

FY 2024-25: HIGHER EDUCATION
Summary: Conference Report
Article 3, House Bill 5507 (H-1) CR-1



Analyst: Perry Zielak

IDG/IDT	FY 2023-24	FY 2024-25	FY 2024-25	FY 2024-25	FY 2024-25	Difference: House	
	Enacted as of 2/7/24	Executive	House	Senate	Conference	From FY 2023-24 Enacted Amount	%
Federal	\$0	\$0	\$0	\$0	\$0	\$0	--
Local	131,026,400	3,200,000	3,200,000	3,200,000	3,200,000	(127,826,400)	(97.6)
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
GF/GP	482,268,300	545,468,300	457,668,300	451,668,300	461,668,300	(20,600,000)	(4.3)
Gross	1,677,754,100	1,765,528,700	1,818,485,100	1,870,864,400	1,859,424,300	181,670,200	10.8
Gross	\$2,291,048,800	\$2,314,197,000	\$2,279,353,400	\$2,325,732,700	\$2,324,292,600	\$33,243,800	1.5

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Higher Education budget, contained in Article 3 of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University; some retirement costs for employees who participate in the state public school employee retirement system; various financial aid programs for students attending public and independent colleges and universities in the state; and several other smaller higher education-related programs.

Major Budget Changes from FY 2023-24 YTD Appropriations	FY 2023-24 Year-to-Date (as of 2/8/23)	FY 2024-25 Conference Change
1. University Operations Increase	Gross \$1,642,043,900	\$41,749,800
<u>Executive</u> includes a net increase of \$41.3 million Gross (\$52.5 million GF/GP reduction) for university operations, a 2.5% increase. This includes:	Restricted 443,168,300	0
	GF/GP \$1,198,875,600	\$41,749,800

- \$40.7 million GF/GP ongoing increase to operations grants for universities, with all universities receiving a 2.5% increase.
- \$507,800 GF/GP increase based on FY 2022-23 North American Indian Tuition Waiver program costs reported by institutions.
- Replaces \$93.8 million GF/GP with a corresponding amount of School Aid Fund (SAF).

Attainment of the operations increase would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 5.0% or \$781 (set at 4.5% or \$676 in the current year). Projected funding changes for universities would range from 1.9% to 2.7%. Total funding for operations would be \$1.7 billion Gross (\$1.1 billion GF/GP).

House includes a net increase of \$54.8 million Gross (\$48.8 million GF/GP) for university operations, a 3.3% increase. This includes:

- \$53.7 million Gross (\$47.7 million GF/GP) ongoing increase to operations grants for universities, with all universities receiving a 3.3% increase.
- \$1.0 million GF/GP increase based on FY 2022-23 North American Indian Tuition Waiver program costs reported by institutions and incorporating Bay Mills Community College into the ITW program.

[continued on next page]

Major Budget Changes from FY 2023-24 YTD Appropriations

1. University Operations Increase (continued)

Attainment of the operations increase would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.5% or \$703 (set at 4.5% or \$676 in the current year). Projected funding changes for universities would range from 2.9% to 6.0%. Total funding for operations would be \$1.7 billion Gross (\$1.2 billion GF/GP).

Senate includes a net increase of \$41.7 million GF/GP for university operations, a 2.5% increase. This includes:

- \$40.7 million GF/GP ongoing increase to operations grants for universities, with all universities receiving a 2.5% increase.
- \$1.0 million GF/GP increase based on FY 2022-23 North American Indian Tuition Waiver program costs reported by institutions, which includes a one-time payment of \$498,800 to Bay Mills Community College for ITW costs.

Attainment of the operations increase would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.5% or \$703 (set at 4.5% or \$676 in the current year). Projected funding changes for universities would range from 2.1% to 5.2%. Total funding for operations would be \$1.7 billion Gross (\$1.2 billion GF/GP).

Conference includes a net increase of \$41.7 million GF/GP for university operations, a 2.5% increase. This includes:

- \$24.4 million GF/GP ongoing increase to operations grants for universities, with all universities receiving a 1.5% increase.
- \$16.3 million GF/GP one-time increase to operations grants for universities, with all universities receiving a 1.0% one-time increase.
- \$1.0 million GF/GP increase based on FY 2022-23 North American Indian Tuition Waiver program costs reported by institutions and incorporating Bay Mills Community College into the ITW program.

Attainment of the ongoing and one-time operations increase would be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.5% or \$703 (set at 4.5% or \$676 in the current year), and certification to following at least 2 of 5 institutional best practices, one of which must be the institutional best practice on transfers. Projected funding changes for universities would range from 2.1% to 5.2%. Total funding for operations would be \$1.7 billion Gross (\$1.2 billion GF/GP).

<u>Major Budget Changes from FY 2023-24 YTD Appropriations</u>		<u>FY 2023-24 Year-to-Date (as of 2/8/23)</u>	<u>FY 2024-25 Conference Change</u>
2. Michigan State University Extension and AgBioResearch Programs Increase	Gross	\$71,743,400	\$1,793,600
	GF/GP	\$71,743,400	\$1,793,600
<u>Executive</u> includes a net increase of \$1.8 million GF/GP for MSU's AgBioResearch and Extension program funding. This includes:			
<ul style="list-style-type: none"> • \$963,000 GF/GP ongoing operations increase for the MSU AgBioResearch program, a 2.5% increase. • \$830,600 GF/GP ongoing operations increase for the MSU Extension program, a 2.5% increase. 			
Total funding for AgBioResearch and Extension programs would be \$73.5 million GF/GP.			
<u>House</u> includes a net increase of \$2.4 million GF/GP for MSU's AgBioResearch and Extension program funding. This includes:			
<ul style="list-style-type: none"> • \$1.3 million GF/GP ongoing operations increase for the MSU AgBioResearch program, a 3.3% increase. • \$1.1 million GF/GP ongoing operations increase for the MSU Extension program, a 3.3% increase. 			
Total funding for AgBioResearch and Extension programs would be \$74.1 million GF/GP.			
<u>Senate</u> concurs with Executive.			
<u>Conference</u> includes a net increase of \$1.8 million GF/GP for MSU's AgBioResearch and Extension program funding. This includes:			
<ul style="list-style-type: none"> • \$577,800 GF/GP ongoing operations increase for the MSU AgBioResearch program, a 1.5% increase. • \$385,200 GF/GP one-time operations increase for the MSU AgBioResearch program, a 1.0% one-time increase. • \$498,400 GF/GP ongoing operations increase for the MSU Extension program, a 1.5% increase. • \$332,200 GF/GP one-time operations increase for the MSU Extension program, a 1.0% one-time increase. 			
Total funding for AgBioResearch and Extension programs would be \$73.5 million GF/GP.			
3. Michigan Public School Employee Retirement System (MPERS) Normal Cost Offset	Gross	\$9,100,000	(\$600,000)
	Restricted	9,100,000	(600,000)
	GF/GP	\$0	\$0
<u>Executive</u> decreases reimbursement funding provided to universities by \$600,000 SAF, a 6.6% decrease, due to maintaining the assumed rate of return for MPERS at 6.0%. Total funding for the MPERS Normal Cost Offset would be \$8.5 million SAF. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.			

<u>Major Budget Changes from FY 2023-24 YTD Appropriations</u>		<u>FY 2023-24 Year-to-Date (as of 2/8/23)</u>	<u>FY 2024-25 Conference Change</u>
4. Michigan Achievement Scholarship/Postsecondary Scholarship Fund Deposit	Gross	\$300,000,000	\$30,000,000
	GF/GP	\$300,000,000	\$30,000,000

Executive includes a net increase of \$30.0 million GF/GP for deposit into the Postsecondary Scholarship Fund, a 10.0% increase, which is the funding source for Michigan Achievement Scholarships. The scholarships are awarded to eligible in-state students that graduate high school or achieve an equivalency certificate in 2023 or after and attend an eligible Michigan public university, community college, tribal college or independent nonprofit college or university full-time. Includes the new Community College Guarantee, which would expand last-dollar aid and a \$1,000 needs-based stipend for community college students. After a total \$330.0 million GF/GP deposit into the Postsecondary Scholarship Fund, total funding for Michigan Achievement Scholarships for FY 2024-25 would be \$330.0 million restricted.

House includes an increase of \$36.0 million GF/GP for deposit into the Postsecondary Scholarship Fund, a 12.0% increase. Does not include the Community College Guarantee. Revises last dollar awards to include the full cost of attendance minus gift aid received. After a total \$336.0 million GF/GP deposit into the Postsecondary Scholarship Fund, total funding for Michigan Achievement Scholarships for FY 2024-25 would be \$336.0 million restricted.

Senate maintains current funding levels for the Michigan Achievement Scholarship. Deposits GF/GP funding for Tuition Incentive Program, Michigan Competitive Scholarships, Tuition Grants, Children of Veterans and Officer's Survivor Tuition Grant, and Michigan Reconnect program (\$200.7 million) into the Postsecondary Scholarship Fund. Revises Michigan Achievement Scholarship last dollar awards for community college students, increases award level for private/independent university students from \$4,000 to \$5,000, and makes awards for all public and private/independent universities first dollar.

Conference includes an increase of \$30.0 million GF/GP of one-time funding for deposit into the Postsecondary Scholarship Fund, a 10.0% increase. Includes a revised version of the Executive's Community College Guarantee and includes a \$1,000 additional award for Pell-eligible community college students. Concurs with the House revision on last dollar awards covering up to the cost of attendance for public and private university students. Increases award level for private/independent university students from \$4,000 to \$5,500. After a total \$330.0 million GF/GP deposit into the Postsecondary Scholarship Fund, total funding for Michigan Achievement Scholarships for FY 2024-25 would be \$330.0 million restricted.

5. Tuition Incentive Program

Executive includes a net increase of \$20.0 million Gross (\$93.8 million GF/GP) for the Tuition Incentive Program (TIP), a 27.1% Gross increase. This includes adding GF/GP to replace federal Temporary Assistance for Needy Families (TANF) funding that would instead be used to increase supports for low-income families including cash assistance rate increases, emergency relief, and child care rate increases in other budget areas. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The increase addresses increased student participation and increased tuition and fees. Total funding for TIP would be \$93.8 million GF/GP. House concurs. Senate concurs but deposits GF/GP funding into the Postsecondary Scholarship Fund. Conference concurs with Executive.

Gross	\$73,800,000	\$20,000,000
Federal	73,800,000	(73,800,000)
GF/GP	\$0	\$93,800,000

		FY 2023-24 Year-to-Date (as of 2/8/23)	FY 2024-25 Conference Change
<u>Major Budget Changes from FY 2023-24 YTD Appropriations</u>			
6. Michigan Reconnect Program			
<u>Executive</u> transfers \$62.0 million GF/GP from the Michigan Department of Labor and Economic Opportunity (LEO) for the Michigan Reconnect Program. The program provides last-dollar scholarships primarily to individuals 25 or older (temporarily expanded to 21-24 year-olds through November 2024) with a high school diploma or equivalency certificate to complete a Pell-eligible associate degree or skills-based certificate. Total funding for the Michigan Reconnect Program would be \$62.0 million GF/GP. <u>House</u> does not include. <u>Senate</u> transfers \$50.0 GF/GP for the Michigan Reconnect Program from LEO. <u>Conference</u> transfers \$52.0 million GF/GP for the Michigan Reconnect Program from LEO.	Gross	NA	\$52,000,000
	GF/GP	NA	\$52,000,000
7. Tuition Grant Program			
<u>Executive</u> includes a net decrease of \$7.1 million Gross (increase of \$34.9 million GF/GP) for the Tuition Grant Program, a 16.9% Gross decrease. This includes adding GF/GP to replace federal TANF funding that would instead be used to increase supports for low-income families including cash assistance rate increases, emergency relief, and child care rate increases in other budget areas. The program provides need-based tuition assistance to students at Michigan independent (i.e., private, non-profit) colleges and universities. The reduction is due to the anticipated phase-out of the scholarship program as student awards increase under the Michigan Achievement Scholarship program. Total funding for Tuition Grants would be \$34.9 million GF/GP. <u>House</u> replaces \$30.1 million federal TANF funding with a corresponding amount of GF/GP. Total funding for Tuition Grants would be \$42.0 million GF/GP. <u>Senate</u> concurs with Executive but deposits GF/GP funding into the Postsecondary Scholarship Fund. <u>Conference</u> includes a net decrease of \$498,800 Gross (increase of \$29.6 million GF/GP) for the Tuition Grant Program, a 1.2% Gross decrease. Concurs with Executive's anticipated phase-out of the scholarship program but specifies that current students receiving an award would continue to do so under current program rules. Total funding for Tuition Grants would be \$41.5 million GF/GP.	Gross	\$42,021,500	(\$498,800)
	Federal	30,095,600	(30,095,600)
	GF/GP	\$11,925,900	\$29,596,800
8. Michigan Competitive Scholarships			
<u>Executive</u> includes a net decrease of \$6.9 million Gross (increase of \$19.9 million GF/GP) for Michigan Competitive Scholarships, a 25.8% Gross decrease. This includes adding GF/GP to replace federal TANF funding that would instead be used to increase supports for low-income families including cash assistance rate increases, emergency relief, and child care rate increases in other budget areas. The scholarships are awarded to students with a qualifying SAT score and demonstrated financial need. The reduction is due to the anticipated phase-out of the scholarship program as student awards increase under the Michigan Achievement Scholarship program. Total funding for Michigan Competitive Scholarships would be \$19.9 million GF/GP. <u>House</u> concurs. <u>Senate</u> concurs but deposits GF/GP funding into the Postsecondary Scholarship Fund. <u>Conference</u> concurs with Executive.	Gross	\$26,861,700	(\$6,930,800)
	Federal	23,930,800	(23,930,800)
	GF/GP	\$2,930,900	\$17,000,000

<u>Major Budget Changes from FY 2023-24 YTD Appropriations</u>		<u>FY 2023-24 Year-to-Date (as of 2/8/23)</u>	<u>FY 2024-25 Conference Change</u>
9. Children of Veterans and Officer's Survivor Tuition Grant Programs	Gross	\$1,400,000	\$600,000
<u>Executive</u> increases funding by \$600,000 GF/GP for Children of Veterans and Officer's Survivor Tuition Grant programs, a 42.9% increase. The grants are awarded to children of deceased or permanently disabled military veterans or to surviving spouses and children of Michigan police officers and firefighters killed in the line of duty. The increases are due to increased student participation in the programs and increased tuition and fee costs. Total funding for the Children of Veterans and Officer's Survivor Tuition Grant programs would be \$2.0 million GF/GP. <u>House</u> concurs. <u>Senate</u> concurs but deposits GF/GP funding into the Postsecondary Scholarship Fund. <u>Conference</u> concurs with Executive.	GF/GP	\$1,400,000	\$600,000
10. MPSERS One-Time UAAL Payment	Gross	\$0	\$10,000,000
<u>Senate</u> adds \$4.1 million GF/GP of one-time funding for MPSERS unfunded actuarial accrued liability contributions to the system for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western.). The payment is anticipated to address the current estimated remaining UAAL balance. <u>Conference</u> adds \$10.0 million SAF of one-time funding for MPSERS unfunded actuarial accrued liability contributions to the system for the seven universities with MPSERS employees to address the current estimated remaining UAAL balance.	Restricted GF/GP	0 \$0	10,000,000 \$0
11. Michigan Transfer Pathways	Gross	\$0	\$1,000,000
<u>Conference</u> adds \$1.0 million GF/GP of one-time funding to the Department of Lifelong Education, Advancement, and Potential (MiLEAP) to work with the Michigan Transfer Network, community colleges, public universities, and other Michigan institutions of higher education to assist with the transfer of students and acceptance of credits between all Michigan institutions of higher education.	GF/GP	\$0	\$1,000,000
12. Free Application for Federal Student Aid (FAFSA) Completion Incentive	Gross	\$0	\$980,000
<u>Senate</u> adds \$1.5 million GF/GP of one-time funding to the Department of Lifelong Education, Advancement, and Potential (MiLEAP) for an incentive program for first time applicants to complete the FAFSA and to provide grants to public universities to bring primary and secondary school students to campuses to increase postsecondary interest. <u>Conference</u> adds \$980,000 GF/GP of one-time funding to the Department of Lifelong Education, Advancement, and Potential (MiLEAP) for an incentive program for first time applicants to complete the FAFSA.	GF/GP	\$0	\$980,000
13. Western Michigan University Project Clean Program	Gross	\$0	\$750,000
<u>Senate</u> adds \$750,000 GF/GP of one-time funding for Western Michigan's Project Clean program. <u>Conference</u> concurs.	GF/GP	\$0	\$750,000
14. Educational Performance Study	Gross	\$0	\$200,000
<u>Senate</u> adds \$200,000 GF/GP of one-time funding for an educational performance study conducted by the Michigan Department of Education and at least one Michigan-based educational research institution based on the charter school authorizing body report findings required in section 275k and section 217c of the Community College FY 2024-25 budget. <u>Conference</u> concurs.	GF/GP	\$0	\$200,000
15. City of Kalamazoo Campus Safety Grant	Gross	\$0	\$70,000
<u>Senate</u> adds \$70,000 GF/GP of one-time funding to improve campus safety for the City of Kalamazoo. <u>Conference</u> concurs.	GF/GP	\$0	\$70,000

<u>Major Budget Changes from FY 2023-24 YTD Appropriations</u>		<u>FY 2023-24 Year-to-Date (as of 2/8/23)</u>	<u>FY 2024-25 Conference Change</u>
16. Institutional Best Practices Incentive	Gross	\$0	\$0
<u>Senate</u> adds \$42.5 million GF/GP of one-time funding for public universities that implement a series of best practices that include: requiring students to participate in an institutional orientation, providing academic pathway support and an academic course plan, establishing a credit policy and assessment based on prior learning and knowledge, adopting a co-requisite model for remedial courses and providing the courses at no cost to students, requiring students to meet with an academic advisor once a semester or term, requiring a discount for on-campus housing for second year residents if an institution requires more than 1 year of on-campus residency, and awarding incoming students with an associate degree junior standing. Requires eligible university allocations be distributed based on the university's proportion of FY 2024-25 ongoing operations funding increase. <u>Conference</u> does not include but revises the institutional best practices as a condition of receiving ongoing and one-time operational increases.	GF/GP	\$0	\$0
17. Statewide University Cybersecurity Initiative	Gross	\$0	\$0
<u>Senate</u> adds \$2.8 million GF/GP of one-time funding to the Michigan Association of State Universities for a statewide university cybersecurity initiative. <u>Conference</u> does not include.	GF/GP	\$0	\$0
18. Grand Valley State University Omni Program	Gross	\$0	\$0
<u>Senate</u> adds \$570,000 GF/GP of one-time funding for Grand Valley State University's Omni program. <u>Conference</u> does not include.	GF/GP	\$0	\$0
19. Small Business Development Centers	Gross	\$0	\$0
<u>Senate</u> adds \$500,000 GF/GP of one-time funding to support small business development centers that are affiliated with Michigan public universities and community colleges. <u>Conference</u> does not include.	GF/GP	\$0	\$0
20. Infrastructure, Technology, Equipment, Maintenance, and Safety	Gross	\$79,000,000	(\$79,000,000)
<u>Executive</u> removes \$79.0 million GF/GP Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS), which would allow public universities to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, debt, and school safety measures. <u>House</u> concurs but maintains \$100 placeholder for the program. Requires individual university allocations to be distributed based on calculated FY 2022-23 fiscal year equated student (FYES) enrollment. Allocations would not be distributed until January 2025. <u>Senate</u> concurs with House but revises distribution date to October 2024. <u>Conference</u> concurs with Executive.	GF/GP	\$79,000,000	(\$79,000,000)
21. Removal of FY 2023-24 One-Time Appropriations	Gross	\$38,870,000	(\$38,870,000)
<u>Executive</u> removes \$38.9 million Gross (\$8.9 million GF/GP) of one-time funding that was included in the FY 2023-24 budget to support the following:	Restricted	30,000,000	(30,000,000)
<ul style="list-style-type: none"> MSU Engineering and Digital Innovation Center (\$30.0 million SAF) Critical Incident Mapping (\$5.0 million GF/GP) Michigan Geological Survey (\$3.0 million GF/GP) Michigan Technological University Bachelor of Science in Nursing Program Creation (\$870,000 GF/GP) 	GF/GP	\$8,870,000	(\$8,870,000)
<u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.			

Major Boilerplate Changes from FY 2023-24

Sec. 236d. One-Time Operations Payment Detail – NEW

Conference adds language detailing the one-time operations payment allocations for each university, along with one-time appropriations for MSU AgBioResearch and Extension programs.

Major Boilerplate Changes from FY 2023-24

Sec. 236f. Michigan Geological Survey FY 2023-24 Appropriation Detail Revision – NEW

Conference adds language allowing the \$3.0 million GF/GP appropriation for the Michigan Geological Survey to address renovation costs for a new or existing facility.

Sec. 236h. MPERS One-Time Payment Detail – DELETED

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

Sec. 236j. Postsecondary Scholarship Fund Detail – REVISED

Creates the Postsecondary Scholarship Fund in the Department of Treasury. States money in the fund would require an appropriation to be expended; provides that money in the fund at the end of a fiscal year does not lapse. Executive revises language to include \$330.0 million deposit into the fund for FY 2024-25 and deletes legislative intent language to increase annual deposits into the fund by \$50.0 million each year. House revises language to include \$336.0 million deposit into the fund for FY 2024-25 and revises legislative intent language to increase annual deposits into the fund by at least \$30.0 million each year. Senate revises language to include \$500.7 million deposit into the fund for FY 2024-25, which includes funding for multiple state-funded scholarship programs and revises legislative intent language to increase annual deposits by an amount that would ensure continued viability for state scholarship programs. Conference revises language to include a \$300.0 million ongoing and \$30.0 million one-time deposit into the fund for FY 2024-25 and deletes legislative intent language to increase annual deposits into the fund by \$50.0 million each year. Adds language to allow the state budget director to appropriate funds to fully cover awards of other state scholarship programs from the Postsecondary Scholarship Fund with written notification to the Legislature.

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

Executive deletes language that details the one-year implementation of a \$4,500 FYES funding floor for each university below the per-student funding calculation. House concurs. Senate concurs. Conference concurs.

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

Executive deletes language that details infrastructure, technology, equipment, maintenance, safety and debt categories that ITEMS funding could be used for by universities and language on program eligibility and distribution of funding. House revises language to remove capital outlay project authorization as a restriction to receiving ITEMS funding and removes restrictions for the University of Michigan - Ann Arbor. Senate concurs with House but revises payment date to October 2024. Conference concurs with Executive.

Sec. 236n. Tuition Incentive Program FY 2022-23/FY 2023-24 Supplemental Appropriation Detail – REVISED

Executive deletes language that increases FY 2022-23 funding for the Tuition Incentive Program by \$2.5 million federal TANF funding. House concurs. Senate concurs. Conference revises language to increase FY 2023-24 funding for the Tuition Incentive Program by \$8.0 million federal TANF funding.

Sec. 236o. Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) Certification and Payment Detail – DELETED

Executive deletes language that details the certification process public universities must complete and have approved by the state budget director in order to receive an ITEMS payment. House concurs. Senate concurs. Conference concurs.

Sec. 236q. Institutional Best Practices One-Time Incentive Detail – NOT INCLUDED

Senate adds language that details the institutional best practices public universities must certify to receive a lump sum payment. The best practices include: requiring students to participate in an institutional orientation, providing academic pathway support and an academic course plan, establishing a credit policy and assessment based on prior learning and knowledge, adopting a co-requisite model for remedial courses and provide the courses at no cost to students, requiring students to meet with an academic advisor once a semester or term, requiring a discount for on-campus housing for second year residents if an institution requires more than 1 year of on-campus residency, and awarding incoming students with an associate degree junior standing. Requires eligible university allocations be distributed based on the university's proportion of FY 2024-25 ongoing operations funding increase. Conference does not include but adds revised institutional best practice conditions tied to universities' ongoing and one-time operational increases as section 241e.

Sec. 236r. Education Performance Study of Charter School Authorizing Bodies – NEW

Senate adds language that specifies funding for the education performance study must be used by the Michigan Department of Education and at least one Michigan-based educational research institution to analyze and provide recommendations based on the charter school authorizing body report findings required in section 275k and section 217c of the Community College FY 2024-25 budget. Conference concurs with minor technical revisions.

Major Boilerplate Changes from FY 2023-24

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

Requires tuition and fee data to be submitted to the HEIDI database and a report of any revisions to tuition and fees within 15 days of adoption, and specifies tuition and fee restraint requirements in order to receive the operations increase and FYES student floor funding for FY 2023-24, set at 4.5% or \$676, whichever is greater. Executive revises language that limits FY 2024-25 resident tuition and fee increases to 5.0% or \$781, whichever is greater, and limits FY 2025-26 resident tuition and fee increases to the greater of 5.0% and \$820. House revises language that limits FY 2024-25 resident tuition and fee increases to 4.5% or \$703, whichever is greater and limits FY 2025-26 resident tuition and fee increases to the greater of 4.5% and \$735. Senate concurs with House but does not include FY 2025-26 tuition and fee language. Conference concurs with House but also subjects one-time operations payments under section 236d to the tuition and fee restraint conditions.

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

Executive deletes language that created the Michigan Office of Postsecondary Educational Attainment in the Department of Labor and Economic Opportunity, which would review, evaluate and recommend improvements to all state financial aid programs within the Executive branch, serve as the coordinating office for agencies responsible for state financial aid programs, survey stakeholders on improving financial aid program administration, consolidate reports and make them available to the Executive and legislature, and provide data analysis to assist prospective students on postsecondary options. House concurs. Senate concurs. Conference concurs.

Sec. 241e. Institutional Best Practices Detail – NEW

Conference adds language that details public universities must certify to following at least 2 of 5 institutional best practices in order to receive both ongoing and one-time operations increases, one of which must be the best practice on transfers and working to increase the number of reverse transfer or articulation agreements. The remaining best practices include: providing an academic degree or certificate course map, adopting a co-requisite model for remedial courses and provide the courses at a reduced cost to students, requiring students to meet with an academic advisor once a semester or term, and providing employees to assist prospective and current students with completing the Free Application for Federal Student Aid.

Sec. 247. Michigan Reconnect Program – NEW

Executive adds language that details the Michigan Reconnect program is administered by the Department of Lifelong Education, Advancement, and Potential (MiLEAP), and authorizes the department to use remaining program funds for outreach, enrollment support, program administration, and Reconnect-eligible student support in connection with higher education institutions or nonprofit organizations to increase degree or credential completion. House does not include. Senate concurs with Executive but does not include language on use of remaining program funds. Conference concurs with Executive.

Sec. 248. Michigan Achievement Scholarship Program Detail – REVISED

Provides for distribution of funds appropriated for Michigan Achievement Scholarships. Specifies criteria for scholarship eligibility. Details award amounts of up to \$2,750 for students at a community college or tribal institution, up to \$4,000 for students at an independent nonprofit college or university, and up to \$5,500 for students at public universities or baccalaureate programs at community colleges. Executive revises language to add Student Aid Index eligible student definition and revises criteria to account for recent changes to the Free Application for Federal Student Aid (FAFSA). Revises residency definition from institutional criteria to as determined by the FAFSA. Revises award amounts for community college or tribal institution to cover last-dollar amounts and a \$1,000 additional payment. Revises department reporting due date to February 1, scholarship reporting requirements for institutions, and adds language that allows the state budget director to declare institutions ineligible for program funding if tuition restraint requirements are exceeded for two consecutive years. House concurs with language revisions but does not include community college or tribal institution award revisions. Adds cost of attendance definition, revises last-dollar awards to include cost of attendance minus all gift aid received, revises student aid index level from \$30,000 or less to \$35,000 or less, and directs the state budget director to reevaluate the status of ineligible institutions after one academic year. Senate concurs with Executive on language revisions but does not include community college or tribal institution award revisions and tuition restraint penalties. Revises last dollar payment for community colleges and tribal institutions to tuition and fees for in-district students, up to the cost of in-district tuition for students attending a different community college district, and \$1,000 for students who do not reside in a community college district. Increases awards for independent colleges and universities from \$4,000 to \$5,500. Revises all public and independent colleges and universities awards to first dollar. Conference concurs with Executive on language and residency revisions. Revises community college or tribal institution award amounts to cover last-dollar in-district tuition and fees minus gift aid and a \$1,000 additional payment to Pell-eligible community college students. Concurs with House on defining cost of attendance and revising last-dollar awards to include cost of attendance minus all gift aid for public and private universities and directing the state budget director to reevaluate the status of ineligible institutions after one academic year. Concurs with Senate on increasing awards for independent colleges and universities from \$4,000 to \$5,500.

Major Boilerplate Changes from FY 2023-24

Sec. 250. Free Application for Federal Student Aid (FAFSA) Filing Requirement – REVISED

States students must file a FAFSA to be considered for any grant or scholarship program administered by the Department of Treasury. Executive revises reference from Treasury to MiLEAP and adds language allowing MiLEAP to not require FAFSA completion as a scholarship condition. House concurs with MiLEAP reference revision but does not include language allowing MiLEAP to not require FAFSA completion as a scholarship condition. Senate concurs with Executive but revises exemption on scholarship condition language. Conference concurs with Senate.

Sec. 251. Michigan Competitive Scholarship Program Detail – REVISED

Provides for distribution of funds appropriated for State Competitive Scholarships. Specifies grant amount of \$1,500, unless insufficient funds are available, in which case a report is required. Students enrolled less than full-time in a semester or term will receive a proportional scholarship amount. Executive deletes reference to the Michigan Educational Trust program and revises references from the Department of Treasury to MiLEAP. House concurs with department reference revisions but retains reference to the Michigan Educational Trust program. Senate concurs with Executive. Conference concurs with Executive.

Sec. 252. Tuition Grant Program Detail – REVISED

Provides for distribution of funds appropriated for Tuition Grants; specifies grant amount of \$3,000, unless insufficient funds are available, in which case a report is required. Executive adds language stating students who receive a Michigan Achievement Scholarship are not eligible for Tuition Grants, adds intent language detailing students enrolled in college after the end of FY 2023-24 would be ineligible for Tuition Grants due to potential eligibility for the Michigan Achievement Scholarship, and updates references from the Department of Treasury to MiLEAP. House concurs with department reference revisions but does not include intent language about the Michigan Achievement Scholarship or intent language eliminating eligibility for students enrolled in college after the end of FY 2023-24. Senate concurs with Executive but adds language that allows current students awarded both Tuition Grant and Michigan Achievement Scholarship to continue to receive both awards, which would be capped at a combined total of \$7,000 each year. Conference adds language directing MiLEAP that students who are newly eligible for the Tuition Grant program in the 2024-25 academic year and beyond would be ineligible for Tuition Grants due to potential eligibility for the Michigan Achievement Scholarship. Specifies that students awarded Tuition Grants prior to the 2024-25 academic year can continue to receive awards contingent on following all other program criteria.

Sec. 256. Tuition Incentive Program Detail – REVISED

Specifies criteria for Tuition Incentive Program (TIP) eligibility. Provides for award conditions and limits under Phase I dealing with associate degree and certificate programs and Phase II, third and fourth years toward bachelor's degree. Executive revises residency definition from institutional criteria to as determined by the FAFSA and updates references from the Department of Treasury to MiLEAP. House concurs. Senate concurs. Conference concurs.

Sec. 263b. Michigan State University's SEEDSS Initiative/Agricultural Climate Resiliency Program – REVISED

Executive deletes language that allows funds from MSU's AgBioResearch and Extension appropriations to be used for the SEEDSS Initiative (Solving Emerging Environmental Developments and Securing Sustainability), which addresses sustainability issues in Michigan agriculture and educates agricultural workers on improving sustainability. House revises language through updating dates. Senate concurs with House. Conference concurs with House but revises to include the updated name of the program, the Agricultural Climate Resiliency Program.

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

Specifies a \$63,200 pass-through payment from Central Michigan's North American Indian Tuition Waiver appropriation to Saginaw Chippewa Tribal College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to the Department of Civil Rights. Executive revises payment from \$63,200 to \$76,300 and updates references from the Department of Civil Rights to MiLEAP. House concurs. Senate concurs. Conference concurs.

Sec. 270. Bay Mills Community College North American Indian Tuition Waiver Funding – NEW

House adds language that specifies a \$498,800 pass-through payment from Lake Superior State's North American Indian Tuition Waiver appropriation to Bay Mills Community College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to MiLEAP. Senate concurs with House but makes payment one-time. Conference concurs with House.

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

Specifies an \$90,200 pass-through payment from Northern Michigan's North American Indian Tuition Waiver appropriation to Keweenaw Bay Ojibwa Community College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to the Department of Civil Rights. Executive revises payment from \$90,200 to \$155,200 and updates references from the Department of Civil Rights to MiLEAP. House concurs. Senate concurs. Conference concurs.

Major Boilerplate Changes from FY 2023-24

Sec. 275d. Communication with the Legislature – RETAINED

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

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

Requires universities that serve or have served as an authorizer of charter schools to submit a report to the legislature and the Department of Education that contains various details about the charter schools authorized, the academic performance of the schools, enrollment data, fees, board members, and university actions in regards to compliance for each authorized school. Senate revises reporting language to include partnership agreements, aggregated student enrollment data for individualized education program students, and a financial report on revenues and expenses for authorizing bodies. Conference concurs with Senate but revises to require universities to post the report on the university's website.

Sec. 275l. Itemized Cost of Attendance Report – NOT INCLUDED

Senate adds language that requires each public university to provide an itemized cost of attendance report for full-time students for the current and previous two academic years. Conference does not include but adds revised cost of attendance report as section 287.

Sec. 275m. University On-Campus Housing Reporting Requirement – NEW

Senate adds language that requires each public university that provides on-campus housing to report if the university requires students to reside on-campus as a condition of enrollment, a summary of policies relating to on-campus residency requirements, the average charge for room and board for the most commonly selected room accommodation and meal plan, and the average charge for room and board for the prior 5 academic years. Conference concurs with Senate but revises reporting requirement to only include public universities that have an on-campus residency requirement for any length of time.

Sec. 275n. Scholarship Award Restrictions – NOT INCLUDED

Senate adds language that restricts state-supported scholarship awards if a student is enrolled in a religious, theology or divinity related degree program, or if the student is enrolled at an institution that does not have a board approved inclusion and non-discrimination policy based on race, ethnicity, citizenship, color, religion, gender, gender identity, sexual orientation, national origin, veteran status and ability status. Conference does not include.

Sec. 287. Average Cost of Attendance Report – NEW

Conference adds language that requires the Center for Educational Performance and Information to work with the Department of Lifelong Education, Advancement, and Potential to collect and publish the average cost of attendance for full-time, first time students from the federal Integrated Postsecondary Education Data System for each Michigan community college, tribal institution, public university, and independent nonprofit college or university.

**FY 2024-25 University Operations Appropriations
Conference Report**

University	Total FY 2023-24 Appropriation	FY 2023-24 Indian Tuition Waiver Payment	FY 2023-24 Base Appropriation	Total Ongoing Operations Increase	Total One-Time Operations Increase	FY 23 Indian Tuition Waiver Cost	Indian Tuition Waiver Pass- Through Payments	Indian Tuition Waiver Adjustment	Total FY 25 Indian Tuition Waiver Payment	Total FY 2024-25 Appropriation	Percent Change	Change From FY 2023-24 Total
Central	\$95,413,800	\$1,594,200	\$93,819,600	\$1,407,300	\$938,200	\$1,530,500	\$76,300	\$12,600	\$1,606,800	\$97,771,900	2.5%	\$2,358,100
Eastern	83,144,700	406,000	82,738,700	1,241,100	827,400	401,200	0	(4,800)	401,200	85,208,400	2.5%	2,063,700
Ferris	59,646,500	714,200	58,932,300	884,000	589,300	732,100	0	17,900	732,100	61,137,700	2.5%	1,491,200
Grand Valley	97,365,000	1,253,800	96,111,200	1,441,700	961,100	1,323,200	0	69,400	1,323,200	99,837,200	2.5%	2,472,200
Lake Superior	15,190,300	938,500	14,251,800	213,800	142,500	874,400	498,800	434,700	1,373,200	15,981,300	5.2%	791,000
Michigan State	318,709,200	1,943,800	316,765,400	4,751,500	3,167,700	2,143,100	0	199,300	2,143,100	326,827,700	2.5%	8,118,500
Michigan Tech	54,525,700	866,900	53,658,800	804,900	536,600	781,600	0	(85,300)	781,600	55,781,900	2.3%	1,256,200
Northern	53,320,000	1,250,700	52,069,300	781,000	520,700	1,257,500	155,200	162,000	1,412,700	54,783,700	2.7%	1,463,700
Oakland	72,288,800	331,800	71,957,000	1,079,400	719,600	291,200	0	(40,600)	291,200	74,047,200	2.4%	1,758,400
Saginaw Valley	33,894,500	203,900	33,690,600	505,400	336,900	198,500	0	(5,400)	198,500	34,731,400	2.5%	836,900
UM-Ann Arbor	356,568,800	1,290,500	355,278,300	5,329,000	3,552,800	1,521,300	0	230,800	1,521,300	365,681,400	2.6%	9,112,600
UM-Dearborn	31,233,500	185,500	31,048,000	465,700	310,500	208,800	0	23,300	208,800	32,033,000	2.6%	799,500
UM-Flint	26,404,700	391,200	26,013,500	390,200	260,100	291,900	0	(99,300)	291,900	26,955,700	2.1%	551,000
Wayne State	224,354,500	403,600	223,950,900	3,359,300	2,239,500	425,700	0	22,100	425,700	229,975,400	2.5%	5,620,900
Western	119,983,900	543,700	119,440,200	1,791,600	1,194,400	613,600	0	69,900	613,600	123,039,800	2.5%	3,055,900
TOTAL:	\$1,642,043,900	\$12,318,300	\$1,629,725,600	\$24,445,900	\$16,297,300	\$12,594,600	\$730,300	\$1,006,600	\$13,324,900	\$1,683,793,700	2.5%	\$41,749,800

Requirements to receive ongoing and one-time operations increase for FY 2024-25:

1. Restrain FY 2024-25 resident undergraduate tuition/fee rate increase to 4.5% or \$703 (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, the course location, the course delivery method, or the student enrollment composition within the course.
4. Actively participate in and submit timely updates to the Michigan Transfer Network.
5. Certify to following the Institutional Best Practice on transfers and at least one additional Institutional Best Practice.