

Act No. 175  
Public Acts of 1989  
Approved by the Governor  
September 20, 1989  
Filed with the Secretary of State  
September 20, 1989

**STATE OF MICHIGAN  
85TH LEGISLATURE  
REGULAR SESSION OF 1989**

Introduced by Rep. Jacobetti

# ENROLLED HOUSE BILL No. 4334

AN ACT to make appropriations for community and junior colleges for the fiscal year ending September 30, 1990; to provide for the expenditure of those appropriations; to continue the community and junior college job training and retraining investment fund; and to impose powers and duties on certain state officers and employees.

*The People of the State of Michigan enact:*

Sec. 101. There is appropriated for the community and junior colleges and certain other state purposes relating to education and subject to the conditions set forth in this act for the fiscal year ending September 30, 1990, the following respective amounts:

## SUMMARY UNIT FOR COMMUNITY COLLEGES

### APPROPRIATIONS SUMMARY:

GROSS APPROPRIATION .....	\$	212,490,500
ADJUSTED GROSS APPROPRIATION .....	\$	212,490,500
State general fund/general purpose .....	\$	212,490,500

## COMMUNITY COLLEGES

Alpena Community College .....	\$	3,067,600
Bay de Noc Community College .....		2,509,100
C.S. Mott Community College .....		10,104,100
Delta College .....		9,020,100
Glen Oaks Community College .....		1,307,400
Gogebic Community College .....		2,919,700
Grand Rapids Junior College .....		12,360,500
Henry Ford Community College .....		14,358,800
Highland Park College .....		5,039,200
Jackson Community College .....		8,831,500
Kalamazoo Valley Community College .....		5,885,800
Kellogg Community College .....		5,456,600
Kirtland Community College .....		2,125,100
Lake Michigan College .....		2,970,400
Lansing Community College .....		19,634,200
Macomb Community College .....		21,951,800
Mid Michigan Community College .....		2,376,500
Monroe County Community College .....		2,171,000
Montcalm Community College .....		2,037,300
Muskegon Community College .....		5,890,800

	For Fiscal Year Ending Sept. 30, 1990
North Central Michigan College.....	\$ 1,844,400
Northwestern Michigan College .....	5,218,700
Oakland Community College.....	14,753,200
St. Clair Community College.....	4,589,900
Schoolcraft College .....	7,559,900
Southwestern Michigan College.....	3,359,300
Washtenaw Community College.....	6,712,000
Wayne County Community College.....	12,339,800
Wayne county community college tax credit.....	10,039,300
West Shore Community College.....	1,406,500
Job Training and Retraining Investment Fund.....	2,500,000
At risk student success program.....	2,150,000
GROSS APPROPRIATION .....	\$ 212,490,500
Appropriated from:	
State general fund/general purpose .....	\$ 212,490,500

## **GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this appropriation act is \$212,490,500.00, and state appropriations to be paid to local units of government in section 101 total \$212,490,500.00.

Sec. 202. (1) The sums appropriated in this act shall be paid out of the state treasury and shall be distributed by the state treasurer to the respective institutions and departments in 12 monthly installments upon certification by the state budget director that this act is being fully complied with. However, the department of management and budget shall make adjustments in the payment schedule to assure that each college receives payments during its fiscal year ending June 30, 1990, of not less than 80.5% of section 101 appropriations, plus an amount not less than the amount deducted by executive order 1982-13. However, in case of the failure of an institution to submit all verified Michigan community college activity classification structure data for school year 1988-89 to the department of education by November 1, 1989, the monthly installments shall be withheld until these data are submitted. The amount included in section 101 designated under this act for job training and retraining in section 401 shall be paid in full by the state treasurer within 30 days after notification by the chair of the review panel established in section 401 that a project has been reviewed and approved. The amount included in section 101 designated under this act for minimum grants for the student at risk program under section 404(1) shall be paid in full by the state treasurer within 30 days after the house and senate appropriations subcommittees on community and junior colleges recommend colleges that meet the requirements for receiving a minimum grant. The amount included in section 101 designated under this act as remaining funding for the student at risk program under section 404(3) shall be paid in full by the state treasurer within 30 days after the house and senate appropriations subcommittees on community and junior colleges recommend allocation of the remaining funding. The amount distributed to an institution or department shall not exceed the net state allocation authorized by this act.

(2) Except as otherwise provided by law, each of the amounts appropriated shall be used solely for the respective purposes stated in this act. The funds appropriated by this act may be used to match the cost of any available programs under the vocational education act of 1963, Public Law 88-210, 98 Stat. 2435, including local administration. A community or junior college shall not pay an employer's contribution to more than 1 retirement fund providing benefits for an employee.

Sec. 203. (1) The auditor general or a certified public accountant appointed by the auditor general shall audit data for the fiscal year ending on June 30, 1989 as submitted on the department of education request forms of 7 randomly selected community and junior colleges. A community or junior college shall maintain and provide those records necessary for the auditor general or certified public accountant to determine the accuracy of the reported data. The audits shall be based upon the definitions and requirements contained in the Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised, and the Michigan Community Colleges Activities Classification Structure, 1981, as revised. Before the submission of a final audit report, an appeals process shall be established by which an institution may appeal the findings of the preliminary report, and by which the auditor general shall consult legislative and executive authorities concerning an interpretation of the manual if necessary. The auditor general shall submit a report of the

findings to the senate and house appropriations committees, the department of education, and the department of management and budget before April 1, 1990.

(2) The auditor general or a certified public accountant appointed by the auditor general shall conduct not less than 3 performance audits of community and junior colleges but may conduct more if the auditor general considers it necessary.

(3) The principal executive officer of a community or junior college which is audited shall submit to the senate and house appropriations committees, the senate and house fiscal agencies, the department of education, the auditor general, and the department of management and budget, a plan to comply with audit recommendations after an audit report is released by the office of the auditor general. The plan shall be prepared and submitted within 60 days after the audit is released. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited college and office of the auditor general disagree.

(4) It is the intent of the legislature to adjust state aid in the fiscal year ending September 30, 1990 for any community or junior college whose audited activities classification structure data is significantly different than the data used to determine state aid under this act.

Sec. 204. The department of education shall periodically revise and update the taxonomy in accordance with the Michigan Community Colleges Activities Classification Structure, 1981, as revised.

Sec. 205. (1) A community or junior college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

(2) Contracts between the college and agencies that reimburse the college for the costs of instruction shall be retained for audit purposes.

Sec. 206. Each community or junior college shall furnish an annual audited accounting of all income and expenditures to the legislature, the senate and house fiscal agencies, office of the auditor general, the department of education, and the department of management and budget before December 1, 1989. All reporting shall conform to the requirements set forth in the Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised.

Sec. 207. (1) Appropriations under this act shall not be expended in contemplation of matching federal or other funds until federal or other matching funds are available. The acceptance of those funds does not obligate the state to continue programs after those funds are no longer available.

(2) A community or junior college shall not establish special programs or expand existing programs beyond the scope of the programs of the college already established and recognized by the legislature, including programs which may develop as a result of gifts or money received or available from the federal government, if that acceptance will require an obligation or expenditure of state funds.

(3) A community or junior college shall not accept an appropriation under this act unless it pays the employer's contributions to the Michigan public school employees' retirement system. The executive office shall include contributions to the Michigan public school employees' retirement system by community and junior colleges in the executive budget recommendation for each community and junior college. For the fiscal year ending June 30, 1990, the Michigan public school employees' retirement system contribution shall be 4.0% of salaries for retirement, plus 5.0% for the share formerly paid by employees.

(4) None of the appropriations contained in this act shall be used for the construction of buildings or operations of institutions not expressly authorized in section 101. Funds appropriated in this act to each institution shall not be used to pay for the construction or maintenance of any self-liquidating project.

(5) The governing body of a community or junior college shall reduce expenditures authorized by appropriations when it appears that actual revenues for a fiscal period will fall below the revenue estimates on which appropriations for that period were based.

(6) Funds appropriated in section 101 shall not be used for travel outside the United States. This subsection does not apply to expenses of students, administrators, or college trustees necessarily incurred for involvement in a foreign study program offered by a community or junior college, for travel to fulfill a reciprocal education

program with a postsecondary education institution, or for program specific curriculum, educational, or exchange policy discussions with a foreign postsecondary institution or government.

Sec. 208. Each community or junior college shall report to the senate and house fiscal agencies, the department of education, and the department of management and budget a modification in tuition and student fees not later than 30 days after the modification is established by the college governing board.

Sec. 209. (1) If it appears to the governor, based upon written information received by the governor from the directors of the department of management and budget and the department of treasury, that actual revenues for a fiscal period will fall below the revenue estimates on which appropriations for that period were based, the estimates being as determined by the legislature pursuant to section 31 of article IV of the state constitution of 1963, the governor shall order the director of the department of management and budget to review all appropriations made by the legislature, except those made for the legislative and judicial branches of government or from funds constitutionally dedicated for specific purposes.

(2) Based upon needs, the director of the department of management and budget shall recommend to the governor a reduction of expenditures authorized by the appropriations, either direct or open-ended, for that fiscal year. The governor shall review the recommendations of the director and shall prepare an order containing reductions in expenditures authorized so that actual revenues for the fiscal period will be sufficient to equal the expenditures. The governor shall provide not less than 5 days' written notice to the members of the senate and house appropriations committees specifying a time and place for a joint meeting of the governor and the 2 committees, at which meeting the governor shall present to the committees the governor's recommendations and copies of the governor's proposed order.

(3) Not later than 10 days after submission of the order to the committees, each committee, by vote of a majority of its members elected and serving, shall approve or disapprove the order. Expenditures authorized by appropriations shall not be reduced unless approved by both the senate and house appropriations committees. Upon approval by both committees, the director of the department of management and budget shall implement the order.

(4) If either the senate or house appropriations committee disapproves the order, the order is without force and effect. Not later than 30 days after a proposed order is disapproved, the governor may give reasonable written notice of the time and place of a further joint meeting of the 2 appropriations committees, at which meeting the governor shall submit another order reducing expenditures authorized by appropriations. Within 10 days after the receipt of that order by the appropriations committees, each appropriations committee, by a majority of its members elected and serving, shall approve or disapprove the order. A copy of the order of the governor and resolutions of both the senate and house appropriations committees approving it shall be filed with the secretary of state, and the order shall become effective.

Sec. 210. A community or junior college shall develop a plan to increase the number of minority students in meeting the continuing educational needs of all Michigan citizens. The department of education shall coordinate efforts to provide an annual report identifying the number of minority students recruited and retained by racial and ethnic category. The department of education shall not require community and junior colleges to submit data by racial and ethnic category which is duplicative of data currently submitted.

Sec. 211. Each community or junior college shall report to the department of education, the house and senate appropriations committees, and the house and senate fiscal agencies the numbers and type of associate degrees and other certificates awarded for the previous fiscal year. The report shall be made not later than October 15, 1989.

Sec. 212. The department of education shall submit the following statistical data and reports relating to each community and junior college to the Michigan civil rights commission and the house and senate appropriations subcommittees on community and junior colleges in a format established by the Michigan department of civil rights and the community and junior colleges that incorporates the requirements of state and federal law, and that includes all of the following:

(a) An affirmative action plan for employment of minorities, women, and handicappers, including the plan requirements set forth in executive directive 1979-4.

(b) A statistical report for minorities and women employees for the 1989-90 school year as submitted to the federal government on the EEO-6 form.

(c) A statistical report for the 1989-90 school year, which includes enrollment statistics for minorities and women as submitted to the Michigan department of education.

## **STATE AID - OPERATIONS**

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised, and the Michigan Community Colleges Activities Classification Structure, 1981, as revised.

Sec. 302. The Michigan Community Colleges Activities Classification Structure, 1981, as revised, shall be used to document financial needs of the community and junior colleges. The Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised, shall be the basis for reporting.

Sec. 303. Before July 1, 1990, each community or junior college shall submit a letter from the institution's president to the state budget director and the chairpersons of the house and senate appropriations subcommittees on community and junior colleges indicating whether the institution has adopted a plan to guarantee to employers the job competency skills of its students and provide a copy of the plan as adopted.

Sec. 304. A community or junior college shall not include in the enrollment report any student credit hours or student contact hours for students taking college courses to complete high school graduation requirements. Exclusion of these students is intended to avoid the payment of state aid under this act for the same individuals already reimbursed under the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections 388.1601 to 388.1772 of the Michigan Compiled Laws, for completion of high school requirements.

Sec. 305. It is legislative and executive intent to utilize a formula approach in determining the state aid recommendations for each community and junior college for the state fiscal year ending September 30, 1991.

Sec. 305a. Any supplemental state appropriations made for community and junior colleges shall be added to the base appropriation for each community or junior college for the ensuing fiscal year. The governor shall use the revised base appropriation for each community and junior college when making budget recommendations to the legislature for subsequent fiscal years.

Sec. 306. (1) In the determination of state aid appropriations contained in section 101, no outputs collected under the Michigan community colleges activities classification structure reporting system generated by students incarcerated in Michigan penal institutions were recognized.

(2) Participation of a community college in a prisoner education program is at the discretion of the college and does not represent a financial obligation of the state of Michigan under this appropriations act.

(3) In recognition of the 2-year formula funding lag in community college appropriations, it is the intent of the legislature that total community college appropriations will not be reduced due to the nonparticipation of any or all community colleges in a prisoner education program for the fiscal year ending September 30, 1990.

(4) This section does not preclude a community college from entering into a contract with the department of corrections for the provision of postsecondary educational offerings.

## **GRANTS**

Sec. 401. (1) The community and junior college job training and retraining investment fund is continued. The department of management and budget shall make grants to the community and junior colleges for specific projects aimed at economic development and job training or retraining pursuant to the recommendations of a review panel established in subsection (2).

(2) A review panel is established and shall be composed of the house appropriations subcommittee on community and junior colleges, the senate appropriations subcommittee on community and junior colleges, and the superintendent of public instruction. The panel shall first meet before November 15, 1989, to review all project proposals and advise the department of management and budget and the department of treasury whether or not a project should receive a grant and the amount of funding to be released for the project. The chairperson of the appropriations subcommittee on community and junior colleges of the house of origin of the community and junior colleges budget shall chair the panel and call for 1 or more meetings of the panel as necessary during the fiscal year to consider the approval of the project proposals.

(3) All of the following criteria shall be scored when evaluating project proposals:

(a) The likelihood of the project directly providing a discrete population of unemployed or underemployed workers with job skills that will likely lead to employment or job retention.

(b) Demonstration that the project proposal may provide cooperation between the college and other educational institutions or private enterprise in the provision of job training or retraining.

(c) Commitment of other fund sources, including federal funds that may be used as part of the total funding of the project. This does not include in-kind contributions supplied by the college. Grant dollars shall not supplant existing financial support for a project.

(d) An identifiable population and number of students to be served.

(e) Any other criteria as determined by the review panel and identified in instructions forwarded to the colleges by the review panel created in subsection (2).

(4) Of the amount appropriated in section 101 for the job training and retraining investment fund, \$1,160,000.00 is provided for minimum grants of \$40,000.00 for each community college. Each college is eligible for a minimum grant if the minimum grant requested complies with all the criteria listed in subsection (3). However, minimum grants may also be used for continuation or expansion of projects funded from the job training and retraining investment fund in previous fiscal years. If a minimum grant request by a college does not meet the criteria contained in subsection (3), the college shall be notified by the review panel to reapply for the minimum grant.

(5) Of the amount appropriated in section 101 for the job training and retraining investment fund, \$1,340,000.00 is available for colleges based upon the merit of the proposals and compliance with the criteria listed in subsection (3). However, a college shall not receive more than \$150,000.00 under this subsection.

(6) Grants received by colleges under this section may only be used for the purposes for which the grant was awarded and shall not be transferred to other parts of a college's operation.

(7) The colleges shall certify to the state treasurer, the department of management and budget, the house and senate fiscal agencies, and the auditor general that all grant dollars received under this section are expended or encumbered within 12 months of receipt, unless extended by the review panel created in subsection (2). Those funds not expended or encumbered will lapse to the state's general fund.

(8) The state department of education, in cooperation with the state's public community and junior colleges, shall submit a report within 60 days after the end of the fiscal year ending September 30, 1990, to the chairs of the appropriations committees of the senate and house of representatives of each grant released under the community and junior college job training and retraining investment fund, and the accomplishments of the projects, including the number of students or businesses served, or both, the job skills acquired, and whether each student served was placed in new employment or was able to retain existing employment utilizing the job skills acquired. The colleges shall maintain documentation substantiating accomplishments. The documentation is subject to review by the state auditor general.

Sec. 402. Each community and junior college shall submit an annual report in a manner prescribed by the department of management and budget describing each energy conservation project financed in whole or in part by oil overcharge revenues appropriated in fiscal year 1987 and fiscal year 1988. The report shall include a description of each energy conservation project and the actual expenditures and energy savings estimates. The information contained in the report shall be utilized to meet the annual reporting requirements to the United States district court and the United States secretary of energy regarding state use of oil overcharge refunds. The department of management and budget shall submit copies of the annual report to the senate and house appropriations committees and the senate and house fiscal agencies.

Sec. 403. A special grant of \$10,039,300.00, which is equivalent to the revenue generated by 0.75 mill in the Wayne community college district, shall be made to the college in recognition of the fact that the college levies only 0.25 mill for operations.

Sec. 404. (1) From the funds appropriated in section 101 for the at risk student success program, each college eligible to receive funding pursuant to subsection (4) shall receive a minimum grant of \$40,000.00. The remaining funding shall be prorated among the eligible colleges by the number of at risk students served during the 1988-89 academic year.

(2) As used in this section, "at risk" students means students referred to the community or junior colleges under 1 or more of the following state programs:

(a) MJOB-Retrain.

(b) Tuition incentive program.

(c) Michigan opportunity skills training (MOST).

(d) Job start.

(3) It is the legislature's intent to redefine "at risk" students during or subsequent to the first year of this program if determined necessary by the house and senate appropriations subcommittees on community and junior colleges.

(4) To be eligible to receive funding under this section, a college shall do all of the following:

(a) Pretest for academic ability all incoming at risk students using a nationally standardized test.

(b) Provide a minimum of 1 counseling contact during the first half of each term or semester for each incoming at risk student. The counseling contact shall include the preparation of a student academic plan to which the student and counselor mutually agree.

(c) Report by October 15, 1989 to the house and senate fiscal agencies and the department of management and budget the total unduplicated headcount of at risk students served during the 1988-89 academic year.

(5) Not later than October 30, 1989, the house and senate appropriations subcommittees on community colleges shall recommend to the director of the department of management and budget allocation of funding under this section.

(6) Grant funding under this section shall not be used for either of the following:

(a) The acquisition of equipment necessary for the implementation of the Michigan opportunity card.

(b) Indirect costs including, but not limited to, rent, utilities, or college administration.

(7) Each college shall report to the house and senate appropriations committees on community and junior colleges, the house and senate fiscal agencies, and the director of the department of management and budget a summary of all accomplishments, expenditures, and compliance with requirements under subsection (4). The report is subject to audit by the auditor general as provided for in section 203(1). The report shall be submitted not later than 90 days after the end of the state's fiscal year.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.