

HOUSE BILL No. 5817

EXECUTIVE BUDGET BILL

February 26, 2008, Introduced by Rep. Sak and referred to the Committee on Appropriations.

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2009; 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, 2009, from the funds indicated

1 in this part. The following is a summary of the appropriations in
 2 this part:

3 **COMMUNITY COLLEGES**

4 APPROPRIATION SUMMARY:

5	GROSS APPROPRIATION.....	\$	302,228,800
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and intradepartmental		
8	transfers		0
9	ADJUSTED GROSS APPROPRIATION.....	\$	302,228,800
10	Total federal revenues.....		0
11	Total local revenues.....		0
12	Total private revenues.....		0
13	Total other state restricted revenues.....		0
14	State general fund/general purpose.....	\$	302,228,800
15	Sec. 102. OPERATIONS		
16	Alpena Community College.....	\$	5,171,900
17	Bay de Noc Community College.....		5,225,400
18	Delta College.....		13,898,200
19	Glen Oaks Community College.....		2,327,600
20	Gogebic Community College.....		4,308,900
21	Grand Rapids Community College.....		17,390,300
22	Henry Ford Community College.....		21,086,400
23	Jackson Community College.....		11,644,000
24	Kalamazoo Valley Community College.....		12,011,300
25	Kellogg Community College.....		9,402,800
26	Kirtland Community College.....		2,873,700
27	Lake Michigan College.....		5,058,200

1	Lansing Community College.....	30,051,900
2	Macomb Community College.....	32,081,400
3	Mid Michigan Community College.....	4,332,800
4	Monroe County Community College.....	4,187,100
5	Montcalm Community College.....	3,012,600
6	C.S. Mott Community College.....	15,159,600
7	Muskegon Community College.....	8,593,400
8	North Central Michigan College.....	2,921,400
9	Northwestern Michigan College.....	8,757,200
10	Oakland Community College.....	20,351,400
11	St. Clair County Community College.....	6,794,500
12	Schoolcraft College.....	11,892,400
13	Southwestern Michigan College.....	6,328,500
14	Washtenaw Community College.....	12,302,700
15	Wayne County Community College.....	16,041,400
16	West Shore Community College.....	<u>2,219,100</u>
17	GROSS APPROPRIATION.....	\$ 295,426,100
18	Appropriated from:	
19	State general fund/general purpose.....	\$ 295,426,100
20	Sec. 103. GRANTS	
21	At-risk student success program.....	\$ 3,322,700
22	Renaissance zone tax reimbursement funding.....	<u>3,480,000</u>
23	GROSS APPROPRIATION.....	\$ 6,802,700
24	Appropriated from:	
25	State general fund/general purpose.....	\$ 6,802,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2008-2009 is \$302,228,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$302,228,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations.....	\$	295,426,100
At-risk student success program.....		3,322,700
Renaissance zone tax reimbursement program.....		<u>3,480,000</u>
TOTAL.....	\$	302,228,800

Sec. 202. The appropriations authorized under this bill are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of labor and economic growth shall use the Internet to fulfill the reporting requirements of this bill. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or

1 services, or both, are available. Preference should be given to
2 goods or services, or both, manufactured or provided by Michigan
3 businesses, if they are competitively priced and of comparable
4 quality. In addition, preference should be given to goods or
5 services, or both, that are manufactured or provided by Michigan
6 businesses owned and operated by veterans, if they are
7 competitively priced and of comparable quality.

8 Sec. 210. The principal executive officer of each community
9 college receiving appropriations in part 1 shall take all
10 reasonable steps to ensure businesses in deprived and depressed
11 communities compete for and perform contracts to provide services
12 or supplies, or both. Each principal executive officer shall
13 strongly encourage firms with which the community college contracts
14 to subcontract with certified businesses in depressed and deprived
15 communities for services or supplies, or both.

16 Sec. 211. (1) The money appropriated in this bill is
17 appropriated for community colleges with fiscal years ending June
18 30, 2009, and shall be paid out of the state treasury and
19 distributed by the state treasurer to the respective community
20 colleges in 11 monthly installments on the sixteenth of each month,
21 or the next succeeding business day, beginning with October 16,
22 2008. Each community college shall accrue its July and August 2009
23 payments to its institutional fiscal year ending June 30, 2009.
24 However, if a community college fails to submit all verified
25 Michigan community colleges activities classification structure
26 data for school year 2007-2008 to the department of labor and
27 economic growth by November 1, 2008, the monthly installments shall

1 be withheld from that community college until those data are
2 submitted.

3 (2) Except as otherwise provided by law, each of the amounts
4 appropriated shall be used solely for the respective purposes
5 stated in this bill. The money appropriated in this bill may be
6 used to match the cost of any available programs under the Carl D.
7 Perkins career and technical education improvement act of 2006,
8 public law 109-2701.

9 Sec. 216. (1) A community college shall pay the employer's
10 contributions to the Michigan public school employees' retirement
11 system created by the public school employees retirement act of
12 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of
13 receiving money appropriated under this bill.

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

17 Sec. 217. Money appropriated in part 1 shall not be used to
18 pay for the construction or maintenance of a self-liquidating
19 project.

20 Sec. 224. Recognizing the critical importance of education in
21 strengthening Michigan's workforce, the state's public community
22 colleges are encouraged to explore ways of increasing collaboration
23 and cooperation with 4-year universities, particularly in the areas
24 related to training, instruction, and program articulation.

25 Sec. 234. Community colleges shall do the following:

26 (a) Undertake active measures to promote equal opportunities,
27 eliminate discrimination, and foster a diverse student body and

1 administration among all people including, but not limited to,
2 women, minorities, seniors, veterans, and people with disabilities.

3 (b) Review, analyze, and eradicate activities that may tend to
4 discriminate.

5 Sec. 241. Community colleges are encouraged to expand their
6 current nursing education programs and increase nursing education
7 program enrollments. This expansion may include, but is not limited
8 to, creating partnerships with hospitals and other health care
9 providers, expanding the focus and utilization of the nursing
10 scholarship program, and redirecting existing institutional
11 resources toward nursing education programs.

12 STATE AID - OPERATIONS

13 Sec. 301. Unless otherwise stated, all data items used in
14 determining state aid in this bill are as defined in the 2001
15 Manual for Uniform Financial Reporting, Michigan Public Community
16 Colleges, which shall be the basis for reporting data, and the
17 Activities Classification Structure Manual for Michigan Community
18 Colleges, as amended, which shall be used to document financial
19 needs of the community colleges.

20 Sec. 302. A community college shall not include in the
21 enrollment data reported for determining state aid under this bill
22 any student credit hours or student contact hours for a student
23 incarcerated in a Michigan penal institution. Exclusion of these
24 students is intended to avoid the payment of state aid under this
25 bill for the same individuals for whom reimbursement is provided by
26 the state correctional system.

1 Sec. 304. (1) The appropriations in part 1 for community
2 college operations include an aggregate three percent increase
3 distributed pursuant to the funding formula developed by the
4 performance indicators task force formed pursuant to section 242 of
5 2005 PA 154.

6 (2) The recommendations and performance measures developed by
7 the performance indicators task force pursuant to section 242 of
8 2005 PA 154 shall be reviewed and more fully implemented for
9 distribution of state funding to community colleges in future
10 years.

11 GRANTS

12 Sec. 401. (1) The community college at-risk student success
13 program is continued. The funding shall be prorated among community
14 colleges based on the number of student contact hours for
15 developmental and preparatory instruction reported by each
16 community college to the department of labor and economic growth
17 pursuant to the Activities Classification Structure Manual for
18 Michigan Community Colleges, as amended. Of the amount appropriated
19 in part 1 for the at-risk student success program, \$1,120,000.00 is
20 allocated for base grants of \$40,000.00 each, to address the
21 special needs of at-risk students at community colleges.

22 (2) Of the amount appropriated in part 1 for the at-risk
23 student success program, the balance of the appropriated money
24 shall be distributed on a proration utilizing the sum of the most
25 recent 3 years developmental/preparatory contact hours divided by
26 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 the percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 2009, the at-risk student success program money is allocated as follows:

Alpena Community College.....	\$	80,200
Bay de Noc Community College.....		62,800
Delta College.....		104,500
Glen Oaks Community College.....		112,500
Gogebic Community College.....		58,600
Grand Rapids Community College.....		132,300
Henry Ford Community College.....		161,900
Jackson Community College.....		120,900
Kalamazoo Valley Community College.....		92,000
Kellogg Community College.....		163,600
Kirtland Community College.....		125,400
Lake Michigan College.....		157,200
Lansing Community College.....		153,500
Macomb Community College.....		84,400
Mid Michigan Community College.....		141,400
Monroe County Community College.....		105,400
Montcalm Community College.....		75,000
C.S. Mott Community College.....		106,300
Muskegon Community College.....		78,700
North Central Michigan College.....		111,100
Northwestern Michigan College.....		122,400
Oakland Community College.....		148,900

1	St. Clair Community College.....	124,800
2	Schoolcraft College.....	127,300
3	Southwestern Michigan College.....	150,700
4	Washtenaw Community College.....	140,300
5	Wayne County Community College.....	132,600
6	West Shore Community College.....	148,000

7 (4) As used in this bill, "at-risk students" means students
8 who meet 1 or more of the following criteria:

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

12 (b) Are diagnosed as learning disabled.

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

14 (5) Grant funding under this section shall be utilized to
15 address the special needs of at-risk students. Activities related
16 to services provided to at-risk students include, but are not
17 limited to, pretesting for academic ability, counseling contacts,
18 and special programs. Equipment or information technology hardware
19 or software purchased under this section must be associated with
20 the operation of a program designed to address the needs of at-risk
21 students.

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

25 (7) Each community college shall report to the department of
26 labor and economic growth a summary of all accomplishments under,
27 expenditures for, and compliance with the intent of this program,

1 including the number of at-risk students served. The report is
2 subject to audit as provided for in section 502(1). The report
3 shall be submitted not later than 90 days after the end of the
4 state's fiscal year.

5 Sec. 404. The appropriation in part 1 for renaissance zone
6 reimbursements shall be made to each eligible recipient no later
7 than 60 days after the department of treasury certifies to the
8 state budget director that it has received all necessary
9 information to properly determine the amounts due each eligible
10 recipient under section 12 of the Michigan renaissance zone act,
11 1996 PA 376, MCL 125.2692.

12 Sec. 405. Community college nursing programs are part of a
13 comprehensive solution to Michigan's nursing shortage. Community
14 college students are eligible to apply for financial assistance
15 through the Michigan nursing scholarship program administered by
16 the department of treasury. The Michigan nursing corps grants
17 administered by the department of labor and economic growth provide
18 funding to address the shortage of qualified nursing faculty.
19 Community colleges are encouraged to coordinate with the chief
20 nurse executive in the department of community health, and with 4-
21 year universities, to improve access to nursing programs and to
22 assist students to successfully enter the nursing workforce.

23 REPORTS AND AUDITS

24 Sec. 501. The department of labor and economic growth shall
25 publish the activities classification structure data book for
26 Michigan community colleges on or before March 1, 2009.

1 Sec. 502. (1) The auditor general or a certified public
2 accountant appointed by the auditor general may conduct performance
3 audits of community colleges as the auditor general considers
4 necessary.

5 (2) Not more than 60 days after an audit report is released by
6 the office of the auditor general, the principal executive officer
7 of the community college that was audited shall submit to the house
8 and senate appropriations committees, the house and senate fiscal
9 agencies, the department of labor and economic growth, the auditor
10 general, and the state budget director a plan to comply with audit
11 recommendations. The plan shall contain projected dates and
12 resources required, if any, to achieve compliance with the audit
13 recommendations, or a documented explanation of the college's
14 noncompliance with the audit recommendations concerning the matters
15 on which the audited community college and office of the auditor
16 general disagree.

17 Sec. 504. (1) A community college shall retain certified class
18 summaries, class lists, registration documents, and student
19 transcripts that are consistent with the taxonomy of courses. For
20 each enrollment period during the fiscal year, these certified
21 documents shall identify clearly by course the number of in-
22 district and out-of-district student credit and contact hours. The
23 class summaries and class lists shall be consistent with each other
24 and shall include the course prefix and numbers, course title,
25 course credit and contact hours, credit and contact hours generated
26 by each student, and activity classifications consistent with the
27 taxonomy. An auditable process shall be used by the community

1 college to determine the unduplicated head count for in-district
2 students, out-of-district students, and prisoners for each
3 enrollment period during the fiscal year.

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

7 Sec. 505. Each community college shall have an annual audit of
8 all income and expenditures performed by an independent auditor and
9 shall furnish the independent auditor's management letter and an
10 annual audited accounting of all general and current funds income
11 and expenditures including audits of college foundations to the
12 members of the senate and house appropriations subcommittees on
13 community colleges, the senate and house fiscal agencies, the
14 auditor general, the department of labor and economic growth, and
15 the state budget director before November 15, 2008. If a community
16 college fails to furnish the audit materials, the monthly state aid
17 installments shall be withheld from that college until the
18 information is submitted. All reporting shall conform to the
19 requirements set forth in the 2001 Manual for Uniform Financial
20 Reporting, Michigan Public Community Colleges.

21 Sec. 506. (1) Each community college shall report the
22 following to the department of labor and economic growth no later
23 than November 1, 2008:

24 (a) The number of North American Indian students enrolled each
25 term for the previous fiscal year, using guidelines and procedures
26 developed by the department of labor and economic growth and the
27 Michigan commission on Indian affairs.

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

3 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL
4 390.1251 to 390.1253, to determine eligibility for tuition waivers,
5 and shall grant those waivers to individuals who meet the criteria
6 and request tuition waivers.

7 (3) The department of labor and economic growth shall compile
8 the information received under subsection (1) and shall submit this
9 compilation to the house and senate appropriations subcommittees on
10 community colleges, the senate and house fiscal agencies, and the
11 state budget director by January 7, 2009.

12 Sec. 507. Upon request, a community college shall inform
13 interested Michigan high schools of the aggregate academic status
14 of its students for the prior academic year, in a manner prescribed
15 by the Michigan community college association and in cooperation
16 with the Michigan association of secondary school principals.

17 Sec. 508. (1) Each community college shall report to the house
18 and senate fiscal agencies, the state budget director, and the
19 department of labor and economic growth by August 31, 2008, the
20 tuition and mandatory fees paid by a full-time in-district student
21 and a full-time out-of-district student as established by the
22 college governing board for the 2008-2009 academic year. This
23 report should also include the annual cost of attendance based on a
24 full-time course load of 30 credits. Each community college shall
25 also report any revisions to the reported 2008-2009 academic year
26 tuition and mandatory fees adopted by the college governing board
27 to the house and senate fiscal agencies, the state budget director,

1 and the department of labor and economic growth within 15 days of
2 being adopted.

3 (2) The department of labor and economic growth shall prepare
4 and provide to community colleges a standard format for reporting
5 tuition and fees pursuant to subsection (1).

6 Sec. 509. (1) Each community college shall report to the
7 department of labor and economic growth the numbers and type of
8 associate degrees and other certificates awarded during the
9 previous fiscal year. The report shall be made not later than
10 November 15, 2008.

11 (2) The department of labor and economic growth shall compile
12 the information received under subsection (1) and shall submit this
13 compilation to the house and senate appropriations subcommittees on
14 community colleges, the senate and house fiscal agencies, and the
15 state budget director by January 7, 2009.

16 Sec. 510. A community college receiving funding under this
17 bill and also subject to the student right-to-know and campus
18 security act, Public Law 101-542, 104 Stat. 2381, shall make a copy
19 of all material prepared in accordance with the public information
20 reporting requirements under the crime awareness and campus
21 security act of 1990, title II of the student right-to-know and
22 campus security act, Public Law 101-542, 104 Stat. 2384, available
23 in hard copy and electronic format accessible through the Internet
24 for school districts, parents, and students.