

SUBSTITUTE FOR
HOUSE BILL NO. 4258

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2002; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for higher education for the
5 fiscal year ending September 30, 2002, from the funds indicated in this
6 part. The following is a summary of the appropriations in this part:

7 HIGHER EDUCATION

8 Full-time equated classified positions.....1.0

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For Fiscal Year Ending
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1	GROSS APPROPRIATION.....	\$	1,993,829,610
2	Total interdepartmental grants and intradepartmental		
3	transfers.....	\$	0
4	ADJUSTED GROSS APPROPRIATION.....	\$	1,993,829,610
5	Appropriated from:		
6	Federal revenues:		
7	Total federal revenues.....		4,900,000
8	Special revenue funds:		
9	Total local revenues.....		0
10	Total private revenues.....		0
11	Total other state restricted revenues.....		158,977,600
12	State general fund/general purpose.....	\$	1,829,952,010
13	Sec. 102. CENTRAL MICHIGAN UNIVERSITY		
14	Operations.....	\$	<u>94,740,620</u>
15	GROSS APPROPRIATION.....	\$	94,740,620
16	Appropriated from:		
17	State general fund/general purpose.....	\$	94,740,620
18	Sec. 103. EASTERN MICHIGAN UNIVERSITY		
19	Operations.....	\$	<u>88,094,880</u>
20	GROSS APPROPRIATION.....	\$	88,094,880
21	Appropriated from:		
22	State general fund/general purpose.....	\$	88,094,880
23	Sec. 104. FERRIS STATE UNIVERSITY		
24	Operations.....	\$	<u>55,810,240</u>
25	GROSS APPROPRIATION.....	\$	55,810,240
26	Appropriated from:		

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1	State general fund/general purpose.....	\$	55,810,240
2	Sec. 105. GRAND VALLEY STATE UNIVERSITY		
3	Operations.....	\$	<u>66,589,500</u>
4	GROSS APPROPRIATION.....	\$	66,589,500
5	Appropriated from:		
6	State general fund/general purpose.....	\$	66,589,500
7	Sec. 106. LAKE SUPERIOR STATE UNIVERSITY		
8	Operations.....	\$	<u>14,343,130</u>
9	GROSS APPROPRIATION.....	\$	14,343,130
10	Appropriated from:		
11	State general fund/general purpose.....	\$	14,343,130
12	Sec. 107. MICHIGAN STATE UNIVERSITY		
13	Operations.....	\$	<u>343,655,900</u>
14	GROSS APPROPRIATION.....	\$	343,655,900
15	Appropriated from:		
16	State general fund/general purpose.....	\$	343,655,900
17	Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY		
18	Operations.....	\$	<u>55,530,040</u>
19	GROSS APPROPRIATION.....	\$	55,530,040
20	Appropriated from:		
21	State general fund/general purpose.....	\$	55,530,040
22	Sec. 109. NORTHERN MICHIGAN UNIVERSITY		
23	Operations.....	\$	<u>52,284,550</u>
24	GROSS APPROPRIATION.....	\$	52,284,550
25	Appropriated from:		
26	State general fund/general purpose.....	\$	52,284,550

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1	Sec. 110. OAKLAND UNIVERSITY		
2	Operations.....	\$	<u>55,142,660</u>
3	GROSS APPROPRIATION.....	\$	55,142,660
4	Appropriated from:		
5	State general fund/general purpose.....	\$	55,142,660
6	Sec. 111. SAGINAW VALLEY STATE UNIVERSITY		
7	Operations.....	\$	<u>28,953,010</u>
8	GROSS APPROPRIATION.....	\$	28,953,010
9	Appropriated from:		
10	State general fund/general purpose.....	\$	28,953,010
11	Sec. 112. UNIVERSITY OF MICHIGAN-ANN ARBOR		
12	Operations.....	\$	<u>365,361,860</u>
13	GROSS APPROPRIATION.....	\$	365,361,860
14	Appropriated from:		
15	State general fund/general purpose.....	\$	365,361,860
16	Sec. 113. UNIVERSITY OF MICHIGAN-DEARBORN		
17	Operations.....	\$	<u>28,146,460</u>
18	GROSS APPROPRIATION.....	\$	28,146,460
19	Appropriated from:		
20	State general fund/general purpose.....	\$	28,146,460
21	Sec. 114. UNIVERSITY OF MICHIGAN-FLINT		
22	Operations.....	\$	<u>24,193,800</u>
23	GROSS APPROPRIATION.....	\$	24,193,800
24	Appropriated from:		
25	State general fund/general purpose.....	\$	24,193,800
26	Sec. 115. WAYNE STATE UNIVERSITY		

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1	Operations.....	\$	<u>254,969,460</u>
2	GROSS APPROPRIATION.....	\$	254,969,460
3	Appropriated from:		
4	State general fund/general purpose.....	\$	254,969,460
5	Sec. 116. WESTERN MICHIGAN UNIVERSITY		
6	Operations.....	\$	<u>132,529,450</u>
7	GROSS APPROPRIATION.....	\$	132,529,450
8	Appropriated from:		
9	State general fund/general purpose.....	\$	132,529,450
10	Sec. 117. STATE AND REGIONAL PROGRAMS		
11	Full-time equated classified positions.....1.0		
12	Agricultural experiment station.....	\$	37,031,110
13	Cooperative extension service.....		31,940,475
14	Michigan molecular institute.....		238,095
15	Japan center for Michigan universities.....		425,415
16	Higher education database modernization and		
17	conversion--1.0 FTE position.....		275,000
18	Midwest higher education compact.....		<u>82,500</u>
19	GROSS APPROPRIATION.....	\$	69,992,595
20	Appropriated from:		
21	State general fund/general purpose.....	\$	69,992,595
22	Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS		
23	PROGRAM		
24	Select student supportive services.....	\$	2,184,790
25	Michigan college/university partnership program.....		655,435
26	Morris Hood, Jr. educator development program.....		<u>165,950</u>

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1	GROSS APPROPRIATION.....	\$	3,006,175
2	Appropriated from:		
3	State general fund/general purpose.....	\$	3,006,175
4	Sec. 119. GRANTS AND FINANCIAL AID		
5	State competitive scholarships.....	\$	36,527,205
6	Tuition grants.....		66,445,440
7	Michigan work-study program.....		8,057,595
8	Part-time independent student program.....		2,918,155
9	Grant for Michigan resident dental graduates.....		5,078,605
10	Grant for general degree graduates.....		6,352,310
11	Grant for allied health graduates.....		939,940
12	Michigan education opportunity grants.....		2,292,180
13	Robert C. Byrd honors scholarship program.....		1,600,000
14	Michigan merit award program.....		125,023,850
15	Tuition incentive program/high school completion.....		<u>5,250,000</u>
16	GROSS APPROPRIATION.....	\$	260,485,280
17	Appropriated from:		
18	Federal revenues:		
19	Higher education act of 1965, title IV, 20 U.S.C.....		3,300,000
20	Higher education act of 1965, title IV, part A.....		1,600,000
21	Special revenue funds:		
22	Michigan merit award trust fund.....		158,977,600
23	State general fund/general purpose.....	\$	96,607,680
24			
25			

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1

PART 2

2

PROVISIONS CONCERNING APPROPRIATIONS

3 GENERAL SECTIONS

4

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

5

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

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for fiscal year 2001-2002 is \$1,988,929,610.00 and state spending from

7

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

8

2001-2002 is \$4,050,073.00. The itemized statement below identifies

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appropriations from which spending to units of local government will

10 occur:

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Part-time independent student program.....	\$	1,352,857
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12

Michigan education opportunity grant.....		1,005,121
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13

Michigan work-study.....		<u>1,692,095</u>
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TOTAL.....	\$	4,050,073
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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. 203. Unless otherwise specified, the institutions of higher

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education shall use 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 an Internet or Intranet site. Quarterly,

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the institutions of higher education shall provide to the appropriations

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subcommittee members, state budget office, and the fiscal agencies an

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electronic and paper copy listing of the reports submitted during the

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most recent 3-month period along with the Internet or Intranet site of

26

each report, if any.

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

7 Sec. 210. (1) The funds appropriated in part 1 to state institu-
8 tions of higher education shall be paid out of the state treasury and
9 distributed by the state treasurer to the respective institutions in 11
10 equal monthly installments on the sixteenth of each month, or the next
11 succeeding business day, beginning with October 16, 2001. Except for
12 Wayne State University, each institution shall accrue its July and August
13 2002 payments to its institutional fiscal year ending June 30, 2002.

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

17 (3) All universities shall submit higher education institutional
18 data inventory (HEIDI) data and associated financial and program informa-
19 tion requested by and in a manner prescribed by the state budget
20 director. For universities with fiscal years ending June 30, 2001, these
21 data shall be submitted to the state budget director by October 15,
22 2001. Universities with a fiscal year ending September 30, 2001 shall
23 submit preliminary HEIDI data by November 15, 2001 and final data by
24 December 15, 2001. If a university fails to submit HEIDI data and asso-
25 ciated financial aid program information in accordance with this report-
26 ing schedule, the state treasurer shall withhold the monthly installments
27 under subsection (1) to the university until those data are submitted.

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

4 Sec. 211. Funds received by the state from the federal government
5 or private sources for the use of a college or university are appropri-
6 ated for the purposes for which they are provided. The acceptance and
7 use of federal or private funds does not place an obligation upon the
8 legislature to continue the purposes for which the funds are made
9 available.

10 Sec. 213. A state institution of higher education that receives
11 funds under this act shall furnish all program and financial information
12 that is required by and in a manner prescribed by the state budget direc-
13 tor or the house or senate appropriations committee.

14 Sec. 214. If a state institution of higher education that receives
15 funds under this act notifies the department of treasury regarding its
16 tuition and fee rates in order to qualify as an eligible institution for
17 the Michigan tuition tax credit under section 274 of the income tax act
18 of 1967, 1967 PA 281, MCL 206.274, the institution shall also submit the
19 notification and applicable documentation of tuition and fee changes to
20 the house and senate fiscal agencies.

21 Sec. 215. All funds received under part 1 for the charter schools
22 development and performance institute are intended to be expended on
23 activities of that institute.

24 Sec. 216. By February 15, 2002, the department of treasury shall
25 provide the state budget director, the subcommittees on higher education
26 of the house and senate appropriations committees, and the senate and
27 house fiscal agencies with an annual report on restricted fund balances,

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1 projected revenues, and expenditures for the fiscal years ending
2 September 30, 2001 and September 30, 2002.

[Sec. 217. Funds appropriated in part 1 shall not be expended to purchase or lease luxury vehicles for use by university officials or to hire chauffeurs for university officials.]

3 GRANTS AND FINANCIAL AID

4 Sec. 301. (1) Payments of the amounts included in part 1 for the
5 state competitive scholarship program shall be distributed pursuant to
6 1964 PA 208, MCL 390.971 to 390.981.

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

10 (3) If a student who receives an award under this section has his or
11 her tuition and fees paid under the Michigan educational trust program,
12 pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421
13 to 390.1444, and still has financial need, the funds awarded under this
14 section may be used for educational expenses other than tuition and
15 fees.

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

22 Sec. 302. (1) The amounts appropriated in part 1 for the state
23 tuition grant program shall be distributed pursuant to 1966 PA 313,
24 MCL 390.991 to 390.997a.

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1 (2) Tuition grant awards shall be made to all eligible Michigan
2 residents who apply before September 1, 2001 and who are qualified.

3 Tuition grant awards shall not be made to students newly enrolled in a
4 juris doctor law degree program after the 1995-96 academic year.

5 (3) The Michigan higher education assistance authority shall deter-
6 mine an actual maximum tuition grant award per student that ensures that
7 the aggregate payments for the tuition grant program do not exceed the
8 appropriation contained in part 1 for the state tuition grant program.
9 By December 15, 2001, and again by February 1, 2002, the authority shall
10 analyze the status of award commitments, shall make any necessary adjust-
11 ments, and shall confirm that those award commitments will not exceed the
12 appropriation contained in part 1 for the tuition grant program. The
13 determination and actions shall be reported to the state budget director
14 and the house and senate fiscal agencies no later than February 15,
15 2002. If award adjustments are necessary, the students shall be notified
16 of the adjustment by the third Monday in February.

17 (4) Any unexpended and unencumbered funds remaining on September 30,
18 2002 from the amounts appropriated in part 1 for the tuition grant pro-
19 gram shall not lapse on September 30, 2002, but shall continue to be
20 available for expenditure for tuition grants provided in the 2002-2003
21 fiscal year. The use of these unexpended fiscal year 2001-2002 funds
22 shall terminate at the end of the 2002-2003 fiscal year.

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

26 (6) If the Michigan higher education assistance authority increases
27 the maximum award per eligible student from that provided in the previous

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1 fiscal year, it shall not have the effect of reducing the number of
2 eligible students receiving awards in relation to the total number of
3 eligible applicants. Any increase in the maximum grant shall be propor-
4 tional for all eligible students receiving awards for fiscal year
5 2001-2002.

6 (7) Students enrolled in instructional programs provided by the
7 Kendall College of Art and Design of Ferris State University are eligible
8 to receive tuition grant awards for fiscal years 2000-2001 and
9 2001-2002.

10 Sec. 303. (1) Included in the appropriation in part 1 is funding
11 for the Michigan work-study program established under 1986 PA 288,
12 MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to 390.1332. An
13 effort should be made by each institution participating in the Michigan
14 work-study program to assure that not less than 10% of those undergradu-
15 ate, graduate, and professional students eligible to participate in the
16 program are placed with for-profit employers no later than December 31 of
17 each year for which funding is provided under this act.

18 (2) The Michigan higher education assistance authority shall allo-
19 cate funds to institutions eligible for work-study money based upon each
20 institution's specific Pell grant index and each institution's utiliza-
21 tion rate of work-study funds for the 3 most recent years for which sta-
22 tistics are available.

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

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1 Sec. 304. (1) Payments of the amounts included in part 1 for the
2 general degree reimbursement program established under 1974 PA 75,
3 MCL 390.1021 to 390.1027, shall be made for all degrees identified in
4 section 1(1) of 1974 PA 75, MCL 390.1021, except doctor of dental sur-
5 gery, doctor of dental medicine, juris doctor law, and allied health
6 degrees.

7 (2) The reimbursement rate per eligible degree shall be the equally
8 prorated amount permitted by the appropriation, except that the amount of
9 the reimbursement for each associate degree shall be 1/2 of the rate of
10 reimbursement for the other degrees eligible under subsection (1) for the
11 general degree reimbursement program.

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

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

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

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

22 Sec. 305. The reimbursement rate per eligible degree under the
23 allied health degree reimbursement program established under 1974 PA 75,
24 MCL 390.1021 to 390.1027, shall be the equally prorated amount permitted
25 by the appropriation included in part 1.

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1 Sec. 306. Funds disbursed through the degree reimbursement programs
2 shall not be used by any recipient institution for theology or divinity
3 programs.

4 Sec. 307. The auditor general may audit selected enrollments,
5 degrees, and awards at selected independent colleges and universities
6 receiving awards administered by the department of treasury. The audits
7 shall be based upon definitions and requirements established by the
8 Michigan higher education assistance authority, the state budget direc-
9 tor, and the senate and house fiscal agencies. The auditor general shall
10 accept the Free Application for Federal Student Aid (FAFSA) form as the
11 standard of residency documentation. The auditor general shall submit a
12 report of findings to the senate and house appropriations committees and
13 state budget director by May 1, 2002.

14 Sec. 308. The sums appropriated in part 1 for the student financial
15 aid and degree reimbursement programs shall be paid out of the state
16 treasury and shall be distributed to the respective institutions under a
17 quarterly payment system as follows:

18 (a) For the state competitive scholarship, tuition incentive, and
19 tuition grant programs, 40% shall be paid at the beginning of the state's
20 first fiscal quarter, 40% at the beginning of the state's second fiscal
21 quarter, 10% at the beginning of the state's third fiscal quarter, and
22 10% at the beginning of the state's fourth fiscal quarter.

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

25 (c) For the part-time independent student program and Michigan edu-
26 cation opportunity grant program, 50% shall be paid at the beginning of
27 the state's first fiscal quarter, 25% at the beginning of the state's

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1 second fiscal quarter, and 25% at the beginning of the state's third
2 fiscal quarter.

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

9 Sec. 309. The Michigan higher education assistance authority shall
10 determine the needs analysis criteria for students to qualify for the
11 competitive scholarship program and tuition grant program. To be consis-
12 tent with federal requirements, student wages may be taken into consider-
13 ation when determining the amount of the award.

14 Sec. 310. (1) The funds appropriated in part 1 for the tuition
15 incentive program/high school completion program shall be distributed as
16 provided in this section and pursuant to the administrative procedures
17 for the tuition incentive program/high school completion program of the
18 department of treasury.

19 (2) As used in this section:

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

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

26 (c) "Department" means the department of treasury.

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

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

5 (i) Apply for certification to the department before graduating from
6 high school or completing the general education development (GED)
7 certificate.

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

10 (iii) Be a United States citizen and a resident of Michigan accord-
11 ing to institutional criteria.

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

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

17 (i) Complete at least 56 transferable semester or 84 transferable
18 term credits.

19 (ii) Obtain an associate degree or certificate at a participating
20 institution.

21 (c) To be eligible for phase I or phase II, a person must be finan-
22 cially eligible as determined by the department. A person is financially
23 eligible for the tuition incentive program if that person was Medicaid
24 eligible for 24 months within the 36 months before application.

25 Certification of eligibility may begin in the sixth grade and continue
26 until the time of enrollment in a participating institution.

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1 (4) For phase I, the department shall provide payment on behalf of a
2 person eligible under subsection (3). The department shall reject
3 billings that are excessive or outside the guidelines for the type of
4 educational institution.

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

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

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

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

16 (d) For persons enrolled at a Michigan independent, nonprofit degree
17 granting college or university, or a Michigan federal tribally controlled
18 community college, or Focus: HOPE, the department shall pay mandatory
19 fees for the current year and a per credit payment that does not exceed
20 the average community college in-district per credit tuition rate as
21 reported on August 1, for the immediately preceding academic year.

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

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

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

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

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

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

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

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

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

24 (13) Any unexpended and unencumbered funds remaining on September
25 30, 2002 from the amounts appropriated in part 1 for the tuition incen-
26 tive program shall not lapse on September 30, 2002, but shall continue to

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1 be available for expenditure for the tuition incentive program in the
2 fiscal year ending September 30, 2003.

3 (14) The department of treasury shall continue the outreach compo-
4 nents of the tuition incentive program/high school completion program
5 previously implemented by the family independence agency.

6 (15) If the funds in part 1 from the Michigan merit award trust fund
7 are insufficient to support the tuition incentive program, a sum suffi-
8 cient to fund the tuition incentive program is appropriated from the gen-
9 eral fund.

10 Sec. 311. To enable the legislature to evaluate the appropriation
11 needs of higher education, each independent college and university shall
12 make available to the legislature and state budget director, upon
13 request, data regarding grants for the preceding, current, and ensuing
14 fiscal years.

15 **STATE UNIVERSITIES**

16 Sec. 401. (1) Included in part 1 is \$6,357,900.00 to Wayne State
17 University for the Joseph F. Young, Sr. psychiatric research and training
18 program. Wayne State University shall use these funds for psychiatric
19 laboratory and clinical research, training, and treatment services.
20 Within the available appropriation, services shall not be denied to any
21 patient who meets established research guidelines for treatment on the
22 basis of personal financial circumstances, age, geographic residence, or
23 projected/actual length of treatment as medically warranted.

24 (2) Wayne State University shall report the following information to
25 the department of community health by November 1, 2002:

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

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

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

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

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

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

19 Sec. 403. (1) It is the intent of the legislature that any public
20 university receiving funds under part 1 of this act that adopts a resi-
21 dent undergraduate tuition and fee increase for the 2001-2002 academic
22 year of 4.0% or less shall retain in its base for calculation of its
23 appropriation for the fiscal year ending September 30, 2003 an amount
24 equal to 1.5% of its base appropriations for the fiscal year ending
25 September 30, 2002.

26 (2) It is the further intent of the legislature that any public
27 university receiving funds under part 1 of this act that adopts a

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1 resident undergraduate tuition and fee increase for the 2001-2002
2 academic year of more than 4.0% shall have its base for calculation of
3 its appropriation for the fiscal year ending September 30, 2003 reduced
4 by an amount equal to 1.5% of its base appropriations for the fiscal year
5 ending September 30, 2002.

6 (3) An amount equal to the reductions to base calculations of uni-
7 versities for the fiscal year ending September 30, 2003, as determined
8 under subsection (2), shall be added to the base for calculating the
9 2002-2003 fiscal year appropriations of those universities adopting a
10 resident undergraduate tuition and fee increase of 4.0% or less for the
11 2001-2002 academic year. The funds added to the base for calculating the
12 fiscal year 2002-2003 appropriations of the eligible universities under
13 this subsection shall be allocated on a per-fiscal-year equated student
14 basis.

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

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

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

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

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

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

10 (2) The committee shall provide for the general scope and direction
11 for implementing the conversion and modernization of the state's higher
12 education databases, for which funding is provided in part 1.

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

16 (a) The development of a data dictionary.

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

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

20 Sec. 408. The legislature recognizes that the first and foremost
21 obligation of the public universities is undergraduate instruction. The
22 public universities are therefore encouraged to increase their commitment
23 of tenured and tenure track faculty to undergraduate instruction.

24 Sec. 409. The amounts included in part 1 for public universities
25 recognize 4 separate university groupings. Funding floors for the 4
26 groupings are established as follows:

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1 (a) Funding floor of \$4,600.00 per fiscal-year-equated student for
2 Eastern Michigan University, Ferris State University, Grand Valley State
3 University, Lake Superior State University, Northern Michigan University,
4 Saginaw Valley State University, and the University of Michigan-Flint.

5 (b) Funding floor of \$4,800.00 per fiscal-year-equated student for
6 Central Michigan University, Oakland University, and the University of
7 Michigan-Dearborn.

8 (c) Funding floor of \$5,800.00 per fiscal-year-equated student for
9 Michigan Technological University and Western Michigan University.

10 (d) Funding floor of \$9,100.00 per fiscal-year-equated student for
11 Michigan State University, the University of Michigan-Ann Arbor, and
12 Wayne State University.

13 Sec. 410. It is the intent of the legislature that, progressively
14 and consistently over time, appropriations shall be allocated to enable
15 all state universities to achieve the funding floors specified in section
16 409.

17 Sec. 411. A [bipartisan] work group comprised of members of the
house and senate [appropriations]
18 subcommittees on higher education shall be created to review the criteria
19 established for tier funding. The review shall include, but not be
20 limited to, an objective review of instructional costs differences in
21 providing graduate and undergraduate programs, programmatic differences
22 between colleges and universities and their relative instructional cost
23 differences, and any other criteria determined by the work group. The
[bipartisan]
24 work group shall make recommendations to the chairpersons of the [house
and senate appropriations] subcom-
25 mittees on higher education by February 1, 2002.

26 Sec. 412. By October 15, 2001, each state university shall provide
27 through the Higher Education Institutional Data Inventory (HEIDI)

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1 reporting system the number of graduates in each field of academic study
2 for the preceding academic year.

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

7 Sec. 421. Central Michigan University shall report by September 30,
8 2002 to the state budget director, house and senate appropriations com-
9 mittees, and the house and senate fiscal agencies information on the
10 activities and effectiveness of the charter schools development and per-
11 formance institute for which an appropriation is provided in part 1.
12 Included in the report shall be an accounting of all revenues and expen-
13 ditures of the institute, the names of the public school academies
14 served, and the type of assistance provided to each public school
15 academy.

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

23 Sec. 433. (1) Included in part 1 is \$3,297,660.00 for the agricul-
24 tural experiment station and \$2,924,340.00 for the cooperative extension
25 service for project GREEN. Project GREEN is intended to address criti-
26 cal regulatory, food safety, economic, and environmental problems faced
27 by this state's plant-based agriculture, forestry, and processing

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1 industries. "GREEN" is an acronym for generating research and extension
2 to meet environmental and economic needs.

3 (2) The department of agriculture and Michigan State University, in
4 consultation with agricultural commodity groups and other interested par-
5 ties, shall develop project GREEN and its program priorities.

6 (3) Not later than September 30, 2002, a report shall be submitted
7 by Michigan State University to the house and senate appropriations sub-
8 committees on agriculture and on higher education and to the house and
9 senate fiscal agencies for the preceding fiscal year regarding project
10 GREEN projects. The report shall include, but is not limited to, the
11 dollar amount of each project and a review of each project's performance
12 and accomplishments.

13 Sec. 434. All universities shall work with the Michigan economic
14 development corporation (MEDC) with the goal of fostering the state's
15 economic development. The presidents' council shall create a quarterly
16 report outlining that work and summarizing the council's quarterly meet-
17 ings with the MEDC or the MEDC's representative and any issues of concern
18 and strategies related to Michigan's economic development potential. The
19 reports shall be submitted to the house and senate appropriations subcom-
20 mittees on higher education and to the house and senate fiscal agencies
21 no later than 30 days after each quarterly meeting.

[Sec. 435. Each institution of higher education shall conduct a
study on the installation of automatic sprinkler and other fire safety
systems in dormitories, and shall report to the legislature on or before
January 1, 2003 the existence or nonexistence of such systems and the
estimated cost of installing automatic sprinkler systems where they do not
exist.]

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

23 PROGRAMS

24 Sec. 501. (1) Included in the appropriation for each public
25 university in part 1 is funding for the Martin Luther King, Jr. - Cesar

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1 Chavez - Rosa Parks future faculty program, that is intended to increase
2 the pool of minority candidates pursuing faculty teaching careers in
3 postsecondary education. Each university shall apply the percentage
4 increase applicable to every university in the calculation of appropria-
5 tions in part 1 to the amount of funds allocated to the future faculty
6 program.

7 (2) The program shall be administered by each university in a manner
8 prescribed by the Michigan department of career development.

9 Sec. 502. (1) Included in the appropriation for each public univer-
10 sity in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez
11 - Rosa Parks college day program that is intended to introduce school-
12 children underrepresented in postsecondary education to the potential of
13 a college education.

14 (2) Individual program plans of each university shall include a
15 budget of equal contributions from this program, the participating public
16 university, the participating school district, and the participating
17 independent degree granting college. College day funds shall not be
18 expended to cover indirect costs. Not more than 20% of the university
19 match shall be attributable to indirect costs. Each university shall
20 apply the percentage increase applicable to every university in the cal-
21 culation of appropriations in part 1 to the amount of funds allocated to
22 the college day program.

23 (3) The program shall be administered by each university in a manner
24 prescribed by the Michigan department of career development.

25 Sec. 503. (1) Included in part 1 is funding for the Martin Luther
26 King, Jr. - Cesar Chavez - Rosa Parks select student support services
27 program for developing academically and economically disadvantaged

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1 student retention programs for 4-year public and independent educational
2 institutions in this state.

3 (2) An award made under this program to any 1 institution shall not
4 be greater than \$150,000.00, and the amount awarded shall be matched on a
5 70% state, 30% college or university basis.

6 (3) The program shall be administered by the Michigan department of
7 career development.

8 Sec. 504. (1) Included in part 1 is funding for the Martin Luther
9 King, Jr. - Cesar Chavez - Rosa Parks college/university partnership pro-
10 gram between 4-year public and independent colleges and universities and
11 public community colleges, which is intended to increase the number of
12 underrepresented minority students who transfer from community colleges
13 into baccalaureate programs.

14 (2) The grants shall be made under this program to Michigan public
15 and independent colleges and universities. An award to any 1 institution
16 shall not be greater than \$150,000.00, and the amount awarded shall be
17 matched on a 70% state, 30% college or university basis.

18 (3) The program shall be administered by the Michigan department of
19 career development.

20 Sec. 505. (1) Included in the appropriation for each public univer-
21 sity in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez
22 - Rosa Parks visiting professors program which is intended to increase
23 the number of underrepresented minority instructors in the classroom and
24 provide role models for underrepresented minority students.

25 (2) The program shall be administered by the Michigan department of
26 career development.

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1 Sec. 506. (1) Included in the appropriation in part 1 is funding
2 under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative
3 for the Morris Hood, Jr. educator development program which is intended
4 to increase the number of minority students, especially males, who enroll
5 in and complete K-12 teacher education programs at the baccalaureate
6 level.

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

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

13 Sec. 507. Each state institution of higher education receiving
14 funds under section 503, 504, 505, or 506 shall notify the Michigan
15 department of career development by April 15, 2002 as to whether it will
16 expend by the end of its fiscal year the funds received under section
17 503, 504, 505, or 506. Notwithstanding the award limitations in sections
18 503 and 504, the amount of funding reported as not being expended will be
19 reallocated to the institutions that intend to expend all funding
20 received under section 503, 504, 505, or 506.

21 **STUDENT PERFORMANCE REPORTING**

22 Sec. 601. (1) From the amount appropriated in part 1 for state uni-
23 versities, the state universities shall systematically inform Michigan
24 high schools regarding the academic status of students from each high
25 school in a manner prescribed by the presidents council, state

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1 universities of Michigan in cooperation with the Michigan association of
2 secondary school principals.

3 (2) The Michigan high schools shall systematically inform the state
4 universities about the use of information received under this section in
5 a manner prescribed by the Michigan association of secondary school prin-
6 cipals in cooperation with the presidents council, state universities of
7 Michigan.

8 (3) The state universities of Michigan shall provide a report to the
9 legislature about the use of student achievement information received by
10 Michigan high schools under this section.

11 Sec. 602. From the amount appropriated in part 1 for state univer-
12 sities, the state universities shall inform Michigan community colleges
13 regarding the academic status of community college transfer students in a
14 manner prescribed by the presidents council, state universities of
15 Michigan in cooperation with the Michigan community college association.

16 GENERAL REPORTS AND AUDITS

17 Sec. 701. (1) The auditor general shall audit enrollments at 5 ran-
18 domly selected public universities. The audits shall be based upon the
19 definitions and requirements established by the state budget director and
20 the senate and house fiscal agencies. The audits shall be based on uni-
21 form reporting categories and shall include higher education institu-
22 tional data inventory (HEIDI) data. The auditor general shall submit a
23 report of findings to the house and senate appropriations committees and
24 the state budget director no later than July 1, 2002.

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

2 (a) Student credit hours generated through correspondence courses,
3 credit by examination, or inmate prison programs regardless of teaching
4 location.

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

9 (i) Represent new options, fields, or concentrations within existing
10 programs.

11 (ii) Are consistent with the current institutional role and
12 mission.

13 (iii) Are accommodated within the continuing funding base of the
14 institution.

15 (iv) Do not require a new degree level beyond that which the insti-
16 tution is currently authorized to grant within that discipline or field.

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

20 (3) The auditor general shall periodically audit higher education
21 institutional data inventory (HEIDI) data as submitted by the state uni-
22 versities for compliance with the definitions in the HEIDI data
23 dictionary.

24 Sec. 702. The principal executive officer of each institution of
25 higher education receiving an appropriation under this act shall expend a
26 portion of the funds appropriated to that institution to make a report to
27 the auditor general, the house and senate fiscal agencies, and the state

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1 budget director within 60 days after the auditor general issues his or
2 her annual report on the operation of the institution. The institution's
3 report shall specify all of the following:

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

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

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

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

15 (2) The next reporting date for the report under subsection (1) is
16 November 1, 2001.

17 Sec. 705. (1) As part of the higher education data inventory
18 (HEIDI) submission, each state university shall report the following
19 information for the 2001-2002 academic year on or before October 31,
20 2001:

21 (a) Separately, the number of tenured faculty, tenure-track faculty,
22 nontenure-track faculty, and instruction/research assistants who taught
23 an undergraduate class section.

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

26 (i) Tenured faculty.

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1 (ii) Tenure-track faculty.

2 (iii) Nontenure-track faculty.

3 (iv) Instruction/research assistants.

4 (2) For the purposes of subsection (1), the following definitions
5 apply:

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

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

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

11 (d) "Instruction/research assistant" means an individual who is a
12 master's or doctoral degree candidate.

13 (3) Each state university shall also report the following informa-
14 tion for the 2000-2001 academic year, as part of the higher education
15 data inventory (HEIDI) submission, on or before October 31, 2001:

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

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

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

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

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

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

26 (d) "Nontenured faculty" means an individual who has not earned
27 tenure.

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1 Sec. 708. The auditor general shall conduct not less than 3
2 performance audits of the state universities during the fiscal year
3 ending September 30, 2002.

4 Sec. 709. (1) An institution receiving funds under this act and
5 also subject to the student right-to-know and campus security act, Public
6 Law 101-522, 104 Stat. 2381, shall furnish by October 15, 2001 to the
7 Michigan department of education, a copy of all material prepared pursu-
8 ant to the public information reporting requirements under the crime
9 awareness and campus security act of 1990, title II of the student
10 right-to-know and campus security act, Public Law 101-542, 104
11 Stat. 2381.

12 (2) Each institution shall make this information available in elec-
13 tronic Internet format on their websites.

14 Sec. 710. By February 15, 2002, each public university that
15 receives funds under this act shall report to the house and senate appro-
16 priations subcommittees on higher education and the house and senate
17 fiscal agencies the aggregate dollar amount and the number and percen-
18 tages of [undergraduate students who receive need-based grants, merit-
19 based scholarships and grants, loans, and work-study financial aid for the
academic year 2000-2001.]