

# HOUSE BILL No. 5525

## EXECUTIVE BUDGET BILL

February 18, 1992, Introduced by Reps. Ostling, Knight, Gilmer, Bender and Sparks and referred to the Committee on Appropriations.

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 1993; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, and officers.

### THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 101. There is appropriated for the state institutions of  
2 higher education and certain state purposes related to education, and  
3 subject to the conditions set forth in this act, for the fiscal year  
4 ending September 30, 1993, the following respective amounts:

5 HIGHER EDUCATION

6 APPROPRIATIONS SUMMARY:

1	GROSS APPROPRIATION.....	\$ 1,307,824,636
2	ADJUSTED GROSS APPROPRIATION.....	\$ 1,307,824,636
3	Federal revenues:	
4	Higher education act of 1965, title IV, 20 U.S.C.	
5	1070 to 1098.....	2,969,700
6	Higher education act of 1965, title V, part E.....	750,000
7	Higher education act of 1965, title IV, part A.....	500,000
8	State general fund/general purpose.....	\$1,303,604,936
9	CENTRAL MICHIGAN UNIVERSITY	
10	Operations.....	\$ 59,030,838
11	Martin Luther King, Jr.-Cesar Chavez-Rosa	
12	Parks college day.....	85,765
13	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
14	fellowships.....	114,389
15	GROSS APPROPRIATION.....	\$ 59,230,992
16	Appropriated from:	
17	State general fund/general purpose.....	\$ 59,230,992
18	EASTERN MICHIGAN UNIVERSITY	
19	Operations.....	\$ 64,509,304
20	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
21	college day.....	101,930
22	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
23	fellowships.....	114,080
24	GROSS APPROPRIATION.....	\$ 64,725,314
25	Appropriated from:	
26	State general fund/general purpose.....	\$ 64,725,314
27	FERRIS STATE UNIVERSITY	
28	Operations.....	\$ 41,569,204

1	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
2	college day.....	53,024
3	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
4	scholarships.....	34,389
5	GROSS APPROPRIATION.....\$	41,656,617
6	Appropriated from:	
7	State general fund/general purpose.....\$	41,656,617
8	GRAND VALLEY STATE UNIVERSITY	
9	Operations.....\$	28,722,226
10	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
11	college day.....	36,139
12	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
13	scholarships.....	34,389
14	GROSS APPROPRIATION.....\$	28,792,754
15	Appropriated from:	
16	State general fund/general purpose.....\$	28,792,754
17	LAKE SUPERIOR STATE UNIVERSITY	
18	Operations.....\$	10,638,151
19	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
20	college day.....	13,590
21	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
22	scholarships.....	34,389
23	GROSS APPROPRIATION.....\$	10,686,130
24	Appropriated from:	
25	State general fund/general purpose.....\$	10,686,130
26	MICHIGAN STATE UNIVERSITY	
27	Operations.....\$	231,505,077
28	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	

1	college day.....	211,480
2	Martin Luther King,Jr.-Cesar Chavez-Rosa Parks	
3	fellowships.....	114,492
4	GROSS APPROPRIATION.....\$	231,831,049
5	Appropriated from:	
6	State general fund/general purpose.....\$	231,831,049
7	MICHIGAN TECHNOLOGICAL UNIVERSITY	
8	Operations.....\$	40,766,678
9	Martin Luther King,Jr.-Cesar Chavez-Rosa Parks	
10	college day.....	34,903
11	Martin Luther King,Jr.-Cesar Chavez-Rosa Parks	
12	fellowships.....	114,492
13	GROSS APPROPRIATION.....\$	40,916,073
14	Appropriated from:	
15	State general fund/general purpose.....\$	40,916,073
16	NORTHERN MICHIGAN UNIVERSITY	
17	Operations.....\$	39,598,175
18	Martin Luther King,Jr.-Cesar Chavez-Rosa Parks	
19	college day.....	9,022
20	Martin Luther King,Jr.-Cesar Chavez-Rosa Parks	
21	scholarships.....	34,389
22	GROSS APPROPRIATION.....\$	39,671,586
23	Appropriated from:	
24	State general fund/general purpose.....\$	39,671,586
25	OAKLAND UNIVERSITY	
26	Operations.....\$	36,142,708
27	Martin Luther King,Jr.-Cesar Chavez-Rosa Parks	
28	college day.....	60,334

1	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
2	fellowships.....	114,492
3	GROSS APPROPRIATION.....\$	36,317,534
4	Appropriated from:	
5	State general fund/general purpose.....\$	36,317,534
6	SAGINAW VALLEY STATE UNIVERSITY	
7	Operations.....\$	16,883,640
8	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
9	college day.....	24,504
10	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
11	scholarships.....	34,389
12	GROSS APPROPRIATION.....\$	16,942,533
13	Appropriated from:	
14	State general fund/general purpose.....\$	16,942,533
15	UNIVERSITY OF MICHIGAN-ANN ARBOR	
16	Operations.....\$	273,475,523
17	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college	
18	day.....\$	173,076
19	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
20	fellowships.....	114,492
21	GROSS APPROPRIATION.....\$	273,763,091
22	Appropriated from:	
23	State general fund/general purpose.....\$	273,763,091
24	UNIVERSITY OF MICHIGAN-DEARBORN	
25	Operations.....\$	18,411,891
26	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
27	college day.....	31,814
28	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	

1	scholarships.....	34,389
2	GROSS APPROPRIATION.....\$	18,478,094
3	Appropriated from:	
4	State general fund/general purpose.....\$	18,478,094
5	UNIVERSITY OF MICHIGAN-FLINT	
6	Operations.....\$	16,502,634
7	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
8	college day.....	28,108
9	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
10	scholarships.....	34,389
11	GROSS APPROPRIATION.....\$	16,565,131
12	Appropriated from:	
13	State general fund/general purpose.....\$	16,565,131
14	WAYNE STATE UNIVERSITY	
15	Operations.....\$	189,094,926
16	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
17	college day.....	145,894
18	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
19	fellowships.....	114,492
20	GROSS APPROPRIATION.....\$	189,355,312
21	Appropriated from:	
22	State general fund/general purpose.....\$	189,355,312
23	WESTERN MICHIGAN UNIVERSITY	
24	Operations.....\$	86,085,229
25	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
26	college day.....	101,827
27	Martin Luther King, Jr.-Cesar Chavez-Rosa Parks	
28	fellowships.....	114,492

1	GROSS APPROPRIATION.....	\$ 86,301,548
2	Appropriated from:	
3	State general fund/general purpose.....	\$ 86,301,548
4	STATE AND REGIONAL PROGRAMS	
5	Upper peninsula health education program.....	\$ 673,558
6	Agricultural experiment station.....	\$ 23,480,580
7	Cooperative extension service.....	20,740,254
8	Michigan molecular institute.....	442,394
9	GROSS APPROPRIATION.....	\$ 45,336,786
10	Appropriated from:	
11	State general fund/general purpose.....	\$ 45,336,786
12	MARTIN LUTHER KING, JR.-CESAR CHAVEZ-ROSA PARKS PROGRAM	
13	Select student supportive services.....	\$ 1,673,100
14	Michigan college/university partnership program.....	501,930
15	GROSS APPROPRIATION.....	\$ 2,175,030
16	Appropriated from:	
17	State general fund/general purpose.....	\$ 2,175,030
18	GRANTS AND FINANCIAL AID	
19	State competitive scholarships.....	\$ 28,012,351
20	Tuition grants.....	50,467,266
21	Michigan work study program.....	6,231,870
22	Part-time independent student program.....	2,256,946
23	Grant for Michigan resident dental graduates.....	3,927,874
24	Grant for general degree graduates.....	4,513,483
25	Grant for allied health graduates.....	726,963
26	Grant for Indian tuition waivers.....	2,265,681
27	Michigan education opportunity grants.....	1,126,628
28	Paul Douglas teacher scholarship program.....	750,000

1	Robert C. Byrd honors scholarship program.....	\$ 500,000
2	Tuition incentive program/high school completion.....	4,300,000
3	GROSS APPROPRIATION.....	\$ 105,079,062
4	Appropriated from:	
5	Federal revenues:	
6	Higher education act of 1965, title IV, 20 U.S.C.	
7	1070 to 1098.....	2,969,700
8	Higher education act of 1965, title V, part E.....	750,000
9	Higher education act of 1965, title IV, part A.....	500,000
10	State general fund/general purpose.....	\$ 100,859,362

## 11 GENERAL SECTIONS

12       Sec. 201. Of the funds appropriated in section 101 for campus  
 13 based and other financial aid programs, it is determined that the portion  
 14 of the funds utilized by community colleges are local spending pursuant  
 15 to section 30 of article IX of the state constitution of 1963. Analysis  
 16 of FY91 expenditures indicates that \$7,190,000 of the financial aid funds  
 17 will be distributed to community college students by the college  
 18 financial aid offices in accordance with statute for each program. The  
 19 distribution is as follows:

20	Grants and Financial Aid	
21	Indian Tuition Waiver	\$ 640,000
22	Tuition Incentive Program (TIP)	\$2,960,000
23	Part-time Independent Student Program	\$1,300,000
24	Michigan Education Opportunity Grant	\$ 500,000
25	Michigan Work Study	\$1,790,000

26       Sec. 202. The appropriations made and the expenditures authorized  
 27 under this act and the institutions, departments, agencies, commissions,  
 28 boards, offices, and programs for which an appropriation is made under



1 this act are subject to the management and budget act, Act No. 431 of the  
2 Public Acts of 1984, being section 18.1101 to 18,1594 of the Michigan  
3 Compiled Laws.

4       Sec. 203. (1) For institutions with fiscal years ending June 30,  
5 1993, the sums appropriated in this act are appropriated for their fiscal  
6 years ending June 30, 1993 and shall be paid out of the state treasury  
7 and distributed by the state treasurer to the respective institutions in  
8 9 monthly installments for the period October 1, 1992 to June 30, 1993.  
9 For an institution with a fiscal year ending September 30, 1993, the sums  
10 appropriated in this act are appropriated for their fiscal year ending  
11 September 30, 1993 and shall be paid out of the state treasury and  
12 distributed by the state treasurer in 12 monthly installments for the  
13 period October 1, 1992 to September 30, 1993. If the appropriations for  
14 the Martin Luther King, Jr.-Cesar Chavez-Rosa Parks programs are not  
15 committed or awarded by April 1, 1993 the funds shall become subject to  
16 legislative transfer. Any unexpended and unencumbered funds remaining  
17 on September 30, 1993 from the amount appropriated for the Martin Luther  
18 King, Jr.-Cesar Chavez-Rosa Parks programs shall lapse on September 30,  
19 1993 and shall be returned to the state general fund. The amount  
20 distributed to an institution shall not exceed the net appropriations  
21 plus additional distributions specifically authorized by this act.

22       Sec. 204. (1) All universities shall furnish all program and  
23 financial information that is required by and in a manner prescribed by  
24 the state budget director or the house and senate appropriations  
25 committees.

26       Sec. 205. Money received by the state from the federal government  
27 or private sources for the use of a college or university is appropriated  
28 for the purpose for which it was provided. The acceptance and use of  
29 federal or private funds shall not place an obligation upon the

1 legislature to continue the purposes for which the funds are made  
2 available.

### 3 GRANTS AND FINANCIAL AID

4       Sec. 301. Payments of the amounts included in section 101 for the  
5 state competitive scholarship program shall be distributed in accordance  
6 with Act No. 208 of the Public Acts of 1964, being sections 390.971 to  
7 390.981 of the Michigan Compiled Laws. The maximum per award shall be  
8 \$1,200.00.

9       Sec. 302. (1) The amounts appropriated in section 101 for the  
10 state tuition grant program shall be distributed in accordance with Act  
11 No. 313 of the Public Acts of 1966, being sections 390.991 to 390.997a  
12 of the Michigan Compiled Laws. The maximum per grant shall be \$2,300.00.  
13

14       (2) Tuition grant awards shall be made to all eligible Michigan  
15 residents who apply before September 1, 1992, and who are qualified.

16       (3) The Michigan higher education assistance authority shall  
17 determine an actual maximum tuition grant award per student that ensures  
18 that the aggregate payments for the tuition grant program do not exceed  
19 the appropriation contained in section 101 for the state tuition grant  
20 program. By October 15, 1992, and again by December 15, 1992, the  
21 authority shall analyze the status of award commitments, shall make any  
22 necessary adjustments, and shall confirm that those award commitments  
23 will not exceed the appropriation contained in section 101 for the  
24 tuition grant program. The final determination and actions shall be  
25 reported to the department of management and budget and the house and  
26 senate appropriation subcommittees on higher education no later than  
27 December 15, 1992. If award adjustments are necessary, the students shall  
28 be notified of the adjustment by the third Monday in January.

29       (4) Any unexpended and unencumbered funds remaining on September  
30 30, 1993 from the amounts appropriated in section 101 for the tuition

1 grant program shall not lapse on September 30, 1993, but shall continue  
2 to be available for expenditure for tuition grants provided in the 1993-  
3 94 fiscal year.

4 (5) The Michigan higher education assistance authority shall  
5 continue for the 1992-93 fiscal year a proportional tuition grant maximum  
6 award level for recipients enrolled less than full-time in a given  
7 semester or term.

8 Sec. 303. (1) Included in the appropriation in section 101 is  
9 funding for the Michigan work study program established under Act No. 288  
10 of the Public Acts of 1986, being sections 390.1371 to 390.1382 of the  
11 Michigan Compiled Laws, and Act No. 303 of the Public Acts of 1986, being  
12 sections 390.1321 to 390.1332 of the Michigan Compiled Laws. An effort  
13 should be made by each institution participating in the Michigan work  
14 study program to assure that not less than 10% of those undergraduate,  
15 graduate, and professional students eligible to participate in the  
16 program are placed with for-profit employers no later than December 31,  
17 1992.

18 (2) The Michigan Higher Education Assistance authority shall  
19 allocate funds to institutions eligible for work study monies based upon  
20 each institution's specific Pell Grant index and its utilization rate of  
21 work study funds for the three most recent years for which statistics are  
22 available.

23 (3) The Michigan Higher Education Assistance Authority shall set  
24 aside up to five percent (5%) of the total work study appropriation to  
25 process requests from participating institutions for allocation  
26 adjustments. Such adjustments shall be based on criteria set by the  
27 authority prior to making the allocations described under subsection (2)  
28 above.

29 Sec. 304. (1) Payments of the amounts included in section 101 for  
30 the general degree reimbursement program established under Act No. 75 of

1 the Public Acts of 1974, being sections 390.1021 to 390.1027 of the  
2 Michigan Compiled Laws, shall be made for all degrees identified in  
3 section 390.1021 (1) except doctor of dental surgery, doctor of dental  
4 medicine, juris doctor law and allied health degrees. Funds disbursed  
5 through the degree reimbursement programs shall not be used by any  
6 recipient institution for theology or divinity programs.

7       (2) The reimbursement rate per eligible degree shall be the equally  
8 prorated amount permitted by the appropriation, except that the amount  
9 of the reimbursement for each associate degree shall be 1/2 of the rate  
10 of reimbursement for the other degrees eligible under subsection (1) for  
11 the general degree reimbursement program.

12       (3) From the general degree reimbursement program, \$135,300.00  
13 shall be provided to Spring Arbor College for the southern Michigan state  
14 prison program.

15       Sec. 305. The funds appropriated in section 101 for the American  
16 Indian tuition waiver reimbursement established under Act No. 174 of the  
17 Public Acts of 1976, being sections 390.1251 to 390.1253 of the Michigan  
18 Compiled Laws, are to reimburse tuition waivers granted by colleges  
19 before September 30, 1991. Only those expenses classified as in-state  
20 resident tuition charges are eligible for reimbursement.

21       Sec. 306. The auditor general shall audit selected enrollments,  
22 degrees, and awards at selected independent colleges and universities  
23 receiving awards administered by the department of education. The audits  
24 shall be based upon definitions and requirements established by the  
25 department of management and budget and the senate and house fiscal  
26 agencies. The auditor general shall submit a report of findings to the  
27 senate and house appropriations committees not later than May 1, 1993.

28       Sec. 307. The sums appropriated in Section 101 for the student  
29 financial aid and degree reimbursement programs shall be paid out of the  
30 state treasury and shall be distributed to the respective institutions

1 in accordance with the quarterly payments system implemented during the  
2 1991-92 fiscal year as follows:

3 (a) In the competitive scholarship and tuition grant programs, 40%  
4 shall be paid at the beginning of the state's first fiscal quarter, 40%  
5 at the beginning of the second quarter, 10% at the beginning of the third  
6 quarter, and 10% at the beginning of the fourth quarter.

7 (b) In the work-study program, payments shall be made in 9 monthly  
8 installments from October 1 to June 30.

9 (c) In the part-time independent student program, and Michigan  
10 Education Opportunity Grant program, 50% shall be paid at the beginning  
11 of the state's first fiscal quarter, 25% at the beginning of the second  
12 quarter and 25% at the beginning of the third quarter.

13 (d) In the general degree reimbursement program, allied health  
14 degree reimbursement program, dental grant program, Indian Tuition Waiver  
15 program, and Paul Douglas Teacher Scholarship program, 50% shall be paid  
16 at the beginning of the state's first fiscal quarter and 50% at the  
17 beginning of the second quarter after the numbers of earned degrees  
18 conferred and total amounts to be paid are certified.

19 (e) In the Byrd Honor Scholarship program, 100% shall be allocated  
20 in the last quarter of the fiscal year.

#### 21 STATE UNIVERSITIES

22 Sec. 401. (1) Included in the appropriations for each public  
23 university in section 101 is funding for the Martin Luther King-Cesar  
24 Chavez-Rosa Parks future faculty program which is intended to increase  
25 the pool of minority candidates pursuing full-time faculty teaching  
26 careers in postsecondary education in this state.

27 (2) Included in the appropriations for each public university in  
28 section 101 is funding for the Martin Luther King-Cesar Chavez-Rosa Parks  
29 college day program which is intended to introduce school children

1 underrepresented in postsecondary education to the potential of a college  
2 education.

3       (3) The future faculty and college day programs shall be  
4 administered by each university in a manner prescribed by the office of  
5 minority equity in the department of education.

6       (4) Included in the appropriations in section 101 is funding for  
7 the Martin Luther King-Cesar Chavez-Rosa Parks select student support  
8 services program for developing academically disadvantaged student  
9 retention programs for 4-year public and independent educational  
10 institutions in this state.

11       (5) Included in the appropriations in section 101 is funding for  
12 the Martin Luther King-Cesar Chavez-Rosa Parks linkage program between  
13 public 4-year universities and public community colleges which is  
14 intended to increase the number of underrepresented minority students who  
15 transfer from community colleges into baccalaureate programs.

16       (6) The select student support services and linkage programs shall  
17 be administered by the office of minority equity in the department of  
18 education.

19       Sec. 402. From the amount appropriated in section 101 for state  
20 universities, the state universities shall systematically inform Michigan  
21 high schools regarding the academic status of students from each high  
22 school in a manner prescribed by the department of education.

23       Sec. 403. (1) The auditor general shall audit enrollments at 5  
24 randomly selected public universities. The audits shall be based upon  
25 the definitions and requirements established by the department of  
26 management and budget and the senate and house fiscal agencies. The  
27 audits shall be based on uniform reporting categories and shall include  
28 HEIDI data. The auditor general shall submit a report of findings to the  
29 senate and house appropriations committees no later than March 1, 1993.

30       (2) Student credit hours reports shall not include the following:

1 (a) Student credit hours generated through correspondence courses,  
2 credit by examination, or inmate prison programs regardless of teaching  
3 location.

4 (b) Student credit hours generated in new degree programs after  
5 January 1, 1975, that have not been specifically authorized for funding  
6 by the legislature, except spin-off programs converted from existing core  
7 programs that do all of the following:

8 (i) Represent new options, fields, or concentrations within  
9 existing programs.

10 (ii) Are consistent with the current institutional role and  
11 mission.

12 (iii) Are accommodated within the continuing funding base of the  
13 institution.

14 (iv) Do not require a new degree level beyond that which the  
15 institution is currently authorized to grant within that discipline or  
16 field.

17 (v) Do not require special grant funding from the state. As used  
18 in this subparagraph, "special grant funding" means funding in addition  
19 to that provided by the student credit hours generated within the  
20 program, either before program initiation or within the first 3 years of  
21 program operation.

22 Sec. 404. The principal executive officer of each institution of  
23 higher education receiving an appropriation under this act shall expend  
24 a portion of the funds appropriated to the institution in reporting to  
25 the house and senate appropriations committees, the auditor general, the  
26 senate and house fiscal agencies, and the department of management and  
27 budget within 60 days after the auditor general issues his or her annual  
28 report on the operation of the institution. The institution's report  
29 shall specify all of the following:

1 (a) The recommendations of the auditor general implemented by the  
2 institution, including projected dates and resources required, if any,  
3 to achieve compliance.

4 (b) The recommendations of the auditor general not implemented by  
5 the institution or implemented by the institution as modified.

6 (c) The rationale for not implementing a recommendation of the  
7 auditor general or of implementing a recommendation as modified.

8 Sec. 405. A state university that has not reported project  
9 completion and total expenditure of oil overcharge revenues shall submit  
10 an annual report by October 1, 1992 to the public service commission in  
11 the department of commerce.

12 Sec. 406. Each university shall submit biennially the following  
13 reports to the governor, department of management and budget, speaker and  
14 minority leader of the house, majority and minority leader of the senate,  
15 chairs of the house and senate appropriations committees and chairs of  
16 the house and senate higher education appropriations committees. The  
17 next reporting date shall be November 1, 1993.

18 (a) Efforts to improve and emphasize undergraduate instruction.

19 (b) Efforts to ensure the English language proficiency of teaching  
20 faculty.

21 (c) Efforts to provide instructional opportunities to  
22 nontraditional students, particularly for part-time and continuing  
23 education students during evenings and weekends.