

**SENATE 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 APPROPRIATION SUMMARY:

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For Fiscal Year Ending
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1	Full-time equated classified positions.....1.0		
2	GROSS APPROPRIATION.....	\$	2,021,166,015
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers.....		0
6	ADJUSTED GROSS APPROPRIATION.....	\$	2,021,166,015
7	Federal revenues:		
8	Total federal revenues.....		4,900,000
9	Special revenue funds:		
10	Total local revenues.....		0
11	Total private revenues.....		0
12	Total other state restricted revenues.....		170,273,845
13	State general fund/general purpose.....	\$	1,845,992,170
14	Sec. 102. CENTRAL MICHIGAN UNIVERSITY		
15	Operations.....	\$	<u>95,668,891</u>
16	GROSS APPROPRIATION.....	\$	95,668,891
17	Appropriated from:		
18	Special revenue funds:		
19	Michigan merit award trust fund.....		1,112,740
20	State general fund/general purpose.....	\$	94,556,151
21	Sec. 103. EASTERN MICHIGAN UNIVERSITY		
22	Operations.....	\$	<u>91,268,374</u>
23	GROSS APPROPRIATION.....	\$	91,268,374
24	Appropriated from:		
25	Special revenue funds:		
26	Michigan merit award trust fund.....		1,085,408

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1	State general fund/general purpose.....	\$	90,182,966
2	Sec. 104. FERRIS STATE UNIVERSITY		
3	Operations.....	\$	<u>57,318,609</u>
4	GROSS APPROPRIATION.....	\$	57,318,609
5	Appropriated from:		
6	Special revenue funds:		
7	Michigan merit award trust fund.....		687,632
8	State general fund/general purpose.....	\$	56,630,977
9	Sec. 105. GRAND VALLEY STATE UNIVERSITY		
10	Operations.....	\$	<u>71,160,941</u>
11	GROSS APPROPRIATION.....	\$	71,160,941
12	Appropriated from:		
13	Special revenue funds:		
14	Michigan merit award trust fund.....		742,439
15	State general fund/general purpose.....	\$	70,418,502
16	Sec. 106. LAKE SUPERIOR STATE UNIVERSITY		
17	Operations.....	\$	<u>14,830,780</u>
18	GROSS APPROPRIATION.....	\$	14,830,780
19	Appropriated from:		
20	Special revenue funds:		
21	Michigan merit award trust fund.....		176,720
22	State general fund/general purpose.....	\$	14,654,060
23	Sec. 107. MICHIGAN STATE UNIVERSITY		
24	Operations.....	\$	336,438,188
25	Agricultural experiment station.....		37,575,687
26	Cooperative extension service.....		<u>32,410,187</u>

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1	GROSS APPROPRIATION.....	\$	406,424,062
2	Appropriated from:		
3	Special revenue funds:		
4	Michigan merit award trust fund.....		4,036,138
5	State general fund/general purpose.....	\$	402,387,924
6	Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY		
7	Operations.....	\$	<u>57,030,839</u>
8	GROSS APPROPRIATION.....	\$	57,030,839
9	Appropriated from:		
10	Special revenue funds:		
11	Michigan merit award trust fund.....		684,180
12	State general fund/general purpose.....	\$	56,346,659
13	Sec. 109. NORTHERN MICHIGAN UNIVERSITY		
14	Operations.....	\$	<u>53,597,632</u>
15	GROSS APPROPRIATION.....	\$	53,597,632
16	Appropriated from:		
17	Special revenue funds:		
18	Michigan merit award trust fund.....		644,193
19	State general fund/general purpose.....	\$	52,953,439
20	Sec. 110. OAKLAND UNIVERSITY		
21	Operations.....	\$	<u>55,902,528</u>
22	GROSS APPROPRIATION.....	\$	55,902,528
23	Appropriated from:		
24	Special revenue funds:		
25	Michigan merit award trust fund.....		647,645
26	State general fund/general purpose.....	\$	55,254,883

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1	Sec. 111. SAGINAW VALLEY STATE UNIVERSITY		
2	Operations.....	\$	<u>30,955,816</u>
3	GROSS APPROPRIATION.....	\$	30,955,816
4	Appropriated from:		
5	Special revenue funds:		
6	Michigan merit award trust fund.....		338,653
7	State general fund/general purpose.....	\$	30,617,163
8	Sec. 112. UNIVERSITY OF MICHIGAN-ANN ARBOR		
9	Operations.....	\$	<u>375,236,417</u>
10	GROSS APPROPRIATION.....	\$	375,236,417
11	Appropriated from:		
12	Special revenue funds:		
13	Michigan merit award trust fund.....		4,501,587
14	State general fund/general purpose.....	\$	370,734,830
15	Sec. 113. UNIVERSITY OF MICHIGAN-DEARBORN		
16	Operations.....	\$	<u>28,889,618</u>
17	GROSS APPROPRIATION.....	\$	28,889,618
18	Appropriated from:		
19	Special revenue funds:		
20	Michigan merit award trust fund.....		346,579
21	State general fund/general purpose.....	\$	28,543,039
22	Sec. 114. UNIVERSITY OF MICHIGAN-FLINT		
23	Operations.....	\$	<u>24,863,814</u>
24	GROSS APPROPRIATION.....	\$	24,863,814
25	Appropriated from:		
26	Special revenue funds:		

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1	Michigan merit award trust fund.....	298,089
2	State general fund/general purpose..... \$	24,565,725
3	Sec. 115. WAYNE STATE UNIVERSITY	
4	Operations..... \$	<u>261,860,464</u>
5	GROSS APPROPRIATION..... \$	261,860,464
6	Appropriated from:	
7	Special revenue funds:	
8	Michigan merit award trust fund.....	3,141,453
9	State general fund/general purpose..... \$	258,719,011
10	Sec. 116. WESTERN MICHIGAN UNIVERSITY	
11	Operations..... \$	<u>129,747,995</u>
12	GROSS APPROPRIATION..... \$	129,747,995
13	Appropriated from:	
14	Special revenue funds:	
15	Michigan merit award trust fund.....	1,556,544
16	State general fund/general purpose..... \$	128,191,451
17	Sec. 117. STATE AND REGIONAL PROGRAMS	
18	Full-time equated positions.....1.0	
19	Michigan molecular institute..... \$	241,596
20	Japan center for Michigan universities.....	431,668
21	Higher education database modernization and	
22	conversion--1.0 FTE position.....	275,000
23	Midwestern higher education compact.....	<u>82,500</u>
24	GROSS APPROPRIATION..... \$	1,030,764
25	Appropriated from:	
26	State general fund/general purpose..... \$	1,030,764

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1	Sec. 118. MARTIN LUTHER KING, JR.-CESAR CHAVEZ-ROSA PARKS PROGRAM	
2	Select student supportive services.....	\$ 2,216,916
3	Michigan college/university partnership program.....	665,074
4	Morris Hood, Jr. educator development program.....	<u>168,393</u>
5	GROSS APPROPRIATION.....	\$ 3,050,383
6	Appropriated from:	
7	State general fund/general purpose.....	\$ 3,050,383
8	Sec. 119. GRANTS AND FINANCIAL AID	
9	State competitive scholarships.....	\$ 37,015,841
10	Tuition grants.....	67,422,578
11	Michigan work-study program.....	8,176,090
12	Part-time independent student program.....	2,961,069
13	Grant for Michigan resident dental graduates.....	5,153,292
14	Grant for general degree graduates.....	6,445,724
15	Grant for allied health graduates.....	953,761
16	Michigan education opportunity grants.....	2,325,888
17	Robert C. Byrd honors scholarship program.....	1,600,000
18	Michigan merit award program.....	125,023,845
19	Tuition incentive program.....	<u>5,250,000</u>
20	GROSS APPROPRIATION.....	\$ 262,328,088
21	Appropriated from:	
22	Federal revenues:	
23	Higher education act of 1965, title IV, 20 U.S.C.....	3,300,000
24	Higher education act of 1965, title IV, part A.....	1,600,000
25	Special revenue funds:	
26	Michigan merit award trust fund.....	150,273,845

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1 State general fund/general purpose..... \$ 107,154,243

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PART 2

5

PROVISIONS CONCERNING APPROPRIATIONS

6 **GENERAL SECTIONS**

7

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2001-2002 is \$2,016,266,015.00 and state spending from state resources to be paid to local units of government for fiscal year 2001-2002 is \$4,050,073.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

14

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

15

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

16

Michigan work-study..... 1,692,095

17

TOTAL..... \$ 4,050,073

18

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

20

Sec. 208. Unless otherwise specified, the institutions of higher education shall use the Internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site. Quarterly, the institutions of higher education shall provide to the appropriations subcommittee members, state budget office, and the fiscal agencies an electronic and paper copy listing of the reports submitted during the

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

3 Sec. 209. Funds appropriated in part 1 shall 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. Not later than May 1, 2002, each university shall have avail-
7 able upon request information on efforts to comply with this section.

8 Sec. 210. (1) The funds appropriated in part 1 to state institu-
9 tions of higher education shall be paid out of the state treasury and
10 distributed by the state treasurer to the respective institutions in 11
11 equal monthly installments on the sixteenth of each month, or the next
12 succeeding business day, beginning with October 16, 2001. Except for
13 Wayne State University, each institution shall accrue its July and August
14 2002 payments to its institutional fiscal year ending June 30, 2002.

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

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

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1 installments under subsection (1) to the university until those data are
2 submitted.

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

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

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

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

19 Sec. 216. By February 15, 2002, the department of treasury shall
20 provide the state budget director, the subcommittees on higher education
21 of the house and senate appropriations committees, and the senate and
22 house fiscal agencies with an annual report on restricted fund balances,
23 projected revenues, and expenditures for the fiscal years ending
24 September 30, 2001 and September 30, 2002.

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1 GRANTS AND FINANCIAL AID

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

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

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

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

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

23 (2) Tuition grant awards shall be made to all eligible Michigan res-
24 idents who apply before September 1, 2001 and who are qualified. Tuition
25 grant awards shall not be made to students newly enrolled in a juris
26 doctor law degree program after the 1995-96 academic year.

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

13 (4) Any unexpended and unencumbered funds remaining on September 30,
14 2002 from the amounts appropriated in part 1 for the tuition grant pro-
15 gram shall not lapse on September 30, 2002, but shall continue to be
16 available for expenditure for tuition grants provided in the 2002-2003
17 fiscal year. The use of these unexpended fiscal year 2001-2002 funds
18 shall terminate at the end of the 2002-2003 fiscal year.

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

22 (6) If the Michigan higher education assistance authority increases
23 the maximum award per eligible student from that provided in the previous
24 fiscal year, it shall not have the effect of reducing the number of eli-
25 gible students receiving awards in relation to the total number of eligi-
26 ble applicants. Any increase in the maximum grant shall be proportional
27 for all eligible students receiving awards for fiscal year 2001-2002.

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1 (7) All Ferris State University students enrolled at Kendall College
2 of Art and Design prior to January 1, 2001 who were qualified for the
3 state tuition grant shall continue to receive the dollar amount of the
4 state tuition grant for which they were eligible until they graduate or
5 are no longer enrolled at Ferris State University.

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

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

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

24 Sec. 304. (1) Payments of the amounts included in part 1 for the
25 general degree reimbursement program established under 1974 PA 75,
26 MCL 390.1021 to 390.1027, shall be made for all degrees identified in
27 section 1(1) of 1974 PA 75, MCL 390.1021, except doctor of dental

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1 surgery, doctor of dental medicine, juris doctor law, and allied health
2 degrees.

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

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

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

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

16 (6) From the general degree reimbursement program, \$50,000.00 shall
17 be provided to Finlandia University for career education programs.

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

22 Sec. 306. Funds disbursed through the degree reimbursement programs
23 shall not be used by any recipient institution for theology or divinity
24 programs.

25 Sec. 307. The auditor general may audit selected enrollments,
26 degrees, and awards at selected independent colleges and universities
27 receiving awards administered by the department of treasury. The audits

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1 shall be based upon definitions and requirements established by the
2 Michigan higher education assistance authority, the state budget direc-
3 tor, and the senate and house fiscal agencies. The auditor general shall
4 accept the Free Application for Federal Student Aid (FAFSA) form as the
5 standard of residency documentation. The auditor general shall submit a
6 report of findings to the senate and house appropriations committees and
7 state budget director by May 1, 2002.

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

12 (a) For the state competitive scholarship, tuition incentive, and
13 tuition grant programs, 40% shall be paid at the beginning of the state's
14 first fiscal quarter, 40% at the beginning of the state's second fiscal
15 quarter, 10% at the beginning of the state's third fiscal quarter, and
16 10% at the beginning of the state's fourth fiscal quarter.

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

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

24 (d) For the general degree reimbursement program, allied health
25 degree reimbursement program, Michigan resident dental grant program, and
26 Robert C. Byrd honors scholarship program, 50% shall be paid at the
27 beginning of the state's first fiscal quarter and 50% at the beginning of

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1 the state's second fiscal quarter after the number of earned degrees
2 conferred and total amounts to be paid are certified.

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

8 Sec. 310. (1) The funds appropriated in part 1 for the tuition
9 incentive program/high school completion program shall be distributed as
10 provided in this section and pursuant to the administrative procedures
11 for the tuition incentive program/high school completion program of the
12 department of treasury.

13 (2) As used in this section:

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

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

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

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

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

25 (i) Apply for certification to the department before graduating from
26 high school or completing the general education development (GED)
27 certificate.

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1 (ii) Be less than 20 years of age at the time of high school
2 graduation or GED completion.

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

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

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

10 (i) Complete at least 56 transferable semester or 84 transferable
11 term credits.

12 (ii) Obtain an associate degree or certificate at a participating
13 institution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (13) Any unexpended and unencumbered funds remaining on September
17 30, 2002 from the amounts appropriated in part 1 for the tuition incen-
18 tive program shall not lapse on September 30, 2002, but shall continue to
19 be available for expenditure for the tuition incentive program in the
20 fiscal year ending September 30, 2003.

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

24 Sec. 311. To enable the legislature and the state budget director
25 to evaluate the appropriation needs of higher education, each independent
26 college and university shall make available to the legislature or state

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1 budget director, upon request, data regarding grants for the preceding,
2 current, and ensuing fiscal years.

3 STATE UNIVERSITIES

4 Sec. 401. (1) Included in part 1 is \$6,483,181.00 to Wayne State
5 University for the Joseph F. Young, Sr. psychiatric research and training
6 program. Wayne State University shall use these funds for psychiatric
7 laboratory and clinical research, training, and treatment services.
8 Within the available appropriation, services shall not be denied to any
9 patient who meets established research guidelines for treatment on the
10 basis of personal financial circumstances, age, geographic residence, or
11 projected/actual length of treatment as medically warranted.

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

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

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

18 (c) Demographic data regarding the number and profile of patients to
19 receive psychiatric services funded by the appropriation and a profile of
20 the services provided.

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

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

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1 Sec. 402. The University of Michigan biological station at Douglas
2 Lake in Cheboygan County is regarded as a unique resource and is
3 designated as a special research reserve. It is the intent of the legis-
4 lature to protect and preserve the unique long-term research value and
5 capabilities of the biological station area and Douglas Lake. The legis-
6 lature further intends that no state programs or policies be developed
7 that would have a deleterious impact on the research value of Douglas
8 Lake.

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

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

- 23 (a) One representative from the house fiscal agency.
24 (b) One representative from the senate fiscal agency.
25 (c) One representative from the state budget director's office.

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

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

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

10 (a) The development of a data dictionary.

11 (b) The integration of appropriate federal, national, regional, and
12 state databases.

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

14 Sec. 408. The legislature recognizes that the first and foremost
15 obligation of the public universities is undergraduate instruction. The
16 public universities are therefore encouraged to increase their commitment
17 of tenured and tenure track faculty to undergraduate instruction.

18 Sec. 412. By October 15, 2001, each state university shall provide
19 through the Higher Education Institutional Data Inventory (HEIDI) report-
20 ing system the number of graduates in each field of academic study for
21 the preceding academic year.

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

26 Sec. 421. Central Michigan University shall report by September 30,
27 2002 to the state budget director, house and senate appropriations

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1 committees, and the house and senate fiscal agencies information on the
2 activities and effectiveness of the charter schools development and per-
3 formance institute for which an appropriation is provided in part 1.
4 Included in the report shall be an accounting of all revenues and expen-
5 ditures of the institute, the names of the public school academies
6 served, and the type of assistance provided to each public school
7 academy.

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

15 Sec. 433. (1) Included in part 1 is \$3,346,155.00 for the agricul-
16 tural experiment station and \$2,967,345.00 for the cooperative extension
17 service for project GREEN. Project GREEN is intended to address criti-
18 cal regulatory, food safety, economic, and environmental problems faced
19 by this state's plant-based agriculture, forestry, and processing
20 industries. "GREEN" is an acronym for generating research and extension
21 to meet environmental and economic needs.

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

25 (3) Not later than September 30, 2002, a report shall be submitted
26 by Michigan State University to the state budget director, the house and
27 senate appropriations subcommittees on agriculture and on higher

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1 education, and the house and senate fiscal agencies for the preceding
2 fiscal year regarding project GREEN projects. The report shall include,
3 but is not limited to, the dollar amount of each project and a review of
4 each project's performance and accomplishments.

5 Sec. 434. All universities shall work with the Michigan economic
6 development corporation (MEDC) with the goal of fostering the state's
7 economic development. The presidents' council shall create a quarterly
8 report outlining that work and summarizing the council's quarterly meet-
9 ings with the MEDC or the MEDC's representative and any issues of concern
10 and strategies related to Michigan's economic development potential. The
11 reports shall be submitted to the state budget director, the house and
12 senate appropriations subcommittees on higher education, and the house
13 and senate fiscal agencies no later than 30 days after each quarterly
14 meeting.

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

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

22 PROGRAMS

23 Sec. 501. (1) Included in the appropriation for each public univer-
24 sity in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez
25 - Rosa Parks future faculty program, that is intended to increase the

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

6 (2) The program shall be administered by each university in a manner
7 prescribed by the Michigan department of career development. The
8 Michigan department of career development shall use a good faith effort
9 standard to evaluate whether a fellowship is in default.

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

15 (2) Individual program plans of each university shall include an
16 equal dollar match from this program, the participating public universi-
17 ty, the participating school district, and the participating independent
18 degree granting college. College day funds shall not be expended to
19 cover indirect costs. Not more than 20% of the university match shall be
20 attributable to indirect costs. Each university shall apply the percen-
21 tage increase applicable to every university in the calculation of appro-
22 priations in part 1 to the amount of funds allocated to the college day
23 program.

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

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

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1 program for developing academically and economically disadvantaged
2 student retention programs for 4-year public and independent educational
3 institutions in this state.

4 (2) An award made under this program to any 1 institution shall not
5 be greater than \$150,000.00, and the amount awarded shall be matched on a
6 70% state, 30% college or university basis.

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

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

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

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

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

26 (2) The program shall be administered by the Michigan department of
27 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 Michigan association of secondary school principals in coop-
9 eration with the presidents council, state universities of Michigan shall
10 provide a summary report to the state board of education, the state
11 budget director, and the house and senate fiscal agencies by August 31,
12 2002 about the use of the student achievement information received by
13 Michigan high schools under this section.

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

19 GENERAL REPORTS AND AUDITS

20 Sec. 701. (1) The auditor general shall audit enrollments at 5 ran-
21 domly selected public universities. The audits shall be based upon the
22 definitions and requirements established by the state budget director and
23 the senate and house fiscal agencies. The audits shall be based on uni-
24 form reporting categories and shall include higher education
25 institutional data inventory (HEIDI) data. The auditor general shall

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1 submit a report of findings to the house and senate appropriations
2 committees and the state budget director no later than July 1, 2002.

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

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

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

11 (i) Represent new options, fields, or concentrations within existing
12 programs.

13 (ii) Are consistent with the current institutional role and
14 mission.

15 (iii) Are accommodated within the continuing funding base of the
16 institution.

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

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

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

26 Sec. 701a. (1) Pursuant to section 701(2)(b), the following degree
27 programs may be established:

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1 (a) Bachelors

2 Central Michigan University	Social Work, B.S.W.
3 Ferris State University	Automotive Engineering Technology,
4	B.S.
5 Ferris State University	English Major, B.A.
6 Ferris State University	History Major, B.A.
7 Ferris State University	Mechanical Engineering Technology,
8	B.S.
9 Ferris State University	Sociology, B.A.
10 Lake Superior State University	French Studies, B.A.
11 Oakland University	Major and Minor in Women's
12	Studies, B.A.
13 University of Michigan-Ann Arbor	Biomedical Engineering, B.S.E.
14 University of Michigan-Ann Arbor	Undergraduate Concentration in
15	Organizational Studies, B.A.
16 University of Michigan-Dearborn	Criminal Justice Studies, B.A.
17 University of Michigan-Dearborn	Software Engineering, B.S.
18	

19 (b) Masters

20 Michigan State University	Adult Language Learning, M.A.
21 Northern Michigan University	Criminal Justice, M.S.
22 Northern Michigan University	Training and Development, M.S.
23 Michigan Technological University	Applied Science Education, M.S.
24 University of Michigan-Ann Arbor	Bioinformatics, M.S.
25 University of Michigan-Dearborn	Environmental Science, M.S.
26 Western Michigan University	Marriage and Family Therapy, M.A.
27 Western Michigan University	Molecular Biotechnology, M.S.
28	

29 (c) Doctorate

30 Eastern Michigan University	Technology, Ph.D.
31 Michigan Technological University	Computer Science, Ph.D.
32 University of Michigan-Ann Arbor	Bioinformatics, Ph.D.
33 University of Michigan-Ann Arbor	Public Policy and Social Science,
34	Ph.D.
35 Western Michigan University	Interdisciplinary Health Studies,
36	Ph.D.

37 (2) The listing of degree programs in subsection (1) does not con-
38 stitute legislative intent to provide additional dollars for those
39 programs.

40 Sec. 702. The principal executive officer of each institution of
41 higher education receiving an appropriation under this act shall expend a
42 portion of the funds appropriated to that institution to make a report to
43 the auditor general, the house and senate fiscal agencies, and the state
44 budget director within 60 days after the auditor general issues his or

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1 her annual report on the operation of the institution. The institution's
2 report shall specify all of the following:

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

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

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

10 Sec. 705. (1) As part of the higher education data inventory
11 (HEIDI) submission, each state university shall report the following
12 information for the 2001-2002 academic year on or before October 31,
13 2001:

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

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

19 (i) Tenured faculty.

20 (ii) Tenure-track faculty.

21 (iii) Nontenure-track faculty.

22 (iv) Instruction/research assistants.

23 (2) For the purposes of subsection (1), the following definitions
24 apply:

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

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

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1 (c) "Nontenure-track faculty" means a faculty member who is not
2 eligible to earn tenure.

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

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

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

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

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

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

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

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

18 (d) "Nontenured faculty" means an individual who has not earned
19 tenure.

20 Sec. 708. The auditor general shall conduct performance audits of
21 not fewer than 3 state universities during the fiscal year ending
22 September 30, 2002.

23 Sec. 709. (1) An institution receiving funds under this act and
24 also subject to the student right-to-know and campus security act, Public
25 Law 101-522, 104 Stat. 2381, shall furnish by October 15, 2001 to the
26 Michigan department of education, a copy of all material prepared
27 pursuant to the public information reporting requirements under the crime

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1 awareness and campus security act of 1990, title II of the student
2 right-to-know and campus security act, Public Law 101-542, 104
3 Stat. 2381.

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

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