

SENATE BILL NO. 911

EXECUTIVE BUDGET BILL

February 24, 1998, Introduced by Senators SCHWARZ, GOUGEON, STEIL
and MC MANUS 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, 1999; 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 bill, for the fiscal year
4 ending September 30, 1999, the following respective amounts:
5 HIGHER EDUCATION
6 APPROPRIATIONS SUMMARY:
7 GROSS APPROPRIATION \$ 1,581,313,273
8 Interdepartmental grant revenues:
9 Total interdepartmental grants and
10 intradepartmental transfers 0
11 ADJUSTED GROSS APPROPRIATION \$ 1,581,313,273
12 Federal revenues:
13 Total federal revenues 3,600,000

1	Special revenue funds:	
2	Total local revenues	0
3	Total private revenues	0
4	Total other state restricted revenues	0
5	State general fund/general purpose	\$ 1,577,713,273
6	OPERATIONS	
7	Central Michigan University	\$ 72,735,062
8	Eastern Michigan University	77,278,273
9	Ferris State University	49,297,799
10	Grand Valley State University	47,031,334
11	Lake Superior State University	12,655,100
12	Michigan State University	283,100,348
13	Michigan Technological University	48,379,062
14	Northern Michigan University	46,630,350
15	Oakland University	42,820,678
16	Saginaw Valley State University	22,651,329
17	University of Michigan-Ann Arbor	319,257,372
18	University of Michigan-Dearborn	23,419,678
19	University of Michigan-Flint	20,105,601
20	Wayne State University	226,674,472
21	Western Michigan University	<u>109,552,639</u>
22	GROSS APPROPRIATION	\$ 1,401,589,097
23	Appropriated from:	
24	State general fund/general purpose	\$ 1,401,589,097
25	STATE AND REGIONAL PROGRAMS	
26	Agricultural experiment station	\$ 29,872,744
27	Cooperative extension service	25,693,244
28	Michigan molecular institute	125,000
29	Japan center for Michigan universities	355,250
30	Higher education database modernization and	
31	conversion	150,000
32	Midwestern higher education compact	<u>58,000</u>
33	GROSS APPROPRIATION	\$ 56,254,238
34	Appropriated from:	
35	State general fund/general purpose	\$ 56,254,238

1	MARTIN LUTHER KING, JR.-CESAR CHAVEZ-ROSA PARKS PROGRAM	
2	Select student supportive services	\$ 1,948,975
3	Michigan college/university partnership program . .	584,693
4	Visiting professors program	<u>164,249</u>
5	GROSS APPROPRIATION	\$ 2,697,917
6	Appropriated from:	
7	State general fund/general purpose	\$ 2,697,917
8	GRANTS AND FINANCIAL AID	
9	State competitive scholarships	\$ 32,169,620
10	Tuition grants	58,658,734
11	Michigan work-study program	7,243,381
12	Part-time independent student program	2,623,277
13	Grant for Michigan resident dental graduates . . .	4,565,416
14	Grant for general degree graduates	5,246,078
15	Grant for allied health graduates	844,958
16	Michigan education opportunity grants	2,060,557
17	Robert C. Byrd honors scholarship program	1,300,000
18	Tuition incentive program/high school	
19	completion	2,000,000
20	Center for advanced technologies-engineering	
21	tuition reimbursement	<u>4,060,000</u>
22	GROSS APPROPRIATION	\$ 120,772,021
23	Appropriated from:	
24	Federal revenues:	
25	DED-OPSE, grants to state for state student	
26	incentives	2,300,000
27	DED-OPSE, Byrd honors scholarships	1,300,000
28	State general fund/general purpose	\$ 117,172,021

29 **GENERAL SECTIONS**

30 Sec. 201. (1) Pursuant to section 30 of article IX of the state
31 constitution of 1963, total state spending from state sources for fiscal
32 year 1998-99 is estimated at \$1,577,713,273.00 in this bill and state
33 spending from state sources paid to local units of government for fiscal
34 year 1998-99 is estimated at \$4,667,700.00. The itemized statement
35 below identifies appropriations from which spending to units of local

1 government will occur:

2 GRANTS AND FINANCIAL AID

3	Part-time independent student program	\$	1,493,000
4	Michigan education opportunity grants		999,600
5	Michigan work-study program		<u>2,175,100</u>
6	Total	\$	4,667,700

7 (2) If it appears to the principal executive officer of a department
8 or branch that state spending to local units of government will be less
9 than the amount that was projected to be expended under subsection (1),
10 the principal executive officer shall immediately give notice of the
11 approximate shortfall to the state budget director.

12 Sec. 202. (1) The funds appropriated in section 101 to state
13 institutions of higher education shall be paid by the state treasurer to
14 the respective institutions in 11 equal monthly installments on the
15 sixteenth of each month, or the next succeeding business day, beginning
16 with October 16, 1998. Except for Wayne State University, each
17 institution shall accrue its July and August 1999 payments to its
18 institutional fiscal year ending June 30, 1999.

19 (2) The amount distributed to an institution shall not exceed the
20 net appropriations plus additional distributions specifically authorized
21 by this bill.

22 (3) All universities shall submit higher education institutional
23 data inventory (HEIDI) data and associated financial and program
24 information requested by and in a manner prescribed by the state budget
25 director. For universities with fiscal years ending June 30, 1998,
26 these data shall be submitted by October 15, 1998. Universities with a
27 fiscal year ending September 30, 1998, shall submit preliminary HEIDI
28 data by November 15, 1998, and final data by December 15, 1998.

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

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

1 available.

2 Sec. 204. The expenditures and funding sources authorized under
3 this bill are subject to the management and budget act, 1984 PA 431, MCL
4 18.1101 to 18.1594.

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

8 Sec. 206. As used in this appropriation bill, "DED-OPSE" means the
9 United States department of education office of postsecondary education.

10 **GRANTS AND FINANCIAL AID**

11 Sec. 301. (1) Payments of the amounts included in section 101 for
12 the state competitive scholarship program shall be distributed pursuant
13 to 1964 PA 208, MCL 390.971 to 390.981.

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

17 (3) If a student who receives an award under this section has his or
18 her tuition and fees paid under the Michigan educational trust program,
19 pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421
20 to 390.1444, and still has financial need, the funds awarded under this
21 section may be used for educational expenses other than tuition and
22 fees.

23 (4) If the Michigan higher education assistance authority increases
24 the maximum award per eligible student from that provided in the
25 previous fiscal year, it shall not have the effect of reducing the
26 number of eligible students receiving awards in relation to the total
27 number of eligible applicants. Any increase in the maximum grant shall
28 be proportional for all eligible students receiving awards.

29 Sec. 302. (1) The amounts appropriated in section 101 for the state
30 tuition grant program shall be distributed pursuant to 1966 PA 313, MCL
31 390.991 to 390.997a.

32 (2) Tuition grant awards shall be made to all eligible Michigan
33 residents who apply before September 1, 1998, and who are qualified.
34 Tuition grant awards shall not be made to students newly enrolled in a
35 juris doctor law degree program after the 1995-96 academic year.

36 (3) The Michigan higher education assistance authority shall

1 determine an actual maximum tuition grant award per student that ensures
 2 that the aggregate payments for the tuition grant program do not exceed
 3 the appropriation contained in section 101 for the state tuition grant
 4 program. By October 15, 1998, and again by December 15, 1998, the
 5 authority shall analyze the status of award commitments, shall make any
 6 necessary adjustments, and shall confirm that those award commitments
 7 will not exceed the appropriation contained in section 101 for the
 8 tuition grant program. The determination and actions shall be reported
 9 to the state budget director and the house and senate fiscal agencies no
 10 later than December 15, 1998. If award adjustments are necessary, the
 11 students shall be notified of the adjustment by the third Monday in
 12 January.

13 (4) Any unexpended and unencumbered funds remaining on September 30,
 14 1999, from the amounts appropriated in section 101 for the tuition grant
 15 program shall not lapse on September 30, 1999, but shall continue to be
 16 available for expenditure for tuition grants provided in the 1999-2000
 17 fiscal year. The use of these unexpended fiscal year 1998-99 funds
 18 shall terminate at the end of the 1999-2000 fiscal year.

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

22 (6) If the Michigan higher education assistance authority increases
 23 the maximum award per eligible student from that provided in the
 24 previous fiscal year, it shall not have the effect of reducing the
 25 number of eligible students receiving awards in relation to the total
 26 number of eligible applicants. Any increase in the maximum grant shall
 27 be proportional to the appropriation for the Michigan work-study program
 28 established under 1986 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303,
 29 MCL 390.1321 to 390.1332. An effort should be made by each institution
 30 participating in the Michigan work-study program to assure that not less
 31 than 10% of those undergraduate, graduate, and professional students
 32 eligible to participate in the program are placed with for-profit employ-
 33 ers no later than December 31 of each year for which funding is provided
 34 under this bill.

35 (2) The Michigan higher education assistance authority shall
 36 allocate funds to institutions eligible for work-study money based upon

1 each institution's specific Pell grant index and each institution's
2 utilization rate of work-study funds for the 3 most recent years for
3 which statistics are available.

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

9 Sec. 304. (1) Payments of the amounts included in section 101 for
10 the general degree reimbursement program established under 1974 PA 75,
11 MCL 390.1021 to 390.1027, shall be made for all degrees identified in
12 section 1(1) of 1974 PA 75, MCL 390.1021, except doctor of dental sur-
13 gery, doctor of dental medicine, juris doctor law, and allied health
14 degrees.

15 (2) The reimbursement rate per eligible degree shall be the equally
16 prorated amount permitted by the appropriation, except that the amount
17 of the reimbursement for each associate degree shall be $\frac{1}{2}$ of the rate of
18 reimbursement for the other degrees eligible under subsection (1) for
19 the general degree reimbursement program.

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

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

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

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

30 Sec. 305. The reimbursement rate per eligible degree under the
31 allied health degree reimbursement program established under 1974 PA 75,
32 MCL 390.1021 to 390.1027, shall be the equally prorated amount permitted
33 by the appropriation included in section 101.

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

1 Sec. 307. The auditor general shall audit selected enrollments,
2 degrees, and awards at selected independent colleges and universities
3 receiving awards administered by the department of treasury. The audits
4 shall be based upon definitions and requirements established by the
5 state budget director and the senate and house fiscal agencies. The
6 auditor general shall submit a report of findings to the senate and
7 house appropriations committees and the state budget director not later
8 than May 1, 1999.

9 Sec. 308. The sums appropriated in section 101 for the student
10 financial aid and degree reimbursement programs shall be paid out of the
11 state treasury and shall be distributed to the respective institutions
12 in accordance with a quarterly payment system as follows:

13 (a) For the state competitive scholarship, tuition incentive, and
14 tuition grant programs, 40% shall be paid at the beginning of the
15 state's first fiscal quarter, 40% at the beginning of the state's second
16 fiscal quarter, 10% at the beginning of the state's third fiscal
17 quarter, and 10% at the beginning of the state's fourth fiscal quarter.
18

19 (b) For the work-study program, payments shall be made in 11 monthly
20 installments from October 1 to August 31 of any year.

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

26 (d) For the general degree reimbursement program, allied health
27 degree reimbursement program, Michigan resident dental grant program,
28 and Robert C. Byrd honors scholarship program, 50% shall be paid at the
29 beginning of the state's first fiscal quarter and 50% at the beginning
30 of the state's second fiscal quarter after the number of earned degrees
31 conferred and total amounts to be paid are certified. Sec. 309.
32 The Michigan higher education assistance authority shall determine the
33 needs analysis criteria for students to qualify for the competitive
34 scholarship program and tuition grant program. To be consistent with
35 federal requirements, student wages may be taken into consideration when
36 determining the amount of the award.

1 Sec. 310. (1) The funds appropriated in section 101 for the tuition
2 incentive program/high school completion program shall be distributed as
3 provided in this section and pursuant to the administrative procedures
4 for the tuition incentive program/high school completion program of the
5 family independence agency.

6 (2) As used in this section:

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

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

13 (c) "Department" means the family independence agency.

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

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

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

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

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

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

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

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

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

34 (c) To be eligible for phase I or phase II, a person must be
35 financially eligible as determined by the department. A person is
36 financially eligible for the tuition incentive program if that person

1 was medicaid eligible for 24 months within the 36 months before
2 application. Certification of eligibility may begin in the sixth grade
3 and continue until the time of enrollment in a participating
4 institution.

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

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

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

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

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

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

25 (6) A person participating in phase I may be eligible for additional funds not
26 to exceed \$500.00 per semester or \$400.00 per term up to a maximum of
27 a \$2-year.00 subject to Michigan being second grant for 4-year.
28 college or university.

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

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

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

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

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

10 (11) The department shall ensure that the tuition incentive program
11 is well publicized and that potentially eligible medicaid clients are
12 provided information on the program. The department shall provide the
13 necessary funding and staff to fully operate the program.

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

17 (13) Any unexpended and unencumbered funds remaining on September
18 30, 1999 from the amounts appropriated in section 101 for the tuition
19 incentive program shall not lapse on September 30, 1999, but shall
20 continue to be available for expenditure for the tuition incentive
21 program in the fiscal year ending September 30, 2000.

22 Sec. 311. To enable the legislature to evaluate the appropriation
23 needs of higher education, each independent college and university shall
24 make available to the legislature upon request, data regarding grants
25 for the preceding, current, and ensuing fiscal years.

26 Sec. 312. The funds appropriated in section 101 for the center for
27 advanced technologies-engineering program provided in conjunction with
28 the coalition for new manufacturing education are designated to
29 focus:hope to reimburse the costs of the manufacturing based education.

30 **STATE UNIVERSITIES**

31 Sec. 401. (1) Included in section 101 is \$5,700,387.00 to Wayne
32 State University for the Joseph F. Young, Sr. psychiatric research and
33 training program. Wayne State University shall use these funds for
34 psychiatric laboratory and clinical research, training, and treatment
35 services. Within the available appropriation, services shall not be
36 denied to any patient who meets established research guidelines for

1 treatment on the basis of personal financial circumstances, age,
2 geographic residence, or projected/actual length of treatment as
3 medically warranted.

4 (2) Wayne State University shall report the following information to
5 the department of community health by November 1, 1999:

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

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

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

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

15 (3) Copies of these reports shall also be provided to the house and
16 senate fiscal agencies and the state budget director.

17 Sec. 402. (1) There is created the higher education institutional
18 data inventory advisory committee. The committee shall be appointed by
19 the state budget director and shall consist of the following members:
20

21 (a) One representative from the house fiscal agency.

22 (b) One representative from the senate fiscal agency.

23 (c) One representative from the state budget director's office.

24 (d) Three representatives of the presidents council of state
25 universities. The presidents council shall appoint 1 representative
26 each from a masters, a doctoral, and a research university.

27 (2) The committee shall provide for the general scope and direction
28 for implementing the conversion and modernization of the state's higher
29 education databases, for which funding is provided in section 101.

30 (3) The committee shall prepare a plan for the conversion and
31 modernization effort. The plan shall include, but is not limited to,
32 all of the following:

33 (a) The development of a data dictionary.

34 (b) The integration of appropriate federal and state databases.

35 (c) The assurance of the accuracy of the data.

36 Sec. 403. From the funds appropriated in section 101, each state

1 university shall establish a system to track students that graduate from
 2 the university. The system shall minimally provide information on the
 3 students' field of study and year of graduation, whether they are
 4 employed or continuing their education, the field in which they are
 5 employed or their subsequent field of academic study, their job title,
 6 their salary, and their city, town, or other place of residence.

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

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

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

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

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

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

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

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

36 (3) The program shall be administered by the Michigan department of

1 education.

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

7 (2) The grants shall be made under this program to Michigan public
8 universities. An award to any 1 institution shall not be greater than
9 \$150,000.00, and the amount awarded shall be matched on a 70% state, 30%
10 university basis.

11 (3) The program shall be administered by the the Michigan department
12 of education.

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

18 (2) The program shall be administered by the Michigan department of
19 education.

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

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

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

32 **GENERAL REPORTS AND AUDITS**

33 Sec. 701. (1) The auditor general shall audit enrollments at 5
34 randomly selected public universities. The audits shall be based upon
35 the definitions and requirements established by the state budget
36 director and the senate and house fiscal agencies. The audits shall be

1 based on uniform reporting categories and shall include higher education
2 institutional data inventory (HEIDI) data. The auditor general shall
3 submit a report of findings to the house and senate appropriations
4 committees and the state budget director no later than March 1, 1999.

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

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

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

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

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

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

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

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

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

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

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

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

3 Sec. 703. (1) Each state university shall annually submit a report
4 to the state budget director and house and senate fiscal agencies on
5 efforts to ensure the English language oral proficiency of teaching
6 faculty.

7 (2) The next reporting date for the report under subsection (1) is
8 November 1, 1998.

9 Sec. 704. (1) Each state university shall report the following
10 information for the 1997-98 academic year to the house and senate fiscal
11 agencies and the state budget director:

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

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

16 (i) Ranked faculty.

17 (ii) Unranked faculty.

18 (iii) Graduate assistants.

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

22 (3) This information shall be provided on or before October 31,
23 1998.

24 Sec. 705. The auditor general shall conduct not less than 3
25 performance audits of the state universities during the fiscal year
26 ending September 30, 1999.

final page