



SENATE BILL No. 986

EXECUTIVE BUDGET BILL

January 25, 1994, Introduced by Senators Schwarz and
Gast 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 1995 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 1995 from the funds identified as follows

5 HIGHER EDUCATION

6 APPROPRIATIONS SUMMARY

1 taken pursuant to those recommendations semi-annually to the director
2 of the department of management and budget and to both houses of the
3 legislature

4 **GRANTS AND FINANCIAL AID**

5 Sec 301 (1) Payments of the amounts included in section 101 for
6 the state competitive scholarship program shall be distributed pursuant
7 to Act No 208 of the Public Acts of 1964 being sections 390 971 to
8 390 981 of the Michigan Compiled Laws The maximum per award shall be
9 \$1 200 00

10 (2) The Michigan higher education assistance authority shall
11 implement a proportional competitive scholarship maximum award level
12 for recipients enrolled less than full-time in a given semester or
13 term

14 (3) If a student who receives an award under this section has his
15 or her tuition and fees paid under the Michigan educational trust
16 program and still has financial need the funds awarded under this
17 section may be used for educational expenses other than tuition and
18 fees

19 Sec 302 (1) The amounts appropriated in section 101 for the
20 state tuition grant program shall be distributed pursuant to Act No
21 313 of the Public Acts of 1966 being sections 390 991 to 390 997a of
22 the Michigan Compiled Laws The maximum per grant shall be \$2 300 00

23 (2) Tuition grant awards shall be made to all eligible Michigan
24 residents who apply before September 1 1994 and who are qualified

25 (3) The Michigan higher education assistance authority shall
26 determine an actual maximum tuition grant award per student that
27 ensures that the aggregate payments for the tuition grant program do
28 not exceed the appropriation contained in section 101 for the state

1 tuition grant program By October 15 1994 and again by December 15
 2 1994 the authority shall analyze the status of award commitments
 3 shall make any necessary adjustments and shall confirm that those
 4 award commitments will not exceed the appropriation contained in
 5 section 101 for the tuition grant program The determination and
 6 actions shall be reported to the department of management and budget
 7 and the house and senate appropriation subcommittees on higher
 8 education no later than December 15 1994 If award adjustments are
 9 necessary the students shall be notified of the adjustment by the
 10 third Monday in January

11 (4) Any unexpended and unencumbered funds remaining on September
 12 30 1995 from the amounts appropriated in section 101 for the tuition
 13 grant program shall not lapse on September 30 1995 but shall continue
 14 to be available for expenditure for tuition grants provided in the
 15 1995-96 fiscal year

16 (5) The Michigan higher education assistance authority shall
 17 continue a proportional tuition grant maximum award level for
 18 recipients enrolled less than full-time in a given semester or term

19 Sec 303 (1) Included in the appropriation in section 101 is
 20 funding for the Michigan work study program established under Act No
 21 288 of the Public Acts of 1986 being sections 390 1371 to 390 1382 of
 22 the Michigan Compiled Laws and Act No 303 of the Public Acts of 1986
 23 being sections 390 1321 to 390 1332 of the Michigan Compiled Laws An
 24 effort should be made by each institution participating in the Michigan
 25 work study program to assure that not less than 10% of those
 26 undergraduate graduate and professional students eligible to
 27 participate in the program are placed with for-profit employers no
 28 later than December 31 1994

1 (2) The Michigan higher education assistance authority shall
2 allocate funds to institutions eligible for work study money based upon
3 each institution's specific Pell grant index and each institution's
4 utilization rate of work study funds for the 3 most recent years for
5 which statistics are available

6 (3) The Michigan higher education assistance authority shall set
7 aside not more than 5% of the total work study appropriation to process
8 requests from participating institutions for allocation adjustments
9 Allocation adjustments shall be based on criteria set by the authority
10 prior to making the allocations under subsection (2)

11 Sec 304 (1) Payments of the amounts included in section 101 for
12 the general degree reimbursement program established under Act No 75
13 of the Public Acts of 1974 being sections 390 1021 to 390 1027 of the
14 Michigan Compiled Laws shall be made for all degrees identified in
15 section 1(1) of Act No 75 of the Public Acts of 1974 being section
16 390 1021 of the Michigan Compiled Laws except doctor of dental
17 surgery doctor of dental medicine juris doctor law and allied health
18 degrees

19 (2) The reimbursement rate per eligible degree shall be the
20 equally prorated amount permitted by the appropriation except that the
21 amount of the reimbursement for each associate degree shall be 1/2 of
22 the rate of reimbursement for the other degrees eligible under
23 subsection (1) for the general degree reimbursement program

24 (3) From the general degree reimbursement program \$135 300 00
25 shall be provided to Spring Arbor College for the southern Michigan
26 state prison program

27 (4) From the general degree reimbursement program \$200 500 00
28 shall be provided to the University of Detroit-Mercy for graduate

1 research aid

2 (5) From the general degree reimbursement program \$30 100 00
3 shall be provided to Marygrove College for learning clinics

4 (6) From the general degree reimbursement program \$50 000 00
5 shall be provided to Suomi College for career education programs

6 Sec 305 The reimbursement rate per eligible degree under the
7 allied health degree reimbursement program established under Act No 75
8 of the Public Acts of 1974 being sections 390 1021 to 390 1027 of the
9 Michigan Compiled Laws shall be the equally prorated amount permitted
10 by the appropriation included in section 101

11 Sec 306 Funds disbursed through the degree reimbursement
12 programs shall not be used by any recipient institution for theology or
13 divinity programs

14 Sec 307 The funds appropriated in section 101 for the American
15 Indian tuition waiver reimbursement established under Act No 174 of
16 the Public Acts of 1976 being sections 390 1251 to 390 1253 of the
17 Michigan Compiled Laws are to reimburse tuition waivers granted by
18 colleges before September 30 1993 Only those expenses classified as
19 in-state resident tuition charges are eligible for reimbursement
20 except that if a student who receives an award under this section has
21 his or her tuition and fees paid under the Michigan educational trust
22 program and still has financial need the funds awarded under this
23 section may be used for educational expenses other than tuition and
24 fees

25 Sec 308 The auditor general shall audit selected enrollments
26 degrees and awards at selected independent colleges and universities
27 receiving awards administered by the department of education The
28 audits shall be based upon definitions and requirements established by

1 the department of management and budget and the senate and house fiscal
2 agencies The auditor general shall submit a report of findings to the
3 senate and house appropriations committees not later than May 1 1995

4 Sec 309 The sums appropriated in section 101 for the student
5 financial aid and degree reimbursement programs shall be paid out of
6 the state treasury and shall be distributed to the respective

7 institutions in accordance with a quarterly payment system as follows

8 (a) For the state competitive scholarship tuition incentive and
9 tuition grant programs 40% shall be paid at the beginning of the
10 state s first fiscal quarter 40% at the beginning of the state s
11 second fiscal quarter 10% at the beginning of the state s third fiscal
12 quarter and 10% at the beginning of the state s fourth fiscal quarter

13 (b) For the work-study program payments shall be made in 9
14 monthly installments from October 1 to June 30 of any year

15 (c) For the part-time independent student program and Michigan
16 education opportunity grant program 50% shall be paid at the beginning
17 of the state s first fiscal quarter 25% at the beginning of the
18 state s second fiscal quarter and 25% at the beginning of the state s
19 third fiscal quarter

20 (d) For the general degree reimbursement program allied health
21 degree reimbursement program Michigan resident dental grant program
22 Indian tuition waiver program and Paul Douglas teacher scholarship
23 program 50% shall be paid at the beginning of the state s first fiscal
24 quarter and 50% at the beginning of the state s second fiscal quarter
25 after the number of earned degrees conferred and total amounts to be
26 paid are certified

27 (e) For the Byrd honor scholarship program 100% shall be
28 allocated in the last quarter of the state s fiscal year

1 Sec 310 The Michigan higher education assistance authority
2 shall determine the needs analysis criteria for students to qualify for
3 the competitive scholarship program and tuition grant program To be
4 consistent with federal requirements student wages may be taken into
5 consideration when determining the amount of the award

6 Sec 311 (1) The funds appropriated in section 101 for the
7 tuition incentive program/high school completion program shall be
8 distributed as provided in this section and pursuant to the
9 administrative procedure for the tuition incentive program/high school
10 completion program in the department of social services

11 (2) As used in this section phase I means the first part of the
12 tuition incentive program assistance defined as the academic period of
13 80 semester or 120 term credits or less leading to an associates
14 degree or certificate and phase II means the second part which
15 provides assistance in the 3rd and 4th year of 4-year degree programs
16 Department means the department of social services

17 (3) A person shall meet basic criteria and financial thresholds
18 specified in subdivisions (a) (b) and (c) below to be eligible for
19 tuition incentive benefits

20 (a) To participate in phase I a person must

21 (1) Graduate from high school or complete the general education
22 development (GED) certificate not more than 4 years prior to
23 application

24 (11) be less than 20 years of age at the time of graduation or GED
25 completion

26 (111) be a United States citizen and a resident of Michigan
27 according to institutional criteria

28 (iv) be at least a half-time student earning less than 80

1 semester and 120 term credits at a participating educational
2 institution within four years of high school graduation or GED
3 certificate completion

4 (b) To qualify for phase II a person must also

5 (1) Complete at least 56 transferable semester or 84 transferable
6 term credits

7 11) Obtain an associates degree or certificate at a participating
8 institution

9 (c) Financial eligibility for both phase I and phase II of the
10 program is determined by the department of social services The
11 department shall verify a person as eligible for the tuition incentive
12 program based on 24 months of Medicaid eligibility within the last 36
13 months Certification may begin in the sixth grade and may occur
14 through the time of enrollment in a participating institution

15 (4) For phase I the state department of social services shall
16 provide payment on behalf of a person eligible under subsection (3)
17 The department shall reject billings that are excessive or outside the
18 guidelines for the type of educational institution Payments for
19 associate degree or certificate programs shall not be made for more
20 than 80 semester or 120 term credits for any individual student at any
21 participating institution

22 (a) For persons enrolled at a Michigan community college the
23 department shall pay the current in-district tuition and mandatory
24 fees For those persons residing in an area that is not included in
25 any community college district the out-of-district tuition rate may be
26 authorized

27 (b) For persons that are enrolled at a Michigan public university
28 a Michigan independent non-profit degree granting college or

1 university or a Michigan federal tribally controlled community college
2 the department s per credit payment shall not exceed the average
3 community college in-district tuition rates as reported on August 1
4 for the preceding academic year and mandatory fees for the current
5 year

6 (5) For phase II a person participating in this program may be
7 eligible for additional funds up to a maximum payment of \$500 00 per
8 semester or \$400 00 per term is allowed until the maximum of \$2 000 00
9 is reached subject to the following conditions

10 (a) the credits are earned in a 4-year program at a Michigan
11 degree granting 4-year college or university

12 (b) The tuition reimbursement is for coursework completed within
13 30 months of completion of the phase I requirements

14 (6) Program payments shall not be used by any recipient for
15 theology or divinity courses

16 (7) The department of social services shall work closely with
17 participating institutions to develop an application and eligibility
18 determination process that will provide the highest level of
19 participation while ensuring that all requirements of the program are
20 met

21 (8) Applications for the tuition incentive program may be approved
22 at any time after the student completes the sixth grade If a
23 determination of financial eligibility is made that determination is
24 valid as long as the student meets all other program requirements and
25 conditions including the economic status conditions in (11)

26 (9) The institution must insure that all known available
27 restricted grants for tuition and fees are used prior to billing the
28 tuition incentive program for any portion of the students tuition and

1 fees

2 (10) The state auditor general shall conduct a specific audit of
3 the tuition incentive program during the 1994-95 year Auditing of the
4 program may also be done by the state auditor general as part of the
5 regular audit of each educational institution or an audit of the
6 department of social services The audits may be random or cyclical
7 Failure to document necessary information in the student's financial
8 aid file may result in nonpayment to the institution or in recoupment
9 The educational institutions must maintain all records relating to
10 tuition incentive students for three years after the last billing
11 invoice has been paid

12 (11) After October 1, 1994 all tuition incentive program documents
13 shall indicate that once granted eligibility a person remains eligible
14 unless their economic status changes such that the family income
15 exceeds 250% of the federal poverty levels In these cases the
16 educational institution should provide assistance in the identification
17 of financial aid alternatives

18 (12) The department of social services shall ensure that the
19 tuition incentive program is well publicized and that potentially
20 eligible medicaid clients are provided information on the program

21 **STATE UNIVERSITIES**

22 Sec 401 Adjustments in funding for university operations
23 reflect a combination of general increases and special one-time
24 adjustments for schools with low levels of state appropriations
25 relative to student populations and missions They do not reflect an
26 endorsement of an ongoing formula for funding universities

27 Sec 402 The University of Michigan biological station at
28 Douglas Lake in Cheboygan County is regarded as a unique resource and

1 is designated as a special research reserve It is the intent of the
2 legislature to protect and preserve the unique long-term research value
3 and capabilities of the biological station area and Douglas Lake The
4 legislature further intends that no state programs or policies be
5 developed that would have a deleterious impact on the research value of
6 Douglas Lake

7 Sec 403 (1) Included in section 101 is an appropriation to Wayne
8 State University for the Joseph F Young Sr psychiatric research and
9 training program Wayne State University shall use these funds for
10 psychiatric laboratory and clinical research training and treatment
11 services Within the available appropriation services shall not be
12 denied to any patient who meets established research guidelines for
13 treatment on the basis of personal financial circumstances age
14 geographic residence or projected/actual length of treatment as
15 medically warranted

16 (2) Wayne State University shall report the following information
17 to the department of mental health by April 1 1995 with a status
18 update report on September 30 1995

19 (a) The number and type of psychiatric research projects to be
20 funded by this appropriation

21 (b) The number and type of students to be trained and the location
22 of training funded by this appropriation

23 (c) Demographic data regarding the number and profile of patients
24 to receive psychiatric services funded by the appropriation and a
25 profile of the services provided

26 (d) A summary budget outlining major expenditure categories and
27 any first and third party reimbursements

28 (3) Copies of these reports shall also be provided to the house

1 and senate appropriations higher education subcommittees the house and
2 senate appropriations mental health subcommittees the house and senate
3 fiscal agencies and the department of management and budget

4 **MARTIN LUTHER KING JR -CESAR CHAVEZ-ROSA PARKS PROGRAMS**

5 Sec 501 (1) Included in the appropriation for each public
6 university in section 101 is funding for the Martin Luther King
7 Jr -Cesar Chavez-Rosa Parks future faculty program that is intended to
8 increase the pool of minority candidates pursuing full-time faculty
9 teaching careers in postsecondary education in this state

10 (2) The program shall be administered by each university in a
11 manner prescribed by the office of minority equity in the Michigan
12 department of education

13 Sec 502 (1) Included in the appropriation for each public
14 university in section 101 is funding for the Martin Luther King
15 Jr -Cesar Chavez-Rosa Parks college day program that is intended to
16 introduce school children underrepresented in postsecondary education
17 to the potential of a college education

18 (2) Individual program plans of each university shall include a
19 budget of equal contributions from this program the participating
20 public university the participating school district and the
21 participating independent degree granting college College day funds
22 shall not be expended to cover indirect costs Not more than 20% of the
23 university match shall be attributable to indirect costs

24 (3) The program shall be administered by each university in a
25 manner prescribed by the office of minority equity in the Michigan
26 department of education

27 Sec 503 (1) Included in section 101 is funding for the Martin
28 Luther King Jr -Cesar Chavez-Rosa Parks select student support

1 services program for developing academically and economically
 2 disadvantaged student retention programs for 4-year public and
 3 independent educational institutions in this state

4 (2) An award made under this program to any 1 institution shall
 5 not be greater than \$150 000 00 and the amount awarded shall be
 6 matched on a 70% state 30% college or university basis

7 (3) The program shall be administered by the office of minority
 8 equity in the Michigan department of education

9 Sec 504 (1) Included in section 101 is funding for the Martin
 10 Luther King Jr -Cesar Chavez-Rosa Parks linkage program between 4-year
 11 universities and public community colleges which is intended to
 12 increase the number of underrepresented minority students who transfer
 13 from community colleges into baccalaureate programs

14 (2) The grants shall be made under this program to Michigan public
 15 universities An award to any 1 institution shall not be greater than
 16 \$150 000 00 and the amount awarded shall be matched on a 70% state
 17 30% university basis

18 (3) The program shall be administered by the office of minority
 19 equity in the Michigan department of education

20 Sec 505 (1) Included in the appropriation in section 101 is
 21 funding for the Martin Luther King Jr -Cesar Chavez-Rosa Parks
 22 visiting professors program which is intended to increase the number of
 23 minority instructors in the classroom and provide role models for
 24 underrepresented minority students

25 (2) The program shall be administered by the office of minority
 26 equity in the Michigan department of education

27 **UNIVERSITY SERVICE TO K-12 EDUCATION**

28 Sec 601 (1) From the amount appropriated in section 101 for

1 state universities the state universities shall systematically inform
2 Michigan high schools regarding the academic status of students from
3 each high school in a manner prescribed by the presidents council
4 state universities of Michigan in cooperation with the Michigan
5 association of secondary school principals

6 (2) The Michigan high schools shall systematically inform the
7 state universities about the use of information received under this
8 section in a manner prescribed by the Michigan association of secondary
9 school principals in cooperation with the presidents council state
10 universities of Michigan

11 **GENERAL REPORTS AND AUDITS**

12 Sec 701 (1) The auditor general shall audit enrollments at 5
13 randomly selected public universities The audits shall be based upon
14 the definitions and requirements established by the department of
15 management and budget and the senate and house fiscal agencies The
16 audits shall be based on uniform reporting categories and shall include
17 HEIDI data The auditor general shall submit a report of findings to
18 the senate and house appropriations committees no later than March 1
19 1995

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

21 (a) Student credit hours generated through correspondence courses
22 credit by examination or inmate prison programs regardless of teaching
23 location

24 (b) Student credit hours generated in new degree programs after
25 January 1 1975 that have not been specifically authorized for funding
26 by the legislature except spin-off programs converted from existing
27 core programs that do all of the following

28 (1) Represent new options fields or concentrations within

1 existing programs

2 (11) Are consistent with the current institutional role and
3 mission

4 (111) Are accommodated within the continuing funding base of the
5 institution

6 (1V) Do not require a new degree level beyond that which the
7 institution is currently authorized to grant within that discipline or
8 field

9 (V) Do not require special grant funding from the state As used
10 in this subparagraph special grant funding means funding in addition
11 to that provided by the student credit hours generated within the
12 program either before program initiation or within the first 3 years
13 of program operation

14 Sec 704 The principal executive officer of each institution of
15 higher education receiving an appropriation under this act shall expend
16 a portion of the funds appropriated to the institution in reporting to
17 the house and senate appropriations committees the auditor general
18 the senate and house fiscal agencies and the department of management
19 and budget within 60 days after the auditor general issues his or her
20 annual report on the operation of the institution The institution s
21 report shall specify all of the following

22 (a) The recommendations of the auditor general implemented by the
23 institution including projected dates and resources required if any
24 to achieve compliance

25 (b) The recommendations of the auditor general not implemented by
26 the institution or implemented by the institution as modified

27 (c) The rationale for not implementing a recommendation of the
28 auditor general or of implementing a recommendation as modified

1 Sec 703 A state university that has not reported project
2 completion and total expenditure of oil overcharge revenues shall
3 submit an annual report by October 1 1995 to the public service
4 commission in the department of commerce

5 Sec 704 An institution receiving funding under this act and
6 also subject to the student right-to-know and campus security act
7 Public Law 101-542 104 Stat 2381 shall furnish by September 1 1995
8 to the chairpersons of the house and senate appropriations committees
9 the chairpersons of the house and senate appropriations subcommittees
10 on higher education and the house and senate fiscal agencies a copy of
11 all material prepared pursuant to the public information reporting
12 requirements under the crime awareness and campus security act of 1990
13 title II of the student right-to-know and campus security act Public
14 Law 101-542 104 Stat 2381

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