \$50. Maintains \$1.0 million for small, isolated districts meeting certain requirements.			
<u>Conference</u> concurs with Senate.			
<b>16. Transportation Payments (Sec. 22o) – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> does not include this section.	Restricted	0	0
<u>House</u> includes a \$100 placeholder for payments to districts that provide general education transportation in an amount equal to \$25 per Gen Ed rider.	GF/GP	\$0	\$0
<u>Senate</u> does not include this section.			
<u>Conference</u> does not include this section.			
<b>17. Court-Placed Pupils (Sec. 24)</b>	<b>Gross</b>	<b>\$8,000,000</b>	<b>(\$850,000)</b>
<u>Executive</u> maintains current appropriation for reimbursements to districts or ISDs for on-grounds programs for pupils under court jurisdiction placed in or assigned to attend a juvenile detention facility or child caring institution.	Restricted	8,000,000	(850,000)
<u>House</u> concurs with Executive.	GF/GP	\$0	\$0
<u>Senate</u> reduces funding by \$850,000 SAF for court-placed pupil reimbursements to reflect a strict discipline academy closure.			
<u>Conference</u> concurs with Senate.			
<b>18. Youth Challenge (Sec. 24c)</b>	<b>Gross</b>	<b>\$1,528,400</b>	<b>\$97,000</b>
<u>Executive</u> increased by \$17,000 to reflect economic increases.	Restricted	1,528,400	97,000
<u>House</u> and <u>Senate</u> concur with Executive.	GF/GP	\$0	\$0
<u>Conference</u> concurs and adds another \$80,000 to reflect participants that enrolled in the program but dropped out prior to count day.			
<b>19. Strict Discipline Academy (Sec. 25f)</b>	<b>Gross</b>	<b>\$750,000</b>	<b>\$850,000</b>
<u>Executive</u> maintains current year appropriation.	Restricted	750,000	850,000
<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
<u>Senate</u> increases by \$850,000 SAF to a total of \$1.6 million for the added costs of educating strict discipline academy pupils. Concurs with House regarding redistribution of unexpended funds.			
<u>Conference</u> concurs with Senate funding and House and Senate language change.			
<b>20. Dropout Recovery Programs (Sec. 25g)</b>	<b>Gross</b>	<b>\$750,000</b>	<b>\$0</b>
<u>Executive</u> maintains current year appropriation.	Restricted	750,000	0
<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
<u>Senate</u> maintains current year appropriation.			
<u>Conference</u> concurs with Executive and Senate.			
<b>21. Dropout Prevention Programs (Sec. 25h) – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100,000</b>
<u>Executive</u> does not include this section	Restricted	0	100,000
<u>House</u> adds \$100 for a district working with a dropout prevention program.	GF/GP	\$0	\$0
<u>Senate</u> does not include this section			
<u>Conference</u> concurs with House but increases to \$100,000 SAF.			

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>22. At Risk Program (Sec. 31a)</b>	<b>Gross</b>	<b>\$499,000,000</b>	<b>\$0</b>
<u>Executive</u> maintains funding of \$499.0 million SAF but revises program requirements.	Restricted	499,000,000	0
<u>House, Senate, and Conference</u> concur with Executive to maintain funding levels but provides for alternative program revisions.	GF/GP	\$0	\$0
<b>23. Year-round Instruction Grants (Sec. 31b)</b>	<b>Gross</b>	<b>\$1,500,000</b>	<b>(\$750,000)</b>
<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	(750,000)
<u>House</u> maintains current year appropriation.	GF/GP	\$0	\$0
<u>Senate</u> concurs with Executive.			
<u>Conference</u> reduces to \$750,000 SAF.			
<b>24. Local Produce in School Meals (Sec. 31j)</b>	<b>Gross</b>	<b>\$375,000</b>	<b>\$200,000</b>
<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	\$200,000
<u>Senate</u> increases funding by \$325,000 to a total of \$700,000 GF/GP and adds prosperity regions 6 and 8. Adds that the required report must include an assessment of consumption and plate waste.			
<u>Conference</u> increases funding by \$200,000 GF/GP to a total of \$575,000 GF/GP and allocates \$125,000 to prosperity regions 2, 4, 6, and 9 and allocates \$75,000 to prosperity region 8.			
<b>25. Great Start Readiness Program (GSRP) (Sec. 32d)</b>	<b>Gross</b>	<b>\$243,900,000</b>	<b>\$0</b>
<u>Executive</u> maintains funding of \$243.9 million for GSRP 4-year-old preschool programs for children in low-income families.	Restricted	243,600,000	0
<u>House and Senate</u> concur with Executive to maintain funding levels but provides for alternative program revisions.	GF/GP	\$300,000	\$0
<u>Conference</u> concurs with Executive to maintain funding levels but shifts \$1.0 million from funding for preschool slots to ISDs for professional development for educators implementing new curricula in 2019-2020. (see <i>Major Boilerplate Changes</i> for Sec. 32d below.)			
<b>26. Early Learning Cooperative (Sec. 32g)</b>	<b>Gross</b>	<b>\$175,000</b>	<b>\$0</b>
<u>Executive</u> eliminates funding for a preschool early learning cooperative pilot.	Restricted	175,000	0
<u>House, Senate, and Conference</u> maintain current year appropriation for the 3 <sup>rd</sup> of 3 years of funding.	GF/GP	\$0	\$0
<b>27. Early Literacy Implementation (Sec. 35)</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$1,000,000)</b>
<u>Executive</u> reduces by \$1.0 million GF/GP to move to the MDE budget.	Restricted	0	0
<u>House, Senate, and Conference</u> concur with Executive.	GF/GP	\$1,000,000	(\$1,000,000)
<b>28. Early Literacy (Sec. 35a)</b>	<b>Gross</b>	<b>\$29,400,000</b>	<b>\$500,000</b>
<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	\$500,000
<u>Senate</u> increases by \$1.0 million to \$7.0 million SAF for teacher coaches, reduces by \$1.0 million to \$19.9 million SAF for added instructional time and revises the distribution to divide total funding on an equal per-first-grade-pupil amount, increases by \$500,000 to \$3.0 million GF/GP for the Michigan Education Corps, and adds \$550,000 GF/GP for a summer reading program addressing summer reading slide that is bilingual, in-home, individualized with self-selected, independent, reading level books provided to pupils in grades K to 4 each week during the summer.			
<u>Conference</u> shifts \$1.0 million from added instructional time, bringing it to \$19.9 million SAF, to teacher coaches, bringing it to \$7.0 million SAF. Concurs with Senate on instructional time funding distribution. Maintains current year appropriation for Michigan Education Corps but expands from Reading Corps to include PreK Reading Corps and Math Corps. Funds the Senate summer reading program at \$500,000.			

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>29. District – Dyslexia Center Collaboration Grant (Sec. 35b) – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$250,000</b>
<u>Executive</u> does not include this section.	Restricted	0	250,000
<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	\$0
<u>Senate</u> does not include this section.			
<u>Conference</u> concurs with House but funds with SAF rather than GF/GP.			
<b>30. Special Education Costs (Secs. 51a, 51c, 51d, 53a, 54)</b>	<b>Gross</b>	<b>\$1,349,488,000</b>	<b>\$24,550,000</b>
<u>Executive</u> updated to reflect revised consensus cost estimates for special education costs.	Federal	431,000,000	0
<u>House</u> and Senate concur with Executive.	Restricted	918,488,000	24,550,000
<u>Conference</u> revises to reflect update for consensus estimates.	GF/GP	\$500,000	\$0
<b>31. Special Ed Task Force: Mediation and Parental Supports (Sec. 54c)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> provides \$500,000 GF/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
<u>Senate</u> concurs with Executive.			
<u>Conference</u> concurs with House.			
<b>32. Conductive Learning Study (Sec. 55)</b>	<b>Gross</b>	<b>\$150,000</b>	<b>\$100,000</b>
<u>Executive</u> eliminates this section because intent language stated that FY 2017-18 was intended to be the 3 <sup>rd</sup> of 3 years of funding for the study.	Restricted	150,000	(150,000)
<u>House</u> concurs with Executive.	GF/GP	\$0	\$250,000
<u>Senate</u> increases to \$250,000 for ongoing operations for the Conductive Learning Center at Aquinas College.			
<u>Conference</u> concurs with Senate.			
<b>33. Career and Technical Education (CTE) Programs (Sec. 61a)</b>	<b>Gross</b>	<b>\$37,850,300</b>	<b>\$(139,000)</b>
<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	(160,000)
<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	\$21,000
<u>Senate</u> maintains funding for CTE program added costs at \$36.6 million, increases funding to \$150,000 GF/GP for CTE programs in restaurant management and culinary training, and concurs with Executive to eliminate \$1.0 million for competitive grants to ISDs for CTE counselor grants and to eliminate \$160,000 SAF for 2 school districts for CTE counselors.			
<u>Conference</u> maintains current funding for CTE program added costs, increases funding to \$100,000 GF/GP for CTE programs in restaurant management and culinary training, and maintains funding of \$1.0 million for ISDs that received CTE counselor grants.			
<b>34. Information Technology Certifications (Sec. 64d)</b>	<b>Gross</b>	<b>\$2,300,000</b>	<b>\$0</b>
<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	0
<u>House</u> maintains current year appropriation but revises the fund source from GF/GP to Talent Investment Fund. Intended to be 2 <sup>nd</sup> of 3 years of funding.	GF/GP	\$2,300,000	\$0
<u>Senate</u> concurs with the Executive.			
<u>Conference</u> concurs with House but funds with GF/GP.			

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>35. Detroit PreCollege Engineering (Sec. 65)</b>	<b>Gross</b>	<b>\$340,000</b>	<b>\$60,000</b>
<u>Executive</u> eliminates funding for the Detroit PreCollege Engineering program	Restricted	0	400,000
<u>House</u> maintains current year appropriation.	GF/GP	\$340,000	(\$340,000)
<u>Senate</u> increases by \$160,000 GF/GP to \$500,000 GF/GP.			
<u>Conference</u> increases by \$60,000 to \$400,000 and funds with SAF.			
<b>36. Marshall Plan for Talent – Online Career Preparation (Sec. 67a/311)</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$1,000,000)</b>
<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	0
<u>House</u> increases to a total of \$1.5 million and requires a 25% match.	GF/GP	\$1,000,000	(\$1,000,000)
<u>Senate and Conference</u> do not include, see Marshall Plan in SB 941.			
<b>37. AP/IB Incentive Program (Sec. 94)</b>	<b>Gross</b>	<b>\$750,000</b>	<b>\$250,000</b>
<u>Executive</u> maintains current funding to support up to \$20 per Advanced Placement (AP) test or up to \$150 per International Baccalaureate (IB) program registration fee for low-income students.	Restricted	0	0
<u>House</u> maintains current funding but strikes the caps on per test and per registration fees given reductions in federal support.	GF/GP	\$750,000	\$250,000
<u>Senate</u> increases by \$750,000 GF/GP to \$1.5 million GF/GP and allows funding to support reimbursements for College-Level Examination Program (CLEP) fees. Concurs with House to strike caps on existing support.			
<u>Conference</u> increases to \$1.0 million GF/GP and funds CLEP fees.			
<b>38. Center for Educational Performance and Information (Sec. 94a)</b>	<b>Gross</b>	<b>\$16,409,500</b>	<b>\$140,700</b>
<u>Executive</u> increases by \$140,700 to \$16.4 million to reflect increased costs of negotiated salary and wage increase (2.0%), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	193,500	0
<u>House</u> concurs with Executive.	Restricted	0	0
<u>Senate</u> maintains current year appropriation.	GF/GP	\$16,216,000	\$140,700
<u>Conference</u> concurs with Executive and House.			
<b>39. Statewide Evaluation Tool (Sec. 95b)</b>	<b>Gross</b>	<b>\$2,500,000</b>	<b>\$0</b>
<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 and awards funds to same program that received funding in FY 2017-18.	GF/GP	\$2,500,000	\$0
<u>Senate</u> maintains current year appropriation.			
<u>Conference</u> concurs with House.			
<b>40. FIRST Robotics (Sec. 99h)</b>	<b>Gross</b>	<b>\$2,800,000</b>	<b>\$500,000</b>
<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	500,000
<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
<u>Senate</u> maintains current year appropriation for districts and nonpublic schools and expands to include ISDs. Senate concurs with House to expand to additional robotics competitions.			
<u>Conference</u> increases by \$500,000 to total of \$3.3 million and concurs with Senate and House to expand to additional robotics competitions.			



<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>41. MiSTEM Centers Reorganization (Secs. 99r and 99s)</b>	<b>Gross</b>	<b>\$12,784,300</b>	<b>(\$1,350,000)</b>
<u>Executive</u> reduces MiSTEM programming by \$1.4 million bringing it to a total of \$11.4 million. Eliminates FY 2017-18 transition funding, increases administration funding by \$200,000 and adds \$750,000 for professional development and curricula development. Eliminates Van Andel Education Institute grant (\$150,000).	Federal	4,700,000	(1,200,000)
<u>House</u> reduces MiSTEM programming by \$1.2 million, bringing it to a total of \$11.6 million. Concurrs to eliminate transition funding. Increases MiSTEM grants by \$1.1 million. Eliminates Van Andel Education Institute grant.	Restricted	6,234,300	1,400,000
<u>Senate</u> concurs with Executive except that it maintains \$150,000 GF/GP for the Van Andel Education Institute grant.	GF/GP	\$1,850,000	(\$1,550,000)
<u>Conference</u> reduces MiSTEM programming by \$1.4 million, bringing it to a total of \$11.4 million. Concurrs to eliminate transition funding. Increases MiSTEM grants by \$200,000. Concurrs with Executive to include \$750,000 for professional development and curricula development. Eliminates Van Andel funding. Rolls in Sec. 99r MiSTEM staff funding.			
<b>42. Online Algebra Tool (Sec. 99t)</b>	<b>Gross</b>	<b>\$1,100,000</b>	<b>\$400,000</b>
<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
<u>Senate</u> increases by \$400,000 GF/GP for a total of \$1.5 million.			
<u>Conference</u> concurs with House and Senate.			
<b>43. Online Mathematics Tool (Sec. 99u)</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
<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	\$1,000,000
<u>Senate</u> maintains current year appropriation for an online mathematics tool but adds a \$100 placeholder for Imagine Espanol for Pre-K to 1 <sup>st</sup> grade.			
<u>Conference</u> increases by \$1.0 million GF/GP to a total of \$2.0 million GF/GP. Concurrs with House to allocate \$1.5 million for Imagine Math and adds \$500,000 for Imagine Espanol for Pre-K to 1 <sup>st</sup> grade.			
<b>44. Dana Center (Sec. 99v) – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$25,000</b>
<u>Executive</u> and <u>House</u> do not include this section.	Restricted	0	0
<u>Senate</u> adds \$25,000 GF/GP for a grant to a provider that develops and scales effective innovations to create seamless transitions through the K-14 system for all students, especially the underserved.	GF/GP	\$0	\$25,000
<u>Conference</u> concurs with Senate.			
<b>45. Financial Data Analysis Tools (Sec. 102d)</b>	<b>Gross</b>	<b>\$1,500,000</b>	<b>\$0</b>
<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
<u>Senate</u> maintains current year appropriation and limits vendors to those approved in FY 2017-18.			
<u>Conference</u> concurs with Senate.			

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>46. Education Assessments (Sec. 104)</b>	<b>Gross</b>	<b>\$40,959,400</b>	<b>(\$2,200,000)</b>
<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. <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. <u>Senate</u> increases overall appropriation by \$3.3 million. Concurs with Executive to reduce funding to \$500,000 for the online student data reporting tool. Increases by \$5.0 million for statewide benchmark assessments. Increases from \$1.0 million to \$2.0 million for KEO and expands to all districts in prosperity regions 2 to 9 by August 2019. <u>Conference</u> concurs with Senate expansion of KEO but funds at \$1.5 million. Does not include funding for benchmark assessments.	Federal	6,250,000	0
	Restricted	34,709,400	(2,200,000)
	GF/GP	\$0	\$0
<b>47. Digital Literacy Preparation Tools (Sec. 104e)</b>	<b>Gross</b>	<b>\$250,000</b>	<b>(\$250,000)</b>
<u>Executive</u> eliminates funding for the implementation of a pilot to assess pupil digital literacy skill levels. <u>House</u> maintains current year appropriation and reduces the required number of districts with which the contract recipient participates from 220 to 50. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with Executive.	Restricted	0	0
	GF/GP	\$250,000	(\$250,000)
<b>48. Secure Schools Program – Panic Button App (Sec. 110) – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> does not include this section. <u>House</u> provides \$3.0 million 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 schools. <u>Senate</u> does not include this section but appropriates \$3.0 million for this program in a FY 2017-18 supplemental (SB 601) for the MSP budget. <u>Conference</u> does not include this section.	Restricted	0	0
	GF/GP	\$0	\$0
<b>49. MPSERS Payments (Secs. 147a, 147c, and 147e)</b>	<b>Gross</b>	<b>\$1,332,853,000</b>	<b>(\$74,414,000)</b>
<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"> <li>Eliminates a one-time \$200.0 million additional deposit to accelerate the payoff of the 2010 early retirement incentive. (Sec. 147c(2))</li> <li>Increases state share of UAAL payments by \$71.9 million. (Sec. 147c(1))</li> <li>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))</li> <li>Increases state support of higher defined contribution and hybrid plan costs required under PA 92 of 201 by \$14.5 million. (Sec. 147e)</li> </ul>	GF/GP	\$683,000	\$65,000
<u>House</u> concurs with Executive. <u>Senate</u> concurs with Executive but adds \$5.0 million in Sec. 147a(1) for ISDs. <u>Conference</u> concurs with Executive and House.			
<b>50. Nonpublic School Reimbursement (Sec. 152b)</b>	<b>Gross</b>	<b>\$2,500,000</b>	<b>(\$2,250,000)</b>
<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. <u>House</u> maintains current year appropriation. <u>Senate</u> decreases appropriation to \$100 GF/GP. <u>Conference</u> reduces to \$250,000 and provides work project language.	Restricted	0	0
	GF/GP	\$2,500,000	(\$2,250,000)

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>51. Other Major Cost Adjustments</b>	<b>Gross</b>	<b>NA</b>
<u>Executive</u> revises the following to reflect updated cost estimates:	Restricted	NA
Sec. 11m – Increases Cash Flow Borrowing by \$17.5 million to \$24.0 million.	GF/GP	NA
Sec. 26a – Decreases Renaissance Zone Reimbursements by \$2.0 million to \$15.0 million.		<b>\$17,648,900</b>
Sec. 26c – Increases Promise Zone Funding by \$1.5 million to \$3.0 million.		17,648,900
Sec. 31d – Increases School Lunch state costs by \$648,900 to \$23.1 million.		\$0
<u>House, Senate, and Conference</u> concur with Executive.		

### **Major Boilerplate Changes From FY 2017-18**

#### **Sec. 6(4)(h). Cyber School Pupil Membership – REVISED**

Conference adds that under (h), which allows pupil participation to count for being in “regular daily attendance,” for a pupil that utilizes sequential learning, participation means that term as defined the pupil accounting manual, section 5-o-d: requirements for counting in membership, subsection (10).

#### **Sec. 6(4)(ii)&(II). Pupil Membership – Shared Time Pupils – REVISED**

Executive maintains current law that caps a part-time individual pupil enrolled in shared-time instruction at 0.75 FTE.

House concurs with Executive.

Senate reduces FTE cap to 0.67. Additionally, adds language capping a district’s pupil membership for shared-time instruction to no more than 10% more than the prior fiscal year. However, for a district in its first 3 years of participating in shared time, caps shared-time pupil memberships at 5% of district’s membership other than shared-time.

Conference concurs with Executive and House for Sec. 6(4)(ii). For Sec. 6(4)(II) caps shared time at 10% growth if shared time exceeds 5% of district non-shared time membership. If shared time is less than 5% of district non-shared time membership, caps it at the greater of either 5% of non-shared time membership or 10% growth in shared time. Adjusts for consolidations/annexations.

#### **Sec. 6(4)(mm). Tuition Charges for Out of State Pupils – NEW**

Conference provides that if a district, ISD, or PSA charges tuition for a pupil that resided out of state in the immediately preceding school year, the pupil may not be counted in membership in the district, ISD, or PSA.

#### **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.

Senate maintains current law.

Conference maintains current law on the maximum allowable repayment period for district state aid payment deductions, eliminates the option for state Superintendent to waive repayment under certain circumstances, and revises to allow MDE to conduct audits of all records related to a program funded under the Act only for the prior year rather than the prior 3 years.

#### **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.

Senate does not include the section.

Conference requires that MDE open the grant application process for grants distributed by MDE to September 1; requires MDE to publish grant awards by December 1; and requires that information on grants be placed on the August State Board Agenda.

#### **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. Senate maintains current law. Conference concurs with Executive and House.

## **Major Boilerplate Changes From FY 2017-18**

### ***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, Senate, and Conference concur with Executive.

### ***Sec. 21h. Partnership Model Districts – REVISED***

Executive maintains current law.

House maintains current law.

Senate revises as follows: 1) Requires a district receiving funding to craft academic goals that put pupils on track to meet or exceed grade level proficiency; 2) Allows state superintendent to waive burdensome administrative rules for a partnership district while under agreement; and 3) Requires that the annual MDE report to the legislature be in person and, to the extent possible, districts receiving funds under this section must participate.

Conference concurs with Senate.

### ***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.

Senate concurs with Executive that participation in technology regional data hubs is voluntary but revises to postpone the promotion of 100% district adoption of technology regional data hubs until Sept. 30, 2020.

Conference concurs with Senate.

### ***Sec. 22p. Partnership District Compliance Requirements – NEW***

Senate adds that to receive the discretionary portion of a partnership district’s foundation allowance, it must have a signed partnership agreement with measurable academic outcomes to be achieved within 18 and 36 months after the date on which the original agreement was signed and accountability measures to be imposed if district fails to meet their outcomes and provides that accountability measures may include either school closure or reconstitution. Provides for school reconstitution requirements including the creation of a local school building governing board and the cancelation of existing collective bargaining agreements. Conference concurs but revises the school reconstitution requirements to include significant changes made to instruction and non-academic programming, replacement of at least 25% faculty and staff replacement, and replacement of the principal unless he or she has been in place less than 3 years and subject to board approval.

### ***Sec. 23f. Shared-Time Pupil Payments – NOT INCLUDED***

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

(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 and Senate do not include this section.

Conference does not include this section but shifts a, b, and c(i), c(ii), and c(iii) to Sec. 166b.

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

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). Senate maintains current law. Conference concurs with Executive.

## **Major Boilerplate Changes From FY 2017-18**

### ***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 with MTSS component revisions. Senate maintains current law. Conference concurs with House.

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. Senate maintains current law. Conference adds numeracy and revises to K-12 for all 3 pieces.

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, Senate, and Conference do 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 then 1/3 of funds would have to be redirected for each rather than 1/2 to recognize the inclusion of a third metric. Senate maintains current law. Conference concurs with House but postpones one year until 2019-2020 and, in addition to proficiency, adds that 50% of at-risk students achieving at least one year's growth in the applicable subject and grade would satisfy the requirement.

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. Senate maintains current law. Conference concurs with Executive and House.

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. Senate maintains current law. Conference concurs with Executive only regarding aligning schoolwide reforms to a district's needs assessment and including parent and community supports, activities, and services, including Pathways to Potential and Communities in Schools.

### ***Sec. 32d. Great Start Readiness Program – REVISED***

Executive maintains current law.

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

Senate revises to require MDE to issue an RFP to review grantees for the longitudinal evaluation and the bid process beginning on the date the bill is enacted.

Conference revises to require MDE to implement a process to evaluate and approve age-appropriate educational curricula that are in compliance with the early childhood standards of quality for prekindergarten children adopted by the state board of education. Provides that MDE must reimburse a community-based provider for transportation costs (up to the existing \$300 per child cap) for parent- or guardian-accompanied transportation through private companies, buses, or other public transportation.

### ***Sec. 32p. Early Childhood Block Grants – REVISED***

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.

Senate concurs with Executive.

Conference revises to keep current goals of the home visit program and include the additional goals proposed by Executive.

## **Major Boilerplate Changes From FY 2017-18**

### **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.

Senate concurs with Executive.

Conference concurs with House to include a new November 1, 2018 report with subgroup reporting revisions and to revise MTSS program components to mirror revisions in Sec. 31a.

### **Sec. 39. GSRP Per Pupil Allocation Formula – REVISED**

Executive maintains current law.

House, Senate, and Conference revise 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 Sec. 32d and 39.

### **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 and Senate do not include this section.

Conference concurs with Executive.

### **Sec. 95c. Michigan Teacher Council – NOT INCLUDED**

Senate adds a new section to create the Michigan Teacher Council. The Michigan Teacher Council would be tasked with the following objectives: provide feedback for initiatives that it considers critical for the development, preparation, and retention of teachers; provide guidance on best practices for the teaching profession; and provide advice on subjects related to public education with the goal to attract and retain quality teachers.

Conference does not include this section.

### **Sec. 104b. Michigan Merit Examination (MME) – REVISED**

Conference revises to require MDE to include scores for the statewide assessment and graduation rates for consortium pupils with the scores for the school building in the participating district in which the consortium pupil is enrolled or would otherwise attend. A consortium pupil would be defined as a pupil who enrolled or participated in a district or program operated as a consortium or under a cooperative arrangement formed by two or more districts or ISDs, including but not limited to, a consortium or cooperative arrangement operated as a program, a shared educational entity, a specialized education entity, or a special education center program.

### **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.

Senate concurs with Executive except revises from requiring that MDE issue a request for information for at least 3 benchmark assessments to requiring MDE to provide a list of 3 benchmark solutions that meet existing qualifications and requires districts to select a benchmark assessment and commit to using the same benchmark assessment for at least 3 years without switching. Requires MDE to use funds from Sec. 104 to pay the costs of a benchmark assessment selected, with payment based on the number of pupils assessed by each vendor's benchmark assessment.

Conference concurs with Executive to move the state assessment for science to grades 5 and 8 and deletes requirement that MDE approve at least 3 benchmark assessments for district use. Also requires the summative assessments for ELA and math for pupils in grades 8 to 10 to be aligned to the college entrance test portion of the Michigan Merit examination.

## **Major Boilerplate Changes From FY 2017-18**

### ***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.

Senate concurs with Executive.

Conference concurs with House reporting requirement, and includes that districts seeking reimbursement for a benchmark assessment shall commit to using the same benchmark assessment for no less than 3 years without switching to another benchmark assessment.

### ***Sec. 160. Labor Day Waiver Hearing – RETAINED***

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.

Senate and Conference maintain current law.

### ***Sec. 163. Educator Certification Requirements – REVISED***

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

House maintains current law. Senate concurs with Executive. Conference concurs with Executive and Senate.

### ***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, Senate, and Conference maintain current law.

### ***Sec. 164h. Collective Bargaining Agreement Penalty – REVISED***

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 MCL 380.1250. House and Senate maintain current law. Conference revises to clarify that in requiring compliance with the compensation method in MCL 380.1250 shall not be construed to affect the operation of either MCL 423.215(3)(o), which prohibits collective bargaining on compensation methods among other things, the operation of MCL 380.1231, which provides for a school board to approve teacher contracts with specified wages, or the requirement to confer in good faith with respect to wages under MCL 423.215(1).

### ***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".

Senate concurs with Executive.

Conference concurs with Executive except does not include kindergarten changes and does not revise the definition for 9-12 nonessential courses. Includes portions of Executive recommendation from Sec. 23f (see above.)

### ***Sec. 169a. Michigan Schools for the Deaf and Blind (MSDB) – REVISED***

Senate revises language that currently prohibits a district or ISD from interfering with MSDB's right or ability to provide information to instead require that a district or ISD "shall provide any information received from MSDB" to parents who are deaf, deaf-blind, or hard of hearing to any residents of the district or ISD who request information. Adds that a district or ISD that violates this section shall forfeit 5% of its total state aid under this article.

Conference concurs with Senate.

**Supplemental Recommendations for FY 2017-18 Appropriations**

**FY 2017-18  
Recommendation**

<b>1. GF/GP and SAF Revenue Shift</b>	<b>Gross</b>	<b>\$0</b>
<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	136,500,000
<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	(\$136,500,000)
<u>Senate</u> concurs with Executive.		
<u>Conference</u> shifts \$136.3 million from GF/GP to SAF.		
<b>2. Cash Flow Borrowing (Sec. 11m)</b>	<b>Gross</b>	<b>\$11,500,000</b>
<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, Senate, and Conference</u> concur with Executive.	GF/GP	\$0
<b>3. Foundation Allowances (Secs. 22a and 22b)</b>	<b>Gross</b>	<b>(\$14,300,000)</b>
<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	(14,300,000)
<u>House and Senate</u> concur with Executive.	GF/GP	\$0
<u>Conference</u> reduces by \$14.3 million SAF to a total of \$9.2 billion to reflect May consensus cost estimates.		
<b>4. Consolidation Innovation Grants (Sec. 22g)</b>	<b>Gross</b>	<b>\$2,800,000</b>
<u>Conference</u> re-appropriates \$2.8 million SAF for FY 2017-18 to FY 2016-17 grant recipients who were awarded funds, but the funds lapsed before funding was distributed.	Restricted	2,800,000
	GF/GP	\$
<b>5. Court-Placed Pupils (Sec. 24)</b>	<b>Gross</b>	<b>(\$850,000)</b>
<u>Executive and House</u> maintain current appropriation for reimbursements to districts or ISDs for pupils under court jurisdiction placed in or assigned to attend a juvenile detention facility or child caring institution.	Restricted	(850,000)
<u>Senate</u> reduces funding by \$850,000 SAF for court-placed pupil reimbursements.	GF/GP	\$0
<u>Conference</u> concurs with Senate.		
<b>6. Strict Discipline Academy (Sec. 25f)</b>	<b>Gross</b>	<b>\$850,000</b>
<u>Executive and House</u> maintain current year appropriation for strict discipline academy added costs.	Restricted	850,000
<u>Senate</u> increases by \$850,000 SAF to a total of \$1.6 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 SDAs on an equal per-pupil basis, not to exceed an SDA's added cost.	GF/GP	\$0
<u>Conference</u> concurs with Senate.		
<b>7. Renaissance Zone Reimbursements (Secs. 26a)</b>	<b>Gross</b>	<b>(\$2,000,000)</b>
<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, Senate, and Conference</u> concur with Executive.	GF/GP	\$0
<b>8. Promise Zone Funding (Sec. 26c)</b>	<b>Gross</b>	<b>\$100,000</b>
<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, Senate, and Conference</u> concur with Executive.	GF/GP	\$0
<b>9. School Lunch Programs (Sec. 31d)</b>	<b>Gross</b>	<b>\$306,900</b>
<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, Senate, and Conference</u> concur with Executive.	GF/GP	\$0
<b>10. School Mental Health and Support Services (Sec. 31m)</b>	<b>Gross</b>	<b>\$0</b>
<u>Conference</u> creates the School Mental Health and Support Services Fund as a subaccount of the School Aid Fund. Money in the fund requires an appropriation to be expended. Provides that money in the fund at the end of a fiscal year does not lapse. Deposits \$30,000,000 SAF into the fund for FY 2017-18.	Restricted	0
	GF/GP	\$0



**Supplemental Recommendations for FY 2017-18 Appropriations**

**FY 2017-18  
Recommendation**

<b>11. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)</b>	<b>Gross</b>	<b>\$4,200,000</b>
<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. Updates Sec. 56 special education millage equalization amounts per pupil.	Restricted	4,200,000
<u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	GF/GP	\$0
<u>Conference</u> increases by \$4.2 million SAF to reflect revised consensus cost estimates.		
<b>12. CTE Planning Grant (Sec. 61e)</b>	<b>Gross</b>	<b>\$250,000</b>
<u>Conference</u> adds \$250,000 SAF to St. Joseph School District for regional CTE planning to deliver joint CTE programs to urban and rural youth.	Restricted	250,000
	GF/GP	\$0
<b>13. Voc Ed Millage Equalization (Sec. 62)</b>	<b>Gross</b>	<b>\$0</b>
<u>Executive</u> updates vocational education millage equalization amounts per pupil.	Restricted	0
<u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	GF/GP	\$0
<u>Conference</u> updates to reflect updated taxable value data.		
<b>14. Advanced Placement Incentives (Sec. 94)</b>	<b>Gross</b>	<b>\$0</b>
<u>House</u> , <u>Senate</u> , and <u>Conference</u> remove 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
<b>15. FIRST Robotics (Sec. 99h)</b>	<b>Gross</b>	<b>\$500,000</b>
<u>Conference</u> adds \$500,000 to the FIRST Robotics competition grants, bringing it to \$3.3 million. Adds work project language.	Restricted	500,000
	GF/GP	\$0
<b>16. State Assessments (Sec. 104)</b>	<b>Gross</b>	<b>(\$5,000,000)</b>
<u>Conference</u> reduces assessment funding by \$5.0 million due to available work project funding from FY 2016-17.	Restricted	(5,000,000)
	GF/GP	\$0
<b>17. Digital Learning Preparation (Sec. 104e)</b>	<b>Gross</b>	<b>\$0</b>
<u>House</u> reduces the required number of districts with which the contract recipient participates from 220 to 50.	Restricted	0
<u>Senate</u> maintains current law.	GF/GP	\$0
<u>Conference</u> concurs with <u>House</u> .		
<b>18. Nonpublic Schools Reimbursements (Sec. 152b)</b>	<b>Gross</b>	<b>\$0</b>
<u>House</u> adds work project language for funds appropriated in FY 2017-18.	Restricted	0
<u>Senate</u> maintains current law.	GF/GP	\$0
<u>Conference</u> concurs with <u>House</u> .		
<b>19. School Violence Tip Line Report (Sec. 167b)</b>	<b>Gross</b>	<b>\$0</b>
<u>House</u> adds that not later than August 1, 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.	Restricted	0
<u>Conference</u> concurs with <u>House</u> .	GF/GP	\$0

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2017-18			FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	
		YTD PA 143 of 2017 Supplemental	Change from YTD	FY 18 Conference Revised	FY 19 Exec	FY 19 HB 5579 House Passed	FY 19 SB 863 Senate Passed	Change from FY 18 YTD	FY 19 Conference
11j	School Bond Redemption Fund	\$125,500,000		\$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	\$24,000,000	\$24,000,000	\$24,000,000	\$17,500,000	\$24,000,000
11s	Flint Declaration of Emergency	\$8,730,100		\$8,730,100	\$3,230,100	\$3,230,100	\$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		\$18,000,000
21h	Partnership Model Districts	\$6,000,000		\$6,000,000	\$8,000,000	\$6,000,000	\$6,000,000	\$1,000,000	\$7,000,000
21j	Marshall Plan - Competency Programs (Sec. 303)	\$500,000		\$500,000	\$3,000,000	\$3,000,000	\$0	(\$500,000)	\$0
22a	Foundations: Proposal A Obligation Payment	\$5,181,800,000	(\$5,800,000)	\$5,176,000,000	\$5,048,000,000	\$5,122,000,000	\$5,115,000,000	(\$74,800,000)	\$5,107,000,000
22b	Foundations: Discretionary Payment	\$4,037,500,000	(\$8,500,000)	\$4,029,000,000	\$4,228,600,000	\$4,311,600,000	\$3,890,000,000	\$286,500,000	\$4,324,000,000
22d	Isolated District Funding	\$5,000,000		\$5,000,000	\$5,000,000	\$5,000,000	\$6,000,000	\$1,000,000	\$6,000,000
22g	Consolidation Innovation Grants	\$0	\$2,800,000	\$2,800,000	\$0	\$0	\$0		\$0
22m	Technology Regional Data Hubs	\$2,200,000		\$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		\$11,000,000
22o	Transportation Payments - NEW	\$0		\$0	\$0	\$100	\$0		\$0
22p	Partnership District Discretionary Payment - NEW	\$0		\$0	\$0	\$0	\$400,000,000		\$0
23f	Shared Time Pupils - NEW	\$0		\$0	\$64,100,000	\$0	\$0		\$0
24	Court-Placed Pupils	\$8,000,000	(\$850,000)	\$7,150,000	\$7,150,000	\$8,000,000	\$7,150,000	(\$850,000)	\$7,150,000
24a	Juvenile Detention Facility Programs	\$1,339,000		\$1,339,000	\$1,355,700	\$1,355,700	\$1,355,700	\$16,700	\$1,355,700
24c	Youth Challenge Program	\$1,528,400		\$1,528,400	\$1,545,400	\$1,545,400	\$1,545,400	\$97,000	\$1,625,400
25f	Strict Discipline Academy	\$750,000	\$850,000	\$1,600,000	\$1,600,000	\$1,000,000	\$1,600,000	\$850,000	\$1,600,000
25g	Dropout Recovery Programs	\$750,000		\$750,000	\$750,000	\$1,000,000	\$750,000		\$750,000
25h	Jobs for Michigan Grads - NEW	\$0		\$0	\$0	\$100	\$0	\$100,000	\$100,000
26a	Renaissance Zone Reimbursement	\$17,000,000	(\$2,000,000)	\$15,000,000	\$15,000,000	\$15,000,000	\$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		\$4,405,100
26c	Promise Zone Funding	\$1,500,000	\$100,000	\$1,600,000	\$3,000,000	\$3,000,000	\$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		\$499,000,000
31a(7)	School Based Health Centers	\$6,057,300		\$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		\$5,150,000
31b	Year-round Instruction Grants	\$1,500,000		\$1,500,000	\$0	\$1,500,000	\$0	(\$750,000)	\$750,000
31d	State School Lunch Programs	\$22,495,100	\$306,900	\$22,802,000	\$23,144,000	\$23,144,000	\$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		\$523,200,000
31f	School Breakfast Program	\$4,500,000		\$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	\$0	\$425,000	\$700,000	\$200,000	\$575,000
32d	Great Start Readiness Program	\$243,900,000		\$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		\$13,400,000
32q	Early Learning Cooperative	\$175,000		\$175,000	\$0	\$175,000	\$175,000		\$175,000
35	Early Literacy Implementation	\$1,000,000		\$1,000,000	\$0	\$0	\$0	(\$1,000,000)	\$0
35a(4)	Early Literacy Teacher Coaches	\$6,000,000		\$6,000,000	\$6,000,000	\$6,000,000	\$7,000,000	\$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	\$19,900,000	(\$1,000,000)	\$19,900,000
35a(6)	Early Literacy - Michigan Education Corps	\$2,500,000		\$2,500,000	\$0	\$0	\$3,000,000	\$0	\$2,500,000
35a(7)	Summer Reading Project - NEW	\$0		\$0	\$0	\$0	\$550,000	\$500,000	\$500,000
35b	District and Dyslexia Center Collaboration Grant - NEW	\$0		\$0	\$0	\$250,000	\$0	\$250,000	\$250,000
39a(1)	Federal NCLB/ESSA Grant Funds	\$731,600,000		\$731,600,000	\$730,600,000	\$730,600,000	\$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		\$30,000,000
41	English Language Learner Grants	\$6,000,000		\$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		\$370,000,000
51a(2)	Special Ed ISD Foundation and Costs	\$264,200,000	\$2,700,000	\$266,900,000	\$272,100,000	\$272,100,000	\$272,100,000	\$8,900,000	\$273,100,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,000,000	\$300,000	\$1,300,000	\$1,100,000	\$1,100,000	\$1,100,000	\$300,000	\$1,300,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$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	(\$400,000)	\$3,200,000	\$3,400,000	\$3,400,000	\$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		\$500,000
51c	Special Ed Headlee Obligation (Durant)	\$635,300,000	\$1,600,000	\$636,900,000	\$650,600,000	\$650,600,000	\$650,600,000	\$15,700,000	\$651,000,000
51d	Special Education - Other Federal Grants	\$61,000,000		\$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		\$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		\$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		\$1,600,000
54c	Spec. Ed. Task Force - Mediation and Parental Supports - NEW	\$0		\$0	\$500,000	\$0	\$500,000		\$0
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
55	Conductive Learning Study	\$150,000		\$150,000	\$0	\$0	\$250,000	\$100,000	\$250,000
56	Special Ed ISD Millage Equalization	\$37,758,100		\$37,758,100	\$37,758,100	\$37,758,100	\$42,258,100	\$2,250,000	\$40,008,100
61a	Career & Tech Ed Programs	\$37,850,300		\$37,850,300	\$36,611,300	\$42,691,300	\$36,761,300	(\$139,000)	\$37,711,300
61b	Career & Tech Ed Early/Middle College	\$8,000,000		\$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	\$11,600,000	\$25,000,000	\$7,500,000	(\$10,000,000)	\$2,500,000
61d	CTE Incentive Payment - NEW	\$0		\$0	\$5,000,000	\$0	\$0	\$5,000,000	\$5,000,000
61e	CTE Planning Grant - NEW	\$0	\$250,000	\$250,000	\$0	\$0	\$0		\$0
62	ISD Career & Tech Ed Millage Equalization	\$9,190,000		\$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		\$1,750,000

SCHOOL AID LINE ITEM SUMMARY



Sec.	FY 2017-18			FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	
	YTD PA 143 of 2017 Supplemental	Change from YTD	FY 18 Conference Revised	FY 19 Exec	FY 19 HB 5579 House Passed	FY 19 SB 863 Senate Passed	Change from FY 18 YTD	FY 19 Conference
64d	Information Technology Certifications	\$2,300,000		\$2,300,000	\$0	\$2,300,000	\$0	\$2,300,000
65	Detroit PreCollege Engineering	\$340,000		\$340,000	\$0	\$340,000	\$500,000	\$400,000
67	Career and College Readiness Tools	\$3,000,000		\$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	\$4,000,000	\$1,500,000	\$0	\$0
68	Marshall Plan - Competency Programs (Sec. 303)	\$0		\$0	\$21,900,000	\$21,900,000	\$0	\$0
68a	Marshall Plan - Curriculum Creation (Sec. 304)	\$0		\$0	\$6,100,000	\$6,100,000	\$0	\$0
68b	Marshall Plan - Talent Pledge Scholarships (Sec. 309)	\$0		\$0	\$25,500,000	\$10,700,000	\$0	\$0
68c	Marshall Plan - Innovative Educator Corps (Sec. 314)	\$0		\$0	\$4,800,000	\$4,800,000	\$0	\$0
	Marshall Plan - University Partnerships (Sec. 307)	\$0		\$0	\$4,000,000	\$0	\$0	\$0
68d	Marshall Plan - Career Navigators (Sec. 310)	\$0		\$0	\$10,100,000	\$100	\$0	\$0
	Marshall Plan - Awareness Campaigns (Sec. 312)	\$0		\$0	\$5,500,000	\$0	\$0	\$0
	Marshall Plan - Critical Shortage Certificate Program (Sec. 313)	\$0		\$0	\$1,500,000	\$0	\$0	\$0
74	School Bus Driver Safety Instruction	\$2,025,000		\$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	\$1,729,900	\$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	\$1,345,000	\$68,453,000
94	AP/IB Incentive Program	\$750,000		\$750,000	\$750,000	\$750,000	\$1,500,000	\$1,000,000
94a	Center for Educational Performance and Information	\$16,216,000		\$16,216,000	\$16,356,700	\$16,356,700	\$140,700	\$16,356,700
94a	Center for Educational Performance and Info - Federal	\$193,500		\$193,500	\$193,500	\$193,500	\$193,500	\$193,500
95b	Statewide Evaluation Tool	\$2,500,000		\$2,500,000	\$0	\$2,500,000	\$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	\$7,387,500
99h	FIRST Robotics	\$2,800,000	\$500,000	\$3,300,000	\$2,500,000	\$2,800,000	\$500,000	\$3,300,000
99k	Marshall Plan - Cyber Security (Sec. 308)	\$500,000		\$500,000	\$2,000,000	\$2,000,000	(\$500,000)	\$0
99r	MISTEM Staff	\$250,000		\$250,000	\$400,000	\$300,000	\$400,000	\$300,000
99s(2)(3)	MISTEM Council and Grants - Council	\$2,900,000		\$2,900,000	\$2,950,000	\$4,000,000	\$150,000	\$3,050,000
99s(4)	MISTEM Grants - Math and Science Centers - State	\$3,299,300		\$3,299,300	\$0	\$0	(\$3,299,300)	\$0
99s(4)	MISTEM Grants - Math and Science Centers - Federal	\$4,700,000		\$4,700,000	\$3,500,000	\$3,500,000	(\$1,200,000)	\$3,500,000
99s(5)(6)	MISTEM Centers Transition	\$1,485,000		\$1,485,000	\$4,584,300	\$3,834,300	\$3,099,300	\$4,584,300
99s(13)	MISTEM Grants - Van Andel Education Institute	\$150,000		\$150,000	\$0	\$0	(\$150,000)	\$0
99t	Online Algebra Tool	\$1,100,000		\$1,100,000	\$0	\$1,500,000	\$400,000	\$1,500,000
99u	Online Mathematics Tool/Spanish	\$1,000,000		\$1,000,000	\$0	\$1,500,000	\$1,000,100	\$2,000,000
99v	Dana Center - NEW	\$0		\$0	\$0	\$25,000	\$25,000	\$25,000
102d	Financial Data Analysis Tools	\$1,500,000		\$1,500,000	\$0	\$1,500,000	\$1,500,000	\$1,500,000
104	Education Assessments - State	\$34,709,400	(\$5,000,000)	\$29,709,400	\$31,009,400	\$31,009,400	\$38,009,400	\$32,509,400
104	Education Assessments - Federal	\$6,250,000		\$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	\$0	\$4,000,000	\$5,200,000	\$9,200,000
104e	Digital Learning Prep	\$250,000		\$250,000	\$0	\$250,000	\$0	\$0
107	Adult Education	\$27,000,000		\$27,000,000	\$27,000,000	\$27,000,000	\$30,500,000	\$30,500,000
110	Secure Schools - Panic Button App - NEW	\$0		\$0	\$0	\$3,000,000	\$0	\$0
147a	MPSERS Cost Offset	\$100,000,000		\$100,000,000	\$100,000,000	\$100,000,000	\$105,000,000	\$100,000,000
147a(2)	MPSERS Normal Cost Offset	\$48,969,000		\$48,969,000	\$88,139,000	\$88,139,000	\$88,139,000	\$88,139,000
147c(1)	MPSERS State Share of Unfunded Liability Payments	\$960,784,000		\$960,784,000	\$1,032,700,000	\$1,032,700,000	\$1,032,700,000	\$1,032,700,000
147c(2)	MPSERS One-time Unfunded Liability Payment	\$200,000,000		\$200,000,000	\$0	\$0	(\$200,000,000)	\$0
147e	MPSERS SB 401 Added Costs	\$23,100,000		\$23,100,000	\$37,600,000	\$37,600,000	\$37,600,000	\$37,600,000
152a	Adair - Database Payment	\$38,000,500		\$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	\$0	\$2,500,000	\$100	\$250,000
	<b>TOTAL APPROPRIATIONS</b>	<b>\$14,584,313,900</b>	<b>(\$1,643,100)</b>	<b>\$14,582,670,800</b>	<b>\$14,735,968,800</b>	<b>\$14,825,189,100</b>	<b>\$14,735,350,300</b>	<b>\$14,765,468,800</b>
	<b>REVENUE BY SOURCE</b>							
	Federal Aid	\$1,726,943,500	\$0	\$1,726,943,500	\$1,724,743,500	\$1,724,743,500	\$1,724,743,500	\$1,724,743,500
	School Aid Fund	\$12,547,270,300	\$134,856,900	\$12,682,127,200	\$12,747,325,200	\$12,849,145,400	\$12,756,206,700	\$12,876,825,200
	MPSERS retirement obligation reform Reserve Fund	\$23,100,000	\$0	\$23,100,000	\$31,900,000	\$31,900,000	\$8,800,000	\$31,900,000
	Community District Trust Fund/Other Restricted Fund	\$72,000,100	\$0	\$72,000,100	\$72,000,100	\$72,000,100	\$72,000,100	\$72,000,100
	Marshall Plan - Talent Investment Fund	\$0		\$0	\$100,000,000	\$100,000,100	\$0	\$0
	General Fund/General Purpose	\$215,000,000	(\$136,500,000)	\$78,500,000	\$60,000,000	\$47,400,000	(\$155,000,000)	\$60,000,000
	<b>TOTAL REVENUE</b>	<b>\$14,584,313,900</b>	<b>(\$1,643,100)</b>	<b>\$14,582,670,800</b>	<b>\$14,735,968,800</b>	<b>\$14,825,189,100</b>	<b>\$14,735,350,300</b>	<b>\$14,765,468,800</b>

**FY 2018-19: COMMUNITY COLLEGES**  
**Summary: Conference Report**  
**Article II, House Bill 5579 (H-1) CR-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 Conference	Difference: Conference From FY 2017-18 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	398,301,500	405,015,500	408,215,500	405,015,500	408,215,500	9,914,000	2.5
<b>GF/GP</b>	1,025,000	0	0	3,190,500	0	(1,025,000)	(100.0)
<b>Gross</b>	<b>\$399,326,500</b>	<b>\$405,015,500</b>	<b>\$408,215,500</b>	<b>\$408,206,000</b>	<b>\$408,215,500</b>	<b>\$8,889,000</b>	<b>2.2</b>

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." (3) Information on House budget action in this document is based on House Bill 5579 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 851 as passed by the Senate.

**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.

**Major Budget Changes From FY 2017-18 YTD Appropriations**

**1. Michigan Public School Employee Retirement System (MPERS)**  
Executive 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. House concurs. Senate concurs. Conference concurs.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$70,805,000</b>	<b>\$4,495,000</b>
Restricted	70,805,000	4,495,000
GF/GP	\$0	\$0

**2. Community College Operations Grants**  
House increases funding by \$3.2 million SAF, a 1.0% increase, distributed using the Performance Funding Formula. Funding for Operations grants would total \$322.3 million SAF.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$319,050,900</b>	<b>\$3,200,000</b>
Restricted	319,050,900	3,200,000
GF/GP	\$0	\$0

Senate increases funding by \$3.2 million GF/GP, a 1.0% increase. \$1.7 million of the increase is allocated to colleges that received less than 3.0% of FY 2017-18 PPT payments. \$1.5 million is distributed using the Performance Funding Formula. Funding for Operations grants would total \$322.2 million (\$3.2 million GF/GP).

Conference increases funding by \$3.2 million SAF, a 1.0% increase. \$735,400 of the increase is allocated to colleges that received less than 2.0% of FY 2017-18 PPT payments. \$2.5 million is distributed using the Performance Funding Formula. Funding for Operations grants would total \$322.3 million SAF.

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>3. MPSERS Normal Cost Offset</b>	<b>Gross</b>	<b>\$3,612,000</b>	<b>\$2,819,000</b>
<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 MPSERS from 8% to 7.5%. The total funding for MPSERS normal cost offset would be \$6.4 million.	Restricted	3,612,000	2,819,000
<u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$0	\$0
<b>4. Renaissance Zone Reimbursement Costs</b>	<b>Gross</b>	<b>\$3,100,000</b>	<b>(\$600,000)</b>
<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)
<u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$0	\$0
<b>5. Removal of One-Time Funding</b>	<b>Gross</b>	<b>\$1,025,000</b>	<b>(\$1,025,000)</b>
<u>Executive</u> eliminates \$1.0 million GF/GP of one-time funding for the Michigan Transfer Network. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</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. Senate concurs with House. Conference concurs with House.

#### **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. Senate retains. Conference 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. Senate concurs with House. Conference concurs with House.

#### **Sec. 209a. Campus Safety Information and Resources – NEW**

Senate adds language requiring community colleges to develop a “campus safety information and resources” link, which must be displayed on its website. The section must require various safety information and policies, and schools must certify compliance to the State Budget Director or have monthly state payments withheld. Conference concurs with Senate but directs schools to submit certification of compliance to the State Budget Director by August 31, 2018.

#### **Sec. 210f. 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. Senate does not include. Conference concurs with House.

#### **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. Senate retains. Conference 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. Senate does not include. Conference concurs with House.

## **Major Boilerplate Changes From FY 2017-18**

### ***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.

Senate mostly concurs with House but states that CEPI compile and publish the Demographic Enrollment Profile. Retains MCCA appointment restrictions with new name of database.

Conference concurs with House on Demographic Enrollment Profile and concurs with Senate on MCCA appointment restrictions.

### ***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.

Senate revises language that community colleges must include the annual cost of tuition and fees based on 30 credits.

Conference concurs with House on specifying total increase of tuition and fees and concurs with Senate on annual cost of tuition and fees based on 30 credits.

### ***Sec. 226. Degrees Awarded by Colleges – REVISED***

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

**FY 2018-19 Community College Operations Appropriations  
Conference Report**

	30%	10%	10%	10%	30%	5%	5%	100%					
	<b>FY 2017-18 Base</b>	<b>Sustainability</b>	<b>Performance- Improvement</b>	<b>Performance- Completion Number</b>	<b>Performance- Completion Rate</b>	<b>Contact Hours</b>	<b>Administrative</b>	<b>Local Strategic Value</b>	<b>Total Formula Distribution</b>	<b>PPT Related Adjustments</b>	<b>Total Adjustments</b>	<b>% Change</b>	<b>FY 2018-19 Appropriation</b>
Alpena	5,627,500	13,041	3,478	2,892	9,038	6,687	4,382	2,174	41,700	38,400	80,100	1.4%	\$5,707,600
Bay de Noc	5,589,000	12,952	3,468	3,310	3,454	6,762	3,662	2,159	35,800	0	35,800	0.6%	\$5,624,800
Delta	14,990,700	34,740	11,734	13,568	9,264	32,983	5,497	5,790	113,600	0	113,600	0.8%	\$15,104,300
Glen Oaks	2,601,400	6,029	3,950	1,454	1,608	4,440	151	1,005	18,600	0	18,600	0.7%	\$2,620,000
Gogebic	4,715,400	10,928	2,914	1,647	9,301	5,139	2,801	1,821	34,600	94,300	128,900	2.7%	\$4,844,300
Grand Rapids	18,556,800	43,004	11,468	14,338	11,468	59,783	5,246	7,167	152,500	0	152,500	0.8%	\$18,709,300
Henry Ford	22,299,200	51,677	13,781	11,531	19,443	53,521	5,886	8,613	164,400	0	164,400	0.7%	\$22,463,600
Jackson	12,590,100	29,177	7,780	6,445	7,780	19,629	5,299	4,863	81,000	27,100	108,100	0.9%	\$12,698,200
Kalamazoo Valley	12,948,700	30,008	8,002	9,498	8,002	31,977	5,378	5,001	97,900	0	97,900	0.8%	\$13,046,600
Kellogg	10,143,600	23,507	6,269	6,843	6,269	18,216	5,758	3,918	70,800	0	70,800	0.7%	\$10,214,400
Kirtland	3,289,400	7,623	7,490	2,688	2,033	6,688	4,448	1,270	32,200	0	32,200	1.0%	\$3,321,600
Lake Michigan	5,523,600	12,801	3,456	3,126	3,413	13,652	2,537	2,133	41,100	107,400	148,500	2.7%	\$5,672,100
Lansing	32,324,200	74,909	19,976	22,752	19,976	55,610	4,673	12,485	210,300	191,300	401,600	1.2%	\$32,725,800
Macomb	33,863,600	78,477	29,132	21,734	26,103	86,522	5,449	13,079	260,400	0	260,400	0.8%	\$34,124,000
Mid-Michigan	4,968,900	11,515	3,071	5,540	3,071	14,963	3,979	1,919	44,100	99,400	143,500	2.9%	\$5,112,400
Monroe County	4,665,500	10,812	6,289	3,531	2,883	12,480	5,294	1,802	43,100	0	43,100	0.9%	\$4,708,600
Montcalm	3,446,300	7,987	2,130	2,940	2,130	5,796	5,342	1,331	27,700	68,900	96,600	2.8%	\$3,542,900
Mott	16,258,100	37,677	10,047	16,362	15,160	33,524	4,456	6,280	123,500	0	123,500	0.8%	\$16,381,600
Muskegon	9,203,000	21,327	5,687	3,880	5,687	15,742	5,803	3,555	61,700	0	61,700	0.7%	\$9,264,700
North Central	3,353,200	7,771	2,072	2,467	7,466	8,185	4,904	1,295	34,200	15,200	49,400	1.5%	\$3,402,600
Northwestern	9,508,900	22,036	5,876	5,896	5,876	17,809	4,519	3,673	65,700	50,800	116,500	1.2%	\$9,625,400
Oakland	21,905,700	50,765	25,985	20,923	13,537	62,671	5,034	8,461	187,300	0	187,300	0.9%	\$22,093,000
Schoolcraft	12,991,300	30,107	10,601	12,434	13,424	44,814	5,223	5,018	121,600	0	121,600	0.9%	\$13,112,900
Southwestern	6,860,700	15,899	4,240	4,587	4,240	9,356	2,616	2,650	43,600	42,600	86,200	1.3%	\$6,946,900
St. Clair	7,300,100	16,918	4,511	4,835	9,807	15,322	4,372	2,820	58,600	0	58,600	0.8%	\$7,358,700
Washtenaw	13,631,400	31,590	8,424	20,760	13,732	47,632	5,174	5,265	132,600	0	132,600	1.0%	\$13,764,000
Wayne County	17,338,300	40,180	23,049	18,914	10,715	44,835	4,501	6,697	148,900	0	148,900	0.9%	\$17,487,200
West Shore	2,556,300	5,924	1,580	1,564	1,580	4,641	846	987	17,100	0	17,100	0.7%	\$2,573,400
<b>Total</b>	<b>319,050,900</b>	<b>739,380</b>	<b>246,460</b>	<b>246,460</b>	<b>246,460</b>	<b>739,380</b>	<b>123,230</b>	<b>123,230</b>	<b>2,464,600</b>	<b>735,400</b>	<b>3,200,000</b>	<b>1.0%</b>	<b>\$322,250,900</b>

**FY 2018-19: HIGHER EDUCATION  
Summary: Conference Report  
Article III, House Bill 5579 (H-1) CR-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 Conference	Difference: Conference From FY 2017-18 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	111,526,400	113,026,400	119,026,400	119,026,400	123,526,400	12,000,000	10.8
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	238,443,500	385,688,300	385,688,300	385,688,300	500,188,300	261,744,800	109.8
<b>GF/GP</b>	1,279,254,500	1,160,217,900	1,145,602,800	1,175,433,000	1,046,017,900	(233,236,600)	(18.2)
<b>Gross</b>	<b>\$1,629,224,400</b>	<b>\$1,658,932,600</b>	<b>\$1,650,317,500</b>	<b>\$1,680,147,700</b>	<b>\$1,669,732,600</b>	<b>\$40,508,200</b>	<b>2.5</b>

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." (3) Information on House budget action in this document is based on House Bill 5579 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 857 as passed by the Senate.

**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 operations funding by \$28.6 million School Aid Fund (SAF), a 2.0% increase and individual universities increases range from 1.5 to 3.1%. The increase is distributed under the performance 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. Attainment of performance funding would be conditioned on restraining resident undergraduate tuition and fee increases to 3.8% or \$490. Shifts \$120.0 million from GF/GP to SAF.

House increases university operations funding by \$14.3 million SAF, a 1.0% increase and individual increases range from 0.8% to 1.5%. Concur with the Executive tuition restraint conditions. Adds stipulation that operations funding will be reduced by 10% for schools that fail to submit Title IX reports specified in Sec. 274c and Sec. 274d or fail to comply with various sexual assault stipulations found in Sec. 265b. Shifts \$134.3 million from GF/GP to SAF.

Senate increases university operations funding by \$28.6 million SAF, a 2.0% increase, and includes an additional \$14.3 million GF/GP to be used for sexual assault prevention, campus safety and mental health programs. Concur with Executive on the tuition restraint conditions. Projected funding increases for individual universities range from 2.5% to 4.1%. Shifts \$120.0 million from GF/GP to SAF.

Conference concurs with Executive to increase university operations funding by \$28.6 million SAF, a 2.0% increase, and individual university increases range from 1.5% to 3.1%. Conditions receipt of performance funding for the next 3 fiscal years on complying with Executive tuition restraint levels. Concur with House that operations funding shall be reduced by 10% for universities that fail to certify compliance with Sec. 274c, 274d or various Title IX and sexual assault stipulations found in Sec. 265b. Shifts \$234.5 million from GF/GP to SAF.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$1,428,345,000</b>	<b>\$28,566,800</b>
Restricted	231,219,500	263,066,800
GF/GP	\$1,197,125,500	(\$234,500,000)



<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>2. MSU Extension and AgBioResearch Programs</b>	<b>Gross</b>	<b>\$63,165,700</b>	<b>\$1,263,400</b>
<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	\$1,263,400
<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.			
<u>Senate</u> increases funding for AgBioResearch by \$1.0 million GF/GP and Extension program by \$877,600, a 3.0% increase for both programs.			
<u>Conference</u> concurs with Executive.			
<b>3. Michigan Competitive Scholarship</b>	<b>Gross</b>	<b>\$26,361,700</b>	<b>\$6,000,000</b>
<u>Executive</u> 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.	Federal	18,361,700	6,000,000
<u>House</u> concurs with the funding increase for Michigan Competitive Scholarships but does not change the Tuition Grant Program funding levels.	GF/GP	\$8,000,000	\$0
<u>Senate</u> concurs with House. <u>Conference</u> concurs with House.			
<b>4. Tuition Grant Program</b>	<b>Gross</b>	<b>\$38,021,500</b>	<b>\$0</b>
<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
<u>Senate</u> concurs with House on funding levels but increases award amounts from \$2,000 to \$2,400.			
<u>Conference</u> concurs with Senate.			
<b>5. Tuition Incentive Program (TIP)</b>	<b>Gross</b>	<b>\$58,300,000</b>	<b>\$6,000,000</b>
<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. <u>Senate</u> concurs.	Federal	58,300,000	6,000,000
<u>Conference</u> increases funding for TIP by \$6.0 million in federal TANF funds, a 10.3% increase and removes institutional and credit hour tuition caps found in Sec. 256. Total funding for TIP would be \$64.3 million.	GF/GP	\$0	\$0
<b>6. North American Indian Tuition Waiver One-Time Funding</b>	<b>Gross</b>	<b>\$300,000</b>	<b>\$0</b>
<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. <u>Senate</u> concurs with House.			
<u>Conference</u> concurs with the House.			
<b>7. Michigan Public School Employee Retirement System (MPERS) Rate Cap Costs</b>	<b>Gross</b>	<b>\$6,705,000</b>	<b>(\$1,572,000)</b>
<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. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	6,705,000	(1,572,000)
	GF/GP	\$0	\$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 Conference Change</u>
<b>8. MPERS Normal Cost Offset</b>	<b>Gross</b>	<b>\$419,000</b>	<b>\$250,000</b>
<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. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	419,000	250,000
	GF/GP	\$0	\$0

### 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. Senate retains. Conference retains.

#### **Sec. 245. University Transparency – REVISED**

Executive deletes requirement that state budget director determine compliance and language granting authority to withhold payments for a university not in compliance. House retains. Senate retains but transfers campus security language subsection to Sec. 245a. Conference concurs with Senate.

#### **Sec. 245a. Campus Safety Information and Resources – NEW**

Senate adds language requiring universities to develop a "campus safety information and resources" webpage, which must be linked and displayed on their home webpage. The page must display various safety information and policies, and the State Budget Director must certify schools are in compliance or have monthly state payments withheld. Conference concurs with Senate but revises to have schools certify compliance to the State Budget Director.

#### **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.

Senate concurs with Executive but increases maximum award amount from \$2,000 to \$2,400 and adds language stating that the limits in this section for independent institutions do not apply to any other financial aid program or in combination with another aid program.

Conference concurs with Senate.

#### **Sec. 256. Tuition Incentive Program (TIP) – 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.

Senate deletes award cap on institutions and the 3x community college credit reimbursement rate cap. Retains work project language.

Conference concurs with Senate.

#### **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. Senate retains. Conference 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. Senate concurs with House.

Conference concurs with House but adds language that withholds performance funding for Fiscal Years 2018-19, 2019-20 and 2020-21 for a university that violates the tuition restraint cap.

## **Major Boilerplate Changes From FY 2017-18**

### **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. Senate concurs with House.

Conference concurs with House but adds language that withholds performance funding for Fiscal Years 2018-19, 2019-20 and 2020-21 for a university that violates the tuition restraint cap.

### **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:

- a) Prohibiting the use of medical experts in Title IX investigations with an actual or apparent conflict of interest.
- b) Prohibiting the issuance of divergent Title IX investigation reports.
- c) Informing the complainant about the right to notify a law enforcement agency.
- d) Instituting an in-person sexual assault prevention course or presentation for all freshmen and incoming transfer students and an electronic course or presentation for all other students.
- e) Prohibiting compensation for medical procedures and related charges from medical professionals convicted of a felony.
- f) Having a third party review the Title IX office and policies before the end of 2018-19 academic year.
- g) Requiring that a summary of all Title IX reports against employees are shared with the university's governing body.
- h) Requiring a third-party Title IX investigation against an employee with more than one "no misconduct" finding.
- i) Certifying that the president or chancellor and one governing body board member has reviewed all Title IX reports involving university employees.

Senate does not include.

Conference concurs with House but makes the following changes:

- Universities submit certification of compliance to the State Budget Director. Universities that fail to submit will have 10% of operations funding withheld until certification is submitted.
- Revises item (c) to have universities notify victims of sexual assault about their option to report the incident to law enforcement, the university, both or neither.
- Revises item (f) to have a third party review of the Title IX office shall be given to the State Budget Office, the House and Senate Higher Education appropriations subcommittees and the fiscal agencies. A third party review shall take place every three years after the 2018-19 academic year.
- Revises item (g) to have the governing board and the president or chancellor shall receive not less than quarterly reports from the Title IX office on aggregated data on sexual misconduct. A governing body member may request a Title IX report against an employee. The universities must protect the anonymity of complainants in the reports.
- Revises item (h) to have the Title IX office notify the president or chancellor and the governing board about allegations against an employee where more than 1 Title IX complaint resulted in a no misconduct filing and shall take steps to ensure the complaint is being investigated thoroughly.

### **Sec. 265c. 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 changes to Sec. 265c. Senate does not include. Conference concurs with House.

### **Sec. 265d. Sexual Misconduct Memorandum of Understanding – NEW**

House adds language encouraging 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. Senate does not include.

Conference concurs with House but deletes suggested topics the MOU should include.

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

Senate adds language that specifies funding in Sec. 236 for "campus initiatives" shall only be expended for sexual assault prevention, campus safety, and student mental health programs. Also requires universities to comply with sections 265 and 265a. Conference includes as Sec. 265e and changes to legislative intent that universities use a portion of operations funding on the three program areas.

### **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. Senate retains. Conference 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. Senate retains. Conference 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. Senate retains. Conference 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.

Senate retains current law.

Conference concurs with House but revises to send the Title IX report to the Attorney General. Adds reporting details to the Title IX summary report requirement.

**Sec. 274e. Auditor General Audits of Title IX Operations – NOT INCLUDED**

House adds language that requires the Auditor General to audit Title IX operations of all public universities a minimum of once every three years. Senate does not include. Conference concurs with Senate.

**Sec. 274e. State Funding Purpose and Annual Accounting – NOT INCLUDED**

Senate adds language stating purpose of appropriations made in section 236 according to the State Constitution is to maintain public universities. Adds requirement that universities provide an annual accounting of all income and expenditures. Conference does not include.

**Sec. 274f. Sexual Assault Prevention and Education Initiative Grants – NOT INCLUDED**

House adds language providing for allowable uses of grant money in the Department of State Police budget for sexual assault prevention programs and initiatives. Senate does not include. Conference concurs with Senate.

**Sec. 274f. Sexual Misconduct Reporting to Governing Boards – NOT INCLUDED**

Senate adds language requiring the governing board and president of each university to receive not less than quarterly summary reports from the Title IX coordinator or office that include the aggregate number of sexual misconduct reports and a summary of outcomes for the Title IX reports and investigations, while not containing specific identifying information. Conference revises and adds as subsection in Sec. 265b.

**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. Senate retains. Conference 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. Senate concurs. Conference concurs.

**Sec. 292. Performance Formula Review Task Force – NOT INCLUDED**

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. Senate does not include. Conference concurs with Senate.

**Supplemental Recommendations for FY 2017-18 Appropriations** **FY 2017-18 Recommendation**

**1. Michigan Competitive Scholarship Fund Swap**

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. House does not include. Senate does not include. Conference concurs with Executive.

<b>Gross</b>	<b>\$6,000,000</b>
Federal	6,000,000
GF/GP	\$0

**2. Tuition Grant Program Fund Swap**

Executive 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 reduction of funds is placed in Michigan Competitive Scholarships, due to higher than expected demand in Michigan Competitive Scholarships and lower participation in the Tuition Grant Program. Total funding for the Tuition Grant Program would be \$32.0 million. House does not include. Senate does not include. Conference concurs with Executive.

<b>Gross</b>	<b>(\$6,000,000)</b>
Federal	(6,000,000)
GF/GP	\$0

**Summary: FY 2018-19 University Performance Funding Increases**  
Conference Report

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:	\$0.0101 per dollar		\$179.90 per completion		\$0.0011 per dollar		\$6.71 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	Total Undergrad FYES	FYES-Weighted Points	Funding				
Michigan State	\$281,239,100	\$283,685,200	\$2,852,821	3,232	\$581,357	\$349,725,075	\$369,240	2	3	0	0	5	36,703	183,515	\$1,231,666	\$5,035,100	\$286,274,200	1.8%
UM-Ann Arbor	314,589,100	\$316,254,500	3,180,347	3,159	568,224	\$857,589,000	905,443	3	3	2	0	8	28,671	229,371	1,539,429	\$6,193,300	320,782,400	2.0%
Wayne State	199,169,800	\$214,171,400	2,153,770	961	172,797	\$181,378,000	191,499	2	2	0	3	7	14,375	100,622	675,324	3,193,400	202,363,200	1.6%
Central	85,654,400	\$80,132,000	805,831	822	147,790	\$14,889,698	15,721	2	3	0	2	7	16,842	117,894	791,249	1,760,600	87,415,000	2.1%
Michigan Tech	49,052,200	\$47,924,200	481,940	921	165,646	\$59,326,199	62,637	3	0	2	0	5	5,577	27,884	187,141	897,400	49,949,600	1.8%
Western	109,376,800	\$109,615,100	1,102,321	1,173	210,936	\$22,801,658	24,074	0	2	0	2	4	16,272	65,087	436,835	1,774,200	111,151,000	1.6%
Eastern	75,169,900	\$76,026,200	764,542	938	168,749	\$4,847,557	5,118	2	3	2	2	9	14,419	129,775	870,986	1,809,400	76,979,300	2.4%
Oakland	51,235,900	\$50,761,300	510,470	1,348	242,509	\$12,609,712	13,313	2	2	2	2	8	15,216	121,728	816,981	1,583,300	52,819,200	3.1%
Grand Valley	70,100,100	\$61,976,400	623,253	1,389	249,885			3	3	2	0	8	20,178	161,420	1,083,375	1,956,500	72,056,600	2.8%
Saginaw Valley	29,766,100	\$27,720,700	278,767	495	88,962			2	2	2	2	8	7,341	58,726	394,140	761,900	30,528,000	2.6%
UM-Dearborn	25,421,900	\$24,726,200	248,654	481	86,569			2	2	2	2	8	5,861	46,885	314,672	649,900	26,071,800	2.6%
UM-Flint	23,061,800	\$20,898,000	210,156	610	109,651			2	2	0	2	6	5,062	30,372	203,840	523,600	23,585,400	2.3%
Ferris	53,595,500	\$48,619,200	488,929	1,381	248,412			2	3	2	2	9	10,229	92,061	617,870	1,355,200	54,950,700	2.5%
Northern	47,137,400	\$45,140,300	453,944	556	100,049			2	3	2	0	7	6,534	45,738	306,972	861,000	47,998,400	1.8%
Lake Superior	13,775,000	\$12,694,200	127,657	181	32,552			2	2	0	0	4	1,929	7,716	51,786	212,000	13,987,000	1.5%
<b>TOTAL:</b>	<b>\$1,428,345,000</b>	<b>\$1,420,344,900</b>	<b>\$14,283,400</b>	<b>17,643</b>	<b>\$3,174,089</b>	<b>\$1,503,166,899</b>	<b>\$1,587,044</b>	<b>31</b>	<b>35</b>	<b>18</b>	<b>19</b>	<b>103</b>	<b>205,208</b>	<b>1,418,792</b>	<b>\$9,522,267</b>	<b>\$28,566,800</b>	<b>\$1,456,911,800</b>	<b>2.0%</b>

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 performance funding increase for next 3 fiscal years:

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