

**SUBSTITUTE FOR
HOUSE BILL NO. 4253**

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2002; 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:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

Sec. 101. Subject to the conditions set forth in this act, the

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amounts listed in this part are appropriated for community colleges and

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certain other state purposes relating to education for the fiscal year

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ending September 30, 2002, from the funds indicated in this part. The

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following is a summary of the appropriations in this part:

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2

For Fiscal Year Ending
September 30, 2002

1 COMMUNITY COLLEGES

2	GROSS APPROPRIATION.....	\$	331,196,319
3	Total interdepartmental grants and intradepartmental		
4	transfers.....	\$	0
5	ADJUSTED GROSS APPROPRIATION.....	\$	331,196,319
6	Total other state restricted revenues.....		10,000,000
7	State general fund/general purpose.....	\$	321,196,319
8	Sec. 102. OPERATIONS		
9	Alpena Community College.....	\$	5,341,642
10	Bay de Noc Community College.....		5,177,657
11	Delta College.....		14,877,462
12	Glen Oaks Community College.....		2,513,841
13	Gogebic Community College.....		4,371,328
14	Grand Rapids Community College.....		18,633,380
15	Henry Ford Community College.....		22,863,124
16	Jackson Community College.....		12,559,094
17	Kalamazoo Valley Community College.....		13,054,081
18	Kellogg Community College.....		10,176,902
19	Kirtland Community College.....		3,062,888
20	Lake Michigan College.....		5,474,861
21	Lansing Community College.....		32,453,297
22	Macomb Community College.....		34,440,559
23	Mid Michigan Community College.....		4,627,904
24	Monroe County Community College.....		4,504,295
25	Montcalm Community College.....		3,234,506
26	Mott Community College.....		16,373,988

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For Fiscal Year Ending
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1	Muskegon Community College.....		9,309,644
2	North Central Michigan College.....		3,150,286
3	Northwestern Michigan College.....		9,524,786
4	Oakland Community College.....		21,687,988
5	St. Clair County Community College.....		7,282,036
6	Schoolcraft College.....		12,781,091
7	Southwestern Michigan College.....		6,896,360
8	Washtenaw Community College.....		13,112,716
9	Wayne County Community College.....		17,223,721
10	West Shore Community College.....		<u>2,394,779</u>
11	GROSS APPROPRIATION.....	\$	317,104,216
12	State general fund/general purpose.....	\$	317,104,216
13	Sec. 103. GRANTS		
14	At-risk student success program.....	\$	3,692,103
15	Renaissance zone tax reimbursement funding.....		<u>400,000</u>
16	GROSS APPROPRIATION.....	\$	4,092,103
17	Appropriated from:		
18	State general fund/general purpose.....	\$	4,092,103
19	Sec. 104. FINANCIAL AID		
20	Postsecondary access student scholarship program.....	\$	<u>10,000,000</u>
21	GROSS APPROPRIATION.....	\$	10,000,000
22	Appropriated from:		
23	Special revenue funds:		
24	Michigan merit award trust fund.....		10,000,000
25	State general fund/general purpose.....	\$	0
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27			

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PART 2

2

PROVISIONS CONCERNING APPROPRIATIONS

3 GENERAL SECTIONS

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Sec. 201. Pursuant to section 30 of article IX of the state consti-

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tution of 1963, total state spending from state resources under part 1

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for fiscal year 2001-2002 is \$331,196,319.00 and state spending from

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state resources to be paid to local units of government for fiscal year

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2001-2002 is \$321,196,319.00. The itemized statement below identifies

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appropriations from which spending to local units of government will

10 occur:

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Operations.....	\$	317,104,216
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12

At-risk student success program.....		3,692,103
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13

Renaissance zone tax reimbursement program.....	\$	<u>400,000</u>
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TOTAL.....	\$	321,196,319
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Sec. 202. The appropriations authorized under this act are subject

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to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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Sec. 208. Unless otherwise specified, the department shall continue

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to pilot the use of the Internet to fulfill the reporting requirements of

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this act. This may include transmission of reports via electronic mail

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to the recipients identified for each reporting requirement or it may

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include placement of reports on the Internet or legislative Intranet

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site. The senate and house appropriations subcommittees and senate and

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house fiscal agencies shall be notified in writing of the Internet or

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Intranet site of any such report. Quarterly, the department shall pro-

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vide to each member of the senate and house appropriations subcommittees,

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the senate and house fiscal agencies, and the state budget office both an

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electronic and paper copy listing of the reports submitted during the

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1 most recent 3-month period, along with each report's Internet or Intranet
2 site, if any.

3 Sec. 209. [Funds appropriated in part 1 should not be used for the
4 purchase of foreign goods or services, or both, if competitively priced
5 and of comparable quality American goods and services, or both, are
6 available. Preference should be given to goods and services, or both,
manufactured or provided by Michigan businesses if they are competitively
priced and of comparable value.]

7 Sec. 210. The director of each department receiving appropriations
8 in part 1 shall take all reasonable steps to ensure businesses in
9 deprived and depressed communities compete for and perform contracts to
10 provide services or supplies, or both. Each director shall strongly
11 encourage firms with which the department contracts to subcontract with
12 certified businesses in depressed and deprived communities for services,
13 supplies, or both.

14 Sec. 211. (1) The money appropriated in this act is appropriated
15 for community colleges with fiscal years ending June 30, 2002, and shall
16 be paid out of the state treasury and distributed by the state treasurer
17 to the respective community colleges in 11 monthly installments on the
18 sixteenth of each month, or the next succeeding business day, beginning
19 with October 16, 2001. Each community college shall accrue its July and
20 August 2002 payments to its institutional fiscal year ending June 30,
21 2002. However, if a community college fails to submit all verified
22 Michigan community colleges activities classification structure data for
23 school year 2000-2001 to the department of career development by November
24 1, 2001, the monthly installments shall be withheld from that community
25 college until those data are submitted. The department of career devel-
26 opment shall publish the activities classification structure data book
27 for Michigan community colleges on or before March 1, 2002, for use by

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1 the legislature during budget development for the fiscal year ending
2 September 30, 2003. The amount from the money appropriated in part 1
3 that is allocated under section 103 to address the special needs of
4 at-risk students shall be paid in full by the state treasurer by November
5 1, 2001. The amount distributed to a community college or department
6 shall not exceed the net state allocation authorized by this act.

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

13 Sec. 212. (1) The auditor general or an independent public account-
14 ing firm appointed by the auditor general shall audit data for the fiscal
15 year ending on June 30, 2001, as submitted to the department of career
16 development by 7 randomly selected community colleges. A community col-
17 lege shall maintain and provide those records necessary for the auditor
18 general or certified public accountant appointed by the auditor general
19 to determine the accuracy of the reported data. The audits shall be
20 based upon the definitions and requirements contained in the Manual for
21 Uniform Financial Reporting, Michigan Public Community Colleges, pub-
22 lished by the Michigan state board of education in 1981, and the
23 Activities Classification Structure Manual for Michigan Community
24 Colleges, 1996 revision of the final report of the activities classifica-
25 tion structure task force (July 1981), published by the department of
26 education. Before the submission of a final audit report, a community
27 college may appeal the findings of the preliminary report under an appeal

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1 process to be established by the auditor general. The auditor general
2 shall submit a report of the findings to the house and senate appropria-
3 tions committees, the department of career development, and the state
4 budget director before June 1, 2002.

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

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

20 (4) A community college whose audited activities classification
21 structure data is significantly different than the data used to determine
22 state aid under this act shall return any overappropriated money as pro-
23 vided in this section. The department of career development shall com-
24 pare formula computations for the audited colleges using pre- and
25 post-audit data. If the state allocation is 2% or more than the
26 post-audit allocation amount, the college shall return the excess money.

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1 The returned money shall be redistributed to all 28 community colleges,
2 prorated on the base appropriations contained in part 1.

3 Sec. 213. The department of career development shall review the
4 taxonomy of the 7 community colleges selected for the audit under section
5 212 that is based on the Activities Classification Structure Manual for
6 Michigan Community Colleges, 1996 revision of the final report of the
7 activities classification structure task force (July 1981), published by
8 the department of education.

9 Sec. 214. (1) A community college shall retain certified class sum-
10 maries, class lists, registration documents, and student transcripts that
11 are consistent with the taxonomy of courses. For each enrollment period
12 during the fiscal year, these certified documents shall identify clearly
13 by course the number of in-district and out-of-district student credit
14 and contact hours. The class summaries and class lists shall be consis-
15 tent with each other and shall include the course prefix and numbers,
16 course title, course credit and contact hours, credit and contact hours
17 generated by each student, and activity classifications consistent with
18 the taxonomy. An auditable process shall be used by the community col-
19 lege to determine the unduplicated head count for in-district students,
20 out-of-district students, and prisoners for each enrollment period during
21 the fiscal year.

22 (2) Contracts between the community college and agencies that reim-
23 burse the community college for the costs of instruction shall be
24 retained for audit purposes.

25 Sec. 215. Each community college shall have an annual audit of all
26 income and expenditures performed by an independent auditor and shall
27 furnish the independent auditor's management letter and an annual audited

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1 accounting of all general and current funds income and expenditures
2 including audits of college foundations to the legislature, the senate
3 and house fiscal agencies, the auditor general, the department of career
4 development, and the state budget director before November 15, 2001. If
5 a community college fails to furnish the audit materials, the monthly
6 state aid installments shall be withheld from that college until the
7 information is submitted. All reporting shall conform to the require-
8 ments set forth in the Manual for Uniform Financial Reporting, Michigan
9 Public Community Colleges, published by the Michigan state board of edu-
10 cation in 1981, as amended by the department of career development.

11 Sec. 216. (1) A community college shall pay the employer's contri-
12 butions to the Michigan public school employees' retirement system cre-
13 ated by the public school employees retirement act of 1979, 1980 PA 300,
14 MCL 38.1301 to 38.1408, as a condition of receiving money appropriated
15 under this act. If amendments to the public school employees retirement
16 act of 1979, 1980 PA 300, MCL 38.1301 to 38.1408, that require
17 pre-funding of the health benefits portion of the Michigan public school
18 employees' retirement system are enacted and take effect, those amend-
19 ments apply to community colleges.

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

22 Sec. 217. An appropriation contained in this act shall not be used
23 for the construction of buildings for, or operations of, a community col-
24 lege not expressly authorized in part 1. Money appropriated in part 1
25 shall not be used to pay for the construction or maintenance of a
26 self-liquidating project.

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1 Sec. 218. The department of career development shall ensure that a
2 statistical report for minorities and women employees for the most recent
3 school year as submitted to the federal government on the EEO-6 form be
4 included in the Michigan Community Colleges Enrollment Profile published
5 by the department of career development. Also included in this profile
6 shall be a statistical report for the most recent school year that
7 includes enrollment statistics for minorities and women from the current
8 year as submitted to the department of career development and from the
9 prior year as submitted to the department of education. The department
10 of career development shall distribute a copy of this report to the state
11 budget director and to members of the house and senate appropriations
12 subcommittees on community colleges and the house and senate fiscal agen-
13 cies no later than March 1, 2002.

14 Sec. 219. The department of treasury shall annually collect and
15 compile data on the tax revenue losses to community colleges resulting
16 from tax increment financing authorities (TIFA) and tax abatements. The
17 department of treasury shall produce a report detailing the data. The
18 report shall be completed and presented to the house and senate appropri-
19 ations subcommittees on community colleges, the department of career
20 development, and the department of management and budget not later than
21 February 15, 2002. The report shall include, but is not limited to, the
22 following:

23 (a) Estimated revenue losses for each community college for the cal-
24 endar year 2001.

25 (b) Confirmed revenue losses for each community college for the cal-
26 endar years 1999 and 2000.

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1 (c) Other requirements requested by the house and senate
2 appropriations subcommittees on community colleges.

3 Sec. 221. (1) Each community college shall report the following to
4 the department of career development, no later than November 1, 2001:

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

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

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

15 (3) The department of career development shall compile the informa-
16 tion received under subsection (1) and shall submit this compilation to
17 the house and senate appropriations subcommittees on community colleges,
18 the senate and house fiscal agencies, and the state budget director by
19 January 7, 2002.

20 Sec. 222. From the general fund/general purpose appropriation in
21 part 1 for renaissance zone reimbursement funding, there is allocated
22 \$400,000.00 to make reimbursement to community colleges, as provided by
23 section 12 of the Michigan renaissance zone act, 1996 PA 376,
24 MCL 125.2692, for property taxes levied in 2001. Reimbursements shall be
25 made in amounts to each eligible recipient no later than 60 days after
26 the department of treasury certifies to the state budget director that it
27 has received all necessary information to properly determine the amounts

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1 due each eligible recipient under section 12 of the Michigan renaissance
2 zone act, 1996 PA 376, MCL 125.2692. Excess allocations lapse to the
3 general fund.

4 Sec. 223. (1) Upon request, a community college shall inform inter-
5 ested Michigan high schools of the aggregate academic status of its stu-
6 dents for the fiscal year beginning October 1, 2001, in a manner pre-
7 scribed by the Michigan community college association and in cooperation
8 with the Michigan association of secondary school principals.

9 (2) Each community college shall report by December 1, 2001, to the
10 department of career development, a summary of the information provided
11 under subsection (1) for the prior academic year.

12 (3) The department of career development shall compile the informa-
13 tion received under subsection (2) and shall submit this compilation to
14 the house and senate appropriations subcommittees on community colleges,
15 the house and senate fiscal agencies, and the state budget director by
16 February 1, 2002.

17 Sec. 224. (1) Recognizing the critical importance of education in
18 strengthening Michigan's workforce, the legislature encourages the
19 state's public community colleges to explore ways of increasing collabo-
20 ration and cooperation with 4-year universities, particularly in the
21 areas related to training, instruction, and program articulation.

22 (2) Community colleges shall report by December 1, 2001 to the
23 department of career development on steps they have taken to increase
24 collaboration and cooperation with 4-year universities under
25 subsection (1).

26 (3) The department of career development shall compile the
27 information received under subsection (2) and shall submit this

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1 compilation to the house and senate appropriations subcommittees on
2 community colleges and the senate and house fiscal agencies by January 7,
3 2002.

4 Sec. 225. The legislature intends that all citizens of this state
5 have geographic and programmatic access to quality comprehensive commu-
6 nity college services. The legislature and the Michigan community col-
7 lege association shall continue to review and analyze the recommendations
8 made by the co-terminus task force to assure geographic and programmatic
9 access to quality and comprehensive community college services. The leg-
10 islature recognizes that as of January 1, 2001, there were also public
11 universities that provide quality comprehensive community college serv-
12 ices for citizens of this state who are not served by a community college
13 district.

14 Sec. 226. Each community college shall report to the house and
15 senate fiscal agencies and the department of career development a modifi-
16 cation in credit or contact hour tuition or mandatory non-course-related
17 student fees not later than 30 days after the modification is established
18 by the college governing board.

19 Sec. 227. (1) Each community college shall report to the department
20 of career development the numbers and type of associate degrees and other
21 certificates awarded during the previous fiscal year. The report shall
22 be made not later than November 15, 2001.

23 (2) The department of career development shall compile the informa-
24 tion received under subsection (1) and shall submit this compilation to
25 the house and senate appropriations subcommittees on community colleges,
26 the senate and house fiscal agencies, and the state budget director by
27 January 7, 2002.

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1 Sec. 228. The legislature intends to achieve full funding of the
2 Gast-Mathieu fairness in funding formula.

3 Sec. 229. (1) A community college receiving funding under this act
4 and also subject to the student right-to-know and campus security act,
5 Public Law 101-542, 104 Stat. 2381, shall make a copy of all material
6 prepared in accordance with the public information reporting requirements
7 under the crime awareness and campus security act of 1990, title II of
8 the student right-to-know and campus security act, Public Law 101-542,
9 104 Stat. 2384, available in hard copy and electronic format accessible
10 through the Internet for school districts, parents, and students.

11 (2) The department of career development shall compile and make
12 information received under subsection (1) available in written and elec-
13 tronic format accessible through the Internet for school districts, par-
14 ents, and students.

15 Sec. 230. (1) A community college shall not expend money appropri-
16 ated under this act to provide health care coverage for community college
17 employees or their dependents for abortion services, other than for spon-
18 taneous abortion or to prevent the death of the woman upon whom the abor-
19 tion is performed. A community college shall not approve a collective
20 bargaining agreement or enter into any other employment contract that
21 includes health care coverage for abortion services other than spontane-
22 ous abortion or to prevent the death of the woman upon whom the abortion
23 is performed.

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

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1 Sec. 231. In light of sections 1, 3, and 4 of 1846 RS 83, MCL
2 551.1, 551.3, and 551.4, and section 1 of 1939 PA 168, MCL 551.271, the
3 legislature intends that a community college receiving funding under this
4 act shall not use part 1 money to extend employee benefits to the unmar-
5 ried partners of the community college's employees except for pre- and
6 post-natal costs.

7 Sec. 233. Community colleges that include prescription drugs and
8 medications as a covered health benefit for adults are encouraged to
9 ensure that payment for preventative contraceptives are included in the
10 insurance plan.

11 Sec. 234. The legislature intends that each community college do
12 all of the following:

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

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

19 Sec. 235. The legislature instructs the department of career devel-
20 opment to coordinate with the Michigan community college association and
21 various other organizations representing employees at community colleges
22 to discuss staffing patterns as they relate to part-time employees and
23 the effects on educational instruction. The department of career devel-
24 opment shall submit a report on this issue to the house and senate appro-
25 priations subcommittees on community colleges and the house and senate
26 fiscal agencies by March 1, 2002.

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1 STATE AID - OPERATIONS

2 Sec. 301. Unless otherwise stated, all data items used in determin-
3 ing state aid in this act are as defined in the Manual for Uniform
4 Financial Reporting, Michigan Public Community Colleges, published by the
5 Michigan state board of education in 1981, which shall be the basis for
6 reporting data, and the Activities Classification Structure Manual for
7 Michigan Community Colleges, 1996 revision of the final report of the
8 activities classification structure task force (July 1981), published by
9 the department of education, which shall be used to document financial
10 needs of the community colleges, as amended by the department of career
11 development.

12 Sec. 302. A community college shall not include in the enrollment
13 report any student credit hours or student contact hours for a student
14 incarcerated in a Michigan penal institution. Exclusion of these stu-
15 dents is intended to avoid the payment of state aid under this act for
16 the same individuals for whom reimbursement is provided by the state cor-
17 rectional system.

18 GRANTS

19 Sec. 401. (1) The community college at-risk student success program
20 is continued. The funding shall be prorated among community colleges
21 based on the number of student contact hours for developmental and prepa-
22 ratory instruction reported by each community college to the department
23 of career development for use in the Activities Classification Structure
24 Manual for Michigan Community Colleges, 1996 revision of the final report
25 of the activities classification structure task force (July 1981),

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1 published by the department of education. Of the amount appropriated in
2 part 1 for the at-risk student success program, \$1,120,000.00 is allo-
3 cated for base grants of \$40,000.00 each, to address the special needs of
4 at-risk students at community colleges or the acquisition or upgrade of
5 technology related equipment and software.

6 (2) Of the amount appropriated in part 1 for the at-risk student
7 success program, the balance of the appropriated money shall be distrib-
8 uted on a proration utilizing the sum of the most recent 3 years
9 developmental/preparatory contact hours divided by the sum of the 3-year
10 total contact hours at each college. Each community college's percentage
11 shall be divided by the sum of all the percentages systemwide to obtain
12 each community college's prorated grant amount.

13 (3) For the fiscal year ending September 30, 2002, the at-risk stu-
14 dent success program money is allocated as follows:

15	Alpena Community College.....	\$	104,004
16	Bay de Noc Community College.....		98,650
17	Delta College.....		110,240
18	Glen Oaks Community College.....		135,832
19	Gogebic Community College.....		78,902
20	Grand Rapids Community College.....		74,179
21	Henry Ford Community College.....		164,807
22	Jackson Community College.....		113,768
23	Kalamazoo Valley Community College.....		113,499
24	Kellogg Community College.....		158,343
25	Kirtland Community College.....		158,732
26	Lake Michigan College.....		192,554

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1	Lansing Community College.....	157,864
2	Macomb Community College.....	91,038
3	Mid Michigan Community College.....	129,419
4	Monroe Community College.....	99,275
5	Montcalm Community College.....	71,694
6	Mott Community College.....	109,157
7	Muskegon Community College.....	213,016
8	North Central Michigan College.....	178,336
9	Northwestern Michigan College.....	120,677
10	Oakland Community College.....	159,354
11	St. Clair Community College.....	80,413
12	Schoolcraft College.....	150,164
13	Southwestern Michigan College.....	180,632
14	Washtenaw Community College.....	161,709
15	Wayne County Community College.....	149,384
16	West Shore Community College.....	136,461

17 (4) As used in this act, "at-risk students" means students who meet
18 1 or more of the following criteria:

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

22 (b) Are diagnosed as learning disabled.

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

24 (5) Grant funding under this section shall be utilized to address
25 the special needs of at-risk students or for equipment or upgrade of
26 information technology hardware or software. Activities related to
27 services provided to at-risk students include, but are not limited to,

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1 pretesting for academic ability, counseling contacts, and special
2 programs. Equipment or information technology hardware or software pur-
3 chased under this section need not be associated with the operation of a
4 program designed to address the needs of at-risk students.

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

8 (7) Each community college shall report to the department of career
9 development a summary of all accomplishments under, expenditures for, and
10 compliance with the intent of this program, including the number of
11 at-risk students served. The report is subject to audit as provided for
12 in section 212(1). The report shall be submitted not later than 90 days
13 after the end of the state's fiscal year. The department of career
14 development shall compile the information received under this subsection
15 and shall submit this compilation to the house and senate appropriations
16 subcommittees on community colleges, the senate and house fiscal agen-
17 cies, and the state budget director by 120 days after the end of the
18 state's fiscal year.

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

24 Sec. 402. The legislature intends that any executive or legislative
25 proposal or action, subsequent to the adoption of a recommendation for
26 appropriations for community colleges for the fiscal year ending
27 September 30, 2002, to increase appropriations to state-supported 4-year

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1 universities in excess of the governor's original recommendation for the
2 fiscal year ending September 30, 2002, will be accompanied by a similar
3 action or proposal for state-supported community colleges.

4 Sec. 403. The legislature intends that not less than 70% of the
5 economic development job training grant money be awarded to community
6 colleges or a consortium of community colleges and other eligible appli-
7 cants as provided in the budget that appropriated the economic develop-
8 ment job training grant money. Further, the legislature intends that at
9 least a portion of the total appropriation for economic development job
10 training grants be awarded to community colleges that offer certified
11 programs that are bureau of apprenticeship training certified. The
12 Michigan economic development corporation shall report by November 1 of
13 each year to the house and senate appropriations subcommittees on commu-
14 nity colleges and the senate and house fiscal agencies the names of the
15 community colleges awarded grant money under this section, the amount of
16 the grants awarded, and the percentage awarded to bureau of apprentice-
17 ship training certified programs.

18 Sec. 404. (1) The Michigan postsecondary access student scholarship
19 (PASS) program is established to provide a PASS award as calculated under
20 this section for a student who is eligible under subsection (2), (3), or
21 (4). The Michigan higher education assistance authority (MHEAA) shall
22 administer the PASS program, for which there is \$10,000,000.00 appropri-
23 ated in part 1, and the PASS program shall comply with the requirements
24 of this section.

25 (2) A student is eligible for a PASS award for the equivalent of 2
26 years of full-time college enrollment if the student meets all of the
27 following:

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1 (a) The student must be a Michigan resident enrolled in a program
2 leading to an associate degree that was in existence as of January 1,
3 2000, at a Michigan public community college, Michigan public university,
4 or Michigan independent nonprofit, degree-granting college or
5 university.

6 (b) The student must be enrolled at least half-time.

7 (c) The student must be younger than 26 years old at the time of
8 enrollment.

9 (d) The student must have scored at level 1 or level 2 on the high
10 school Michigan education assessment program (MEAP) tests in reading,
11 writing, mathematics, and science.

12 (e) The student must be eligible for a federal Pell grant.

13 (f) Other requirements established by the MHEAA.

14 (3) A student who meets all the requirements of subsection (2),
15 other than subsection (2)(d), but has taken the high school MEAP tests in
16 reading, writing, mathematics, and science while in high school shall
17 receive a PASS award for 1 year of college enrollment. If the student
18 maintains satisfactory academic progress in that first year of college
19 enrollment, the student shall receive a PASS award for a second year of
20 college enrollment.

21 (4) A student who is 26 years old or older who meets all the
22 requirements of subsection (2), other than subsection (2)(c) and (d),
23 shall receive a maximum \$500.00 PASS award, not to exceed tuition and
24 fees, for the second year of college enrollment. A student may qualify
25 under this section whether or not the student took any of the high school
26 MEAP tests.

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1 (5) PASS award eligibility is limited to 2 semesters or 3 terms in
2 any academic year.

3 (6) A PASS award for a student eligible under subsection (2), (3),
4 or (4) shall be calculated by the MHEAA as the amount remaining after
5 subtracting from the value of the student's allowable tuition and fees,
6 as prescribed in subsection (8), all of the following state and federal
7 financial educational assistance for which that student is eligible:

8 (a) Michigan competitive scholarship.

9 (b) Michigan tuition grant.

10 (c) Pell grant.

11 (d) Federal hope scholarship tax credit.

12 (7) The department of treasury shall prepare, and MHEAA shall uti-
13 lize, a tax credit table that imputes an amount to be subtracted under
14 subsection (6) for the federal hope scholarship tax credit.

15 (8) The value of a student's allowable tuition and fees is as
16 follows:

17 (a) For a student enrolled at a Michigan community college, the
18 value of allowable tuition and fees is the in-district tuition and fees.
19 For a student who does not reside within a community college district,
20 the value of allowable tuition and fees is the out-of-district tuition
21 and fees for the community college that the student is attending.

22 (b) For a student enrolled at a Michigan public university, the
23 value of allowable tuition and fees is the lower-level resident tuition
24 and fees for that public university.

25 (c) For a student enrolled at a Michigan independent, nonprofit,
26 degree-granting college or university, the value of allowable tuition and
27 fees is the average, lower-level resident tuition and fees for all

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1 Michigan public universities for the immediately preceding academic year
2 as reported before August 1 after that academic year.

3 (9) The MHEAA shall remit an eligible student's PASS award to a
4 higher education institution in accordance with procedures established by
5 the MHEAA.

6 (10) The PASS award may be utilized by the student to pay costs of
7 attendance as determined by the MHEAA.

8 (11) The PASS program shall not be applied for a student's theology
9 or divinity courses.

10 (12) The MHEAA shall develop an application and eligibility determi-
11 nation process that ensures that all of the requirements prescribed by
12 this section are met.

13 (13) Students who are expected to receive a tuition incentive pro-
14 gram scholarship are not eligible for the PASS program.

15 (14) The MHEAA shall submit to the senate and house appropriations
16 subcommittees on community colleges, the house and senate fiscal agen-
17 cies, and the department of management and budget by March 1, 2002, a
18 comprehensive report on the PASS program from December 31, 2000 to
19 February 1, 2002, including, but not limited to:

20 (a) Number of PASS program recipients by college.

21 (b) Average PASS award per student, including minimum and maximum,
22 by college.

23 (c) Total PASS program expenditures.

24 (d) Other applicable PASS program information, including, but not
25 limited to, the estimated PASS program and cost impact of removing age
26 restrictions and of raising the income eligibility amount.

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1 (15) The department of treasury shall advertise the PASS program on
2 the Michigan higher education assistance authority website.