



HOUSE BILL No. 5285

February 3, 2000, Introduced by Reps. Stamas, Godchaux, Pappageorge, Byl, Mead, Jellema, Kukuk, Jelinek, Geiger, Pumford, Cameron Brown, Caul, LaSata, Mortimer, Scranton and Jansen and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2001; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, the amounts listed in this part are appropriated for community colleges

and certain other state purposes relating to education for the fiscal year ending September 30, 2001, from the funds indicated in this part. The following is a summary of the appropriations in this part:

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$ 316,198,478
Total interdepartmental grants and	
intradepartmental transfers	\$ 0
ADJUSTED GROSS APPROPRIATION	\$ 316,198,478
Total federal revenues	0
Total local revenues	0
Total private revenues	0
Total local and private revenues	0
Total other state restricted revenues	10,000,000
State general fund/general purpose	\$ 306,198,478

Sec. 102. OPERATIONS

Alpena Community College	\$ 5,073,576
Bay de Noc Community College	4,857,916
Delta College	14,230,014
Glen Oaks Community College	2,336,201
Gogebic Community College	4,156,155
Grand Rapids Community College	18,092,391
Henry Ford Community College	21,625,899
Jackson Community College	12,181,665
Kalamazoo Valley Community College	12,055,784
Kellogg Community College	9,541,445
Kirtland Community College	2,965,517
Lake Michigan College	5,133,574
Lansing Community College	30,806,692

1	Macomb Community College	33,223,327
2	Mid Michigan Community College	4,336,804
3	Monroe County Community College	4,146,217
4	Montcalm Community College	3,111,997
5	Mott Community College	15,650,542
6	Muskegon Community College	8,911,678
7	North Central Michigan College	3,016,073
8	Northwestern Michigan College	9,007,943
9	Oakland Community College	21,058,314
10	St. Clair County Community College	6,993,790
11	Schoolcraft College	12,194,157
12	Southwestern Michigan College	6,421,945
13	Washtenaw Community College	12,176,037
14	Wayne County Community College	16,476,511
15	West Shore Community College	<u>2,291,080</u>
16	GROSS APPROPRIATION	\$ 302,073,244
17	Appropriated from:	
18	State general fund/general purpose	\$ 302,073,244
19	Sec. 103. GRANTS	
20	At-risk student success program	\$ 3,692,103
21	Renaissance zone tax reimbursement funding	<u>433,131</u>
22	GROSS APPROPRIATION	\$ 4,125,234
23	Appropriated from:	
24	State general fund/general purpose	\$ 4,125,234
25	Sec. 104. FINANCIAL AID	
26	Lieutenant Governor's commission on financing	
27	postsecondary education recommendations	\$ <u>10,000,000</u>
28	GROSS APPROPRIATION	\$ 10,000,000
29	Appropriated from:	

1 Special revenue funds:

2 Michigan tobacco settlement trust fund . . . \$ 10,000,000

3 State general fund/general purpose \$ 0

4 PART 2

5 PROVISIONS CONCERNING APPROPRIATIONS

6 **GENERAL SECTIONS**

7 Sec. 201. (1) Pursuant to section 30 of article IX of the state
8 constitution of 1963, total state spending under part 1 for fiscal
9 year 2000-2001 is \$316,198,478 and state appropriations to be paid to
10 local units of government is \$306,198,478.

11 (2) If it appears to the principal executive officer of a
12 department or branch that state spending to local units of government
13 will be less than the amount that was projected to be expended for any
14 quarter under subsection (1), the principal executive officer shall
15 immediately give notice of the approximate shortfall to the state
16 budget director, the senate and house of representatives standing
17 committees on appropriations, and the senate and house fiscal
18 agencies.

19 Sec. 202. The expenditures and funding sources authorized under
20 this bill are subject to the management and budget act, 1984 PA 431,
21 MCL 18.1101 to 18.1594.

22 Sec. 203. (1) The sums appropriated in this bill are appropriated
23 for community colleges with fiscal years ending June 30, 2001 and
24 shall be paid out of the state treasury and distributed by the state
25 treasurer to the respective community colleges in 11 monthly
26 installments on the sixteenth of each month, or the next succeeding
27 business day, beginning with October 16, 2000. Each community college
28 shall accrue its July and August 2001 payments to its institutional
29 fiscal year ending June 30, 2001. However, if a community college

1 fails to submit all verified Michigan community colleges activities
2 classification structure data for school year 1999-2000 to the
3 department of career development by November 1, 2000, the monthly
4 installments shall be withheld from that community college until those
5 data are submitted. The department of career development shall
6 publish the activities classification structure data book for Michigan
7 community colleges on or before March 1, 2001 for use by the
8 legislature during budget development for the fiscal year ending
9 September 30, 2002. The amount from the funds appropriated in part 1
10 that is allocated under section 103 to address the special needs of
11 at-risk students shall be paid in full by the state treasurer by
12 November 1, 2000. The amount distributed to a community college or
13 department shall not exceed the net state allocation authorized by
14 this bill.

15 (2) Except as otherwise provided by law, each of the amounts
16 appropriated shall be used solely for the respective purposes stated
17 in this bill. The funds appropriated by this bill may be used to
18 match the cost of any available programs under the Carl D. Perkins
19 vocational and applied technology education act, Public Law 88-210, 98
20 Stat. 2435, including local administration.

21 Sec. 204. (1) The auditor general or an independent public
22 accounting firm appointed by the auditor general shall audit data for
23 the fiscal year ending on June 30, 2000 as submitted to the department
24 of career development of 7 randomly selected community colleges. A
25 community college shall maintain and provide those records necessary
26 for the auditor general or certified public accountant appointed by
27 the auditor general to determine the accuracy of the reported data.
28 The audits shall be based upon the definitions and requirements
29 contained in the Manual for Uniform Financial Reporting, Michigan
30 Public Community Colleges, published by the Michigan state board of

1 education in 1981, and the Activities Classification Structure Manual
2 for Michigan Community Colleges, 1996 revision of the final report of
3 the activities classification structure task force (July 1981),
4 published by the department of education. Before the submission of a
5 final audit report, a community college may appeal the findings of the
6 preliminary report under an appeal process to be established by the
7 auditor general. The auditor general shall submit a report of the
8 findings to the house and senate appropriations committees, the
9 department of career development, and the state budget director before
10 June 1, 2001.

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

15 (3) Not more than 60 days after an audit report is released by
16 the office of the auditor general, the principal executive officer of
17 the community college that was audited shall submit to the house and
18 senate appropriations committees, the house and senate fiscal
19 agencies, the department of career development, the auditor general,
20 and the state budget director a plan to comply with audit
21 recommendations. The plan shall contain projected dates and resources
22 required, if any, to achieve compliance with the audit
23 recommendations, or a documented explanation of the college's
24 noncompliance with the audit recommendations concerning the matters on
25 which the audited community college and office of the auditor general
26 disagree.

27 (4) A community college whose audited activities classification
28 structure data is significantly different than the data used to
29 determine state aid under this bill shall return any overappropriated
30 funds as provided in this section. The department of career

1 development shall compare formula computations for the audited
2 colleges using pre- and post-audit data. If the state allocation is
3 2% or more than the post-audit allocation amount, the college shall
4 return the excess funds. The returned money shall be redistributed to
5 all 28 community colleges, prorated on the base appropriations
6 contained in part 1.

7 Sec. 205. The department of career development shall review the
8 taxonomy of the 7 community colleges selected for audit under section
9 204(1) pursuant to the Activities Classification Structure Manual for
10 Michigan Community Colleges, 1996 revision of the final report of the
11 activities classification structure task force (July 1981), published
12 by the department of education.

13 Sec. 206. (1) A community college shall retain certified class
14 summaries, class lists, registration documents, and student
15 transcripts that are consistent with the taxonomy of courses. For each
16 enrollment period during the fiscal year, these certified documents
17 shall identify clearly by course the number of in-district and
18 out-of-district student credit and contact hours. The class summaries
19 and class lists shall be consistent with each other and shall include
20 the course prefix and numbers, course title, course credit and contact
21 hours, credit and contact hours generated by each student, and
22 activity classifications consistent with the taxonomy. An auditable
23 process shall be used by the community college to determine the
24 unduplicated head count for in-district students, out-of-district
25 students, and prisoners for each enrollment period during the fiscal
26 year.

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

30 Sec. 207. Each community college shall have an annual audit of all

1 income and expenditures performed by an independent auditor and shall
2 furnish the independent auditor's management letter and an annual
3 audited accounting of all general and current funds income and
4 expenditures including audits of college foundations to the chairs of
5 the house and senate appropriations subcommittees on community
6 colleges, the senate and house fiscal agencies, the auditor general,
7 the department of career development, and the state budget director
8 before November 15, 2000. If a community college fails to furnish the
9 audit materials, the monthly state aid installments shall be withheld
10 from that college until the information is submitted. All reporting
11 shall conform to the requirements set forth in the Manual for Uniform
12 Financial Reporting, Michigan Public Community Colleges, published by
13 the Michigan state board of education in 1981.

14 Sec. 208. (1) A community college shall pay the employer's
15 contributions to the Michigan public school employees' retirement
16 system created by the public school employees retirement act of 1979,
17 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of receiving funds
18 appropriated under this bill.

19 (2) A community college shall not pay an employer's contribution
20 to more than 1 retirement fund providing benefits for an employee.

21 Sec. 209. An appropriation contained in this bill shall not be
22 used for the construction of buildings for, or operations of, a
23 community college not expressly authorized in part 1. Funds
24 appropriated in part 1 shall not be used to pay for the construction
25 or maintenance of any self-liquidating project.

26 Sec. 210. The department of career development shall ensure that a
27 statistical report for minorities and women employees for the most
28 recent school year as submitted to the federal government on the EEO-6
29 form be included in the Michigan Community Colleges Enrollment Profile
30 published by the department of career development. Also included in

1 this profile shall be a statistical report for the most recent school
2 year that includes enrollment statistics from the current and prior
3 year for minorities and women as submitted to the department of career
4 development. The department of career development shall distribute a
5 copy of this report to the state budget director and to members of the
6 house and senate appropriations subcommittees on community colleges
7 and the house and senate fiscal agencies no later than March 1, 2001.

8 Sec. 211. (1) Each community college shall report the following to
9 the department of career development, no later than November 1, 2000:

10 (a) The number of North American Indian students enrolled each
11 term for the previous fiscal year, using guidelines and procedures
12 developed by the department of career development and the department
13 of civil rights.

14 (b) The number of Indian tuition waivers granted each term, and
15 the monetary value of the waivers for the previous fiscal year.

16 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL
17 390.1251 to 390.1253, to determine eligibility for tuition waivers,
18 and shall grant such waivers to individuals who meet the criteria and
19 request tuition waivers.

20 (3) The department of career development shall compile the
21 information received under subsection (1) and shall submit this
22 compilation to the senate and house appropriations subcommittees on
23 community colleges, the senate and house fiscal agencies, and the
24 state budget director by January 7, 2001.

25 Sec. 212. From the general fund/general purpose appropriation in
26 part 1, there is allocated \$433,131.00 to make reimbursement to
27 community colleges, as provided by section 12 of the Michigan
28 renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes
29 levied in 2000. Reimbursements shall be made in amounts to each
30 eligible recipient no later than 60 days after the department of

1 treasury certifies to the state budget director that it has received
2 all necessary information to properly determine the amounts due each
3 eligible recipient pursuant to section 12(4) of the Michigan
4 renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess
5 allocations shall lapse to the general fund.

6 Sec. 213. Upon request, a community college shall inform
7 interested Michigan high schools of the aggregate academic status of
8 its students for the fiscal year beginning October 1, 2000, in a
9 manner prescribed by the Michigan community college association and in
10 cooperation with the Michigan association of secondary school
11 principals.

12 Sec. 214. (1) Recognizing the critical importance of education in
13 strengthening Michigan's workforce, the state's public community
14 colleges are encouraged to explore ways of increasing collaboration
15 and cooperation with 4-year universities, particularly in the areas
16 related to training, instruction, and program articulation.

17 (2) Community colleges shall report by December 1, 2000 to the
18 department of career development on steps they have taken to increase
19 collaboration and cooperation with 4-year universities under
20 subsection (1).

21 (3) The department of career development shall compile the
22 information received under subsection (2) and shall submit this
23 compilation to the state budget director, senate and house
24 appropriations subcommittees on community colleges, and the senate and
25 house fiscal agencies by January 7, 2001.

26 Sec. 215. Each community college shall report to the state budget
27 director, house and senate fiscal agencies and the department of
28 career development a modification in credit or contact hour tuition or
29 mandatory non-course-related student fees not later than 30 days after
30 the modification is established by the college governing board.

1 Sec. 216. (1) Each community college shall report to the
2 department of career development the numbers and type of associate
3 degrees and other certificates awarded during the previous fiscal
4 year. The report shall be made not later than November 15, 2000.

5 (2) The department of career development shall compile the
6 information received under subsection (1) and shall submit this
7 compilation to the senate and house appropriations subcommittees on
8 community colleges, the senate and house fiscal agencies, and the
9 state budget director by January 7, 2001.

10 Sec. 217. (1) A community college receiving funding under this
11 bill and also subject to the student right-to-know and campus security
12 act, Public Law 101-542, 104 Stat. 2381, shall make a copy of all
13 material prepared pursuant to the public information reporting
14 requirements under the crime awareness and campus security act of
15 1990, title II of the student right-to-know and campus security act,
16 Public Law 101-542, 104 Stat. 2384 available in electronic format
17 accessible through the internet for school districts, parents, and
18 students.

19 Sec. 218. The department of career development shall continue to
20 pilot the use of the Internet to fulfill the reporting requirements in
21 this bill. This may include transmission of reports via electronic
22 mail to the recipients identified for each reporting requirement or it
23 may include placement of reports on the Internet or on the Intranet.
24 The appropriations subcommittee shall be notified in writing of the
25 Internet/Intranet site of any such report.

26 Sec. 219. (1) Any community college receiving funds under part 1
27 that adopts a tuition and fee increase for the 2000-2001 academic year
28 of 3.0% or less shall retain in its base for calculation of its
29 appropriation for the fiscal year ending September 30, 2002 an amount
30 equal to 1.5% of its base appropriations for the fiscal year ending

1 September 30, 2001.

2 (2) Any community college receiving funds under part 1 that adopts
3 a tuition and fee increase for the 2000-2001 academic year of more
4 than 3.0% shall have its base calculation of its appropriation for the
5 fiscal year ending September 30, 2002 reduced by an amount equal to
6 1.5% of its base appropriations for the fiscal year ending September
7 30, 2001.

8 (3) An amount equal to the reductions to base calculations of
9 community colleges for the fiscal year ending September 30, 2002, as
10 determined under subsection (2), shall be added to the base for
11 calculating the 2001-2002 fiscal year appropriations of those
12 community colleges adopting a tuition and fee increase of 3% or less
13 for the 2000-2001 academic year. The funds added to the base for
14 calculating the fiscal year 2001-2002 appropriations of the eligible
15 community colleges under this subsection shall be allocated through
16 the community college funding formula.

17 **STATE AID-OPERATIONS**

18 Sec. 301. Unless otherwise stated, all data items used in
19 determining state aid in this bill are as defined in the Manual for
20 Uniform Financial Reporting, Michigan Public Community Colleges,
21 published by the Michigan state board of education in 1981, which
22 shall be the basis for reporting data, and the Activities
23 Classification Structure Manual for Michigan Community Colleges, 1996
24 revision of the final report of the activities classification
25 structure task force (July 1981), published by the department of
26 education which shall be used to document financial needs of the
27 community colleges.

28 Sec. 302. A community college shall not include in the enrollment
29 report any student credit hours or student contact hours for a student
30 incarcerated in a Michigan penal institution. Exclusion of these

students is intended to avoid the payment of state aid under this bill for the same individuals for whom reimbursement is provided by the state correctional system.

GRANTS AND FINANCIAL AID

Sec. 401. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of career development for use in the Activities Classification Structure Manual for Michigan Community Colleges, 1996 revision of the final report of the activities classification structure task force (July 1981), published by the department of education. Of the amount appropriated in part 1 for the at-risk student success program, \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges or the acquisition or upgrade of technology related equipment and software.

(2) Of the amount appropriated in part 1 for the at-risk student success program, the balance of the appropriated funds shall be distributed on a proration utilizing the sum of the most recent 3 years developmental/preparatory contact hours divided by the sum of the 3-year total contact hours at each college. Each community college's percentage shall be divided by the sum of all such percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 2001, the at-risk student success program money is allocated as follows:

Alpena Community College	\$	121,725
Bay de Noc Community College		105,324
Delta College		110,504

1	Glen Oaks Community College	131,210
2	Gogebic Community College	78,617
3	Grand Rapids Community College	76,714
4	Henry Ford Community College	168,324
5	Jackson Community College	114,933
6	Kalamazoo Valley Community College	118,490
7	Kellogg Community College	157,285
8	Kirtland Community College	145,724
9	Lake Michigan College	194,902
10	Lansing Community College	134,738
11	Macomb Community College	90,272
12	Mid Michigan Community College	123,549
13	Monroe Community College	102,673
14	Montcalm Community College	70,131
15	Mott Community College	105,617
16	Muskegon Community College	212,002
17	North Central Michigan College	178,833
18	Northwestern Michigan College	120,835
19	Oakland Community College	164,112
20	St. Clair Community College	77,130
21	Schoolcraft College	148,852
22	Southwestern Michigan College	186,227
23	Washtenaw Community College	148,858
24	Wayne County Community College	158,329
25	West Shore Community College	146,193

26 (4) For the purposes of this section, at-risk students means
 27 students who meet 1 or more of the following criteria:

28 (a) Are initially placed in 1 or more developmental courses as a
 29 result of standardized testing or as a result of failure to make
 30 satisfactory academic progress.

1 (b) Are diagnosed as learning disabled.

2 (c) Require English as a second language (ESL) assistance.

3 (5) Grant funding under this section shall be utilized to address
4 the special needs of at-students or for equipment or upgrade of
5 information technology hardware or software. Activities related to
6 services provided to at-risk students include, but are not limited to,
7 pretesting for academic ability, counseling contacts, and special
8 programs. Equipment or information technology hardware or software
9 purchased under this section need not be associated with the operation
10 of a program designed to address the needs of at-risk students.

11 (6) Grant funding under this section shall not be used for
12 indirect costs including, but not limited to, rent, utilities, or,
13 except as provided in this section, college administration.

14 (7) Each community college shall report to the department of
15 career development a summary of all accomplishments under,
16 expenditures for, and compliance with the intent of this program,
17 including the number of at-risk students served. The report is
18 subject to audit as provided for in section 204(1). The report shall
19 be submitted not later than 90 days after the end of the state's
20 fiscal year. The department of career development shall compile the
21 information received under this subsection and shall submit this
22 compilation to the senate and house appropriations subcommittees on
23 community colleges, the senate and house fiscal agencies, and the
24 state budget director by 120 days after the end of the state's fiscal
25 year.

26 (8) Each community college receiving grant money under this
27 section shall, not more than 12 months after receipt of that money,
28 certify to the state treasurer, the state budget director, the house
29 and senate fiscal agencies, and the auditor general whether all the
30 grant money is expended or encumbered.

1 Sec. 402. (1) Community colleges shall use a portion of the funds
2 appropriated in part 1 for operations to implement and institute the
3 ideas and goals embodied by the partnerships for employment program or
4 another program with similar nature and intent as the ideas and goals
5 embodied in the partnership for employment program. For this program,
6 community colleges shall form identifiable links with local businesses
7 or local business alliances to ascertain the immediate and lasting
8 employment needs of the community. In so doing, the colleges in
9 conjunction with the businesses shall create specific, direct
10 certificate programs that upon completion will lead to an increased
11 likelihood of employment by the sponsoring businesses.

12 (2) When creating programs under subsection (1), the community
13 colleges shall consider the following:

14 (a) The likelihood of the project directly providing a discrete
15 population of unemployed or underemployed workers with job skills that
16 will lead to increased likelihood of desired employment with the
17 sponsoring businesses.

18 (b) The use of appropriations to efficiently coordinate existing
19 but largely unconnected resources for worker training.

20 (c) The use of performance outcome measures to detail a
21 correlation between partnering with local businesses to provide
22 specific training, and the population attaining employment upon
23 successful completion of such training.

24 (3) Each community college shall report to the department of
25 career development by no later than September 30, 2001 on all of the
26 following:

27 (a) The number of certificated programs created under this
28 section.

29 (b) The job placement rate for graduates with sponsoring
30 businesses under this section.

1 (c) The amount budgeted for the partnership for employment
2 program.

3 (d) The amount expended and for what activities for the
4 partnership for employment program.

5 (e) The number of employers who have agreed to hire participants
6 who complete the partnership for employment program.

7 (4) The department of career development shall compile the
8 information received under subsection (3) and shall submit this
9 compilation to the senate and house appropriations subcommittees on
10 community colleges, the state budget director, and the senate and
11 house fiscal agencies by November 1, 2001.

final page