

HOUSE BILL No. 5526

EXECUTIVE BUDGET BILL

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

A bill to make appropriations for community colleges for the fiscal year ending September 30, 1993; to provide for the expenditure of the appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, officers, and employees.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is appropriated for community colleges and certain
2 other state purposes relating to education, subject to the conditions set
3 forth in this act, for the fiscal year ending September 30, 1993, the
4 following amounts:

1 SUMMARY UNIT FOR COMMUNITY COLLEGES

2 APPROPRIATIONS SUMMARY:

1	GROSS APPROPRIATION.....	\$ 238,000,000
2	ADJUSTED GROSS APPROPRIATION.....	\$ 238,000,000
3	State general fund/general purpose.....	\$ 238,000,000
4	COMMUNITY COLLEGES	
5	Alpena Community College.....	\$ 3,548,500
6	Bay de Noc Community College.....	2,988,000
7	C.S. Mott Community College.....	11,290,000
8	Delta College.....	10,417,000
9	Glen Oaks Community College.....	1,477,100
10	Gogebic Community College.....	3,229,600
11	Grand Rapids Community College.....	14,421,000
12	Henry Ford Community College.....	16,029,800
13	Highland Park College.....	\$ 5,590,300
14	Jackson Community College.....	9,768,700
15	Kalamazoo Valley Community College.....	6,999,000
16	Kellogg Community College.....	6,297,400
17	Kirtland Community College.....	2,350,600
18	Lake Michigan College.....	3,440,300
19	Lansing Community College.....	23,063,300
20	Macomb Community College.....	24,938,100
21	Mid Michigan Community College.....	2,732,800
22	Monroe County Community College.....	2,553,800
23	Montcalm Community College.....	2,342,500
24	Muskegon Community College.....	6,583,300
25	North Central Michigan College.....	2,089,800
26	Northwestern Michigan College.....	6,134,000
27	Oakland Community College.....	16,704,800
28	St. Clair Community College.....	5,188,300

1	Schoolcraft College.....	8,431,200
2	Southwestern Michigan College.....	3,858,300
3	Washtenaw Community College.....	7,865,500
4	Wayne County Community College.....	13,649,600
5	Wayne County Community College tax credit.....	6,216,400
6	West Shore Community College.....	1,561,000
7	Job training and retraining investment fund.....	3,120,000
8	At risk student success program.....	3,120,000
9	GROSS APPROPRIATION.....	\$ 238,000,000
10	Appropriated from:	
11	State general fund/general purpose.....	\$ 238,000,000

12 GENERAL SECTIONS

13 Sec. 201. Pursuant to section 30 of article IX of the state
14 constitution of 1963, total state spending in this act is \$238,000,000
15 and state appropriations to be paid to local units of government in
16 section 101 total \$238,000,000.

17 Sec. 202. The appropriations made and the expenditures authorized
18 under this act and the institutions, departments, agencies, commissions,
19 boards, offices, and programs for which an appropriation is made under
20 this act are subject to the management and budget act, Act No. 431 of the
21 Public Acts of 1984, being section 18.1101 to 18,1594 of the Michigan
22 Compiled Laws.

23 Sec. 203. For community colleges with fiscal years ending June 30,
24 1993, the sums appropriated in this act are appropriated for their fiscal
25 years ending June 30, 1993 and shall be paid out of the state treasury
26 and distributed by the state treasurer to the respective community
27 colleges in 9 equal monthly installments for the period October 1, 1992
28 to June 30, 1993. However, in case of the failure of a community college

1 to submit all verified Michigan Community College Activity Classification
2 Structure data for school year 1991-92 to the department of education by
3 November 1, 1992, the monthly installments shall be withheld until these
4 data are submitted. The amount distributed to a community college or
5 department shall not exceed the net state allocation authorized by this
6 act.

7 Sec. 204. (1) The auditor general or an independent public
8 accounting firm appointed by the auditor general shall audit data for the
9 fiscal year ending on June 30, 1992 as submitted on the department of
10 education request forms of 7 randomly selected community colleges. A
11 community college shall maintain and provide those records necessary for
12 the auditor general or certified public accountant appointed by the
13 auditor general to determine the accuracy of the reported data. The
14 audits shall be based upon the definitions and requirements contained in
15 the Michigan Public Community Colleges Manual for Uniform Financial
16 Reporting, 1981, as revised, and the Michigan Community Colleges
17 Activities Classification Structure, 1981, as revised. Before the
18 submission of a final audit report, an appeals process shall be
19 established by which a community college may appeal the findings of the
20 preliminary report, and by which the auditor general shall consult
21 legislative and executive authorities concerning an interpretation of the
22 manual if necessary. The auditor general shall submit a report of the
23 findings to the house and senate appropriations committees, the
24 department of education, and the department of management and budget
25 before June 1, 1993.

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

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

13 (4) Any community college whose audited activities classification
14 structure data is significantly different than the data used to determine
15 state aid under this act shall be required to return any over
16 appropriated funds.

17 Sec. 205. The department of education shall periodically revise
18 and update the taxonomy pursuant to the Michigan Community Colleges
19 Activities Classification Structure, 1981, as revised.

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

1 district students, out-of-district students, and prisoners for each
2 enrollment period during the fiscal year.

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

6 Sec. 207. Each community college shall furnish an annual audited
7 accounting of all income and expenditures to the legislature, the senate
8 and house fiscal agencies, the auditor general, the department of
9 education, and the department of management and budget before December
10 1, 1992. All reporting shall conform to the requirements set forth in
11 the Michigan Public Community Colleges Manual for Uniform Financial
12 Reporting, 1981, as revised.

13 Sec. 208. (1) Appropriations under this act shall not be expended
14 in contemplation of matching federal or other matching funds until
15 federal or other matching funds are available. The acceptance of
16 matching federal or other matching funds does not obligate this state to
17 continue programs after those funds are no longer available.

18 (2) A community college shall not establish special programs or
19 expand existing programs beyond the scope of the programs of the
20 community college already established and recognized by the legislature,
21 including programs that may develop as a result of gifts or money
22 received or available from the federal government, if that acceptance
23 will require an obligation or expenditure of state funds.

24 (3) A community college shall pay the employer's contributions to
25 the Michigan public school employees' retirement system created by the
26 public school employees retirement act of 1979, Act No. 300 of the Public
27 Acts of 1980, being sections 38.1301 to 38.1407 of the Michigan Compiled
28 Laws, as a condition of receiving funds appropriated under this act.

29 (4) Except as otherwise provided in this subsection, funds
30 appropriated in section 101 shall not be used for travel outside the

1 United States. This subsection does not apply to expenses of students,
2 administrators, faculty, or college trustees necessarily incurred for
3 involvement in a foreign study program offered by a community college,
4 for travel to fulfill a reciprocal education program with a postsecondary
5 educational institution, or for program-specific curriculum, educational,
6 or exchange policy discussions with a foreign postsecondary institution
7 or government.

8 Sec. 209. Each community college shall report to the house and
9 senate fiscal agencies, the department of education, and the department
10 of management and budget a modification in tuition and student fees not
11 later than 30 days after the modification is established by the college
12 governing board.

13 Sec. 210. A community college shall develop a plan to increase the
14 number of minority students in meeting the continuing educational needs
15 of all Michigan citizens.

16 Sec. 211. Each community college shall report to the department
17 of education, the house and senate appropriations committees, and the
18 house and senate fiscal agencies the numbers and type of associate
19 degrees and other certificates awarded during the previous fiscal year.
20 The report shall be submitted by October 15, 1992.

21 Sec. 212. Beginning in FY94, the community colleges shall
22 systematically inform Michigan high schools regarding the academic status
23 of students from each high school in a manner prescribed by the
24 department of education.

25 STATE AID OPERATIONS

26 Sec. 301. The Michigan Community Colleges Activities
27 Classification Structure, 1981, as revised, shall be used to define and
28 document financial needs of the community colleges. The Michigan Public
29 Community Colleges Manual for Uniform Financial Reporting, 1981, as
30 revised, shall be the basis for defining and reporting data.

1 Sec. 302. A community college shall not include in the enrollment
2 report any student credit hours or student contact hours for students
3 taking college courses to complete high school graduation requirements
4 or generated by students incarcerated in Michigan penal institutions.
5 Exclusion of these students is intended to avoid the payment of state aid
6 under this act for the same individuals already reimbursed under the
7 state school aid act of 1979, Act No. 94 of the Public Acts of 1979,
8 being sections 388.1601 to 388.1772 of the Michigan Compiled Laws, for
9 completion of high school requirements or provided by the state
10 correctional system.

11 GRANTS

12 Sec. 401. (1) Of the amount appropriated in section 101 for the
13 job training and retraining investment fund, \$1,450,000.00 is provided
14 for minimum grants of \$50,000.00 for each community college.

15 (2) Of the amount appropriated in section 101 for the job training
16 and retraining investment fund, \$1,670,000.00 is available for community
17 colleges. This amount shall be distributed by means of a formula equally
18 weighted upon the number of student contact hours in the areas of
19 business, trade, and health, as reported by the community colleges in the
20 Michigan Community Colleges Activities Classification Structure, 1981,
21 as revised, and the most recent published unemployment rate for the
22 colleges' districts as reported by the Michigan employment security
23 commission.

24 (3) Each community college receiving funding under this section
25 shall certify to the state treasurer, the department of management and
26 budget, the house and senate fiscal agencies, and the auditor general
27 that all the funds are expended or encumbered within 12 months of
28 receipt. Those funds not expended or encumbered will lapse to the
29 general fund.

1 Sec. 402. A community college that has not reported project
2 completion and total expenditure of oil overcharge revenues shall submit
3 an annual report by October 1, 1992, to the Public Service Commission,
4 Department of Commerce. The report shall include a description of each
5 energy conservation project and the actual expenditures and energy
6 savings estimates.

7 Sec. 403. A special grant of \$6,216,400 shall be made to Wayne
8 county community college in recognition of the fact that the college
9 levies only 0.25 mill for operations.

10 Sec. 404. It is the intent of the legislative and executive branch
11 to systematically reduce the Wayne county community college tax credit
12 in section 101 of this act and subsequent appropriation acts. The
13 reduction of the Wayne county community college tax credit began in
14 fiscal year 1991-92 with a reduction of \$1,000,000.00. In FY93, the
15 grant is reduced by \$3,108,133.00 to \$6,216,400.00 in Section 403. In
16 FY94 and FY95, the grant shall be reduced by \$3,108,200.00 each year and
17 shall equal zero in FY96.

18 Sec. 405. (1) The funding for the at-risk student success program
19 shall be prorated among community colleges based on the number of student
20 contact hours for developmental and preparatory instruction reported by
21 each community college to the department of education for use in the
22 Michigan Community Colleges Activities Classification Structure, 1981,
23 as revised. Of the funds appropriated, \$1,160,000.00 shall be allocated
24 for base grants of \$40,000 each, to address the special needs of at-risk
25 students at community colleges. The balance of the appropriated funds,
26 \$1,960,000.00, shall be allocated based on a proration. The proration
27 shall be calculated by determining the number of student contact hours
28 generated at each community college for developmental and preparatory
29 courses, as defined by the Michigan Community Colleges Activities
30 Classification Structure, 1981, as revised, as a percentage of the total

1 student contact hours, minus prisoner student contact hours, at each
2 community college. The number of student contact hours for developmental
3 and preparatory courses utilized for the at-risk student success program
4 formula distribution in any given year shall not exceed 200% of the
5 number of hours used in calculating the prior fiscal year formula
6 allocations. For each community college, this percentage shall be
7 divided by the sum of all such percentages systemwide to obtain the
8 community college's prorated share. Data utilized to calculate the
9 allocation of at-risk student success program funds shall be taken from
10 data reported through the Michigan Community Colleges Activities
11 Classification Structure, 1981, as revised.

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

14 (a) Is initially placed in 1 or more developmental courses as a
15 result of standardized testing or as a result of failure to make
16 satisfactory academic progress.

17 (b) Is diagnosed as learning disabled.

18 (c) Requires English as a second language (ESL) assistance.

19 (3) Grant funding under this section shall be used only for
20 activities related to services provided to at-risk students. This
21 includes, but is not limited to, pretesting for academic ability,
22 counseling contacts, and special programs.

23 (4) Grant funding under this section shall not be used for indirect
24 costs including, but not limited to, rent, utilities, or college
25 administration.