



SENATE BILL No. 307

EXECUTIVE BUDGET

February 16, 1995, Introduced by Senators GAST,
DE GROW and STEIL and referred to the Committee on
Appropriations.

A bill to make appropriations for community colleges for the fiscal year ending September 30, 1996; to provide for the expenditure of the appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, officers, and employees.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is appropriated for community colleges and certain
2 other state purposes relating to education, subject to the conditions set
3 forth in this act, for the fiscal year ending September 30, 1996, the
4 following amounts:

5 COMMUNITY COLLEGES

6 APPROPRIATIONS SUMMARY:

1	GROSS APPROPRIATION	\$	252,065,400
2	Total interdepartmental grants and		
3	intradepartmental transfers		0
4	ADJUSTED GROSS APPROPRIATION	\$	252,065,400
5	Federal revenues:		
6	Total federal revenues		0
7	Special revenue funds:		
8	Total local revenues		0
9	Total private revenues		0
10	Total other state restricted revenues		0
11	State general fund/general purpose	\$	252,065,400
12	OPERATIONS		
13	Alpena Community College	\$	4,035,500
14	Bay de Noc Community College		3,516,600
15	C.S. Mott Community College		12,702,100
16	Delta College		11,521,000
17	Glen Oaks Community College		1,744,400
18	Gogebic Community College		3,594,300
19	Grand Rapids Community College		16,089,100
20	Henry Ford Community College		17,427,700
21	Jackson Community College		10,656,100
22	Kalamazoo Valley Community College		8,378,000
23	Kellogg Community College		7,246,600
24	Kirtland Community College		2,628,600
25	Lake Michigan College		4,014,500
26	Lansing Community College		25,513,900
27	Macomb Community College		27,513,300
28	Mid Michigan Community College		3,192,500
29	Monroe County Community College		3,125,900

1	Montcalm Community College	2,676,800
2	Muskegon Community College	7,365,800
3	North Central Michigan College	2,430,700
4	Northwestern Michigan College	6,767,700
5	Oakland Community College	18,217,600
6	St. Clair County Community College	5,709,500
7	Schoolcraft College	9,374,200
8	Southwestern Michigan College	4,575,100
9	Washtenaw Community College	8,868,600
10	Wayne County Community College	14,859,600
11	West Shore Community College	<u>1,848,100</u>
12	GROSS APPROPRIATION	\$ 245,593,800
13	Appropriated from:	
14	State general fund/general purpose	\$ 245,593,800
15	GRANTS	
16	Highland Park public schools	\$ 2,989,300
17	At-risk student success program	<u>3,482,300</u>
18	GROSS APPROPRIATION	\$ 6,471,600
19	Appropriated from:	
20	State general fund/general purpose	\$ 6,471,600

21 **GENERAL SECTIONS**

22 Sec. 201. The expenditures and funding sources authorized under
23 this bill are subject to the management and budget act, Act No. 431 of
24 the Public Acts of 1984, being sections 18.1101 to 18.1594 of the
25 Michigan Compiled Laws.

26 **COLLEGE GENERAL SECTIONS**

27 Sec. 301.(1) For community colleges with fiscal years ending June
28 30, 1996, the sums appropriated in this act are appropriated for their
29 fiscal years ending June 30, 1996 and shall be paid out of the state

1 treasury and distributed by the state treasurer to the respective
2 community colleges in nine equal monthly installments for the period
3 October 1, 1995 to June 30, 1996. However, if a community college fails
4 to submit all verified Michigan community college activity
5 classification structure data for school year 1994-95 to the department
6 of education by November 1, 1995, the monthly installments shall be
7 withheld from that community college until those data are submitted.
8 The department of education shall publish the activity classification
9 structure data book on or before March 1, 1996 for use by the
10 legislature during budget development for the fiscal year ending
11 September 30, 1996. The amount distributed to a community college or
12 department shall not exceed the net state allocation authorized by this
13 act.

14 (2) Except as otherwise provided by law, each of the amounts
15 appropriated shall be used solely for the respective purposes stated in
16 this act. The funds appropriated by this act may be used to match the
17 cost of any available programs under the vocational education act of
18 1963, Public Law 88-210, 98 Stat. 2435, including local administration.

19 Sec. 302. (1) The auditor general or an independent public
20 accounting firm appointed by the auditor general shall audit data for
21 the fiscal year ending on June 30, 1995 as submitted on the department
22 of education activity classification structure request forms of seven
23 randomly selected community colleges. A community college shall
24 maintain and provide those records necessary for the auditor general or
25 certified public accountant appointed by the auditor general to
26 determine the accuracy of the reported data. The audits shall be based
27 upon the definitions and requirements contained in the Michigan public
28 community colleges manual for uniform financial reporting, 1981, as
29 revised, and the Michigan community colleges activities classification
30 structure, 1981, as revised. Before the submission of a final audit

1 report, a community college may appeal the findings of the preliminary
2 report, and the auditor general shall consult legislative and executive
3 authorities concerning an interpretation of the manual if necessary,
4 pursuant to an appeal process to be established by the auditor general.
5 The auditor general shall submit a report of the findings to the house
6 and senate appropriations committees, the department of education, and
7 the department of management and budget before June 1, 1996.

8 (2) The auditor general or a certified public accountant appointed
9 by the auditor general shall conduct not less than three performance
10 audits of community colleges but may conduct more if the auditor
11 general considers it necessary.

12 (3) Not more than 60 days after an audit report is released by the
13 office of the auditor general, the principal executive officer of the
14 community college that was audited shall submit to the house and senate
15 appropriations committees, the house and senate fiscal agencies, the
16 department of education, the auditor general, and the department of
17 management and budget a plan to comply with audit recommendations. The
18 plan shall contain projected dates and resources required, if any, to
19 achieve compliance with the audit recommendations, or a documented
20 explanation of the college's noncompliance with the audit
21 recommendations concerning the matters on which the audited community
22 college and office of the auditor general disagree.

23 (4) Any community college whose audited activities classification
24 structure data is significantly different than the data used to
25 determine state aid under this act shall return any overappropriated
26 funds.

27 Sec. 303. The department of education shall review and update the
28 taxonomy of the seven community colleges selected for audit in section
29 302(1) pursuant to the Michigan community colleges activities
30 classification structure, 1981, as revised.

1 Sec. 304. (1) A community college shall retain certified class
2 summaries, class lists, registration documents, and student transcripts
3 that are consistent with the taxonomy of courses. For each enrollment
4 period during the fiscal year, these certified documents shall identify
5 clearly by course the number of in-district and out-of-district student
6 credit and contact hours. The class summaries and class lists shall be
7 consistent with each other and shall include the course prefix and
8 numbers, course title, course credit and contact hours, credit and
9 contact hours generated by each student, and activity classifications
10 consistent with the taxonomy. An auditable process shall be used by the
11 community college to determine the unduplicated head count for
12 in-district students, out-of-district students, and prisoners for each
13 enrollment period during the fiscal year.

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

17 Sec. 305. (1) Each community college shall furnish an independent
18 auditor's management letter addressing any material weaknesses in the
19 college operations, and an annual audited accounting of all current
20 fund income and expenditures including audits of college foundations to
21 the legislature, the senate and house fiscal agencies, the auditor
22 general, the department of education, and the department of management
23 and budget before December 1, 1995. If a community college fails to
24 furnish the audit materials, the monthly state aid installments shall
25 be withheld from that college until the information is submitted. All
26 reporting shall conform to the requirements set forth in the Michigan
27 public community colleges manual for uniform financial reporting, 1981,
28 as revised.

29 (2) Each community college that has a deficit indicated in the
30 independent audit shall submit a plan to eliminate the deficit to the

1 department of education, no later than 30 days after December 1. If
2 the college fails to submit a deficit elimination plan, the department
3 shall withhold checks, beginning with the January check, until such
4 time as a mutually acceptable plan is developed and submitted. If the
5 plan as submitted is not acceptable to the department, the department
6 may withhold up to 50% of each succeeding state aid installment until
7 an acceptable plan is submitted.

8 Sec. 306. (1) Appropriations under this act shall not be expended
9 in contemplation of federal or other matching funds until federal or
10 other matching funds are available. The acceptance of federal or other
11 matching funds does not obligate this state to continue programs after
12 those funds are no longer available.

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

19 (3) A community college shall pay the employer's contributions to
20 the Michigan public school employees retirement system created by the
21 public school employees retirement act of 1979, Act No. 300 of the
22 Public Acts of 1980, being sections 38.1301 to 38.1408 of the Michigan
23 Compiled Laws, as a condition of receiving funds appropriated under
24 this act. A community college shall not pay an employer's contribution
25 to more than one retirement fund providing benefits for an employee.

26 (4) An appropriation contained in this act shall not be used for
27 the construction of buildings or for operations of a community college
28 not expressly authorized in section 101. Funds appropriated in section
29 101 shall not be used to pay for the construction or maintenance of any
30 self-liquidating project.

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

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

14 Sec. 307. Each community college shall report to the house and
15 senate fiscal agencies, the department of education, and the department
16 of management and budget a modification in credit or contact hour
17 tuition or mandatory noncourse related student fees not later than 30
18 days after the modification is established by the college governing
19 board.

20 Sec. 308. A community college shall develop a plan to increase the
21 number of minority students in meeting the continuing educational needs
22 of all Michigan citizens. Individual plans will be submitted by the
23 colleges to the department of education and civil rights by December 1
24 of each year.

25 Sec. 309. Each community college shall report to the department of
26 education, the house and senate appropriations committees, and the
27 house and senate fiscal agencies the numbers and type of associate
28 degrees and other certificates awarded during the previous fiscal year.
29 The report shall be made not later than November 15, 1995.

30 Sec. 310. Each community college shall submit the following

1 statistical data and reports relating to the community college to the
2 civil rights commission and the house and senate appropriations
3 subcommittees on community colleges in a format established by the
4 department of civil rights and the community colleges that incorporates
5 the requirements of state and federal law, and that includes all of the
6 following:

7 (a) An affirmative action plan for employment of minorities, women,
8 and handicappers including the plan requirements set forth in executive
9 directive 1979-4.

10 (b) A statistical report for minorities and women employees for the
11 most recent school year as submitted to the federal government on the
12 EEO-6 form.

13 (c) A statistical report for the most recent school year that
14 includes enrollment statistics for minorities and women as submitted to
15 the department of education.

16 Sec. 311. (1) Guidelines and procedures developed by the Michigan
17 department of education, the Michigan commission on Indian affairs, and
18 each state supported community college shall be used to ensure accurate
19 and consistent reporting and auditing of North American Indian student
20 enrollments. Community college financial aid programs shall comply with
21 all of the guidelines and procedures developed pursuant to this
22 section.

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

27 **STATE AID - OPERATIONS**

28 Sec. 401. Unless otherwise stated, all data items used in
29 determining state aid in this act are as defined in the Michigan public
30 community colleges manual for uniform financial reporting, 1981, as

1 revised, which shall be the basis for reporting data, and the Michigan
2 community colleges activities classification structure, 1981, as
3 revised, which shall be used to document financial needs of the
4 community colleges.

5 Sec. 402. A community college shall not include in the enrollment
6 report any student credit hours or student contact hours for a student
7 taking a college course to complete high school graduation requirements
8 or generated by a student incarcerated in Michigan penal institutions.
9 Exclusion of these students is intended to avoid the payment of state
10 aid under this act for the same individuals for whom a community
11 college has already been reimbursed under the state school aid act of
12 1979, Act No. 94 of the Public Acts of 1979, being sections 388.1601 to
13 388.1772 of the Michigan Compiled Laws, for completion of high school
14 requirements or for whom reimbursement is provided by the state
15 correctional system.

16 **GRANTS**

17 Sec. 501. (1) The community college at-risk student success program
18 is continued. The funding shall be prorated among community colleges
19 based on the number of student contact hours for developmental and
20 preparatory instruction reported by each community college to the
21 department of education for use in the Michigan community colleges
22 activities classification structure, 1981, as revised. Of the amount
23 appropriated in section 101 for the at-risk student success program,
24 \$1,120,000.00 shall be allocated for base grants of \$40,000.00 each, to
25 address the special needs of at-risk students at community colleges.

26 (2) Of the amount appropriated in section 101 for the at-risk
27 student success program, the balance of the appropriated funds, shall
28 be distributed on a proration utilizing the sum of the most recent
29 three years activities classification structure reported developmental/
30 preparatory contact hours divided by the sum of the three year total

1 contact hours at each college. Each community college's percentage
 2 shall be divided by the sum of all such percentages systemwide to
 3 obtain each community college's prorated grant amount.

4 (3) For the fiscal year ending September 30, 1996, the at-risk
 5 student success program funds shall be allocated as follows:

6	Alpena Community College	\$	107,300
7	Bay de Noc Community College		112,700
8	C. S. Mott Community College		102,400
9	Delta College		108,100
10	Glen Oaks Community College		132,500
11	Gogebic Community College		71,900
12	Grand Rapids Community College		66,300
13	Henry Ford Community College		138,300
14	Jackson Community College		117,700
15	Kalamazoo Valley Community College		118,500
16	Kellogg Community College		129,100
17	Kirtland Community College		144,700
18	Lake Michigan College		186,200
19	Lansing Community College		114,100
20	Macomb Community College		83,800
21	Mid Michigan Community College		116,500
22	Monroe Community College		95,300
23	Montcalm Community College		80,400
24	Muskegon Community College		174,900
25	North Central Michigan College		113,900
26	Northwestern Michigan College		129,500
27	Oakland Community College		153,900
28	St. Clair County Community College		77,100
29	Schoolcraft College		176,300
30	Southwestern Michigan College		163,200

1	Washtenaw Community College	138,700
2	Wayne County Community College	210,100
3	West Shore Community College	119,100

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

6 (a) Are initially placed in one or more developmental courses as a
7 result of standardized testing or as a result of failure to make
8 satisfactory academic progress.

9 (b) Are diagnosed as learning disabled.

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

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

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

18 (7) Each community college shall report to the house and senate
19 appropriations subcommittees on community colleges, the house and
20 senate fiscal agencies, and the director of the department of
21 management and budget a summary of all accomplishments under,
22 expenditures for, and compliance with the intent of this program,
23 including the number of at-risk students served. The report is subject
24 to audit by the auditor general as provided for in section 203(1). The
25 report shall be submitted not later than 90 days after the end of the
26 state's fiscal year.

27 (8) Each community college receiving grant funds under this section
28 shall, not more than 12 months after receipt of those funds, report to
29 the state treasurer, the department of management and budget, the house
30 and senate fiscal agencies, and the auditor general all the grant

1 funds that are not expended or encumbered. Those funds not expended or
2 encumbered shall be returned within 30 days and shall lapse to the
3 state's general fund.

4 Sec. 502. Upon completion of a plan for the cessation of operations
5 at Highland Park Community College, the funds appropriated for Highland
6 Park public schools shall be available to meet one-time needs such as
7 equipment, physical plant upgrades, and termination costs.