

HOUSE BILL No. 5490

EXECUTIVE BUDGET BILL

February 14, 1990, Introduced by Reps. Jacobetti and Mathieu and referred to the Committee on Appropriations.

A bill to make appropriations for community and junior colleges for the fiscal year ending September 30, 1991; to provide for the expenditure of those appropriations; to continue the community and junior college job training and retraining investment fund; to continue the at risk student success program; and to impose powers and duties on certain state officers and employees.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is appropriated for the community and junior colleges
2 and certain other state purposes relating to education and subject to the
3 conditions set forth in this act for the fiscal year ending September 30, 1991,
4 the following respective amounts:

5 COMMUNITY COLLEGES

6 APPROPRIATIONS SUMMARY:

7	GROSS APPROPRIATION.....\$	223,115,100
8	Total federal revenues.....	0

1	Total private revenues.....	\$	0
2	Total local revenues.....		0
3	State general fund/general purpose.....	\$	223,115,100
4	COMMUNITY COLLEGES		
5	Alpena community college.....	\$	3,266,600
6	Bay de Noc community college.....		2,737,000
7	Delta college.....		9,670,500
8	Glen Oaks community college.....		1,348,300
9	Gogebic community college.....		2,978,100
10	Grand Rapids junior college.....		13,287,800
11	Henry Ford community college.....		14,774,700
12	Highland Park college.....		5,166,500
13	Jackson community college.....		9,008,100
14	Kalamazoo valley community college.....		6,400,600
15	Kellogg community college.....		5,814,000
16	Kirtland community college.....		2,167,600
17	Lake Michigan college.....		3,162,200
18	Lansing community college.....		21,224,300
19	Macomb community college.....		22,938,900
20	Mid Michigan community college.....		2,513,700
21	Monroe county community college.....		2,338,200
22	Montcalm community college.....		2,120,700
23	Mott community college.....		10,385,000
24	Muskegon community college.....		6,048,300
25	North Central Michigan college.....		1,918,700
26	Northwestern Michigan college.....		5,640,600

1	Oakland community college.....	\$ 15,458,000
2	Schoolcraft college.....	7,778,300
3	Southwestern Michigan college.....	3,557,400
4	St. Clair community college.....	4,762,200
5	Washtenaw community college.....	7,214,900
6	Wayne County community college.....	12,586,600
7	Wayne County community college tax	
8	credit.....	10,430,100
9	West Shore community college.....	1,434,600
10	Job training and retraining investment	
11	fund.....	2,625,000
12	At risk student success program.....	2,257,500
13	Teaching excellence.....	100,000
14	GROSS APPROPRIATION.....	\$ 223,115,100
15	Appropriated from:	
16	State general fund/general purpose.....	\$ 223,115,100
17	GENERAL SECTIONS	

18 Sec. 201. In accordance with the provisions of section 30 of
 19 article IX of the state constitution of 1963, total state spending in
 20 this appropriation act is \$223,115,100, and state appropriations to be
 21 paid to local units of government in section 101 total \$223,115,100.

22 Sec. 202. (1) The sums appropriated in this act shall be paid out
 23 of the state treasury and shall be distributed by the state treasurer to
 24 the respective institutions and departments in 12 monthly installments
 25 upon certification by the state budget director. However, the department
 26 of management and budget shall make adjustments in the payment schedule

1 to assure that each college receives payments during its fiscal year
2 ending June 30, 1991, of not less than 80.5% of section 101
3 appropriations. However, in case of the failure of an institution to
4 submit all verified Michigan community college activity classification
5 structure data for school year 1989-90 to the department of education by
6 November 1, 1990, the monthly installments shall be withheld until these
7 data are submitted. The amounts included in section 101 designated under
8 this act for the at risk student success program, the job training and
9 retraining program and teaching excellence fund shall be paid in full
10 after the requirements specified in other sections of this act are met.
11 The amount distributed to an institution or department shall not exceed
12 the net state allocation authorized by this act.

13 (2) Except as otherwise provided by law, each of the amounts
14 appropriated shall be used solely for the respective purposes stated in
15 this act. The funds appropriated by this act may be used to match the
16 cost of any available programs under the vocational education act of
17 1963, Public Law 88-210, 98 Stat. 2435, including local administration.
18 A community or junior college shall not pay an employer's contribution to
19 more than 1 retirement fund providing benefits for an employee.

20 Sec. 203. (1) The auditor general or a certified public accountant
21 appointed by the auditor general shall audit data for the fiscal year
22 ending on June 30, 1990 as submitted on the department of education
23 request forms of 7 randomly selected community and junior colleges. A
24 community or junior college shall maintain and provide those records
25 necessary for the auditor general or certified public accountant to
26 determine the accuracy of the reported data. The audits shall be based

1 upon the definitions and requirements contained in the Michigan Public
2 Community Colleges Manual for Uniform Financial Reporting, 1981, as
3 revised, and the Michigan Community Colleges Activities Classification
4 Structure, 1981, as revised. Before the submission of a final audit
5 report, an appeals process shall be established by which an institution
6 may appeal the findings of the preliminary report, and by which the
7 auditor general shall consult legislative and executive authorities
8 concerning an interpretation of the manual if necessary. The auditor
9 general shall submit a report of the findings to the senate and house
10 appropriations committees, the department of education, and the
11 department of management and budget before April 1, 1991.

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

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

1 auditor general disagree.

2 (4) It is the intent of the legislature to adjust state aid in the
3 fiscal year ending September 30, 1991 for any community or junior college
4 whose audited activities classification structure data is significantly
5 different than the data used to determine state aid under this act.

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

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

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

24 Sec. 206. Each community or junior college shall furnish an annual
25 audited accounting of all income and expenditures to the legislature, the
26 senate and house fiscal agencies, office of the auditor general, the

1 department of education, and the department of management and budget
2 before December 1, 1990. All reporting shall conform to the requirements
3 set forth in the Michigan Public Community Colleges Manual for Uniform
4 Financial Reporting, 1981, as revised.

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

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

16 (3) A community or junior college shall not accept an appropriation
17 under this act unless it pays the employer's contributions to the
18 Michigan public school employees' retirement system. The executive
19 office shall include contributions to the Michigan public school
20 employees' retirement system by community and junior colleges in the
21 executive budget recommendation for each community and junior college.
22 For the fiscal year ending June 30, 1991, the Michigan public school
23 employees' retirement system contribution shall be 4.0% of salaries for
24 retirement, plus 5.0% for the share formerly paid by employees.

25 (4) None of the appropriations contained in this act shall be used
26 for the construction of buildings or operations of institutions not

1 expressly authorized in section 101. Funds appropriated in this act to
2 each institution shall not be used to pay for the construction or
3 maintenance of any self-liquidating project.

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

8 (6) Funds appropriated in section 101 shall not be used for travel
9 outside the United States. This subsection does not apply to expenses of
10 students, administrators, or college trustees necessarily incurred for
11 involvement in a foreign study program offered by a community or junior
12 college, for travel to fulfill a reciprocal education program with a
13 postsecondary education institution, or for program specific curriculum,
14 educational, or exchange policy discussions with a foreign postsecondary
15 institution or government.

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

21 Sec. 209. A community or junior college shall develop a plan to
22 increase the number of minority students in meeting the continuing
23 educational needs of all Michigan citizens. The department of education
24 shall coordinate efforts to provide an annual report identifying the
25 number of minority students recruited and retained by racial and ethnic
26 category. The department of education shall not require community and

1 junior colleges to submit data by racial and ethnic category which is
2 duplicative of data currently submitted.

3 Sec. 210. Each community or junior college shall report to the
4 department of education, department of management and budget, the house
5 and senate appropriations committees, and the house and senate fiscal
6 agencies the numbers and type of associate degrees and other certificates
7 awarded for the previous fiscal year. The report shall be made not later
8 than October 15, 1990.

9 Sec. 211. The department of education shall submit the following
10 statistical data and reports relating to each community and junior
11 college to the Michigan civil rights commission and the house and senate
12 appropriations subcommittees on community and junior colleges in a format
13 established by the Michigan department of civil rights and the community
14 and junior colleges that incorporates the requirements of state and
15 federal law, and that includes all of the following:

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

19 (b) The most current statistical report for minorities and women
20 employees as submitted to the federal government on the EEO-6 form.

21 Sec. 212. Each community or junior college shall submit a letter by
22 October 1, 1990 to the department of management and budget indicating
23 adoption of a college skills guarantee to assure employers of the job
24 competency skills of its students and a guarantee to students that
25 negotiated course work credits will transfer to a baccalaureate
26 educational institution.

1 Sec. 213. Each community and junior college shall submit an annual
2 report by October 1, 1990 in a manner prescribed by the department of
3 management and budget describing each energy conservation project
4 financed in whole or in part by oil overcharge revenues appropriated in
5 fiscal year 1987 and fiscal year 1988. The report shall include a
6 description of each energy conservation project and the actual
7 expenditures and energy savings estimates. The information contained in
8 the report shall be utilized to meet the annual reporting requirements to
9 the United States district court and the United States secretary of
10 energy regarding state use of oil overcharge refunds. The department of
11 management and budget shall submit copies of the annual report to the
12 senate and house appropriations committees and the senate and house
13 fiscal agencies.

14 Sec. 214. The appropriations in this act are subject to Section 391
15 of the management and budget act, Act No. 431 of the Public Acts of 1984,
16 being section 18.1391 of the Michigan Compiled Laws.

17 STATE AID OPERATIONS

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

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

1 be the basis for reporting.

2 Sec. 303. A community or junior college shall not include in the
3 enrollment report any student credit hours or student contact hours for
4 students taking college courses to complete high school graduation
5 requirements. Exclusion of these students is intended to avoid the
6 payment of state aid under this act for the same individuals already
7 reimbursed under the state school aid act of 1979, Act No. 94 of the
8 Public Acts of 1979, being sections 388.1601 to 388.1772 of the Michigan
9 Compiled Laws, for completion of high school requirements.

10 Sec. 304. It is legislative and executive intent to utilize a
11 formula approach in determining the state aid recommendations for each
12 community and junior college for the state fiscal year ending September
13 30, 1991.

14 Sec. 305. (1) In the determination of state aid appropriations
15 contained in section 101, no outputs collected under the Michigan
16 community colleges activities classification structure reporting system
17 generated by students incarcerated in Michigan penal institutions were
18 recognized.

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

23 (3) In recognition of the 2-year formula funding lag in community
24 college appropriations, it is the intent of the legislature that total
25 community college appropriations will not be reduced due to the
26 nonparticipation of any or all community colleges in a prisoner education

1 program for the fiscal year ending September 30, 1991.

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

5 GRANTS

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

12 (2) A review panel is established and shall be composed of the house
13 appropriations subcommittee on community and junior colleges, the senate
14 appropriations subcommittee on community and junior colleges, and the
15 superintendent of public instruction. The panel shall first meet before
16 November 15, 1990, to review all project proposals and shall recommend to
17 the department of management and budget whether or not a project should
18 receive a grant and the amount of funding to be released for the
19 project. The chairperson of the appropriations subcommittee on community
20 and junior colleges of the house of origin of the community and junior
21 colleges budget shall chair the panel and call for 1 or more meetings of
22 the panel as necessary during the fiscal year to consider the approval of
23 the project proposals.

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

26 (a) The likelihood of the project directly providing a discrete

1 population of unemployed or underemployed workers with job skills that
2 will likely lead to employment or job retention.

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

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

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

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

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

24 (5) Of the amount appropriated in section 101 for the job training
25 and retraining investment fund, \$1,465,000 is available for colleges
26 based upon the merit of the proposals and compliance with the criteria

1 listed in subsection (3). However, a college shall not receive more than
2 \$150,000.00 under this subsection.

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

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

12 (8) The state department of education, in cooperation with the
13 state's public community and junior colleges, shall submit a report
14 within 60 days after the end of the fiscal year ending September 30,
15 1991, to the chairs of the appropriations committees of the senate and
16 house of representatives of each grant released under the community and
17 junior college job training and retraining investment fund, and the
18 accomplishments of the projects, including the number of students or
19 businesses served, or both, the job skills acquired, and whether each
20 student served was placed in new employment or was able to retain
21 existing employment utilizing the job skills acquired. The colleges
22 shall maintain documentation substantiating accomplishments. The
23 documentation is subject to review by the state auditor general.

24 Sec. 402. A special grant of \$10,430,100.00, which is equivalent to
25 the revenue generated by 0.75 mill in the Wayne community college
26 district, shall be made to the college in recognition of the fact that

1 the college levies only 0.25 mill for operations.

2 Sec. 403. (1) From the funds appropriated in section 101 for the at
3 risk student success program, each college eligible to receive funding
4 pursuant to subsection (4) shall receive a minimum grant of \$40,000.00.
5 The remaining funding shall be prorated among the eligible colleges by
6 the number of at risk students served during the 1989-90 academic year.

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

10 (a) MJOB-Retrain.

11 (b) Tuition incentive program.

12 (c) Michigan opportunity skills training (MOST).

13 (d) Job start.

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

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

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

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

26 (c) Report by October 15, 1990 to the house and senate fiscal

1 agencies and the department of management and budget the total
2 unduplicated headcount of at risk students served during the 1989-90
3 academic year.

4 (5) Not later than October 30, 1990, the house and senate
5 appropriations subcommittees on community colleges shall recommend to the
6 director of the department of management and budget allocation of funding
7 under this section.

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

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

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

14 (7). The report is subject to audit by the auditor general as
15 provided for in section 203(1). The report shall be submitted not later
16 than 90 days after the end of the state's fiscal year.

17 (8) The state department of education, in cooperation with the
18 state's public community and junior colleges, shall submit a report
19 within 60 days after the end of the fiscal year ending September 30,
20 1990, to the department of management and budget and the chairs of the
21 appropriations committees of the senate and house of representatives of
22 each grant released under the at risk student success program, and the
23 accomplishments of the program, including the number of students served.
24 The colleges shall maintain documentation substantiating
25 accomplishments. The documentation is subject to review by the state
26 auditor general.

1 Sec. 404. (1) The teaching excellence fund appropriated in section
2 101 is created to recognize outstanding teaching performance by faculty
3 members of community and junior colleges.

4 (2) An award of \$2,500.00 shall be made to faculty members selected
5 by a process administered by each college which provides for
6 participation by students and members of the faculty. The students and
7 faculty members participating in the selection process shall be
8 representative of all segments of the campus community, including
9 academic discipline, academic level, instructional level, race, and sex.
10 Students shall comprise at least 1/3 of the selection committee.

11 (3) The criteria to be used in the selection process are to be
12 limited to the following: superior classroom performance, innovative
13 instructional practice, high educational standards, and concern for
14 students in and out of the classroom.

15 (4) By May 1, 1991 each college receiving teaching excellence funds
16 shall report to the legislature and the department of management and
17 budget the following: the names of faculty members receiving teaching
18 excellence fund awards, the basis for each award, and a description of
19 the selection process, including the names, sex, and race of the students
20 and faculty members participating in the selection process; and also the
21 names, sex, and race of the recipients shall be provided in each annual
22 report.

23 (5) Each institution shall receive a number of awards based on the
24 number of full-time faculty as follows:

25 (a) One award to Kirtland Community College, Montcalm Community
26 College, West Shore Community College, Glen Oaks Community College, North

1 Central Community College, Mid Michigan Community College, Southwestern
2 Michigan College, Bay de Noc Community College, Gogebic Community
3 College, Alpena Community College, Monroe County Community College,
4 Highland Park College, Muskegon Community College, Kalamazoo Valley
5 Community College, Jackson Community College, Kellogg Community College,
6 Northwestern Michigan College.

7 (b) Two awards to Schoolcraft College, Washtenaw Community College,
8 Wayne County Community College, Mott Community College, Henry Ford
9 Community College, Delta College, Grand Rapids Junior College, Lansing
10 Community College, Oakland Community College,

11 (c) Three awards to Macomb County Community College.