

SUBSTITUTE FOR
HOUSE BILL NO. 4302

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, 2000; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1	PART 1
2	LINE-ITEM APPROPRIATIONS
3	HIGHER EDUCATION
4	GROSS APPROPRIATION..... \$ 1,672,279,508
5	Total interdepartmental grants and intradepartmental
6	transfers..... \$ 0
7	ADJUSTED GROSS APPROPRIATION..... \$ 1,672,279,508
8	Appropriated from:

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For Fiscal Year Ending
September 30, 2000

1	Federal revenues:	
2	Total federal revenues.....	3,600,000
3	Special revenue funds:	
4	Total local revenues.....	0
5	Total private revenues.....	0
6	Total other state restricted revenues.....	5,250,000
7	State general fund/general purpose.....	\$ 1,663,429,508
8	Sec. 102 CENTRAL MICHIGAN UNIVERSITY	
9	Operations.....	\$ <u>78,992,304</u>
10	GROSS APPROPRIATION.....	\$ 78,992,304
11	Appropriated from:	
12	State general fund/general purpose.....	\$ 78,992,304
13	Sec. 103 EASTERN MICHIGAN UNIVERSITY	
14	Operations.....	\$ <u>79,476,167</u>
15	GROSS APPROPRIATION.....	\$ 79,476,167
16	Appropriated from:	
17	State general fund/general purpose.....	\$ 79,476,167
18	Sec. 104 FERRIS STATE UNIVERSITY	
19	Operations.....	\$ <u>50,699,929</u>
20	GROSS APPROPRIATION.....	\$ 50,699,929
21	Appropriated from:	
22	State general fund/general purpose.....	\$ 50,699,929
23	Sec. 105 GRAND VALLEY STATE UNIVERSITY	
24	Operations.....	\$ <u>52,702,776</u>
25	GROSS APPROPRIATION.....	\$ 52,702,776
26	Appropriated from:	

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1	State general fund/general purpose.....	\$	52,702,776
2	Sec. 106 LAKE SUPERIOR STATE UNIVERSITY		
3	Operations.....	\$	<u>13,015,111</u>
4	GROSS APPROPRIATION.....	\$	13,015,111
5	Appropriated from:		
6	State general fund/general purpose.....	\$	13,015,111
7	Sec. 107 MICHIGAN STATE UNIVERSITY		
8	Operations.....	\$	<u>295,224,523</u>
9	GROSS APPROPRIATION.....	\$	295,224,523
10	Appropriated from:		
11	State general fund/general purpose.....	\$	295,224,523
12	Sec. 108 MICHIGAN TECHNOLOGICAL UNIVERSITY		
13	Operations.....	\$	<u>49,755,062</u>
14	GROSS APPROPRIATION.....	\$	49,755,062
15	Appropriated from:		
16	State general fund/general purpose.....	\$	49,755,062
17	Sec. 109 NORTHERN MICHIGAN UNIVERSITY		
18	Operations.....	\$	<u>47,956,618</u>
19	GROSS APPROPRIATION.....	\$	47,956,618
20	Appropriated from:		
21	State general fund/general purpose.....	\$	47,956,618
22	Sec. 110 OAKLAND UNIVERSITY		
23	Operations.....	\$	<u>46,315,822</u>
24	GROSS APPROPRIATION.....	\$	46,315,822
25	Appropriated from:		
26	State general fund/general purpose.....	\$	46,315,822

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1	Sec. 111 SAGINAW VALLEY STATE UNIVERSITY		
2	Operations.....	\$	<u>23,709,993</u>
3	GROSS APPROPRIATION.....	\$	23,709,993
4	Appropriated from:		
5	State general fund/general purpose.....	\$	23,709,993
6	Sec. 112 UNIVERSITY OF MICHIGAN-ANN ARBOR		
7	Operations.....	\$	<u>328,337,152</u>
8	GROSS APPROPRIATION.....	\$	328,337,152
9	Appropriated from:		
10	State general fund/general purpose.....	\$	328,337,152
11	Sec. 113 UNIVERSITY OF MICHIGAN-DEARBORN		
12	Operations.....	\$	<u>25,290,119</u>
13	GROSS APPROPRIATION.....	\$	25,290,119
14	Appropriated from:		
15	State general fund/general purpose.....	\$	25,290,119
16	Sec. 114 UNIVERSITY OF MICHIGAN-FLINT		
17	Operations.....	\$	<u>21,604,375</u>
18	GROSS APPROPRIATION.....	\$	21,604,375
19	Appropriated from:		
20	State general fund/general purpose.....	\$	21,604,375
21	Sec. 115 WAYNE STATE UNIVERSITY		
22	Operations.....	\$	233,121,194
23	Diabetes Center.....		<u>100</u>
24	GROSS APPROPRIATION.....	\$	233,121,294
25	Appropriated from:		
26	State general fund/general purpose.....	\$	233,121,294

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Sub. H.B. 4302 (H-1) as amended March 24, 1999
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1	Sec. 116 WESTERN MICHIGAN UNIVERSITY		
2	Operations.....	\$	112,668,416
3	School of aviation sciences.....		<u>500,000</u>
4	GROSS APPROPRIATION.....	\$	113,168,416
5	Appropriated from:		
6	State general fund/general purpose.....	\$	113,168,416
7	Sec. 117 TUITION RESTRAINT INCENTIVE GRANTS		
8	Tuition Restraint Incentive Grants.....	\$	22,000,000
9	Sec. 118 STATE AND REGIONAL PROGRAMS		
10	Agricultural experiment station.....	\$	31,025,108
11	Cooperative extension service.....		26,684,394
12	Michigan molecular institute.....		[65,000]
13	Japan center for Michigan universities.....		394,335
14	Higher education database modernization and		
15	conversion.....		273,500
16	Midwest higher education compact.....		<u>75,000</u>
17	GROSS APPROPRIATION.....	\$	[58,517,337]
18	Appropriated from:		
19	State general fund/general purpose.....	\$	[58,517,337]
20	Sec. 119 MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS		
21	PROGRAM		
22	Select student supportive services.....	\$	2,024,152
23	Michigan college/university partnership program.....		607,246
24	Morris Hood, Jr. educator development program.....		[158,750]
25	Visiting professors program.....		<u>170,585</u>
26	GROSS APPROPRIATION.....	\$	[2,960,733]

02360'99 (H-1)

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Sub. H.B. 4302 (H-1) as amended March 25, 1999

For Fiscal Year Ending
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1	Appropriated from:		
2	State general fund/general purpose.....	\$	[2,960,733]
3	Sec. 120 GRANTS AND FINANCIAL AID		
4	State competitive scholarships.....	\$	33,157,672
5	Tuition grants.....		60,599,096
6	Michigan work study program.....		7,482,984
7	Part-time independent student program.....		2,710,052
8	Grant for Michigan resident dental graduates.....		4,716,435
9	Grant for general degree graduates.....		5,419,613
10	Tuition Restraint Incentive Grants for independent		
11	colleges and universities.....		1,600,000
12	Grant for allied health graduates.....		872,908
13	Michigan education opportunity grants.....		2,128,717
14	Robert C. Byrd honors scholarship program.....		1,300,000
15	Center for advanced technologies-tuition		
16	reimbursement.....		4,194,300
17	Tuition incentive program/high school completion.....		<u>5,250,000</u>
18	GROSS APPROPRIATION.....	\$	129,431,777
19	Appropriated from:		
20	Federal revenues:		
21	Higher education act of 1965, title IV, 20 U.S.C.....		2,300,000
22	Higher education act of 1965, title IV, part A.....		1,300,000
23	Special revenue funds:		
24	Michigan merit award trust fund.....		5,250,000
25	State general fund/general purpose.....	\$	120,581,777
26			
27			

02360'99 (H-1)

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Sub. H.B. 4302 (H-1) as amended March 25, 1999

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PART 2

2

PROVISIONS CONCERNING APPROPRIATIONS

3 GENERAL SECTIONS

4

Sec. 201. (1) Pursuant to section 30 of article IX of the state

5 constitution of 1963, total state spending from state resources in part 1

6 of this appropriation act is [\$1,668,679,508.00]. Of the state spending

7 from state resources in part 1 for campus based and other financial aid

8 programs, it is estimated that \$4,566,584.00 are local spending pursuant

9 to section 30 of article IX of the state constitution of 1963. The dis-

10 tribution is as follows:

11

For Fiscal Year
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14 GRANTS AND FINANCIAL AID

15

Part-time independent student program..... \$ 1,346,354

16

Michigan education opportunity grant..... 1,607,784

17

Michigan work-study..... 2,112,446

18

TOTAL..... \$ 4,566,584

19

(2) If it appears to the principal executive officer of a department

20 or branch that state spending to local units of government will be less

21 than the amount that was projected to be expended under subsection (1),

22 the principal executive officer shall immediately give notice of the

23 approximate shortfall to the state budget director, the house and senate

24 appropriations committees, and the house and senate fiscal agencies.

25

Sec. 202. (1) The funds appropriated in part 1 to state institu-

26 tions of higher education shall be paid out of the state treasury and

27 distributed by the state treasurer to the respective institutions in 11

28 equal monthly installments on the sixteenth of each month, or the next

29 succeeding business day, beginning with October 16, 1999. Except for

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1 Wayne State University, each institution shall accrue its July and August
2 2000 payments to its institutional fiscal year ending June 30, 2000.

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

6 (3) All universities shall submit higher education institutional
7 data inventory (HEIDI) data and associated financial and program informa-
8 tion requested by and in a manner prescribed by the state budget
9 director. For universities with fiscal years ending June 30, 1999, these
10 data shall be submitted to the department of management and budget by
11 October 15, 1999. Universities with a fiscal year ending September 30,
12 1999 shall submit preliminary HEIDI data by November 15, 1999 and final
13 data by December 15, 1999.

14 (4) A detailed description of procedures utilized to arrive at the
15 amounts appropriated in part 1 shall be submitted to each institution by
16 the senate and house fiscal agencies.

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

22 Sec. 204. The expenditures and funding sources authorized under
23 this act are subject to the management and budget act, 1984 PA 431,
24 MCL 18.1101 to 18.1594.

25 Sec. 205. A state institution of higher education that receives
26 funds under this act shall furnish all program and financial information

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1 that is required by and in a manner prescribed by the state budget
2 director or the house or senate appropriations committee.

3 Sec. 206. (1) Pursuant to the requirement established in subsection
4 (2), the amount identified for tuition restraint incentive grants in sec-
5 tion 117 of this bill shall be allocated to state universities as
6 follows:

7	Central Michigan University.....	\$	1,146,035
8	Eastern Michigan University.....		1,210,708
9	Ferris State University.....		772,341
10	Grand Valley State University.....		764,620
11	Lake Superior State University.....		198,266
12	Michigan State University.....		4,435,292
13	Michigan Technological University.....		757,948
14	Northern Michigan University.....		730,551
15	Oakland University.....		671,958
16	Saginaw Valley State University.....		356,808
17	University of Michigan-Ann Arbor.....		5,001,759
18	University of Michigan-Dearborn.....		366,913
19	University of Michigan-Flint.....		319,180
20	Wayne State University.....		3,551,276
21	Western Michigan University.....		1,716,345

22 (2) The distribution of the allocation to each state university con-
23 tained in subsection (1) shall be made if the university adopts a resi-
24 dent undergraduate tuition and fee increase for the 1999-2000 academic
25 year of 3% or less and certifies such to the state budget director.

26 (3) The allocations contained in subsection (1) are proportionate to
27 the fiscal year 1999 appropriations to state universities.

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1 (4) If a state university has not certified to the state budget
2 director by November 15, 1999 that its resident undergraduate tuition and
3 fee increase for the 1999-2000 academic year is 3% or less as provided in
4 subsection (2), the funds identified in this section intended for that
5 state university shall instead be allocated to the state universities
6 that meet the following conditions:

7 (a) The resident undergraduate tuition and fee increase for the
8 1999-2000 academic year is 3% or less as provided in subsection (2).

9 (b) The university receives funds pursuant to section 403.

10 (5) The funds available for reallocation under subsection (4) shall
11 be allocated to the universities eligible for funding under section 403
12 as follows:

13 (a) To enable each of those universities, to the extent possible, to
14 achieve its per-resident student funding floor identified in section
15 403.

16 (b) If the allocation under subdivision (a) does not expend all
17 funds available for reallocation under this section, the remaining funds
18 shall be allocated on a per-fiscal-year equated resident student basis to
19 eligible universities.

20 (6) It is the intent of the legislature that the funds allocated
21 under this section to each state university that meets the tuition
22 restraint criterion for the 1999-2000 academic year be included in its
23 base for calculation of its 2000-2001 and subsequent year
24 appropriations.

25 Sec. 207. If a state institution of higher education that receives
26 funds under this act notifies the department of treasury regarding its
27 tuition and fee rates in order to qualify as an eligible institution for

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1 the Michigan tuition tax credit under section 274 of the income tax act
2 of 1967, 1967 PA 281, MCL 206.274, the institution shall also submit the
3 notification and applicable documentation of tuition and fee changes to
4 the house and senate fiscal agencies.

5 Sec. 208. It is the intent of the legislature that each public uni-
6 versity increase its need-based student financial aid for resident under-
7 graduates by at least the percentage increase in its resident undergradu-
8 ate tuition and fee increase for the 1999-2000 academic year.

9 Sec. 209. Funds appropriated in part 1 shall not be used for the
10 purchase of foreign goods or services if competitively priced American
11 goods or services of comparable quality are available. Not later than
12 May 1, 2000, each university shall have available upon request informa-
13 tion on efforts to comply with this section.

14 Sec. 210. All funds received under part 1 for the higher education
15 charter school center are intended to be expended on activities of that
16 center.

17 GRANTS AND FINANCIAL AID

18 Sec. 301. (1) Payments of the amounts included in section 120 for
19 the state competitive scholarship program shall be distributed pursuant
20 to 1964 PA 208, MCL 390.971 to 390.981.

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

24 (3) If a student who receives an award under this section has his or
25 her tuition and fees paid under the Michigan educational trust program,

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1 pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421
2 to 390.1444, and still has financial need, the funds awarded under this
3 section may be used for educational expenses other than tuition and
4 fees.

5 (4) If the Michigan higher education assistance authority increases
6 the maximum award per eligible student from that provided in the previous
7 fiscal year, it shall not have the effect of reducing the number of eli-
8 gible students receiving awards in relation to the total number of eligi-
9 ble applicants. Any increase in the maximum grant shall be proportional
10 for all eligible students receiving awards.

11 Sec. 302. (1) The amounts appropriated in section 120 for the state
12 tuition grant program shall be distributed pursuant to 1966 PA 313,
13 MCL 390.991 to 390.997a.

14 (2) Tuition grant awards shall be made to all eligible Michigan res-
15 idents who apply before September 1, 1999 and who are qualified. Tuition
16 grant awards shall not be made to students newly enrolled in a juris
17 doctor law degree program after the 1995-96 academic year.

18 (3) The Michigan higher education assistance authority shall deter-
19 mine an actual maximum tuition grant award per student that ensures that
20 the aggregate payments for the tuition grant program do not exceed the
21 appropriation contained in section 120 for the state tuition grant
22 program. By October 15, 1999, and again by December 15, 1999, the
23 authority shall analyze the status of award commitments, shall make any
24 necessary adjustments, and shall confirm that those award commitments
25 will not exceed the appropriation contained in section 120 for the
26 tuition grant program. The determination and actions shall be reported
27 to the state budget director and the house and senate fiscal agencies no

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1 later than December 15, 1999. If award adjustments are necessary, the
2 students shall be notified of the adjustment by the third Monday in
3 January.

4 (4) Any unexpended and unencumbered funds remaining on September 30,
5 2000 from the amounts appropriated in section 120 for the tuition grant
6 program shall not lapse on September 30, 2000, but shall continue to be
7 available for expenditure for tuition grants provided in the 2000-2001
8 fiscal year. The use of these unexpended fiscal year 1999-2000 funds
9 shall terminate at the end of the 2000-2001 fiscal year.

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

13 (6) If the Michigan higher education assistance authority increases
14 the maximum award per eligible student from that provided in the previous
15 fiscal year, it shall not have the effect of reducing the number of eli-
16 gible students receiving awards in relation to the total number of eligi-
17 ble applicants. Any increase in the maximum grant shall be proportional
18 for all eligible students receiving awards.

19 Sec. 303. (1) Included in the appropriation in section 120 is fund-
20 ing for the Michigan work-study program established under 1986 PA 288,
21 MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to 390.1332. An
22 effort should be made by each institution participating in the Michigan
23 work-study program to assure that not less than 10% of those undergradu-
24 ate, graduate, and professional students eligible to participate in the
25 program are placed with for-profit employers no later than December 31 of
26 each year for which funding is provided under this act.

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

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

11 Sec. 304. (1) Payments of the amounts included in section 120 for
12 the general degree reimbursement program established under 1974 PA 75,
13 MCL 390.1021 to 390.1027, shall be made for all degrees identified in
14 section 1(1) of 1974 PA 75, MCL 390.1021, except doctor of dental sur-
15 gery, doctor of dental medicine, juris doctor law, and allied health
16 degrees.

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

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

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

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

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

5 (7) The appropriation in section 120 for tuition restraint incentive
6 grants for independent colleges and universities shall be allocated on a
7 proportionate basis to independent colleges and universities using the
8 general degree reimbursement program. However, the distribution of the
9 allocation to each independent college or university determined under
10 this subsection shall be made only if the independent college or univer-
11 sity adopts a resident undergraduate tuition and fee increase for the
12 1999-2000 academic year of 3% or less and certifies such to the state
13 budget director.

14 Sec. 305. The reimbursement rate per eligible degree under the
15 allied health degree reimbursement program established under 1974 PA 75,
16 MCL 390.1021 to 390.1027, shall be the equally prorated amount permitted
17 by the appropriation included in section 120.

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

21 Sec. 307. The auditor general shall audit selected enrollments,
22 degrees, and awards at selected independent colleges and universities
23 receiving awards administered by the department of treasury. The audits
24 shall be based upon definitions and requirements established by the
25 Michigan higher education assistance authority, the state budget direc-
26 tor, and the senate and house fiscal agencies. The auditor general shall
27 accept the Free Application for Federal Student Aid (FAFSA) form as the

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1 standard of residency documentation. The auditor general shall submit a
2 report of findings to the senate and house appropriations committees not
3 later than May 1, 2000.

4 Sec. 308. The sums appropriated in section 120 for the student
5 financial aid and degree reimbursement programs shall be paid out of the
6 state treasury and shall be distributed to the respective institutions
7 under a quarterly payment system as follows:

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

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

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

20 (d) For the general degree reimbursement program, allied health
21 degree reimbursement program, Michigan resident dental grant program, and
22 Robert C. Byrd honors scholarship program, 50% shall be paid at the
23 beginning of the state's first fiscal quarter and 50% at the beginning of
24 the state's second fiscal quarter after the number of earned degrees con-
25 ferred and total amounts to be paid are certified.

26 Sec. 309. The Michigan higher education assistance authority shall
27 determine the needs analysis criteria for students to qualify for the

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1 competitive scholarship program and tuition grant program. To be
2 consistent with federal requirements, student wages may be taken into
3 consideration when determining the amount of the award.

4 Sec. 310. (1) The funds appropriated in section 120 for the tuition
5 incentive program/high school completion program shall be distributed as
6 provided in this section and pursuant to the administrative procedures
7 for the tuition incentive program/high school completion program of the
8 family independence agency.

9 (2) As used in this section:

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

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

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

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

19 (a) To be eligible for phase I, a person shall meet all of the fol-
20 lowing criteria:

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

24 (ii) Be less than 20 years of age at the time of high school gradua-
25 tion or GED completion.

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

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

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

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

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

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

16 (4) For phase I, the department shall provide payment on behalf of a
17 person eligible under subsection (3). The department shall reject bill-
18 ings that are excessive or outside the guidelines for the type of educa-
19 tional institution.

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

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

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

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

4 (d) For persons enrolled at a Michigan independent, nonprofit degree
5 granting college or university or a Michigan federal tribally controlled
6 community college, the department shall pay mandatory fees for the cur-
7 rent year and a per credit payment that does not exceed the average com-
8 munity college in-district per credit tuition rate as reported on August
9 1, for the immediately preceding academic year.

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

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

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

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

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

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

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

5 (11) The department shall ensure that the tuition incentive program
6 is well publicized and that potentially eligible Medicaid clients are
7 provided information on the program. The department shall provide the
8 necessary funding and staff to fully operate the program.

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

12 (13) Any unexpended and unencumbered funds remaining on September
13 30, 2000 from the amounts appropriated in section 120 for the tuition
14 incentive program shall not lapse on September 30, 2000, but shall con-
15 tinue to be available for expenditure for the tuition incentive program
16 in the fiscal year ending September 30, 2001.

 [(14) If the funds appropriated in section 120 from the Michigan merit
award trust fund are not available by June 30, 2000, a sum sufficient to
fund the tuition incentive program shall be appropriated from the general
fund.]

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

21 Sec. 312. The funds appropriated in section 120 for the center for
22 advanced technologies - engineering program provided in conjunction with
23 the coalition for new manufacturing education are designated to
24 focus:hope to reimburse the costs of the manufacturing-based education.

25 Sec. 313. (1) In addition to the funds appropriated in part 1,
26 there is hereby appropriated from the Michigan merit award trust fund a

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1 sum sufficient to fund the Michigan merit award program pursuant to
2 guidelines established by the Michigan merit award commission.

3 (2) The Michigan merit award commission shall provide by February
4 15, 2000 a progress report on its implementation of the Michigan merit
5 award program to the state budget director, house and senate fiscal agen-
6 cies, and members of the house and senate appropriations subcommittees on
7 higher education. The report shall include all of the following
8 information:

9 (a) The tests or assessments that will be used to determine eligi-
10 bility for merit awards.

11 (b) Estimates of expenditures for and the number of merit awards to
12 be made in the immediately succeeding academic year.

[(c) The Michigan merit award shall not be considered when determining
eligibility for other state financial aid.]

(3) When statutory provisions are enacted to provide for a Michigan
merit award trust fund act, the provisions of subsection (2) are
superseded.]

13 STATE UNIVERSITIES

14 Sec. 401. (1) Included in section 115 is \$5,861,708.00 to Wayne
15 State University for the Joseph F. Young, Sr. psychiatric research and
16 training program. Wayne State University shall use these funds for psy-
17 chiatric laboratory and clinical research, training, and treatment
18 services. Within the available appropriation, services shall not be
19 denied to any patient who meets established research guidelines for
20 treatment on the basis of personal financial circumstances, age, geo-
21 graphic residence, or projected/actual length of treatment as medically
22 warranted.

23 (2) Wayne State University shall report the following information to
24 the department of community health by November 1, 2000:

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

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

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

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

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

12 Sec. 402. The University of Michigan biological station at Douglas
13 Lake in Cheboygan County is regarded as a unique resource and is desig-
14 nated as a special research reserve. It is the intent of the legislature
15 to protect and preserve the unique long-term research value and capabili-
16 ties of the biological station area and Douglas Lake. The legislature
17 further intends that no state programs or policies be developed that
18 would have a deleterious impact on the research value of Douglas Lake.

19 Sec. 403. (1) The amounts included in part 1 for public universi-
20 ties recognize 4 separate university groupings reflecting comparable
21 instructional costs assuming system-wide average expenditures for each
22 instructional program for each student level as reported by each univer-
23 sity in the higher education institutional data inventory (HEIDI).

24 Funding floors for the four classifications are established as follows:

25 (a) Funding floor of \$4,500.00 per resident student -- Grand Valley
26 State University, Lake Superior State University, Northern Michigan

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1 University, Saginaw Valley State University, and University of
2 Michigan-Flint.

3 (b) Funding floor of \$4,600.00 per resident student -- Central
4 Michigan University, Eastern Michigan University, and Ferris State
5 University.

6 (c) Funding floor of \$4,700.00 per resident student -- Oakland
7 University, University of Michigan-Dearborn, and Western Michigan
8 University.

9 (d) Funding floor of \$8,500.00 per resident student -- Michigan
10 Technological University, Michigan State University, University of
11 Michigan-Ann Arbor, and Wayne State University.

12 (2) The amount of the floor funding allocation calculated under this
13 section and included in the appropriations in part 1 to each public uni-
14 versity eligible for that allocation is limited to an amount equal to 5%
15 of the base appropriations for that university in the preceding fiscal
16 year.

17 Sec. 404. It is the intent of the legislature that no funds, other
18 than tuition and other revenues from law school students or private funds
19 explicitly directed to the Detroit College of Law - Michigan State
20 University law alliance, shall be used either directly or indirectly to
21 support the joint law school. The auditor general or a certified public
22 accountant appointed by the auditor general shall audit the financial and
23 accounting systems of the Detroit College of Law - Michigan State
24 University law alliance to determine compliance with this statement of
25 legislative intent and report its findings to the state budget director,
26 house and senate fiscal agencies, and members of the house and senate
27 appropriations subcommittees on higher education.

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1 Sec. 405. (1) There is created the higher education institutional
2 data inventory advisory committee. The committee shall be appointed by
3 the state budget director and shall consist of the following members:

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

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

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

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

10 (2) The committee shall provide for the general scope and direction
11 for implementing the conversion and modernization of the state's higher
12 education databases, for which funding is provided in section 118.

13 (3) The committee shall prepare a plan for the conversion and mod-
14 ernization effort. The plan shall include, but is not limited to, all of
15 the following:

16 (a) The development of a data dictionary.

17 (b) The integration of appropriate federal, national, regional, and
18 state databases.

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

20 (4) The committee shall consider inclusion of data items that are
21 currently reported under section 705.

22 (5) The auditor general, in consultation with the higher education
23 institutional data inventory (HEIDI) task force and the department of
24 management and budget shall develop a definition of residency that shall
25 be uniformly applied by all state universities to determine the students
26 who shall qualify for in-state tuition. The higher education
27 institutional data inventory (HEIDI) data shall also be used by all state

1 universities in their data submission for the immediately succeeding
2 academic year.

3 Sec. 408. The legislature recognizes that the first and foremost
4 obligation of the public universities is undergraduate instruction. The
5 public universities are therefore encouraged to increase their commitment
6 of tenured and tenure track faculty to undergraduate instruction.

7 Sec. 409. It is legislative intent that the concept of per-student
8 floor funding shall be continued into future fiscal years. In calculat-
9 ing per-student floor funding increases for public universities in subse-
10 quent fiscal years, it is the intent of the legislature that the state
11 budget director [by November 1, 1999 shall provide the house and senate
12 appropriations committees and the house and senate fiscal agencies with a
13 listing of the programs imbedded in the appropriations in sections 102
14 through 116 of this bill that were previously funded through a separate
15 line-item appropriation or that the state budget director deems to be of
16 an ancillary nature. The provision of this information shall not diminish
the overall appropriation to any state university.]

17 Sec. 412. From the funds appropriated in part 1, each state univer-
18 sity shall establish a system to track students that graduate from the
19 university. The system shall minimally provide information on the
20 students' field of study and year of graduation, whether they are
21 employed or continuing their education, the field in which they are
22 employed or their subsequent field of academic study, their job title,
23 their salary, and their city, town, or other place of residence.

[Sec. 417. The legislature shall reduce the appropriations in part
1 for a state institution of higher education by the amount expended by
that state institution of higher education to fulfill an outstanding
obligation of athletic personnel contracts before the end of the contract
term.]

24 Sec. 418. No state funds shall be used by any state university to
25 undertake a collaborative effort with any other university that would
26 have the effect of increasing its enrollment of first-time professional
27 law degree seeking students.

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1 Sec. 421. Central Michigan University shall report by April 1, 2000
2 and September 30, 2000 to the house and senate appropriations committees
3 and the house and senate fiscal agencies, the following information on
4 the activities and effectiveness of the higher education charter school
5 center for which an appropriation is provided in section 102:

6 (a) Each public school academy provided assistance.

7 (b) The type of assistance provided.

8 (c) The result of the assistance provided.

9 (d) An itemized accounting of all revenues and expenditures of the
10 center.

11 Sec. 422. If a public university is an authorizing body for 1 or
12 more public school academies under the revised school code, 1976 PA 451,
13 MCL 380.1 to 380.1852, an amount equal to the amount received by the
14 public university in the immediately preceding state fiscal year as its
15 total fees for considering applications for contracts, issuing contracts,
16 and providing oversight of contracts for public school academies shall
17 not be distributed to the public university under this act until the
18 auditor general certifies to the state budget director that the public
19 university has provided to the auditor general all information requested
20 in his or her audit of those activities.

21 Sec. 426. It is legislative intent that private bookstores that
22 sell textbooks to university students and student governments that pro-
23 vide a book swap for university students have accurate and timely access
24 to lists of universities' required textbooks in order to provide prompt
25 and efficient service for students. It is further legislative intent
26 that each state university allow students who are on financial aid or are
27 receiving tuition grants to decide where to purchase their textbooks.

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1 Sec. 427. The presidents council of state universities shall submit
2 a report to the respective legislative subcommittees on higher education
3 appropriations, the respective fiscal agencies, and the state budget
4 director by February 1, 2000, regarding appropriate guidelines for a
5 state university's provision of academic programs in areas of the state
6 outside the university's immediate region.

7 Sec. 429. The auditor general shall periodically audit higher edu-
8 cation institutional data inventory (HEIDI) data as submitted by the
9 state universities for compliance with the definitions in the HEIDI data
10 dictionary.

11 MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS

12 PROGRAMS

13 Sec. 501. (1) Included in the appropriation for each public univer-
14 sity in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez
15 - Rosa Parks future faculty program, that is intended to increase the
16 pool of minority candidates pursuing full-time faculty teaching careers
17 in postsecondary education in this state. Each university shall apply
18 the percentage increase applicable to every university in the calculation
19 of appropriations in part 1 to the amount of funds allocated to the
20 future faculty program.

21 (2) The program shall be administered by each university in a manner
22 prescribed by the King-Chavez-Parks initiative unit in the Michigan
23 department of education.

24 Sec. 502. (1) Included in the appropriation for each public
25 university in part 1 is funding for the Martin Luther King, Jr. - Cesar

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1 Chavez - Rosa Parks college day program that is intended to introduce
2 school children underrepresented in postsecondary education to the poten-
3 tial of a college education.

4 (2) Individual program plans of each university shall include a
5 budget of equal contributions from this program, the participating public
6 university, the participating school district, and the participating
7 independent degree granting college. College day funds shall not be
8 expended to cover indirect costs. Not more than 20% of the university
9 match shall be attributable to indirect costs. Each university shall
10 apply the percentage increase applicable to every university in the cal-
11 culation of appropriations in part 1 to the amount of funds allocated to
12 the college day program.

13 (3) The program shall be administered by each university in a manner
14 prescribed by the King-Chavez-Parks initiative unit in the Michigan
15 department of education.

16 Sec. 503. (1) Included in section 119 is funding for the Martin
17 Luther King, Jr. - Cesar Chavez - Rosa Parks select student support serv-
18 ices program for developing academically and economically disadvantaged
19 student retention programs for 4-year public and independent educational
20 institutions in this state.

21 (2) An award made under this program to any 1 institution shall not
22 be greater than \$150,000.00, and the amount awarded shall be matched on a
23 70% state, 30% college or university basis.

24 (3) The program shall be administered by the King-Chavez-Parks ini-
25 tiative unit in the Michigan department of education.

26 Sec. 504. (1) Included in section 119 is funding for the Martin
27 Luther King, Jr. - Cesar Chavez - Rosa Parks college/university

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1 partnership program between 4-year universities and public community
2 colleges, which is intended to increase the number of underrepresented
3 minority students who transfer from community colleges into baccalaureate
4 programs.

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

9 (3) The program shall be administered by the King-Chavez-Parks ini-
10 tiative unit in the Michigan department of education.

11 Sec. 505. (1) Included in the appropriation in section 119 is fund-
12 ing for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting
13 professors program which is intended to increase the number of minority
14 instructors in the classroom and provide role models for underrepresented
15 minority students.

16 (2) The program shall be administered by the King-Chavez-Parks ini-
17 tiative unit in the Michigan department of education.

18 Sec. 506. Each state institution of higher education receiving
19 funds under section 503, 504, 505, or 507 shall notify the
20 King-Chavez-Parks initiative unit in the Michigan department of education
21 by April 15, 2000 as to whether it will expend by the end of its fiscal
22 year the funds received under section 503, 504, 505, or 507.
23 Notwithstanding the award limitations in sections 503 and 504, the amount
24 of funding reported as not being expended will be reallocated to the
25 institutions that intend to expend all funding received under section
26 503, 504, 505, or 507.

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1 Sec. 507. (1) Included in the appropriation in section 119 is
2 funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
3 initiative for the Morris Hood, Jr. educator development program which is
4 intended to increase the number of minority students, especially males,
5 who enroll in and complete K-12 teacher education programs at the bacca-
6 laureate level.

7 (2) The program shall be administered by each state-approved teacher
8 education institution in a manner prescribed by the King-Chavez-Parks
9 initiative unit in the Michigan department of education.

 [(3) Approved teacher education institutions may and are encouraged to
use student support services funding in coordination with the Morris Hood,
Jr. funding to achieve the goals of the program.]

10 UNIVERSITY SERVICE TO K-12 EDUCATION

11 Sec. 601. (1) From the amount appropriated in part 1 for state uni-
12 versities, the state universities shall systematically inform Michigan
13 high schools regarding the academic status of students from each high
14 school in a manner prescribed by the presidents council, state universi-
15 ties of Michigan in cooperation with the Michigan association of second-
16 ary school principals.

17 (2) The Michigan high schools shall systematically inform the state
18 universities about the use of information received under this section in
19 a manner prescribed by the Michigan association of secondary school prin-
20 cipals in cooperation with the presidents council, state universities of
21 Michigan.

22 (3) The Michigan association of secondary school principals in coop-
23 eration with the presidents council, state universities of Michigan shall
24 provide a summary report to the house and senate fiscal agencies and the

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1 state budget director about the use of the student achievement
2 information received by Michigan high schools under this section.

3 GENERAL REPORTS AND AUDITS

4 Sec. 701. (1) The auditor general shall audit enrollments at 5 ran-
5 domly selected public universities. The audits shall be based upon the
6 definitions and requirements established by the state budget director and
7 the senate and house fiscal agencies. The audits shall be based on uni-
8 form reporting categories and shall include higher education institu-
9 tional data inventory (HEIDI) data. The auditor general shall submit a
10 report of findings to the house and senate appropriations committees and
11 the state budget director no later than July 1, 2000.

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

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

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

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

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

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

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

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

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

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

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

19 (c) The rationale for not implementing a recommendation of the audi-
20 tor general or of implementing a recommendation as modified.

21 Sec. 704. (1) Each state university shall annually submit a report
22 to the state budget director and house and senate fiscal agencies on spe-
23 cific programs to ensure the English language oral proficiency of teach-
24 ing faculty.

25 (2) The next reporting date for the report under subsection (1) is
26 November 1, 1999.

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1 Sec. 705. (1) Each state university shall report the following
2 information for the 1998-99 academic year to the house and senate fiscal
3 agencies and the department of management and budget on or before October
4 31, 1999:

5 (a) Separately, the number of tenured faculty, tenure-track faculty,
6 nontenure-track faculty, and graduate assistants who taught an undergrad-
7 uate class section.

8 (b) The total number of undergraduate credit hours and section cred-
9 its taught by each of the following:

10 (i) Tenured faculty.

11 (ii) Tenure-track faculty.

12 (iii) Nontenure-track faculty.

13 (iv) Graduate assistants.

14 (2) For the purposes of subsection (1), the following definitions
15 apply:

16 (a) "Tenured faculty" means a faculty member who has earned tenure.

17 (b) "Tenure-track faculty" means a faculty member who has not yet
18 earned tenure but is eligible to earn tenure.

19 (c) "Nontenure-track faculty" means a faculty member who is not eli-
20 gible to earn tenure.

21 (d) "Graduate assistant" means an individual who is a master's or
22 doctoral degree candidate.

23 (3) Each state university shall report the following information for
24 the 1998-99 academic year to the house and senate fiscal agencies and the
25 department of management and budget on or before October 31, 1999:

26 (a) Separately, the number of part-time and full-time faculty.

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1 (b) Separately, the number of tenured and nontenured faculty.

2 (4) For the purposes of subsection (3), the following definitions
3 apply:

4 (a) "Part-time faculty" means an individual who does not have a
5 full-time appointment as a faculty member.

6 (b) "Full-time faculty" means an individual who has a full-time
7 appointment as a faculty member.

8 (c) "Tenured faculty" means an individual who has earned tenure and
9 who does not hold an administrative post.

10 (d) "Nontenured faculty" means an individual who has not earned
11 tenure.

12 Sec. 706. The University of Michigan - Ann Arbor recognizes its
13 responsibility to Michigan resident students. It is the intent of the
14 university to recruit and admit qualified Michigan resident students, and
15 to establish financial aid programs and scholarships to achieve a resi-
16 dent level of undergraduate enrollment of 70%.

17 Sec. 708. The auditor general shall conduct not less than 3 per-
18 formance audits of the state universities during the fiscal year ending
19 September 30, 2000.

20 Sec. 709. (1) An institution receiving funds under this act and
21 also subject to the student right-to-know and campus security act, Public
22 Law 101-522, 104 Stat. 2381, shall furnish by September 1, 1999 to the
23 Michigan department of education, a copy of all material prepared pursu-
24 ant to the public information reporting requirements under the crime
25 awareness and campus security act of 1990, title II of the student
26 right-to-know and campus security act, Public Law 101-542, 104
27 Stat. 2381.

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1 (2) The Michigan department of education shall compile and make this
2 information available in written and electronic Internet format for
3 school districts, parents, and students.