

Act No. 85
Public Acts of 1997
Approved by the Governor
July 25, 1997
Filed with the Secretary of State
July 28, 1997
EFFECTIVE DATE: July 28, 1997

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1997

Introduced by Reps. McBryde, Oxender, Gilmer, Johnson, Jellema, Bankes, Godchaux and Bobier

ENROLLED HOUSE BILL No. 4305

AN ACT to make appropriations for community colleges for the fiscal year ending September 30, 1998; 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:

Sec. 101. There is appropriated for community colleges and certain other state purposes relating to education, subject to the conditions set forth in this act, for the fiscal year ending September 30, 1998, the following amounts:

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	274,977,600
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	274,977,600
Total federal revenues		0
Total local revenues		0
Total private revenues.....		0
Total local and private revenues.....		0
Total other state restricted revenues.....		0
State general fund/general purpose	\$	274,977,600

OPERATIONS

Alpena Community College	\$	4,427,617
Bay de Noc Community College.....		4,073,298
Delta College		12,879,360
Glen Oaks Community College		1,938,977
Gogebic Community College.....		3,911,254
Grand Rapids Community College		17,167,807
Henry Ford Community College.....		19,191,097
Jackson Community College.....		11,387,890
Kalamazoo Valley Community College.....		9,662,776
Kellogg Community College.....		8,060,728
Kirtland Community College.....		2,812,022
Lake Michigan College		4,468,779
Lansing Community College		27,947,798

		For Fiscal Year Ending Sept. 30, 1998
Macomb Community College	\$	30,419,950
Mid-Michigan Community College		3,607,590
Monroe County Community College		3,534,573
Montcalm Community College		2,907,824
C.S. Mott Community College.....		14,136,966
Muskegon Community College.....		8,025,890
North Central Michigan College.....		2,686,635
Northwestern Michigan College		7,809,604
Oakland Community College		19,845,292
St. Clair County Community College		6,327,240
Schoolcraft College.....		10,643,950
Southwestern Michigan College.....		5,138,206
Washtenaw Community College.....		10,176,151
Wayne County Community College.....		15,869,022
West Shore Community College.....		2,046,238
GROSS APPROPRIATION.....	\$	271,104,534
State general fund/general purpose	\$	271,104,534
GRANTS		
At-risk student success program.....	\$	3,584,566
Renaissance zone tax reimbursement funding.....		288,500
GROSS APPROPRIATION.....	\$	3,873,066
State general fund/general purpose	\$	3,873,066

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1997-98 is estimated at \$274,977,600.00 in this bill and state spending from state sources paid to local units of government for fiscal year 1997-98 is estimated at \$274,977,600.00.

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

Sec. 202. (1) The sums appropriated in this act are appropriated for community colleges with fiscal years ending June 30, 1998 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 9 equal monthly installments for the period October 1, 1997 to June 30, 1998. However, if a community college fails to submit all verified Michigan Community Colleges Activities Classification Structure data for school year 1996-97 to the department of education by November 1, 1997, the monthly installments shall be withheld from that community college until those data are submitted. The department of education shall publish the activity classification structure data book on or before March 1, 1998 for use by the legislature during budget development for the fiscal year ending September 30, 1999. The amount from the funds appropriated in section 101 that is allocated under section 401 to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 1997. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

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

Sec. 203. (1) The auditor general or an independent public accounting firm appointed by the auditor general shall audit data for the fiscal year ending on June 30, 1997 as submitted on the department of education request forms of 7 randomly selected community colleges. A community college shall maintain and provide those records necessary for the auditor general or certified public accountant appointed by the auditor general to determine the accuracy of the reported data. The audits shall be based upon the definitions and requirements contained in the Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised, and the Michigan Community Colleges

Activities Classification Structure, 1981, as revised. Before the submission of a final audit report, a community college may appeal the findings of the preliminary report under an appeal process to be established by the auditor general. The auditor general shall submit a report of the findings to the house and senate appropriations committees, the department of education, and the department of management and budget before June 1, 1998.

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

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

(4) A community college whose audited activities classification structure data is significantly different than the data used to determine state aid under this act shall return any overappropriated funds as provided in this section. The department of education shall compare formula computations for the audited colleges using pre- and post-audit data. If the state allocation is 2% or more than the post-audit allocation amount, the college shall return the excess funds. The returned money shall be redistributed to all 28 community colleges, prorated on the base appropriations contained in section 101.

Sec. 204. The department of education shall revise and update the taxonomy of the 7 community colleges selected for audit under section 203(1) pursuant to the Michigan Community Colleges Activities Classification Structure, 1981, as revised.

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

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

Sec. 206. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the legislature, the senate and house fiscal agencies, the auditor general, the department of education, and the department of management and budget before November 15, 1997. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised.

Sec. 207. (1) A community college shall pay the employer's contributions to the Michigan public school employees' retirement system created by the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1467, as a condition of receiving funds appropriated under this act.

(2) A community college shall not pay an employer's contribution to more than 1 retirement fund providing benefits for an employee.

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

Sec. 208. Each community college shall report to the house and senate fiscal agencies and the department of education a modification in credit or contact hour tuition or mandatory non-course-related student fees not later than 30 days after the modification is established by the college governing board.

Sec. 209. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Sec. 211. Each community college shall report to the department of education, the house and senate appropriations committees, and the house and senate fiscal agencies the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 1997.

Sec. 212. The department of education shall ensure that a statistical report for minorities and women employees for the most recent school year as submitted to the federal government on the EEO-6 form be included in the Michigan Community Colleges Enrollment Profile published by the department of education. Also included in this profile shall be a statistical report for the most recent school year that includes enrollment statistics for minorities and women as submitted to the department of education. The department of education shall distribute a copy of this report to members of the house and senate appropriations subcommittees on community colleges and the house and senate fiscal agencies no later than March 1, 1998.

Sec. 213. (1) The department of treasury shall annually collect and compile as part of the ACS report the tax revenue losses to community colleges resulting from TIFAs and tax abatements. The department of treasury shall submit the data as described in this section to the department of education not later than November 1, 1997 for the previous fiscal year.

(2) The department of treasury shall conduct a study of revenue losses due to tax increment financing authorities and tax abatements. The department of treasury shall produce a report detailing the findings of the study. The report shall be completed and presented to the house and senate appropriations subcommittees on community colleges no later than February 1, 1998. The report shall include, but not be limited to, the following:

(a) Confirmed revenue losses for each community college for each of the previous 3 years.

(b) Projections of revenue losses for each community college for the fiscal years ending September 30, 1998 and September 30, 1999.

(c) Analysis of other states' attempts at mitigating or compensating community colleges for tax abatement and tax increment financing authority revenue losses.

(d) Any other requirements requested by the house and senate appropriations subcommittees on community colleges.

Sec. 214. (1) Each community college shall report the following to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the department of education, no later than November 1, 1997:

(a) The number of North American Indian students enrolled each term for the previous fiscal year, using guidelines and procedures developed by the department of education and the Michigan commission on Indian affairs.

(b) The number of Indian tuition waivers granted each term, and the monetary value of the waivers for the previous fiscal year.

(2) Colleges shall use the criteria cited in 1976 PA 174, MCL 390.1251 to 390.1253, to determine eligibility for tuition waivers, and shall grant such waivers to individuals who meet the criteria and request tuition waivers.

Sec. 215. From the general fund/general purpose appropriation in section 101, there is allocated \$288,500.00 to make reimbursement to community colleges, as provided by section 12 of 1996 PA 376, MCL 125.2692, for property taxes levied in 1997. Reimbursements shall be made in amounts to each eligible recipient no later than 60 days after the department of treasury certifies to the department of management and budget that it has received all necessary information to properly determine the amounts due each eligible recipient pursuant to section 12(4) of 1996 PA 376. Any excess allocations shall lapse to the general fund.

Sec. 216. Upon request, a community college shall inform interested Michigan high schools of the aggregate academic status of its students for the fiscal year beginning October 1, 1997, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals.

Sec. 218. A community college may furnish to the department of management and budget, the house and senate appropriations subcommittees on community colleges, and the house and senate fiscal agencies, a report detailing 3 technological improvements and/or priorities desired by the college, along with estimated costs and benefits associated with each project. The reports shall be distributed to the parties named in this section not later than December 1, 1997, in order to be considered for possible future budget appropriations.

Sec. 220. It is the intent of the legislature that funds appropriated under this act not be expended to provide health care coverage for community college employees or their dependents for abortion services, other than for spontaneous abortion or to prevent the death of the woman upon whom the abortion is performed. Further, it is the intent of the legislature that a community college not approve a collective bargaining agreement that includes health care coverage

for abortion services other than spontaneous abortion or to prevent the death of the woman upon whom the abortion is performed.

Sec. 222. A community college shall not receive any funds of reimbursement from any school district that has dual-enrolled students, until the specified dual-enrolled student has completed the course that is being reimbursed. The dual-enrolled student who fails to complete a course at a community college shall pay the community college for the course that the student failed to complete.

STATE AID-OPERATIONS

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised, which shall be the basis for reporting data, and the Michigan Community Colleges Activities Classification Structure, 1981, as revised, which shall be used to document financial needs of the community colleges.

Sec. 302. A community college shall not include in the enrollment report any student credit hours or student contact hours for a student incarcerated in a Michigan penal institution. Exclusion of these students is intended to avoid the payment of state aid under this act for the same individuals for whom reimbursement is provided by the state correctional system.

GRANTS

Sec. 401. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of education for use in the Michigan Community Colleges Activities Classification Structure, 1981, as revised. Of the amount appropriated in section 101 for the at-risk student success program, \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges or the acquisition or upgrade of technology related equipment and software.

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

(3) For the fiscal year ending September 30, 1998, the at-risk student success program money is allocated as follows:

Alpena Community College	\$	133,007
Bay de Noc Community College.....		123,696
Delta College		104,629
Glen Oaks Community College		126,792
Gogebic Community College.....		71,761
Grand Rapids Community College.....		67,730
Henry Ford Community College.....		157,432
Jackson Community College.....		109,187
Kalamazoo Valley Community College.....		119,420
Kellogg Community College.....		139,045
Kirtland Community College.....		144,074
Lake Michigan College		172,690
Lansing Community College		112,045
Macomb Community College.....		84,116
Mid-Michigan Community College		125,416
Monroe Community College		99,686
Montcalm Community College		76,470
Mott Community College.....		110,453
Muskegon Community College.....		194,613
North Central Michigan College.....		110,082
Northwestern Michigan College.....		135,720

Oakland Community College	163,949
St. Clair Community College.....	77,551
Schoolcraft College.....	166,019
Southwestern Michigan College.....	177,401
Washtenaw Community College.....	136,655
Wayne County Community College.....	211,671
West Shore Community College.....	133,256

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

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

(b) Are diagnosed as learning disabled.

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

(5) Grant funding under this section shall be utilized to address the special needs of at-risk students or for equipment or upgrade of information technology hardware or software. Activities related to services provided to at-risk students include, but are not limited to, pretesting for academic ability, counseling contacts, and special programs. Equipment or information technology hardware or software purchased under this section need not be associated with the operation of a program designed to address the needs of at-risk students.

(6) Grant funding under this section shall not be used for indirect costs including, but not limited to, rent, utilities, or, except as provided in this section, college administration.

(7) Each community college shall report to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the department of education a summary of all accomplishments under, expenditures for, and compliance with the intent of this program, including the number of at-risk students served. The report is subject to audit as provided for in section 203(1). The report shall be submitted not later than 90 days after the end of the state's fiscal year. The department of education shall make available a summary report of the program.

(8) Each community college receiving grant money under this section shall, not more than 12 months after receipt of that money, certify to the state treasurer, the department of management and budget, the house and senate fiscal agencies, and the auditor general whether all the grant money is expended or encumbered.

Sec. 402. It is the intent of the legislature that any executive or legislative proposal or action, subsequent to the adoption of a recommendation for appropriations for community colleges for the fiscal year ending September 30, 1998, to increase appropriations to state supported 4-year universities in excess of the governor's original recommendation for the fiscal year ending September 30, 1998, will be accompanied by a similar action or proposal for state supported community colleges.

Sec. 403. (1) It is the intent of the legislature that colleges use a portion of the funds appropriated in section 101 for operations to implement and institute the ideas and goals embodied by the partnerships for employment program. In view of this program, colleges would form identifiable links with local businesses or local business alliances, to ascertain the immediate and lasting employment needs of the community. In so doing, the colleges in conjunction with the businesses, would create specific, direct certificate programs, whereupon completion of the certificate program would lead to an increased likelihood of employment by the sponsoring businesses.

(2) When creating programs under subsection (1), the colleges shall consider the following:

(a) The likelihood of the project directly providing a discrete population of unemployed or underemployed workers with job skills that will lead to increased likelihood of desired employment with the sponsoring businesses.

(b) The use of appropriations to efficiently coordinate existing but largely unconnected resources for worker training.

(c) The use of performance outcome measures to detail a correlation between partnering with local businesses to provide specific training, and the population attaining employment upon successful completion of such training.

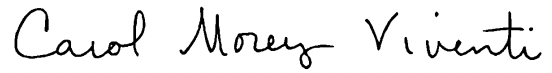
(3) It is further the intent of the legislature that the community colleges provide recommendations for the establishment of a formal partnership for employment grant program to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the department of management and budget, not later than December 1, 1997. These recommendations shall include the purpose of the program, the populations to be served, the method of allocation of funds to the colleges, and the reporting requirements to be utilized.

Sec. 404. Funds appropriated in section 101 shall not be used for the purchase of foreign goods and/or services if competitively priced and comparable quality American goods and/or services are available.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.