

Act No. 154  
Public Acts of 1995  
Approved by the Governor  
July 9, 1995  
Filed with the Secretary of State  
July 12, 1995

**STATE OF MICHIGAN  
88TH LEGISLATURE  
REGULAR SESSION OF 1995**

Introduced by Reps. Gilmer, McBryde, Johnson, Bankes, LeTarte, Dolan, Oxender, McNutt, Geiger,  
Middleton, Jellema and Bobier

# ENROLLED HOUSE BILL No. 4425

AN ACT to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 1996; 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:*

Sec. 101. There is appropriated for the state institutions of higher education and certain state purposes related to education, and subject to the conditions set forth in this act, for the fiscal year ending September 30, 1996, the following respective amounts:

## HIGHER EDUCATION

### APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	1,429,287,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION.....	\$	1,429,287,100
Federal revenues:		
Total federal revenues .....		5,149,700
Special revenue funds:		
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues.....		0
State general fund/general purpose .....	\$	1,424,137,400

## CENTRAL MICHIGAN UNIVERSITY

Operations .....	\$	63,369,584
Higher education charter school center .....		500,000
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....		85,765
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....		114,389
GROSS APPROPRIATION.....	\$	64,069,738
Appropriated from:		
State general fund/general purpose .....	\$	64,069,738

For Fiscal Year  
Ending Sept. 30,  
1996

#### EASTERN MICHIGAN UNIVERSITY

Operations .....	\$	69,751,722
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....		101,930
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....		114,080
GROSS APPROPRIATION .....	\$	69,967,732
Appropriated from:		
State general fund/general purpose .....	\$	69,967,732

#### FERRIS STATE UNIVERSITY

Operations .....	\$	44,227,868
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....		53,024
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....		34,389
GROSS APPROPRIATION .....	\$	44,315,281
Appropriated from:		
State general fund/general purpose .....	\$	44,315,281

#### GRAND VALLEY STATE UNIVERSITY

Operations .....	\$	37,134,976
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....		36,139
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....		34,389
GROSS APPROPRIATION .....	\$	37,205,504
Appropriated from:		
State general fund/general purpose .....	\$	37,205,504

#### LAKE SUPERIOR STATE UNIVERSITY

Operations .....	\$	11,211,890
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....		13,590
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....		34,389
GROSS APPROPRIATION .....	\$	11,259,869
Appropriated from:		
State general fund/general purpose .....	\$	11,259,869

#### MICHIGAN STATE UNIVERSITY

Operations .....	\$	255,348,261
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....		211,480
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....		114,492
GROSS APPROPRIATION .....	\$	255,674,233
Appropriated from:		
State general fund/general purpose .....	\$	255,674,233

#### MICHIGAN TECHNOLOGICAL UNIVERSITY

Operations .....	\$	42,963,463
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....		34,903
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....		114,492
GROSS APPROPRIATION .....	\$	43,112,858
Appropriated from:		
State general fund/general purpose .....	\$	43,112,858

#### NORTHERN MICHIGAN UNIVERSITY

Operations .....	\$	42,044,250
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....		39,022
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....		34,389
GROSS APPROPRIATION .....	\$	42,117,661
Appropriated from:		
State general fund/general purpose .....	\$	42,117,661

#### OAKLAND UNIVERSITY

Operations .....	\$	38,092,597
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	For Fiscal Year Ending Sept. 30, 1996
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....	60,334
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....	114,492
GROSS APPROPRIATION.....	\$ 38,267,423
Appropriated from:	
State general fund/general purpose .....	\$ 38,267,423
SAGINAW VALLEY STATE UNIVERSITY	
Operations.....	\$ 18,430,980
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....	24,504
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....	34,389
GROSS APPROPRIATION.....	\$ 18,489,873
Appropriated from:	
State general fund/general purpose .....	\$ 18,489,873
UNIVERSITY OF MICHIGAN-ANN ARBOR	
Operations.....	\$ 288,459,414
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....	173,076
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....	114,492
GROSS APPROPRIATION.....	\$ 288,746,982
Appropriated from:	
State general fund/general purpose .....	\$ 288,746,982
UNIVERSITY OF MICHIGAN-DEARBORN	
Operations.....	\$ 19,760,212
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....	31,814
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....	34,389
GROSS APPROPRIATION.....	\$ 19,826,415
Appropriated from:	
State general fund/general purpose .....	\$ 19,826,415
UNIVERSITY OF MICHIGAN-FLINT	
Operations.....	\$ 17,854,497
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....	28,108
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....	34,389
GROSS APPROPRIATION.....	\$ 17,916,994
Appropriated from:	
State general fund/general purpose .....	\$ 17,916,994
WAYNE STATE UNIVERSITY	
Operations.....	\$ 204,917,621
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....	145,894
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....	114,492
GROSS APPROPRIATION.....	\$ 205,178,007
Appropriated from:	
State general fund/general purpose .....	\$ 205,178,007
WESTERN MICHIGAN UNIVERSITY	
Operations.....	\$ 97,423,381
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks college day .....	101,827
Martin Luther King, Jr.-Cesar Chavez-Rosa Parks future faculty fellowships.....	114,492
GROSS APPROPRIATION.....	\$ 97,639,700
Appropriated from:	
State general fund/general purpose .....	\$ 97,639,700
STATE AND REGIONAL PROGRAMS	
Agricultural experiment station .....	\$ 27,437,137
Cooperative extension service .....	23,630,736
Michigan molecular institute .....	154,500

	For Fiscal Year Ending Sept. 30, 1996
Japan center for Michigan universities.....	300,000
Higher education database modernization and conversion.....	250,000
Michigan nursing opportunity program.....	250,000
Midwestern higher education compact.....	58,000
GROSS APPROPRIATION.....	\$ 52,080,373
Appropriated from:	
State general fund/general purpose.....	\$ 52,080,373
<b>MARTIN LUTHER KING, JR.-CESAR CHAVEZ-ROSA PARKS PROGRAM</b>	
Select student supportive services.....	\$ 1,774,992
Michigan college/university partnership program.....	532,498
Visiting professors program.....	149,587
GROSS APPROPRIATION.....	\$ 2,457,077
Appropriated from:	
State general fund/general purpose.....	\$ 2,457,077
<b>GRANTS AND FINANCIAL AID</b>	
State competitive scholarships.....	\$ 30,563,177
Tuition grants.....	53,540,723
Michigan work study program.....	6,611,391
Part-time independent student program.....	2,394,394
Grant for Michigan resident dental graduates.....	4,167,081
Grant for general degree graduates.....	4,788,354
Grant for allied health graduates.....	771,235
Grant for Indian tuition waivers.....	1,997,700
Michigan education opportunity grants.....	1,880,771
Paul Douglas teacher scholarship program.....	750,000
Robert C. Byrd honors scholarship program.....	1,100,000
Tuition incentive program.....	12,396,554
GROSS APPROPRIATION.....	\$ 120,961,380
Appropriated from:	
Federal revenues:	
Higher education act of 1965, title IV, 20 U.S.C.....	3,299,700
Higher education act of 1965, title V, part E.....	750,000
Higher education act of 1965, title IV, part A.....	1,100,000
State general fund/general purpose.....	\$ 115,811,680

## **GENERAL SECTIONS**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in section 101 of this appropriation act is \$1,424,137,400.00. Of the funds appropriated in section 101 for campus based and other financial aid programs, it is determined that the portion of the funds utilized by community colleges are local spending pursuant to section 30 of article IX of the state constitution of 1963. Analysis of fiscal year 1993-94 expenditures indicates that \$12,238,516.00 of the financial aid funds will be distributed to community college students by the college financial aid offices in accordance with statute for each program. The distribution is as follows:

### **Grants and Financial Aid**

Indian tuition waiver.....	\$ 619,287
Tuition incentive program.....	7,375,950
Part-time independent student program.....	1,414,449
Michigan education opportunity grant.....	891,690
Michigan work study.....	1,937,140
Total.....	\$ 12,238,516

Sec. 202. (1) For institutions with fiscal years ending June 30, 1996, the sums appropriated in this act are appropriated for their fiscal years ending June 30, 1996 and shall be paid out of the state treasury and distributed by

the state treasurer to the respective institutions in 9 monthly installments for the period October 1, 1995 to June 30, 1996 pursuant to Act No. 190 of the Public Acts of 1991, being sections 487.2101 to 487.2105 of the Michigan Compiled Laws. For an institution with a fiscal year ending September 30, 1996, the sums appropriated in this act are appropriated for their fiscal year ending September 30, 1996 and shall be paid out of the state treasury and distributed by the state treasurer in 12 monthly installments for the period October 1, 1995 to September 30, 1996 pursuant to Act No. 190 of the Public Acts of 1991.

(2) If the appropriations for the Martin Luther King, Jr.-Cesar Chavez-Rosa Parks programs are not committed or awarded by April 1, 1996, the funds shall become subject to legislative transfer. Any unexpended and unencumbered funds remaining on September 30, 1996 from the amount appropriated for the Martin Luther King, Jr.-Cesar Chavez-Rosa Parks programs shall lapse on September 30, 1996 and shall be returned to the state general fund.

(3) The amount distributed to an institution shall not exceed the net appropriations plus additional distributions specifically authorized by this act.

(4) All universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For universities with fiscal years ending June 30, 1995, these data shall be submitted to the department of management and budget by October 15, 1995. Universities with a fiscal year ending September 30, 1995 shall submit preliminary HEIDI data by November 15, 1995.

(5) A detailed description of procedures utilized to arrive at the amounts appropriated in section 101 shall be submitted to each institution by the senate and house fiscal agencies.

Sec. 203. Money received by the state from the federal government or private sources for the use of a college or university is appropriated for the purpose for which it was provided. The acceptance and use of federal or private funds does not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Sec. 204. The appropriations made and the expenditures authorized under this act and the institutions, departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 205. All universities shall furnish all program and financial information that is required by and in a manner prescribed by the director of the department of management and budget or the house or senate appropriations committee.

Sec. 206. Funds appropriated in section 101 shall not be used for the purchase of foreign goods or services if competitively priced American goods or services of comparable quality are available. Not later than May 1, 1996, each university shall submit a report to the department of management and budget, the speaker and minority leader of the house of representatives, the majority and minority leaders of the senate, and the chairperson of the house and senate appropriations committees on efforts to comply with this section.

## **GRANTS AND FINANCIAL AID**

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

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

(3) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, Act No. 316 of the Public Acts of 1986, being sections 390.1421 to 390.1444 of the Michigan Compiled Laws, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

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

(2) Tuition grant awards shall be made to all eligible Michigan residents who apply before September 1, 1995, and who are qualified. Tuition grant awards shall not be made to students enrolled in a juris doctor law degree program after the 1995-96 academic year.

(3) The Michigan higher education assistance authority shall determine an actual maximum tuition grant award per student that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in section 101 for the state tuition grant program. By October 15, 1995, and again by December 15, 1995, the authority shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in section 101 for the tuition grant program. The determination and actions shall be reported to the department of management and budget and the house and senate appropriation subcommittees on higher education no later than December 15, 1995. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in January.

(4) Any unexpended and unencumbered funds remaining on September 30, 1996 from the amounts appropriated in section 101 for the tuition grant program shall not lapse on September 30, 1996, but shall continue to be available for expenditure for tuition grants provided in the 1996-97 fiscal year. The use of these unexpended fiscal year 1995-96 funds shall terminate at the end of the 1996-97 fiscal year.

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

Sec. 303. (1) Included in the appropriation in section 101 is funding for the Michigan work study program established under Act No. 288 of the Public Acts of 1986, being sections 390.1371 to 390.1382 of the Michigan Compiled Laws, and Act No. 303 of the Public Acts of 1986, being sections 390.1321 to 390.1332 of the Michigan Compiled Laws. An effort should be made by each institution participating in the Michigan work study program to assure that not less than 10% of those undergraduate, graduate, and professional students eligible to participate in the program are placed with for-profit employers no later than December 31, 1995.

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

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

Sec. 304. (1) Payments of the amounts included in section 101 for the general degree reimbursement program established under Act No. 75 of the Public Acts of 1974, being sections 390.1021 to 390.1027 of the Michigan Compiled Laws, shall be made for all degrees identified in section 1(1) of Act No. 75 of the Public Acts of 1974, being section 390.1021 of the Michigan Compiled Laws, except doctor of dental surgery, doctor of dental medicine, juris doctor law, and allied health degrees.

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

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

(4) From the general degree reimbursement program, \$200,500.00 shall be provided to the University of Detroit-Mercy for graduate research aid.

(5) From the general degree reimbursement program, \$30,100.00 shall be provided to Marygrove College for learning clinics.

(6) From the general degree reimbursement program, \$50,000.00 shall be provided to Suomi College for career education programs.

Sec. 305. The reimbursement rate per eligible degree under the allied health degree reimbursement program established under Act No. 75 of the Public Acts of 1974, being sections 390.1021 to 390.1027 of the Michigan Compiled Laws, shall be the equally prorated amount permitted by the appropriation included in section 101.

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

Sec. 307. (1) Funds appropriated in section 101 for the Indian tuition waiver program are to be established as a work project to provide reimbursement for tuition waivers for eligible students enrolled in classes for academic years before and including 1993-94.

(2) The funds appropriated in section 101 shall be used to pay for tuition waived by public colleges and universities and Bay Mills community college for eligible students that received waivers for academic years before and including 1993-94.

(3) For the purposes of this section, "eligible student" means a student who meets the following criteria:

(a) Has been a legal resident of Michigan continuously for 12 months preceding the first term of tuition waiver approval. The dependent student's residency must follow that of the student's parents. The independent student's residency status shall be defined in accordance with the definition found in title IV of the higher education act of 1965, Public Law 89-329, 79 Stat. 1232.

(b) Is enrolled or accepted for enrollment in a job training program or a program of study leading to a degree or certificate.

(c) Maintains satisfactory academic progress as defined by the college or university in which the student is enrolled. The satisfactory progress definition used by a college for the federal student assistance programs found in title IV of the higher education act of 1965, shall be considered acceptable for this program.

(4) Of the appropriation in section 101 for the Indian tuition waiver program, a sufficient amount, but not to exceed \$10,000.00, is appropriated for the Michigan department of treasury to establish a historical data base of students receiving a tuition waiver under Act No. 174 of the Public Acts of 1976, being sections 390.1251 to 390.1253 of the Michigan Compiled Laws. The data base shall be of sufficient makeup and design to resolve those issues raised in the state auditor general report on the program issued December 27, 1993.

Sec. 308. (1) Guidelines and procedures developed by the state universities, through the presidents council, and in cooperation with the Michigan commission on Indian affairs and the Michigan department of education, shall be used to ensure accurate and consistent reporting of North American Indian student enrollments. The distribution of state supported and federally supported campus-based financial aid awards that are designated for students on the basis of their North American Indian status shall comply with the guidelines and procedures developed pursuant to this section.

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

Sec. 309. The auditor general shall audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the department of management and budget and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the senate and house appropriations committees not later than May 1, 1996.

Sec. 310. The sums appropriated in section 101 for the student financial aid and degree reimbursement programs shall be paid out of the state treasury and shall be distributed to the respective institutions in accordance with a quarterly payment system as follows:

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

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

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

(d) For the general degree reimbursement program, allied health degree reimbursement program, Michigan resident dental grant program, Indian tuition waiver program, Robert C. Byrd honors scholarship program, and Paul Douglas teacher scholarship program, 50% shall be paid at the beginning of the state's first fiscal quarter and 50% at the beginning of the state's second fiscal quarter after the number of earned degrees conferred and total amounts to be paid are certified.

Sec. 311. The Michigan higher education assistance authority shall determine the needs analysis criteria for students to qualify for the competitive scholarship program and tuition grant program. To be consistent with federal requirements, student wages may be taken into consideration when determining the amount of the award.

Sec. 312. (1) The funds appropriated in section 101 for the tuition incentive program/high school completion program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program/high school completion program of the department of social services.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of social services.

(3) A person shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive benefits:

(a) To be eligible for phase I, a person shall meet all of the following criteria:

(i) Apply for certification to the department before graduating from high school or completing the general education development (GED) certificate.

(ii) Be less than 20 years of age at the time of high school graduation or GED completion.

(iii) Be a United States citizen and a resident of Michigan according to institutional criteria.

(iv) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or GED certificate completion.

(b) To be eligible for phase II, a person shall meet either of the following criteria in addition to the criteria in subdivision (a):

(i) Complete at least 56 transferable semester or 84 transferable term credits.

(ii) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, a person must be financially eligible as determined by the department. A person is financially eligible for the tuition incentive program if that person was medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade and continue until the time of enrollment in a participating institution.

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

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

(c) For persons enrolled at a Michigan public university, the department shall pay lower level resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree granting college or university or a Michigan federal tribally controlled community college, the department shall pay mandatory fees for the current year and a per credit payment that does not exceed the average community college in-district per credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed \$500.00 per semester or \$400.00 per term up to a maximum of \$2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree granting 4-year college or university.

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

(7) Program payments shall not be used by any recipient for theology or divinity courses.

(8) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(9) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

(10) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

(11) The department shall ensure that the tuition incentive program is well publicized and that potentially eligible medicaid clients are provided information on the program.

(12) When statutory provisions are enacted to provide for a tuition incentive program/high school completion program, the provisions of this section are superseded.



Sec. 313. To enable the legislature to evaluate the appropriation needs of higher education, each independent college and university shall make available to the legislature, upon request, data regarding grants for the preceding, current, and ensuing fiscal years.

Sec. 314. (1) The funds appropriated in section 101 for the Michigan nursing opportunity program are for scholarship awards for nursing students who demonstrate financial need and who are underrepresented minorities.

(2) The Michigan higher education assistance authority established under Act No. 77 of the Public Acts of 1960, being sections 390.951 to 390.961 of the Michigan Compiled Laws, shall administer the awards which shall be available to each eligible Michigan resident student enrolled in an accredited registered nursing program at a 4-year public or independent nonprofit college, a university, or a community college in the state.

(3) As used in this section:

(a) "Nursing program" means an accredited degree program in registered nursing which leads to fulfillment of the requirements for the state nursing examination.

(b) "Michigan resident" means a person who was a resident of the state at the time of graduation from high school or for a minimum of 12 months prior to enrollment in the nursing degree program.

(4) The amount of the award to be paid for each semester or trimester shall be determined by the Michigan higher education assistance authority based upon an evaluation of the applicant's family's financial resources. In determining financial resources, the authority shall use the same criteria as used under Act No. 208 of the Public Acts of 1964, being sections 390.971 to 390.981 of the Michigan Compiled Laws.

(5) Each award shall not exceed the amount of tuition and fees for the full academic year as reported by the college or university in which the applicant is enrolled, or an amount the Michigan higher education assistance authority finds appropriate in relation to the applicant's family's financial resources, whichever is less.

## **STATE UNIVERSITIES**

Sec. 401. Included in section 101 is funding for the higher education charter school center at Central Michigan University. This center will serve as a resource to universities and community colleges, and will provide technical assistance to prospective authorizing agencies, the department of education, and parents on establishing and operating a charter school.

Sec. 402. (1) Included in section 101 is \$5,268,429.00 to Wayne State University for the Joseph F. Young, Sr. psychiatric research and training program. Wayne State University shall use these funds for psychiatric laboratory and clinical research, training, and treatment services. Within the available appropriation, services shall not be denied to any patient who meets established research guidelines for treatment on the basis of personal financial circumstances, age, geographic residence, or projected/actual length of treatment as medically warranted.

(2) Wayne State University shall report the following information to the department of mental health by November 1, 1996:

(a) The number and type of psychiatric research projects to be funded by the appropriation described in subsection (1).

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

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

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

(3) Copies of these reports shall also be provided to the house and senate appropriations higher education subcommittees, the house and senate appropriations mental health subcommittees, the house and senate fiscal agencies, and the department of management and budget.

Sec. 403. The University of Michigan biological station at Douglas Lake in Cheboygan County is regarded as a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.

Sec. 404. It is the intent of the legislature that resident tuition rates be charged for students attending Michigan's public 4-year universities if the student's parent or parents or person in loco parentis are transferred to Michigan because the company they work for closed a plant in another state. This section applies only to students whose parent

or parents or person in loco parentis are transferred by a company specifically because of a plant closing and whose parent or parents or person in loco parentis continue to be employed by that same company in Michigan.

Sec. 405. (1) The funds previously separately appropriated as the research excellence fund are included in the amount of \$28,534,823.00 in section 101 as university operations for each university. The research supported by these funds shall be conducted in accordance with the following guidelines:

- (a) Leads to the development of scientific or technological discoveries.
  - (b) Applies scientific or technological discoveries or advances to new applications.
  - (c) Provides a tangible, direct benefit to the economy of this state or a region of this state.
  - (d) Is of general interest to an entire industrial field.
  - (e) Contributes directly or indirectly to the development of additional products or processes.
  - (f) May generate outside funding sources.
  - (g) The research results or technology advances may be transferred to the private sector.
- (2) These funds shall not be used for indirect costs or to supplant existing research resources.

(3) Each state university shall report on the activities and results of the research supported by these funds to the chairpersons of the house and senate higher education appropriation subcommittees, the house and senate fiscal agencies, and the director of the department of management and budget by November 1, 1995. The report shall be in a form and contain the information required by the department of management and budget and the house and senate fiscal agencies.

Sec. 406. It is the intent of the legislature that no funds, other than tuition and other revenues from law school students or private funds explicitly directed to the Detroit College of Law-Michigan State University law alliance, shall be used either directly or indirectly to support the joint law school. The auditor general or a certified public accountant appointed by the auditor general shall audit the financial and accounting systems of the Detroit College of Law-Michigan State University law alliance to determine whether this statement of legislative intent is adhered to and report its findings to the governor, department of management and budget, house and senate fiscal agencies, chairpersons of the house and senate appropriations committees, and members of the house and senate appropriations subcommittees on higher education.

Sec. 407. Included in section 101 is funding to support the operations of the Japan center for Michigan universities. These funds can be used to satisfy the match requirements in section 902 of Act No. 312 of the Public Acts of 1994.

Sec. 408. Included in section 101 is 1-time funding to support modernization and conversion of the state's higher education databases. The department of management and budget, in consultation with the house fiscal agency and senate fiscal agency, shall have the responsibility of effecting the conversion. The conversion shall include all federal and state collected higher education data.

#### **MARTIN LUTHER KING, JR.-CESAR CHAVEZ-ROSA PARKS PROGRAMS**

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

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

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

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

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

Sec. 503. (1) Included in section 101 is funding for the Martin Luther King, Jr.-Cesar Chavez-Rosa Parks select student support services program for developing academically and economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state.

(2) An award made under this program to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

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

(4) Of the amount appropriated in section 101 for the Martin Luther King, Jr.-Cesar Chavez-Rosa Parks select student support services program, an amount not to exceed \$50,000.00 shall be used to conduct performance audits of the Martin Luther King, Jr.-Cesar Chavez-Rosa Parks programs. The performance audit shall include a review of the select student support services program, the Michigan college/university partnership program, and the visiting professors program. The performance audit shall be principally designed to determine if the King-Chavez-Parks programs are meeting their intended goals of increasing the presence and success of underrepresented minorities in postsecondary education. The department of education shall contract with an outside audit firm to perform the reviews. The office of minority equity and the department of management and budget shall develop the performance audit specifications.

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

(2) The grants shall be made under this program to Michigan public universities. An award to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% university basis.

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

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

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

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

Sec. 601. (1) From the amount appropriated in section 101 for state universities, the state universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the presidents council, state universities of Michigan in cooperation with the Michigan association of secondary school principals.

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

## **GENERAL REPORTS AND AUDITS**

Sec. 701. (1) The auditor general shall audit enrollments at 5 randomly selected public universities. The audits shall be based upon the definitions and requirements established by the department of management and budget and the senate and house fiscal agencies. The audits shall be based on uniform reporting categories and shall include higher education institutional data inventory (HEIDI) data. The auditor general shall submit a report of findings to the house and senate appropriations committees no later than March 1, 1996.

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

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

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

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

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

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

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

(v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

Sec. 701a. (1) Pursuant to section 701(2)(b), the following degree programs may be established:

(a) Bachelors:

Central Michigan University	Banking
Central Michigan University	Environmental Studies Major
Central Michigan University	Hospitality Information Systems
Central Michigan University	Logistics Management
Northern Michigan University	Liberal Studies
University of Michigan-Ann Arbor	Music and Technology
University of Michigan-Ann Arbor	Performing Arts Technology/Concentration in Media Arts
University of Michigan-Ann Arbor	Performing Arts Technology/Concentration in Music
University of Michigan-Dearborn	Communications
Western Michigan University	Nursing

(b) Masters:

Central Michigan University	Composition and Communication
Central Michigan University	Middle Level Education
Central Michigan University	Teaching English to Speakers of Other Languages (TESOL)
Grand Valley State University	Occupational Therapy
Grand Valley State University	Physician Assistant Program
Northern Michigan University	Mathematics Education
University of Michigan-Flint	Health Education
Wayne State University	Engineering Management
Wayne State University	Physician Assistant Studies
Wayne State University	Rehabilitation Sciences
Western Michigan University	Materials Science and Engineering

(c) Doctorate:

University of Michigan-Ann Arbor	Engineering in Manufacturing
Western Michigan University	Comparative Religion

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

Sec. 702. The principal executive officer of each institution of higher education receiving an appropriation under this act shall expend a portion of the funds appropriated to that institution to make a report to the house and senate appropriations committees, the auditor general, the house and senate fiscal agencies, and the department of management and budget within 60 days after the auditor general issues his or her annual report on the operation of the institution. The institution's report shall specify all of the following:

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

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

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

Sec. 703. A state university that has not reported project completion and total expenditure of oil overcharge revenues shall submit an annual report by October 1, 1996 to the public service commission in the department of commerce.

Sec. 705. (1) Each state university shall annually submit a report to the governor, department of management and budget, chairpersons of the house and senate appropriations committees, chairpersons of the house and senate appropriations subcommittees on higher education, and house and senate fiscal agencies on efforts to ensure the English language oral proficiency of teaching faculty.

(2) The next reporting date for the report under subsection (1) is November 1, 1995.

Sec. 706. (1) Each state university shall report the following information for the 1994-95 academic year to the house and senate fiscal agencies and the department of management and budget:

(a) Separately, the number of ranked faculty, unranked faculty, and graduate assistants who taught an undergraduate class section.

(b) The total number of undergraduate credit hours and section credits taught by each of the following:

(i) Ranked faculty.

(ii) Unranked faculty.

(iii) Graduate assistants.

(2) For the purposes of this section, "ranked faculty", "unranked faculty", and "graduate assistants" mean those terms as defined in the higher education institutional data inventory (HEIDI).

(3) This information shall be provided on or before October 31, 1995.

Sec. 707. The legislature recognizes that the first and foremost obligation of the public universities is undergraduate instruction. The public universities are therefore encouraged to increase their commitment of tenured and tenure track faculty to undergraduate instruction.

Sec. 708. The president's council, state universities of Michigan, shall transmit job placement information to the house and senate fiscal agencies using reports and/or studies currently being produced or generated by each state university.

Sec. 801. The legislature recognizes that a major obligation of the public universities is to provide undergraduate instruction to academically qualified citizens of this state. The public universities shall ensure that academically qualified Michigan residents are afforded the greatest opportunity to attend these institutions. Michigan residents shall comprise a substantial majority of each university's undergraduate population. Further, the universities shall report to the chairpersons of the house and senate appropriations subcommittees on higher education annually regarding their efforts to comply with the requirements of this section.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved -----

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Governor.