

HOUSE BILL No. 4574

EXECUTIVE BUDGET BILL

March 18, 1991, Introduced by Reps. Ostling, Oxender, Johnson and Knight and referred to the Committee on Appropriations.

A bill to make appropriations for community and junior colleges for the fiscal year ending September 30, 1992; 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,

02622'91

KKR

1992, the following respective amounts:

COMMUNITY COLLEGES

APPROPRIATIONS SUMMARY:

GROSS APPROPRIATION.....\$ 242,016,000

State general fund/general purpose.....\$ 242,016,000

COMMUNITY COLLEGES

Alpena Community College.....\$ 3,560,200

Bay de Noc Community College..... 3,060,300

C.S. Mott Community College..... 11,312,400

Delta College..... 10,681,900

Glen Oaks Community College..... 1,493,400

Gogebic Community College..... 3,144,500

Grand Rapids Junior College..... 14,630,800

Henry Ford Community College..... 15,927,600

Highland Park College.....\$ 5,448,100

Jackson Community College..... 9,555,100

Kalamazoo Valley Community College..... 7,196,600

Kellogg Community College..... 6,347,700

Kirtland Community College..... 2,312,900

Lake Michigan College..... 3,522,200

Lansing Community College..... 23,406,800

Macomb Community College..... 25,059,400

Mid Michigan Community College..... 2,739,400

Monroe County Community College..... 2,673,800

Montcalm Community College..... 2,374,900

Muskegon Community College..... 6,528,600

1	North Central Michigan College.....	2,089,400
2	Northwestern Michigan College.....	6,255,200
3	Oakland Community College.....	17,063,800
4	St. Clair Community College.....	5,224,700
5	Schoolcraft College.....	8,471,200
6	Southwestern Michigan College.....	3,850,000
7	Washtenaw Community College.....	8,167,400
8	Wayne County Community College.....	13,849,700
9	Wayne County Community College tax credit.....	8,259,500
10	West Shore Community College.....	1,568,500
11	Job Training and Retraining Investment Fund.....	3,120,000
12	At risk student success program.....	3,120,000
13	GROSS APPROPRIATION.....	\$ 242,016,000
14	Appropriated from:	
15	State general fund/general purpose.....	\$ 242,016,000

16 GENERAL SECTIONS

17 Sec. 201. In accordance with the provisions of section 30 of
 18 article IX of the state constitution of 1963, total state spending
 19 in this appropriation act is \$242,016,000.00, and state appropriations
 20 to be paid to local units of government in section 101 total
 21 \$242,016,000.00.

22 Sec. 202. (1) The sums appropriated in this act shall be paid
 23 out of the state treasury and shall be distributed by the state
 24 treasurer to the respective institutions and departments in 12 monthly
 25 installments upon certification by the state budget director that
 26 this act is being fully complied with. However, in case of the failure

1 of an institution to submit all verified Michigan community college
2 activity classification structure data for school year 1990-91 to
3 the department of education by November 1, 1991, the monthly
4 installments shall be withheld until these data are submitted.

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

13 Sec. 203. (1) The auditor general or a certified public accountant
14 appointed by the auditor general shall audit data for the fiscal year
15 ending on June 30, 1991 as submitted on the department of education
16 request forms of 7 randomly selected community and junior colleges.
17 A community or junior college shall maintain and provide those records
18 necessary for the auditor general or certified public accountant to
19 determine the accuracy of the reported data. The audits shall be based
20 upon the definitions and requirements contained in the Michigan Public
21 Community Colleges Manual for Uniform Financial Reporting, 1981, as
22 revised, and the Michigan Community Colleges Activities Classification
23 Structure, 1981, as revised. Before the submission of a final audit
24 report, an appeals process shall be established by which an institution
25 may appeal the findings of the preliminary report, and by which the
26 auditor general shall consult legislative and executive authorities

1 concerning an interpretation of the manual if necessary. The auditor
2 general shall submit a report of the findings to the senate and house
3 appropriations committees, the department of education, and the
4 department of management and budget before April 1, 1992.

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

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

22 (4) It is the intent of the legislature to adjust state aid in
23 the fiscal year ending September 30, 1992 for any community or junior
24 college whose audited activities classification structure data is
25 significantly different than the data used to determine state aid
26 under this act.

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

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

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

21 Sec. 206. Each community or junior college shall furnish an
22 annual audited accounting of all income and expenditures to the
23 legislature, the senate and house fiscal agencies, office of the
24 auditor general, the department of education, and the department of
25 management and budget before December 1, 1991. All reporting shall
26 conform to the requirements set forth in the Michigan Public Community

1 Colleges Manual for Uniform Financial Reporting, 1981, as revised.

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

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

13 (3) A community or junior college shall not accept an
14 appropriation under this act unless it pays the employer's
15 contributions to the Michigan public school employees' retirement
16 system. The executive office shall include any state supported
17 contributions to the Michigan public school employees' retirement
18 system by community and junior colleges in the executive budget
19 recommendation for each community and junior college. For the fiscal
20 year ending June 30, 1992, the Michigan public school employees'
21 retirement system contribution shall be 6.58% of salaries for
22 retirement, plus 5.0% for the share formerly paid by employees. For
23 the fiscal year beginning October 1, 1992, the contribution percent
24 of salaries for retirement will be revised to reflect the actual cost
25 of the benefits.

26 (4) None of the appropriations contained in this act shall be

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

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

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

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

22 Sec. 209. (1) The appropriations in this act are subject to
23 Section 391 of the management and budget act, Act No. 431 of the Public
24 Acts of 1984, being section 18.1391 of the Michigan Compiled Laws.

25 Sec. 210. A community or junior college shall develop a plan
26 to increase the number of minority students in meeting the continuing

1 educational needs of all Michigan citizens. The department of education
2 shall coordinate efforts to provide an annual report identifying the
3 number of minority students recruited and retained by racial and ethnic
4 category. The department of education shall not require community
5 and junior colleges to submit data by racial and ethnic category that
6 is duplicative of data currently submitted.

7 Sec. 211. Each community or junior college shall report to the
8 department of education, department of management and budget, the
9 house and senate appropriations committees, and the house and senate
10 fiscal agencies the numbers and type of associate degrees and other
11 certificates awarded for the previous fiscal year. The report shall
12 be made not later than October 15, 1991.

13 Sec. 212. Each community and junior college shall submit the
14 following statistical data and reports relating to each community
15 and junior college to the Michigan civil rights commission, the
16 department of education, the department of management and budget and
17 the house and senate appropriations subcommittees on community and
18 junior colleges in a format established by the Michigan department
19 of civil rights and the community and junior colleges that incorporates
20 the requirements of state and federal law, and that includes all of
21 the following:

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

25 (b) A statistical report for minorities and women employees for
26 the 1990-91 school year as submitted to the federal government on

1 the EEO-6 form.

2 (c) A statistical report for the 1990-91 school year that includes
3 enrollment statistics for minorities and women as submitted to the
4 Michigan department of education.

5 Sec. 213. Any public college or university eligible to receive
6 funds under any section of this act shall have its total funding
7 reduced 10% unless it has certified to the department of management
8 and budget by August 15, 1991 that its health and related benefit
9 insurance contracts entered into, or renewed on or after July 1, 1991
10 were, or will be, let under competitive bidding procedures.

11 STATE AID - OPERATIONS

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

17 Sec. 302. The Michigan Community Colleges Activities
18 Classification Structure, 1981, as revised, shall be used to document
19 financial needs of the community and junior colleges. The Michigan
20 Public Community Colleges Manual for Uniform Financial Reporting,
21 1981, as revised, shall be the basis for reporting.

22 Sec. 303. A community or junior college shall not include in
23 the enrollment report any student credit hours or student contact
24 hours for students taking college courses to complete high school
25 graduation requirements. Exclusion of these students is intended to
26 avoid the payment of state aid under this act for the same individuals

1 already reimbursed under the state school aid act of 1979, Act No.
2 94 of the Public Acts of 1979, being sections 388.1601 to 388.1772
3 of the Michigan Compiled Laws, for completion of high school
4 requirements.

5 Sec. 304. It is legislative and executive intent to utilize a
6 formula approach in determining the state aid recommendations for
7 each community and junior college for the state fiscal year ending
8 September 30, 1992.

9 Sec. 305. (1) In the determination of state aid appropriations
10 contained in section 101, no outputs collected under the Michigan
11 community colleges activities classification structure reporting system
12 generated by students incarcerated in Michigan penal institutions
13 were recognized.

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

18 (3) In recognition of the 2-year formula funding lag in community
19 college appropriations, it is the intent of the legislature that total
20 community college appropriations not be reduced because of the
21 nonparticipation of any or all community colleges in a prisoner
22 education program for the fiscal year ending September 30, 1991.

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

26 GRANTS

1 Sec. 401. (1) The community and junior college job training and
2 retraining investment fund is continued. The department of management
3 and budget shall make grants to the community and junior colleges
4 for specific projects aimed at economic development and job training
5 or retraining.

6 (2) Of the amount appropriated in section 101 for the job training
7 and retraining investment fund, \$1,740,000.00 is provided for minimum
8 grants of \$60,000.00 for each community college.

9 (3) Of the amount appropriated in section 101 for the job training
10 and retraining investment fund, \$1,380,000.00 will be distributed
11 to the colleges. This amount shall be distributed by means of a
12 formula equally weighted upon the number of student contact hours
13 in the areas of business, trade, and health, as reported by the
14 colleges in the Michigan community colleges activities classification
15 structure, 1981, as revised, and the most recent published unemployment
16 rate for the colleges' districts as reported by the Michigan employment
17 security commission, as nearly as those districts may be determined
18 by the house and senate fiscal agencies. The house and senate fiscal
19 agencies shall prepare, certify, and submit the formula to the
20 department of management and budget by October 31, 1991.

21 (4) Grant dollars distributed through the above formula shall
22 not supplant existing financial support for a project and shall not
23 be transferred to other parts of a college's operation.

24 (5) Each college receiving grant dollars under this section shall
25 certify to the state treasurer, the department of management and
26 budget, the house and senate fiscal agencies, and the auditor general

1 that all the grant dollars are expended or encumbered within 12 months
2 of receipt. Those funds not expended or encumbered will lapse to
3 the state's general fund.

4 (6) Each of the state's public community and junior colleges,
5 shall submit a report within 60 days after the end of the fiscal year
6 ending September 30, 1992, to the chairs of the appropriations
7 committees of the senate and house of representatives, and to the
8 department of education and the department of management and budget
9 of each grant released under the community and junior college job
10 training and retraining investment fund, and the accomplishments of
11 the projects, including the number of students or businesses served,
12 or both, the job skills acquired, and whether each student served
13 was placed in new employment or was able to retain existing employment
14 utilizing the job skills acquired. The colleges shall maintain
15 documentation substantiating accomplishments. The documentation is
16 subject to review by the state auditor general.

17 Sec. 402. Any community and junior college that has not reported
18 project completion and total expenditure of oil overcharge revenues
19 shall submit an annual report by October 1, 1991, in a manner
20 prescribed by the department of management and budget, describing
21 each energy conservation project financed in whole or in part by oil
22 overcharge revenues appropriated in fiscal year 1987 and fiscal year
23 1988. The report shall include a description of each energy
24 conservation project and the actual expenditures and energy savings
25 estimates. The information contained in the report shall be utilized
26 to meet the annual reporting requirements to the United States district

1 court and the United States secretary of energy regarding state use
2 of oil overcharge refunds. The department of management and budget
3 shall submit copies of the annual report to the senate and house
4 appropriations committees and the senate and house fiscal agencies.

5 Sec. 403. (1) A special grant of \$8,259,500.00, shall be made
6 to Wayne county community college.

7 (2) It is the intent of the senate and house appropriations
8 subcommittees on community and junior colleges and the Department
9 of Management and Budget to systematically reduce the Wayne county
10 community college tax credit in section 101 of this appropriation
11 act and subsequent appropriation acts. The reduction of the Wayne
12 county community college tax credit will commence in fiscal year
13 1991-92 and continue to fiscal year 1996-97 when the amount of the
14 tax credit will equal zero. The phasing out of the tax credit will
15 be implemented at 20 percent of the original grant each year.

16 Sec. 404. (1) The community and junior college at-risk student
17 success program is continued. The funding shall be prorated among
18 community and junior colleges based on the number of student contact
19 hours for developmental and preparatory instruction reported by each
20 college to the department of education for use in the Michigan
21 Community Colleges Activities Classification Structure, 1981, as
22 revised. Of the funds appropriated, \$1,160,000.00 shall be allocated
23 for base grants of \$40,000.00 each, to address the special needs of
24 "at-risk" students at community and junior colleges. The balance of
25 the appropriated funds, \$1,960,000.00, shall be allocated based on
26 a proration. The proration shall be calculated by determining the

1 number of student contact hours generated at each institution for
2 developmental and preparatory courses, as defined by the Michigan
3 Community Colleges Activities Classification Structure, 1981, as
4 revised, as a percentage of the total student contact hours, minus
5 prisoner student contact hours, at each institution. For each
6 institution, this percentage shall be divided by the sum of all such
7 percentages systemwide to obtain the institution's prorated share.

8 (2) For the purposes of this section, "at-risk students" means
9 students who meet 1 or more of the following criteria:

10 (a) Initial placement in 1 or more developmental courses as a
11 result of standardized testing or as a result of failure to make
12 satisfactory academic progress.

13 (b) Diagnosed as learning disabled.

14 (c) Requiring English as a second language (ESL) assistance.

15 (3) Funding under this section shall be used only for activities
16 related to services provided to at-risk students. This includes, but
17 is not limited to, pretesting for academic ability, counseling
18 contacts, and special programs.

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

21 (a) Tuition.

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

24 (5) Each college shall report to the house and senate
25 appropriations subcommittees on community and junior colleges, the
26 house and senate fiscal agencies, and the director of the department

1 of management and budget a summary of all accomplishments under,
2 expenditures for, and compliance with the intent of this program,
3 including the number of students served under the criteria in
4 subsection (2). The report is subject to audit by the auditor general
5 as provided for in section 203(1). The report shall be submitted not
6 later than 90 days after the end of the state's fiscal year.