



# HOUSE BILL No. 5257

## EXECUTIVE BUDGET BILL

December 23, 1993, Introduced by Reps. McBryde, Oxender, Bobier, Walberg, Stille, Gilmer and Middleton and referred to the Committee on Appropriations.

A bill to make appropriations for community colleges for the fiscal year ending September 30, 1995; 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  
2 certain other state purposes relating to education, subject to the  
3 conditions set forth in this act, for the fiscal year ending September  
4 30, 1995, from the funds identified as follows:

5 SUMMARY UNIT FOR COMMUNITY COLLEGES:

1	GROSS APPROPRIATION . . . . .	\$ 247,200,000
2	Total interdepartmental grants and	
3	intradepartmental transfers . . . . .	0
4	ADJUSTED GROSS APPROPRIATION . . . . .	\$ 247,200,000
5	Total federal revenues . . . . .	0
6	Total local revenue . . . . .	0
7	Total private revenues . . . . .	0
8	Special revenue funds:	
9	Total other state restricted revenues . . . . .	0
10	State general fund/general purpose . . . . .	\$ 247,200,000
11	OPERATIONS	
12	Alpena Community College . . . . .	\$ 3,785,500
13	Bay de Noc Community College . . . . .	3,187,400
14	C.S. Mott Community College . . . . .	12,043,900
15	Delta College . . . . .	11,112,800
16	Glen Oaks Community College . . . . .	1,576,000
17	Gogebic Community College . . . . .	3,445,300
18	Grand Rapids Community College . . . . .	15,384,100
19	Henry Ford Community College . . . . .	17,100,300
20	Highland Park Community College . . . . .	5,963,600
21	Jackson Community College . . . . .	10,421,100
22	Kalamazoo Valley Community College . . . . .	7,466,500
23	Kellogg Community College . . . . .	6,717,300
24	Kirtland Community College . . . . .	2,507,500
25	Lake Michigan College . . . . .	3,670,000
26	Lansing Community College . . . . .	24,603,600
27	Macomb Community College . . . . .	26,603,600
28	Mid Michigan Community College . . . . .	2,915,200

1	Monroe County Community College . . . . .	2,724,200
2	Montcalm Community College . . . . .	2,499,000
3	Muskegon Community College . . . . .	7,023,000
4	North Central Michigan College . . . . .	2,229,300
5	Northwestern Michigan College . . . . .	6,543,700
6	Oakland Community College . . . . .	17,820,400
7	St. Clair County Community College . . . . .	5,534,800
8	Schoolcraft College . . . . .	8,994,300
9	Southwestern Michigan College . . . . .	4,115,900
10	Washtenaw Community College . . . . .	8,390,700
11	Wayne County Community College . . . . .	14,561,100
12	West Shore Community College . . . . .	<u>1,665,400</u>
13	GROSS APPROPRIATION . . . . .	\$ 240,605,500
14	Appropriated from:	
15	State general fund/general purpose . . . . .	\$ 240,605,500
16	GRANTS	
17	Job training and retraining investment fund . . . . .	\$ 3,213,600
18	At risk student success program . . . . .	<u>3,380,900</u>
19	GROSS APPROPRIATION . . . . .	\$ 6,594,500
20	Appropriated from:	
21	State general fund/general purpose . . . . .	\$ 6,594,500

## 22 GENERAL SECTIONS FOR FY 1995

23 Sec. 201. In accordance with the provisions of section 30 of  
 24 article IX of the state constitution of 1963, total state spending in  
 25 this bill is \$247,200,000 and state spending to units of local  
 26 government is as follows: community colleges \$247,200,000.

27 Sec. 202. (1) For community colleges with fiscal years ending June  
 28 30, 1995, the sums appropriated in this act are appropriated for their

1 fiscal years ending June 30, 1995 and shall be paid out of the state  
2 treasury and distributed by the state treasurer to the respective  
3 community colleges in 9 equal monthly installments for the period  
4 October 1, 1994 to June 30, 1995. However, if a community college  
5 fails to submit all verified Michigan Community College Activity  
6 Classification Structure data for school year 1993-94 to the  
7 department of education by November 1, 1994, the monthly installments  
8 shall be withheld from that community college until those data are  
9 submitted. The department of education shall publish the activity  
10 classification structure data book on or before March 1, 1995 for use  
11 by the legislature during budget development for the fiscal year  
12 ending September 30, 1996. The amount from the funds appropriated in  
13 section 101 for special programs that is allocated under sections 401  
14 and 403 for the job training and retraining investment fund and to  
15 address the special needs of at-risk students shall be paid 50% in the  
16 1st quarter and 50% in the second quarter of the state fiscal year.  
17 The amount distributed to a community college or department shall not  
18 exceed the net state allocation authorized by this act.

19       (2) Except as otherwise provided by law, each of the amounts  
20 appropriated shall be used solely for the respective purposes stated  
21 in this act. The funds appropriated by this act may be used to match  
22 the cost of any available programs under the vocational education act  
23 of 1963, Public Law 88-210, 98 Stat. 2435, including local  
24 administration. A community college shall not pay an employer's  
25 contribution to more than 1 retirement fund providing benefits for an  
26 employee.

27       Sec. 203. (1) The auditor general or an independent public  
28 accounting firm appointed by the auditor general shall audit data for

1 the fiscal year ending on June 30, 1994 as submitted on the department  
2 of education request forms of 7 randomly selected community colleges.  
3 A community college shall maintain and provide those records necessary  
4 for the auditor general or certified public accountant appointed by  
5 the auditor general to determine the accuracy of the reported data.  
6 The audits shall be based upon the definitions and requirements  
7 contained in the Michigan Public Community Colleges Manual for Uniform  
8 Financial Reporting, 1981, as revised, and the Michigan Community  
9 Colleges Activities Classification Structure, 1981, as revised. Before  
10 the submission of a final audit report, an appeals process shall be  
11 established by which a community college may appeal the findings of  
12 the preliminary report, and by which the auditor general shall consult  
13 legislative and executive authorities concerning an interpretation of  
14 the manual if necessary. The auditor general shall submit a report of  
15 the findings to the house and senate appropriations committees, the  
16 department of education, and the department of management and budget  
17 before June 1, 1995.

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

22 (3) Not more than 60 days after an audit report is released by the  
23 office of the auditor general, the principal executive officer of the  
24 community college that was audited shall submit to the house and  
25 senate appropriations committees, the house and senate fiscal  
26 agencies, the department of education, the auditor general, and the  
27 department of management and budget a plan to comply with audit  
28 recommendations. The plan shall contain projected dates and resources

1 required, if any, to achieve compliance with the audit  
2 recommendations, or a documented explanation of the college's  
3 noncompliance with the audit recommendations concerning the matters on  
4 which the audited community college and office of the auditor general  
5 disagree.

6       (4) Any community college whose audited activities classification  
7 structure data is significantly different than the data used to  
8 determine state aid under this act shall return any overappropriated  
9 funds upon notification by the chairs of the senate and house  
10 appropriations subcommittees on community colleges. The returned  
11 funds shall be redistributed to all 29 community colleges, prorated on  
12 the base appropriations contained in section 101.

13       Sec. 204. The department of education shall periodically revise  
14 and update the taxonomy pursuant to the Michigan Community Colleges  
15 Activities Classification Structure, 1981, as revised.

16       Sec. 205. (1) A community college shall retain certified class  
17 summaries, class lists, registration documents, and student  
18 transcripts that are consistent with the taxonomy of courses. For each  
19 enrollment period during the fiscal year, these certified documents  
20 shall identify clearly by course the number of in-district and  
21 out-of-district student credit and contact hours. The class summaries  
22 and class lists shall be consistent with each other and shall include  
23 the course prefix and numbers, course title, course credit and contact  
24 hours, credit and contact hours generated by each student, and  
25 activity classifications consistent with the taxonomy. An auditable  
26 process shall be used by the community college to determine the  
27 unduplicated head count for in-district students, out-of-district  
28 students, and prisoners for each enrollment period during the fiscal

1 year.

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

5 Sec. 206. Each community college shall furnish the independent  
6 auditor's management letter and an annual audited accounting of all  
7 income and expenditures to the legislature, the senate and house  
8 fiscal agencies, the auditor general, the department of education, and  
9 the department of management and budget before December 1, 1994. If a  
10 community college fails to furnish the audit materials, the monthly  
11 state aid installments shall be withheld from that college until the  
12 information is submitted. All reporting shall conform to the  
13 requirements set forth in the Michigan Public Community Colleges  
14 Manual for Uniform Financial Reporting, 1981, as revised.

15 Sec. 207. (1) Appropriations under this act shall not be expended  
16 in contemplation of federal or other matching funds until federal or  
17 other matching funds are available. The acceptance of federal or other  
18 matching funds does not obligate this state to continue programs after  
19 those funds are no longer available.

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

26 (3) A community college shall pay the employer's contributions to  
27 the Michigan public school employees' retirement system created by the  
28 public school employees retirement act of 1979, Act No. 300 of the

1 Public Acts of 1980, being sections 38.1301 to 38.1408 of the Michigan  
2 Compiled Laws, as a condition of receiving funds appropriated under  
3 this act.

4 (4) An appropriation contained in this act shall not be used for  
5 the construction of buildings for or operations of a community college  
6 not expressly authorized in section 101. Funds appropriated in section  
7 101 shall not be used to pay for the construction or maintenance of  
8 any self-liquidating project.

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

13 (6) Except as otherwise provided in this subsection, funds  
14 appropriated in section 101 shall not be used for travel outside the  
15 United States. This subsection does not apply to expenses of students,  
16 administrators, faculty, or college trustees necessarily incurred for  
17 involvement in a foreign study program offered by a community college,  
18 for travel to fulfill a reciprocal education program with a  
19 postsecondary educational institution, or for program-specific  
20 curriculum, educational, or exchange policy discussions with a foreign  
21 postsecondary institution or government.

22 Sec. 208. (1) Each community college shall report the following  
23 information to the house and senate fiscal agencies, the department of  
24 education, and the department of management and budget.

25 (2) A modification in credit hour tuition and mandatory non-course  
26 student fees not later than 30 days after the modification is  
27 established by the college governing board.

28 (3) The numbers and type of associate degrees and other



1 certificates awarded during the previous fiscal year. The report  
2 shall be made not later than November 15, 1994.

3 Sec. 209. The appropriations made and the expenditures authorized  
4 under this act and the departments, agencies, commissions, boards,  
5 offices, and programs for which an appropriation is made under this  
6 act are subject to the management and budget act, Act No. 431 of the  
7 Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan  
8 Compiled Laws.

9 Sec. 210. The department of education shall submit the following  
10 statistical data and reports relating to each community college to the  
11 civil rights commission and the house and senate appropriations  
12 subcommittees on community colleges in a format established by the  
13 department of civil rights and the community colleges that  
14 incorporates the requirements of state and federal law, and that  
15 includes all of the following:

16 (a) A statistical report for minorities and women employees for  
17 the 1994-95 school year as submitted to the federal government on the  
18 EEO-6 form.

19 (b) A statistical report for the 1994-95 school year that includes  
20 enrollment statistics for minorities and women as submitted to the  
21 department of education.

22 Sec. 211. The department of education shall annually collect and  
23 compile as part of the activity classification structure report the  
24 tax revenue losses to community colleges resulting from tax increment  
25 financing authorities and tax abatements.

26 Sec. 212. (1) From the amount appropriated in section 101 for  
27 community colleges, the community colleges shall implement the plan to  
28 systematically inform Michigan high schools regarding the academic

1 status of students from each high school in a manner prescribed by the  
2 Michigan Community College Association, in cooperation with the  
3 Michigan association of secondary school principals.

4 (2) The Michigan high schools shall systematically inform the  
5 community colleges about the use of information received under this  
6 section in a manner prescribed by the Michigan association of  
7 secondary school principals in cooperation with the community colleges  
8 of Michigan.

9 Sec. 213. (1) Guidelines and procedures developed by the Michigan  
10 department of education, the Michigan commission on Indian affairs,  
11 and state community colleges shall be used to ensure accurate and  
12 consistent reporting and auditing of North American Indian student  
13 enrollments. Community college financial aid programs shall comply  
14 with all of the policies and procedures developed pursuant to this  
15 section.

16 (2) As used in this section, "North American Indian" means that  
17 term as defined in section 2 of Act No. 174 of the Public Acts of  
18 1976, being section 390.1252 of the Michigan Compiled Laws, or a  
19 person certified as a North American Indian by a tribal organization.

## 20 **STATE AID - OPERATIONS**

21 Sec. 301. Unless otherwise stated, all data items used in  
22 determining state aid in this act are as defined in the Michigan  
23 Public Community Colleges Manual for Uniform Financial Reporting,  
24 1981, as revised, which shall be the basis for reporting data, and the  
25 Michigan Community Colleges Activities Classification Structure, 1981,  
26 as revised, 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

1 report any student credit hours or student contact hours for a student  
2 taking a college course to complete high school graduation  
3 requirements or generated by a student incarcerated in Michigan penal  
4 institutions. Exclusion of these students is intended to avoid the  
5 payment of state aid under this act for the same individuals for whom  
6 a community college has already been reimbursed under the state school  
7 aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections  
8 388.1601 to 388.1772 of the Michigan Compiled Laws, for completion of  
9 high school requirements or for whom reimbursement is provided by the  
10 state correctional system.

11 Sec. 303. It is legislative and executive intent to utilize a  
12 formula approach in determining the state aid recommendations for each  
13 community college for each state fiscal year in which it appears that  
14 state aid increases will exceed the projected rate of inflation for  
15 that fiscal year.

16 **GRANTS**

17 Sec. 401. The community college job training and retraining  
18 investment fund is continued. The funds will be distributed in a  
19 manner determined by the Governor's Workforce Commission.

20 Sec. 402. (1) The community college at-risk student success  
21 program is continued. The funding shall be prorated among community  
22 colleges based on the number of student contact hours for  
23 developmental and preparatory instruction reported by each community  
24 college to the department of education for use in the Michigan  
25 Community Colleges Activities Classification Structure, 1981, as  
26 revised. Of the amount appropriated in section 101 for the at-risk  
27 student success program, \$1,160,000.00 shall be allocated for base  
28 grants of \$40,000.00 each, to address the special needs of at-risk

1 students at community colleges. The balance of the appropriated funds,  
2 \$2,220,872.00, shall be allocated based on a proration.

3 (2) Of the amount appropriated in section 101 for the at-risk  
4 student success program, \$2,220,872.00 shall be distributed on a  
5 proration utilizing the sum of the most recent 3 years ACS reported  
6 developmental/preparatory contact hours divided by the sum of the  
7 3-year total contact hours at each college. Each community college's  
8 percentage shall be divided by the sum of all such percentages  
9 systemwide to obtain each community college's prorated grant amount.

10 (3) For the fiscal year ending September 30, 1995, the at-risk  
11 student success program funds shall be allocated as follows:

12	Alpena Community College . . . . .	\$	90,900
13	Bay de Noc Community College . . . . .		104,600
14	C. S. Mott Community College . . . . .		97,600
15	Delta College . . . . .		103,300
16	Glen Oaks Community College . . . . .		136,100
17	Gogebic Community College . . . . .		69,200
18	Grand Rapids Community College . . . . .		65,300
19	Henry Ford Community College . . . . .		117,800
20	Highland Park Community College . . . . .		147,000
21	Jackson Community College . . . . .		116,500
22	Kalamazoo Valley Community College . . . . .		111,500
23	Kellogg Community College . . . . .		119,300
24	Kirtland Community College . . . . .		140,800
25	Lake Michigan College . . . . .		178,000
26	Lansing Community College . . . . .		109,100
27	Macomb Community College . . . . .		80,700
28	Mid Michigan Community College . . . . .		109,700

1	Monroe Community College . . . . .	85,000
2	Montcalm Community College . . . . .	76,400
3	Muskegon Community College . . . . .	152,100
4	North Central Michigan College . . . . .	97,300
5	Northwestern Michigan College . . . . .	119,700
6	Oakland Community College . . . . .	134,400
7	St. Clair County Community College . . . . .	74,100
8	Schoolcraft College . . . . .	165,600
9	Southwestern Michigan College . . . . .	151,300
10	Washtenaw Community College . . . . .	136,000
11	Wayne County Community College . . . . .	196,400
12	West Shore Community College . . . . .	95,200

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

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

18 (b) Are diagnosed as learning disabled.

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

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

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

27 (7) Each community college shall report to the house and senate  
 28 appropriations subcommittees on community colleges, the house and

1 senate fiscal agencies, and the director of the department of  
2 management and budget a summary of all accomplishments under,  
3 expenditures for, and compliance with the intent of this program,  
4 including the number of at-risk students served. The report is  
5 subject to audit by the auditor general as provided for in section  
6 203(1). The report shall be submitted not later than 60 days after  
7 the end of the state's fiscal year. No second quarter At-Risk funds  
8 shall be disbursed to a college that does not submit an at-risk  
9 student success activities report.

10 (8) Each community college receiving grant funds under this  
11 section shall, not more than 12 months after receipt of those funds,  
12 certify to the state treasurer, the department of management and  
13 budget, the house and senate fiscal agencies, and the auditor general  
14 whether all the grant funds are expended or encumbered. Those funds  
15 not expended or encumbered shall lapse to the general fund.