

Act No. 109
Public Acts of 1999
Approved by the Governor
July 8, 1999
Filed with the Secretary of State
July 8, 1999
EFFECTIVE DATE: July 8, 1999

STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999

Introduced by Reps. Stamas, Godchaux, Jelinek, Pappageorge, Mead, Jellema, Toy, Kukuk, Caul, Byl, Geiger, Jansen and Scranton

ENROLLED HOUSE BILL No. 4298

AN ACT to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2000; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for the fiscal year ending September 30, 2000, from the funds indicated in this part. The following is a summary of the appropriations in this part:

COMMUNITY COLLEGES

GROSS APPROPRIATION.....	\$	297,228,019
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	297,228,019
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	\$	297,228,019
TOTAL PAYMENTS TO LOCALS	\$	297,228,019

Sec. 102. OPERATIONS

Alpena Community College	\$	4,888,284
Bay de Noc Community College		4,632,634
Delta College		13,833,091
Glen Oaks Community College		2,202,658
Gogebic Community College		4,133,732
Grand Rapids Community College		17,825,016
Henry Ford Community College		20,840,833
Jackson Community College		11,976,753
Kalamazoo Valley Community College		11,379,143
Kellogg Community College		9,107,407
Kirtland Community College		2,921,692
Lake Michigan College		4,891,111
Lansing Community College		29,830,816
Macomb Community College		32,525,228
Mid Michigan Community College		4,121,108
Monroe County Community College		4,008,744
Montcalm Community College		3,035,945
C.S. Mott Community College		15,239,321
Muskegon Community College		8,672,227
North Central Michigan College		2,925,285
Northwestern Michigan College		8,641,489
Oakland Community College		20,747,107
St. Clair County Community College		6,804,650
Schoolcraft College		11,786,439
Southwestern Michigan College		6,028,283
Washtenaw Community College		11,563,090
Wayne County Community College		16,476,511
West Shore Community College		2,236,399
GROSS APPROPRIATION	\$	293,274,995
Appropriated from:		
State general fund/general purpose	\$	293,274,995

Sec. 103. GRANTS

At-risk student success program	\$	3,584,566
Renaissance zone tax reimbursement funding		368,458
GROSS APPROPRIATION	\$	3,953,024
Appropriated from:		
State general fund/general purpose	\$	3,953,024

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 \$297,228,019.00 in this bill and state spending from state sources paid to local units of government for fiscal year 1999-2000 is estimated at \$297,228,019.00.

(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 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. 203. (1) The sums appropriated in this act are appropriated for community colleges with fiscal years ending June 30, 2000 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 1999. Each community college shall accrue its July and August 2000 payments to its institutional fiscal year ending June 30, 2000. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 1998-99 to the department of education by November 1, 1999, the monthly installments shall be withheld from that community college until those data are submitted. The department of education shall publish the activities classification structure data book for Michigan community colleges on or before March 1, 2000 for use by the legislature during budget development for the fiscal year ending September 30, 2001. The amount from the funds appropriated in part 1 that is allocated under section 103 to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 1999. 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. 204. (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, 1999 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 Manual for Uniform Financial Reporting, Michigan Public Community Colleges, published by the Michigan state board of education in 1981, and the Activities Classification Structure Manual for Michigan Community Colleges, 1996 revision of the final report of the activities classification structure task force (July 1981), published by the department of education and the department of management and budget. 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 state budget director before June 1, 2000.

(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 part 1.

Sec. 205. The department of education shall review the taxonomy of the 7 community colleges selected for audit under section 204(1) pursuant to the Activities Classification Structure Manual for Michigan Community Colleges, 1996 revision of the final report of the activities classification structure task force (July 1981), published by the department of education and the department of management and budget.

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 legislature, 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 300, MCL 38.1301 to 38.1408, 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.

Sec. 209. 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 part 1. Funds appropriated in part 1 shall not be used to pay for the construction or maintenance of any self-liquidating project.

Sec. 210. 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 from the current and prior year for minorities and women as submitted to the department of education. The department of education shall distribute a copy of this report to the state budget director and to members of the house and senate appropriations subcommittees on community colleges and the house and senate fiscal agencies no later than March 1, 2000.

Sec. 211. (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, 1999 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 January 7, 2000. 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, 1999, September 30, 2000, and September 30, 2001.

(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. 211a. The auditor general shall audit the 1995-1996, 1996-1997, 1997-1998, 1998-1999, and 1999-2000 fiscal years tax revenue losses to community colleges resulting from tax increment financing authorities and tax abatements. The auditor general shall submit the results of this audit to the senate and house appropriations subcommittees on community colleges and the senate and house fiscal agencies by February 18, 2000. It is the intent of the legislature to fully reimburse community colleges for tax revenue losses resulting from tax increment financing authorities and tax abatements.

Sec. 212. (1) Each community college shall report the following to the department of education, no later than November 1, 1999:

(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.

(3) The department of education shall compile the information received under subsection (1) and shall submit this compilation to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2000.

Sec. 213. From the general fund/general purpose appropriation in part 1, there is allocated \$368,458.00 to make reimbursement to community colleges, as provided by section 12 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for property taxes levied in 1999. Reimbursements shall be made in amounts to each eligible recipient no later than 60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts due each eligible recipient pursuant to section 12(4) of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any excess allocations shall lapse to the general fund.

Sec. 214. 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, 1999, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals.

Sec. 217. (1) The legislature, recognizing the critical importance of education in strengthening Michigan's workforce, encourages the state's public community colleges to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

(2) Community colleges shall report by December 1, 1999 to the department of education on steps they have taken to increase collaboration and cooperation with 4-year universities under subsection (1).

(3) The department of education shall compile the information received under subsection (2) and shall submit this compilation to the senate and house appropriations subcommittees on community colleges and the senate and house fiscal agencies by January 7, 2000.

Sec. 218. It is the intent of the legislature that all citizens of this state have geographic and programmatic access to quality comprehensive community college services. The legislature and the Michigan community college association shall continue to review and analyze the recommendations made by the co-terminus task force to assure geographic and programmatic access to quality and comprehensive community college services.

Sec. 219. Funds appropriated in this act shall not be used for the purchase of foreign goods or services, or both, if competitively priced American goods or services, or both, of comparable quality are available.

Sec. 220. 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. 221. (1) Each community college shall report to the department of education 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, 1999.

(2) The department of education shall compile the information received under subsection (1) and shall submit this compilation to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2000.

Sec. 224. It is the intent of the legislature to achieve full funding of the Gast-Mathieu fairness in funding formula and to establish a per student funding floor from all sources which shall be recognized as a permanent part of the base funding for community colleges. Furthermore, the concept of maintaining reasonable per student funding shall be continued for future state fiscal years.

Sec. 225. (1) A community college receiving funding under this act and also subject to the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381, shall furnish by November 1, 1999 to the department of education a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2384.

(2) The department of education shall compile and make information received under subsection (1) available in written and electronic format accessible through the Internet for school districts, parents, and students.

Sec. 226. (1) A community college shall not expend funds appropriated under this act 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. A community college shall not approve a collective bargaining agreement or enter into any other employment contract 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.

(2) If a community college expends funds appropriated under this act in violation of subsection (1), the community college shall repay to this state an amount equal to the amount of funds spent in violation of subsection (1).

Sec. 227. In light of section 1 of 1846 RS 83, MCL 551.1, and section 1 of 1939 PA 168, MCL 551.271, it is the intent of the legislature that a community college receiving funding under this act shall not use part 1 funds to extend employee benefits to the unmarried partners of the community college's employees except for pre- and post-natal costs.

Sec. 228. (1) Each community college shall take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies or both for the college.

(2) Each community college shall strongly encourage firms with which the college contracts to subcontract with certified businesses in depressed and deprived communities for services or supplies or both.

Sec. 229. The department of education shall implement a pilot program that places reports required by this act on the Internet, with electronic notification to legislative offices of Internet access to the reports. During fiscal year 2000, the department of education shall continue to distribute all of these reports to the legislature in the current printed format.

Sec. 230. The department of education shall receive and retain copies of all reports funded from appropriations in part 1. The department of education shall follow federal and state guidelines for short-term and long-term retention of these reports and records.

Sec. 231. (1) It is the intent of the legislature that any community college receiving funds under part 1 that adopts a tuition and fee increase for the 1999-2000 academic year of 3.0% or less shall retain in its base for calculation of its appropriation for the fiscal year ending September 30, 2001 an amount equal to 1.5% of its base appropriations for the fiscal year ending September 30, 2000.

(2) It is further the intent of the legislature that any community college receiving funds under part 1 that adopts a tuition and fee increase for the 1999-2000 academic year of more than 3.0% shall have its base calculation of its appropriation for the fiscal year ending September 30, 2001 reduced by an amount equal to 1.5% of its base appropriations for the fiscal year ending September 30, 2000.

Sec. 232. For the 1999-2000 academic year, tuition and fees for courses offered through the Michigan community college virtual learning collaborative pilot program are exempt from section 231. It is the intent of the legislature to study the extent to which colleges that have a tuition and fee rate below the state average are treated favorably under the Gast-Mathieu funding formula.

STATE AID - OPERATIONS

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the Manual for Uniform Financial Reporting, Michigan Public Community Colleges, published by the Michigan state board of education in 1981, which shall be the basis for reporting data, and the Activities Classification Structure Manual for Michigan Community Colleges, 1996 revision of the final report of the activities classification structure task force (July 1981), published by the department of education and the department of management and budget, 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 Activities Classification Structure Manual for Michigan Community Colleges, 1996 revision of the final report of the activities classification structure task force (July 1981), published by the department of education and the department of management and budget. Of the amount appropriated in part 1 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 part 1 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, 2000, the at-risk student success program money is allocated as follows:

Alpena Community College	\$	123,339
Bay de Noc Community College		114,328
Delta College		105,062
Glen Oaks Community College		128,094
Gogebic Community College.....		74,735
Grand Rapids Community College		76,248
Henry Ford Community College		165,262
Jackson Community College.....		111,433
Kalamazoo Valley Community College.....		114,457
Kellogg Community College		147,324
Kirtland Community College.....		135,754
Lake Michigan College		179,730
Lansing Community College		119,933
Macomb Community College		84,971
Mid Michigan Community College		115,524
Monroe Community College		99,520
Montcalm Community College		71,875
Mott Community College		104,786
Muskegon Community College.....		204,401
North Central Michigan College.....		147,238
Northwestern Michigan College		126,094
Oakland Community College		160,819
St. Clair Community College.....		74,515
Schoolcraft College.....		148,320
Southwestern Michigan College.....		185,189
Washtenaw Community College		137,820
Wayne County Community College		189,810
West Shore Community College.....		137,985

(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 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 204(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 compile the information received under this subsection and shall submit this compilation to the senate and house appropriations subcommittees on community

colleges, the senate and house fiscal agencies, and the state budget director by 120 days after the end of the state's fiscal year.

(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 state budget director, the house and senate fiscal agencies, and the auditor general whether all the grant money is expended or encumbered.

Sec. 403. 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, 2000, to increase appropriations to state-supported 4-year universities in excess of the governor's original recommendation for the fiscal year ending September 30, 2000, will be accompanied by a similar action or proposal for state-supported community colleges.

Sec. 404. (1) Community colleges shall use a portion of the funds appropriated in part 1 for operations to implement and institute the ideas and goals embodied by the partnerships for employment program or another program with similar nature and intent as the ideas and goals embodied in the partnership for employment program. For this program, community colleges shall 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 shall create specific, direct certificate programs that upon completion will lead to an increased likelihood of employment by the sponsoring businesses.

(2) When creating programs under subsection (1), the community 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) Each community college shall report to the department of education by no later than September 30, 1999 on all of the following:

(a) The number of certificated programs created under this section.

(b) The job placement rate for graduates with sponsoring businesses under this section.

(c) The amount budgeted for the partnership for employment program.

(d) The amount expended and for what activities for the partnership for employment program.

(e) The number of employers who have agreed to hire participants who complete the partnership for employment program.

(4) The department of education shall compile the information received under subsection (3) and shall submit this compilation to the senate and house appropriations subcommittees on community colleges and the senate and house fiscal agencies by November 1, 1999.

Sec. 405. It is the intent of the legislature that 70% of the economic development job training grant funds be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to the requirements of Senate Bill No. 361 of the 90th Legislature. It is the further intent of the legislature that at least a portion of the total appropriation for economic development job training grants be awarded to community colleges that offer certified programs that are bureau of apprenticeship training certified. The department of education shall report by November 1 of each year to the senate and house appropriations subcommittees on community colleges and the senate and house fiscal agencies the names of the community colleges awarded grant funds under this section, the amount of the grants awarded, and the percentage awarded to bureau of apprenticeship training certified programs.

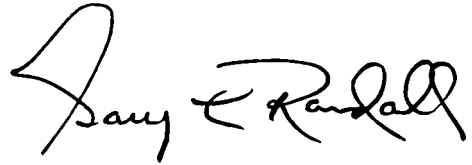
Sec. 406. Community colleges that include prescription drugs and medications as a covered health benefit for adults are encouraged to ensure that payment for preventative contraceptives are included in the insurance plan.

Sec. 407. It is the intent of the legislature that each community college do all of the following:

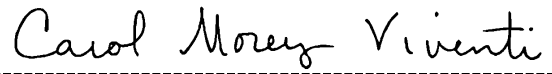
(a) Undertake active measures to promote equal opportunities, eliminate discrimination, and foster a diverse student body and administration among all people including, but not limited to, women, minorities, seniors, veterans, and people with disabilities.

(b) Review, analyze, and eradicate activities that may tend to discriminate.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved -----

Governor.