

For Fiscal Year Ending
September 30, 2000

HOUSE BILL No. 4298

February 18, 1999, Introduced by Reps. Stamas, Godchaux, Jelinek, Pappageorge, Mead, Jellema, Toy, Kukuk, Caul, Byl, Geiger, Jansen and Scranton and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for community colleges for the fiscal year ending September 30, 2000; 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:

PART 1

LINE ITEM APPROPRIATIONS

1 Sec. 101. Subject to the conditions set forth in this bill, the
2 amounts listed in this part are appropriated for community colleges and
3 certain other state purposes relating to education for the fiscal year
4 ending September 30, 2000, from the funds indicated in this part. The

1 following is a summary of the appropriations in this part:

2 **COMMUNITY COLLEGES**

3 APPROPRIATION SUMMARY:

4 GROSS APPROPRIATION \$ 292,962,019

5 Interdepartmental grants:

6 Total interdepartmental grants and

7 intradepartmental transfers 0

8 ADJUSTED GROSS APPROPRIATION \$ 292,962,019

9 Federal revenues:

10 Total federal revenues 0

11 Special revenue funds:

12 Total local revenues 0

13 Total private revenues 0

14 Total other state restricted revenues 0

15 State general fund/general purpose \$ 292,962,019

16 **Sec. 102. OPERATIONS**

17 Alpena Community College \$ 4,703,837

18 Bay de Noc Community College 4,400,400

19 Delta College 13,488,310

20 Glen Oaks Community College 2,094,673

21 Gogebic Community College 4,058,527

22 Grand Rapids Community College 17,599,052

23 Henry Ford Community College 20,179,700

24 Jackson Community College 11,757,634

25 Kalamazoo Valley Community College 10,657,339

26 Kellogg Community College 8,703,721

27 Kirtland Community College 2,884,295

28 Lake Michigan College 4,723,720

29 Lansing Community College 29,118,666

30 Macomb Community College 31,757,884

31 Mid Michigan Community College 3,903,610

32 Monroe County Community College 3,815,205

33 Montcalm Community College 2,994,561

34 C.S. Mott Community College 14,894,333

35 Muskegon Community College 8,418,834

1	North Central Michigan College	2,821,668
2	Northwestern Michigan College	8,312,144
3	Oakland Community College	20,484,101
4	St. Clair County Community College	6,618,824
5	Schoolcraft College	11,338,620
6	Southwestern Michigan College	5,646,316
7	Washtenaw Community College	10,994,801
8	Wayne County Community College	16,267,643
9	West Shore Community College	<u>2,170,577</u>
10	GROSS APPROPRIATION	\$ 284,808,995
11	Appropriated from:	
12	State general fund/general purpose	\$ 284,808,995
13	Sec. 103. GRANTS	
14	At-risk student success program	\$ 3,584,566
15	Tuition restraint incentive grants	4,200,000
16	Renaissance zone tax reimbursement funding	<u>368,458</u>
17	GROSS APPROPRIATION	\$ 8,153,024
18	Appropriated from:	
19	State general fund/general purpose	\$ 8,153,024

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

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 1999-2000 is estimated at \$292,962,019.00 in this bill and state spending from state sources paid to local units of government for fiscal year 1999-2000 is estimated at \$292,962,019.00.

(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 state budget director.

Sec. 202. The expenditures and funding sources authorized under this bill are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

1 Sec. 203. (1) The sums appropriated in this bill are appropriated
2 for community colleges with a fiscal year ending June 30, 2000 and
3 shall be paid out of the state treasury and distributed by the state
4 treasurer to the respective community colleges in 11 monthly
5 installments on the sixteenth of each month, or the next succeeding
6 business day, beginning with October 16, 1999. Each community college
7 shall accrue its July and August 2000 payments to its institutional
8 fiscal year ending June 30, 2000. However, if a community college
9 fails to submit all verified Michigan Community Colleges Activities
10 Classification Structure data for school year 1998-99 to the department
11 of education by November 1, 1999, the monthly installments shall be
12 withheld from that community college until those data are submitted.
13 The department of education shall publish the Activities Classification
14 Structure Manual for Michigan Community Colleges on or before March 1,
15 2000 for use by the legislature during budget development for the
16 fiscal year ending September 30, 2001. The amount from the funds
17 appropriated in part 1 that is allocated under section 103 to address
18 the special needs of at-risk students shall be paid in full by the
19 state treasurer by November 1, 1999. The amount distributed to a
20 community college or department shall not exceed the net state
21 allocation authorized by this bill.

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

28 Sec. 204. (1) The auditor general or an independent public
29 accounting firm appointed by the auditor general shall audit data for
30 the fiscal year ending on June 30, 1999 as submitted on the department
31 of education request forms of 7 randomly selected community colleges.
32 A community college shall maintain and provide those records necessary
33 for the auditor general or certified public accountant appointed by the
34 auditor general to determine the accuracy of the reported data. The
35 audits shall be based upon the definitions and requirements contained
36 in the Manual for Uniform Financial Reporting, Michigan Public

1 Community Colleges, published by the Michigan state board of education
2 in 1981, and the Activities Classification Structure Manual for
3 Michigan Community Colleges, 1997 revision of the final report of the
4 activities classification structure task force (July 1981), published
5 by the department of education. Before the submission of a final audit
6 report, a community college may appeal the findings of the preliminary
7 report under an appeal process to be established by the auditor
8 general. The auditor general shall submit a report of the findings to
9 the house and senate appropriations committees, the department of
10 education, and the state budget director before June 1, 2000.

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

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

26 (4) A community college whose audited activities classification
27 structure data is significantly different than the data used to
28 determine state aid under this bill shall return any overappropriated
29 funds as provided in this section. The department of education shall
30 compare formula computations for the audited colleges using pre- and
31 post-audit data. If the state allocation is 2% or more than the
32 post-audit allocation amount, the college shall return the excess
33 funds. The returned money shall be redistributed to all 28 community
34 colleges, prorated on the base appropriations contained in part 1.

35 Sec. 205. The department of education shall revise and update the
36 taxonomy of the 7 community colleges selected for audit under section

204(1) pursuant to the Activities Classification Structure Manual for Michigan Community Colleges, 1997 revision of the final report of the activities classification structure task force (July 1981), published by the department of education.

Sec. 206. (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. 207. 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 senate and house fiscal agencies, the auditor general, the department of education, and the state budget director before November 15, 1999. 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 Manual for Uniform Financial Reporting, Michigan Public Community Colleges, published by the Michigan state board of education in 1981.

Sec. 208. (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

1 300, MCL 38.1301 to 38.1408, as a condition of receiving funds
2 appropriated under this bill.

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

5 Sec. 209. An appropriation contained in this bill shall not be
6 used for the construction of buildings for, or operations of, a
7 community college not expressly authorized in part 1. Funds
8 appropriated in part 1 shall not be used to pay for the construction or
9 maintenance of any self-liquidating project.

10 Sec. 210. The department of education shall ensure that a
11 statistical report for minorities and women employees for the most
12 recent school year as submitted to the federal government on the EEO-6
13 form be included in the Michigan Community Colleges Enrollment Profile
14 published by the department of education. Also included in this
15 profile shall be a statistical report for the most recent school year
16 that includes enrollment statistics for minorities and women as
17 submitted to the department of education. The department of education
18 shall distribute a copy of this report to members of the house and
19 senate appropriations subcommittees on community colleges, the house
20 and senate fiscal agencies and the state budget director no later than
21 March 1, 2000.

22 Sec. 211. (1) Each community college shall report the following to
23 the house and senate appropriations subcommittees on community
24 colleges, the house and senate fiscal agencies, the department of
25 education and the state budget director, no later than November 1,
26 1999:

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

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

33 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL
34 390.1251 to 390.1253, to determine eligibility for tuition waivers, and
35 shall grant such waivers to individuals who meet the criteria and
36 request tuition waivers.

1 Sec. 212. From the general fund/general purpose appropriation in
2 part 1, there is allocated \$368,458.00 to make reimbursement to
3 community colleges, as provided by section 12 of the Michigan
4 renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes
5 levied in 1999. Reimbursements shall be made in amounts to each
6 eligible recipient no later than 60 days after the department of
7 treasury certifies to the state budget director that it has received
8 all necessary information to properly determine the amounts due each
9 eligible recipient pursuant to section 12(4) of the Michigan
10 renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess
11 allocations shall lapse to the general fund.

12 Sec. 213. Upon request, a community college shall inform interested
13 Michigan high schools of the aggregate academic status of its students
14 for the fiscal year beginning October 1, 1999, in a manner prescribed
15 by the Michigan community college association and in cooperation with
16 the Michigan association of secondary school principals.

17 Sec. 215. Each community college shall report to the department of
18 education, the house and senate appropriations committees, the house
19 and senate fiscal agencies and the state budget director the numbers
20 and type of associate degrees and other certificates awarded during the
21 previous fiscal year. The report shall be made not later than November
22 15, 1999.

23 **STATE AID - OPERATIONS**

24 Sec. 301. Unless otherwise stated, all data items used in
25 determining state aid in this bill are as defined in the Manual for
26 Uniform Financial Reporting, Michigan Public Community Colleges,
27 published by the Michigan state board of education in 1981, which shall
28 be the basis for reporting data, and the Activities Classification
29 Structure Manual for Michigan Community Colleges, 1997 revision of the
30 final report of the activities classification structure task force
31 (July 1981), published by the department of education, which shall be
32 used to document financial needs of the community colleges.

33 Sec. 302. A community college shall not include in the enrollment
34 report any student credit hours or student contact hours for a student
35 incarcerated in a Michigan penal institution. Exclusion of these
36 students is intended to avoid the payment of state aid under this bill

1 for the same individuals for whom reimbursement is provided by the
2 state correctional system.

3 **GRANTS**

4 Sec. 401. (1) The community college at-risk student success program
5 is continued. The funding shall be prorated among community colleges
6 based on the number of student contact hours for developmental and
7 preparatory instruction reported by each community college to the
8 department of education for use in the Activities Classification
9 Structure Manual for Michigan Community Colleges, 1997 revision of the
10 final report of the activities classification structure task force
11 (July 1981), published by the department of education. Of the amount
12 appropriated in part 1 for the at-risk student success program,
13 \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to
14 address the special needs of at-risk students at community colleges or
15 the acquisition or upgrade of technology related equipment and
16 software.

17 (2) Of the amount appropriated in part 1 for the at-risk student
18 success program, the balance of the appropriated funds shall be
19 distributed on a proration utilizing the sum of the most recent 3 years
20 developmental/preparatory contact hours divided by the sum of the
21 3-year total contact hours at each college. Each community college's
22 percentage shall be divided by the sum of all such percentages
23 systemwide to obtain each community college's prorated grant amount.

24 (3) For the fiscal year ending September 30, 2000, the at-risk
25 student success program money is allocated as follows:

26 Alpena Community College	\$	123,339
27 Bay de Noc Community College		114,328
28 Delta College		105,062
29 Glen Oaks Community College		128,094
30 Gogebic Community College		74,735
31 Grand Rapids Community College		76,248
32 Henry Ford Community College		165,262
33 Jackson Community College		111,433
34 Kalamazoo Valley Community College		114,457
35 Kellogg Community College		147,324
36 Kirtland Community College		135,754

1	Lake Michigan College	179,730
2	Lansing Community College	119,933
3	Macomb Community College	84,971
4	Mid Michigan Community College	115,524
5	Monroe Community College	99,520
6	Montcalm Community College	71,875
7	Mott Community College	104,786
8	Muskegon Community College	204,401
9	North Central Michigan College	147,238
10	Northwestern Michigan College	126,094
11	Oakland Community College	160,819
12	St. Clair Community College	74,515
13	Schoolcraft College	148,320
14	Southwestern Michigan College	185,189
15	Washtenaw Community College	137,820
16	Wayne County Community College	189,810
17	West Shore Community College	137,985

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

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

23 (b) Are diagnosed as learning disabled.

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

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

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

36 (7) Each community college shall report to the house and senate

1 appropriations subcommittees on community colleges, the house and
 2 senate fiscal agencies, the state budget director, and the department
 3 of education a summary of all accomplishments under, expenditures for,
 4 and compliance with the intent of this program, including the number of
 5 at-risk students served. The report is subject to audit as provided
 6 for in section 204(1). The report shall be submitted not later than 90
 7 days after the end of the state's fiscal year. The department of
 8 education shall make available a summary report of the program.

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

14 Sec. 402. (1) The appropriation in section 103 for the tuition
 15 restraint incentive grant is contingent upon the repeal of the Michigan
 16 college tuition and fees credit, section 274 of the income tax act,
 17 1967 PA 281, MCL 206.274 effective for the 1999 tax year. Pursuant to
 18 the requirement established in subsection (2), the amount identified
 19 for tuition restraint incentive grants in section 103 of this bill
 20 shall be allocated to Michigan community colleges as follows:

21	Alpena Community College	\$	68,884
22	Bay de Noc Community College		63,798
23	Delta College		199,512
24	Glen Oaks Community College		30,394
25	Gogebic Community College		60,341
26	Grand Rapids Community College		262,734
27	Henry Ford Community College		296,921
28	Jackson Community College		174,791
29	Kalamazoo Valley Community College		152,793
30	Kellogg Community College		126,787
31	Kirtland Community College		43,056
32	Lake Michigan College		69,367
33	Lansing Community College		431,056
34	Macomb Community College		470,227
35	Mid Michigan Community College		56,470
36	Monroe County Community College		55,398

1	Montcalm Community College	44,671
2	C.S. Mott Community College	220,722
3	Muskegon Community College	124,117
4	North Central Michigan College	41,399
5	Northwestern Michigan College	121,689
6	Oakland Community College	305,802
7	St. Clair County Community College	97,724
8	Schoolcraft College	166,010
9	Southwestern Michigan College	80,956
10	Washtenaw Community College	159,532
11	Wayne County Community College	242,855
12	West Shore Community College	31,994

13 (2) The distribution of the allocation to each community college in
14 subsection (1) shall be made if the community college adopts a student
15 tuition and fee increase for the 1999-2000 academic year of three
16 percent or less and certifies such to the state budget director.

17 (3) The allocations contained in subsection (1) are proportionate
18 to the fiscal year 1999 appropriations to community colleges.

final page