

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1100

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2003; to make certain supplemental appropriations for the fiscal year ending September 30, 2002; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2002-03

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for community colleges and
5 certain other state purposes relating to education for the fiscal year
6 ending September 30, 2003, from the funds indicated in this part. The
7 following is a summary of the appropriations in this part:

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For Fiscal Year Ending
September 30, 2003

1 COMMUNITY COLLEGES

2	GROSS APPROPRIATION.....	\$	321,732,319
3	Total interdepartmental grants and intradepartmental		
4	transfers.....		0
5	ADJUSTED GROSS APPROPRIATION.....	\$	321,732,319
6	Total federal revenues.....		0
7	Total local revenues.....		0
8	Total private revenues.....		0
9	Total state restricted revenues.....		2,000,000
10	State general fund/general purpose.....	\$	319,732,319
11	Sec. 102. OPERATIONS		
12	Alpena Community College.....	\$	5,311,973
13	Bay de Noc Community College.....		5,129,944
14	Delta College.....		14,813,864
15	Glen Oaks Community College.....		2,485,512
16	Gogebic Community College.....		4,365,123
17	Grand Rapids Community College.....		18,633,380
18	Henry Ford Community College.....		22,708,494
19	Jackson Community College.....		12,570,441
20	Kalamazoo Valley Community College.....		12,825,971
21	Kellogg Community College.....		10,076,975
22	Kirtland Community College.....		3,058,415
23	Lake Michigan College.....		5,423,461
24	Lansing Community College.....		32,223,042
25	Macomb Community College.....		34,381,003
26	Mid Michigan Community College.....		4,586,420

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1	Monroe County Community College.....	4,462,223
2	Montcalm Community College.....	3,227,530
3	C.S. Mott Community College.....	16,291,459
4	Muskegon Community College.....	9,271,134
5	North Central Michigan College.....	3,140,212
6	Northwestern Michigan College.....	9,460,166
7	Oakland Community College.....	21,687,988
8	St. Clair County Community College.....	7,264,610
9	Schoolcraft College.....	12,728,740
10	Southwestern Michigan College.....	6,832,843
11	Washtenaw Community College.....	12,937,228
12	Wayne County Community College.....	17,223,721
13	West Shore Community College.....	<u>2,382,344</u>
14	GROSS APPROPRIATION.....	\$ 315,504,216
15	Appropriated from:	
16	State general fund/general purpose.....	\$ 315,504,216
17	Sec. 103. GRANTS	
18	At-risk student success program.....	\$ 3,692,103
19	Renaissance zone tax reimbursement funding.....	<u>536,000</u>
20	GROSS APPROPRIATION.....	\$ 4,228,103
21	Appropriated from:	
22	State general fund/general purpose.....	\$ 4,228,103
23	Sec. 104. FINANCIAL AID	
24	Postsecondary access student scholarship program.....	\$ <u>2,000,000</u>
25	GROSS APPROPRIATION.....	\$ 2,000,000
26	Appropriated from:	

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For Fiscal Year Ending
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1 Special revenue funds:

2 Michigan merit award trust fund..... 2,000,000

3 State general fund/general purpose..... \$ 0

4

5

6 PART 1A

7 LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2001-02

8 Sec. 151. Subject to the conditions set forth in this act, the
9 amounts listed in this part are appropriated for certain capital outlay
10 projects at the various community colleges and universities for the
11 fiscal year ending September 30, 2002, from the funds indicated in this
12 part. The following is a summary of the appropriations in this part:

13 **CAPITAL OUTLAY**

14 GROSS APPROPRIATION..... \$ 400

15 Total interdepartmental grants and intradepartmental
16 transfers..... 0

17 ADJUSTED GROSS APPROPRIATION..... \$ 400

18 Total federal revenues..... 0

19 Total local revenues..... 0

20 Total private revenues..... 0

21 Total state restricted revenues..... 0

22 State general fund/general purpose..... \$ 400

23 **Sec. 152. STATE BUILDING AUTHORITY FINANCED CONSTRUCTION**

24 **PROJECTS**

25 Northern Michigan University - student services

26 building, authorized for planning in 2000 PA 291,

27 for final design and construction (total authorized

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1	cost \$15,750,000; state building authority share	
2	\$11,812,300; university share \$3,937,500; state	
3	general fund share \$200).....	\$ 100
4	Northern Michigan University - fine and practical	
5	arts project, authorized for planning in 2000	
6	PA 291, for final design and construction (total	
7	authorized cost \$21,230,000; state building author-	
8	ity share \$15,922,300; university share \$5,307,500;	
9	state general fund share \$200).....	100
10	Northwestern Michigan College - west bay reconstruc-	
11	tion project, authorized for planning in 2001	
12	PA 81, for final design and construction (total	
13	authorized cost \$16,250,000; state building author-	
14	ity share \$8,124,000; community college share	
15	\$8,125,000; state general fund share \$200).....	100
16	Southwestern Michigan College - instructional	
17	resource center, authorized for planning in 2001	
18	PA 81, for final design and construction (total	
19	authorized cost \$2,500,000; state building author-	
20	ity share \$1,249,800; community college share	
21	\$1,250,000; state general fund share \$200).....	<u>100</u>
22	GROSS APPROPRIATION.....	\$ 400
23	Appropriated from:	
24	State general fund/general purpose.....	\$ 400
25		
26		

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1 PART 2

2 PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2002-03

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
6 for fiscal year 2002-2003 is \$321,732,319.00 and state spending from
7 state resources to be paid to local units of government for fiscal year
8 2002-2003 is \$319,732,319.00. The itemized statement below identifies
9 appropriations from which spending to local units of government will
10 occur:

11	Operations.....	\$	315,504,216
12	At-risk student success program.....		3,692,103
13	Renaissance zone tax reimbursement program.....		<u>536,000</u>
14	TOTAL.....	\$	319,732,319

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

17 Sec. 208. Unless otherwise specified, the department of career
18 development shall use the Internet to fulfill the reporting requirements
19 of this act. This may include transmission of reports via electronic
20 mail to the recipients identified for each reporting requirement or it
21 may include placement of reports on the Internet or legislative Intranet
22 site. The senate and house appropriations subcommittees and senate and
23 house fiscal agencies shall be notified in writing of the Internet or
24 Intranet site of any such report. Quarterly, the department of career
25 development shall provide to each member of the senate and house appro-
26 priations subcommittees, the senate and house fiscal agencies, and the
27 state budget office both an electronic and paper copy listing of the

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

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

9 Sec. 210. The principal executive officer of each community college
10 receiving appropriations in part 1 shall take all reasonable steps to
11 ensure businesses in deprived and depressed communities compete for and
12 perform contracts to provide services or supplies, or both. Each princi-
13 pal executive officer shall strongly encourage firms with which the com-
14 munity college contracts to subcontract with certified businesses in
15 depressed and deprived communities for services or supplies, or both.

16 Sec. 211. (1) The money appropriated in this act is appropriated
17 for community colleges with fiscal years ending June 30, 2003, and shall
18 be paid out of the state treasury and distributed by the state treasurer
19 to the respective community colleges in 11 monthly installments on the
20 sixteenth of each month, or the next succeeding business day, beginning
21 with October 16, 2002. Each community college shall accrue its July and
22 August 2003 payments to its institutional fiscal year ending June 30,
23 2003. However, if a community college fails to submit all verified
24 Michigan community colleges activities classification structure data for
25 school year 2001-2002 to the department of career development by
26 November 1, 2002, the monthly installments shall be withheld from that
27 community college until those data are submitted. The department of

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1 career development shall publish the activities classification structure
2 data book for Michigan community colleges on or before March 1, 2003, for
3 use by the legislature during budget development for the fiscal year
4 ending September 30, 2004. The amount from the money appropriated in
5 part 1 that is allocated under section 103 to address the special needs
6 of at-risk students shall be paid in full by the state treasurer by
7 November 1, 2002. The amount distributed to a community college or
8 department shall not exceed the net state allocation authorized by this
9 act.

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

16 Sec. 212. (1) The auditor general or an independent public account-
17 ing firm appointed by the auditor general shall audit data for the fiscal
18 year ending on June 30, 2002, as submitted to the department of career
19 development by 7 randomly selected community colleges. A community col-
20 lege shall maintain and provide those records necessary for the auditor
21 general or certified public accountant appointed by the auditor general
22 to determine the accuracy of the reported data. The audits shall be
23 based upon the definitions and requirements contained in the Manual for
24 Uniform Financial Reporting, Michigan Public Community Colleges, pub-
25 lished by the Michigan department of career development in 2001, and the
26 Activities Classification Structure Manual for Michigan Community
27 Colleges, 1996 revision of the final report of the activities

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1 classification structure task force (July 1981), published by the
2 department of education. Before the submission of a final audit report,
3 a community college may appeal the findings of the preliminary report
4 under an appeal process to be established by the auditor general. The
5 auditor general shall submit a report of the findings to the house and
6 senate appropriations committees, the department of career development,
7 and the state budget director before June 1, 2003.

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

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

23 (4) A community college whose audited activities classification
24 structure data is significantly different than the data used to determine
25 state aid under this act shall return any overappropriated money as pro-
26 vided in this subsection. The department of career development shall
27 compare formula computations for the audited colleges using pre- and

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1 post-audit data. If the state allocation is 2% or more than the
2 post-audit allocation amount, the college shall return the excess money.
3 The returned money shall be redistributed to all 28 community colleges,
4 prorated on the base appropriations contained in part 1.

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

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

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

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1 Sec. 215. Each community college shall have an annual audit of all
2 income and expenditures performed by an independent auditor and shall
3 furnish the independent auditor's management letter and an annual audited
4 accounting of all general and current funds income and expenditures
5 including audits of college foundations to the legislature, the senate
6 and house fiscal agencies, the auditor general, the department of career
7 development, and the state budget director before November 15, 2002. If
8 a community college fails to furnish the audit materials, the monthly
9 state aid installments shall be withheld from that college until the
10 information is submitted. All reporting shall conform to the require-
11 ments set forth in the Manual for Uniform Financial Reporting, Michigan
12 Public Community Colleges, published by the Michigan department of career
13 development in 2001.

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

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

25 Sec. 217. An appropriation contained in this act shall not be used
26 for the construction of buildings for, or operations of, a community
27 college not expressly authorized in part 1. Money appropriated in part 1

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1 shall not be used to pay for the construction or maintenance of a
2 self-liquidating project.

3 Sec. 218. The department of career development shall ensure that a
4 statistical report for minorities and women employees for the most recent
5 school year, as submitted to the federal government, be included in the
6 Michigan Community Colleges Enrollment Profile published by the depart-
7 ment of career development. Also included in this profile shall be a
8 statistical report for the most recent school year that includes enroll-
9 ment statistics for minorities and women from the current year as submit-
10 ted to the department of career development. The department of career
11 development shall distribute a copy of this report to the state budget
12 director and to members of the house and senate appropriations subcommit-
13 tees on community colleges and the house and senate fiscal agencies no
14 later than March 1, 2003.

15 Sec. 219. The department of treasury shall annually collect and
16 compile data on the tax revenue losses to community colleges resulting
17 from tax increment financing authorities (TIFA) and tax abatements. The
18 department of treasury shall produce a report detailing the data. The
19 report shall be completed and presented to the house and senate appropri-
20 ations subcommittees on community colleges, the department of career
21 development, and the department of management and budget not later than
22 February 15, 2003. The report shall include, but is not limited to, the
23 following:

24 (a) Estimated revenue losses for each community college for the cal-
25 endar year 2002.

26 (b) Confirmed revenue losses for each community college for the
27 calendar years 2000 and 2001.

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

3 Sec. 220. It is the intent of the legislature that the legislature,
4 in cooperation with the Michigan community college association, develop
5 proposals and financing alternatives for special maintenance projects at
6 community colleges that otherwise would not qualify for financing under
7 the state building authority.

8 Sec. 221. (1) Each community college shall report the following to
9 the department of career development, no later than November 1, 2002:

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

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

16 (2) Colleges shall use the criteria cited in 1976 PA 174,
17 MCL 390.1251 to 390.1253, to determine eligibility for tuition waivers,
18 and shall grant those waivers to individuals who meet the criteria and
19 request tuition waivers.

20 (3) The department of career development shall compile the informa-
21 tion received under subsection (1) and shall submit this compilation to
22 the house and senate appropriations subcommittees on community colleges,
23 the senate and house fiscal agencies, and the state budget director by
24 January 7, 2003.

25 Sec. 222. From the general fund/general purpose appropriation in
26 part 1 for renaissance zone reimbursement funding, there is allocated
27 \$536,000.00 to make reimbursement to community colleges, as provided by

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1 section 12 of the Michigan renaissance zone act, 1996 PA 376,
2 MCL 125.2692, for property taxes levied in 2002. Reimbursements shall be
3 made in amounts to each eligible recipient no later than 60 days after
4 the department of treasury certifies to the state budget director that it
5 has received all necessary information to properly determine the amounts
6 due each eligible recipient under section 12 of the Michigan renaissance
7 zone act, 1996 PA 376, MCL 125.2692. Excess allocations lapse to the
8 general fund.

9 Sec. 223. (1) Upon request, a community college shall inform inter-
10 ested Michigan high schools of the aggregate academic status of its stu-
11 dents for the fiscal year beginning October 1, 2002, in a manner pre-
12 scribed by the Michigan community college association and in cooperation
13 with the Michigan association of secondary school principals.

14 (2) Each community college shall report by December 1, 2002, to the
15 department of career development, a summary of the information provided
16 under subsection (1) for the prior academic year.

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

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

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1 (2) Community colleges shall report by December 1, 2002 to the
2 department of career development on steps they have taken to increase
3 collaboration and cooperation with 4-year universities under
4 subsection (1).

5 (3) The department of career development shall compile the informa-
6 tion received under subsection (2) and shall submit this compilation to
7 the house and senate appropriations subcommittees on community colleges
8 and the senate and house fiscal agencies by January 7, 2003.

9 Sec. 225. The legislature intends that all citizens of this state
10 have geographic and programmatic access to quality comprehensive commu-
11 nity college services. The legislature and the Michigan community col-
12 lege association shall continue to review and analyze the recommendations
13 made by the co-terminus task force to assure geographic and programmatic
14 access to quality and comprehensive community college services. The leg-
15 islature recognizes that as of January 1, 2002, there were also public
16 universities that provide quality comprehensive community college serv-
17 ices for citizens of this state who are not served by a community college
18 district.

19 Sec. 226. Each community college shall report to the house and
20 senate fiscal agencies, the state budget director, and the department of
21 career development a modification in credit or contact hour tuition or
22 mandatory non-course-related student fees not later than 30 days after
23 the modification is established by the college governing board.

24 Sec. 227. (1) Each community college shall report to the department
25 of career development the numbers and type of associate degrees and other
26 certificates awarded during the previous fiscal year. The report shall
27 be made not later than November 15, 2002.

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1 (2) The department of career development shall compile the
2 information received under subsection (1) and shall submit this compila-
3 tion to the house and senate appropriations subcommittees on community
4 colleges, the senate and house fiscal agencies, and the state budget
5 director by January 7, 2003.

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

8 Sec. 229. (1) A community college receiving funding under this act
9 and also subject to the student right-to-know and campus security act,
10 Public Law 101-542, 104 Stat. 2381, shall make a copy of all material
11 prepared in accordance with the public information reporting requirements
12 under the crime awareness and campus security act of 1990, title II of
13 the student right-to-know and campus security act, Public Law 101-542,
14 104 Stat. 2384, available in hard copy and electronic format accessible
15 through the Internet for school districts, parents, and students.

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

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

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1 spontaneous abortion or to prevent the death of the woman upon whom the
2 abortion is performed.

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

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

13 Sec. 233. Community colleges that include prescription drugs and
14 medications as a covered health benefit for adults are encouraged to
15 ensure that payment for preventative contraceptives are included in the
16 insurance plan.

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

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

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

[Sec. 235. It is the intent of the legislature that a workgroup be formed to evaluate, discuss, and make recommendations for future action regarding state university admission and enrollment policies that specifically address the acceptance and application of college credits earned by students through the post-secondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524. The workgroup shall be bipartisan and shall include the chairs of the house and senate appropriations subcommittees on higher education, community colleges, and school aid.]

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1 STATE AID - OPERATIONS

2 Sec. 301. Unless otherwise stated, all data items used in determin-
3 ing state aid in this act are as defined in the Manual for Uniform
4 Financial Reporting, Michigan Public Community Colleges, published by the
5 Michigan department of career development in 2001, which shall be the
6 basis for reporting data, and the Activities Classification Structure
7 Manual for Michigan Community Colleges, 1996 revision of the final report
8 of the activities classification structure task force (July 1981), pub-
9 lished by the department of education, which shall be used to document
10 financial needs of the community colleges, as amended by the department
11 of career development.

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

18 GRANTS

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

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

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

13 (3) For the fiscal year ending September 30, 2003, the at-risk stu-
14 dent success program money is allocated as follows:

15	Alpena Community College.....	\$	85,654
16	Bay de Noc Community College.....		93,194
17	Delta College.....		109,215
18	Glen Oaks Community College.....		138,528
19	Gogebic Community College.....		78,171
20	Grand Rapids Community College.....		88,959
21	Henry Ford Community College.....		163,814
22	Jackson Community College.....		113,121
23	Kalamazoo Valley Community College.....		116,085
24	Kellogg Community College.....		156,823
25	Kirtland Community College.....		169,343
26	Lake Michigan College.....		186,759

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1	Lansing Community College.....	162,796
2	Macomb Community College.....	92,395
3	Mid Michigan Community College.....	138,950
4	Monroe County Community College.....	99,550
5	Montcalm Community College.....	69,465
6	Mott Community College.....	111,102
7	Muskegon Community College.....	209,919
8	North Central Michigan College.....	156,702
9	Northwestern Michigan College.....	129,025
10	Oakland Community College.....	157,358
11	St. Clair Community College.....	88,500
12	Schoolcraft College.....	152,307
13	Southwestern Michigan College.....	180,889
14	Washtenaw Community College.....	170,388
15	Wayne County Community College.....	142,398
16	West Shore Community College.....	130,693

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

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

22 (b) Are diagnosed as learning disabled.

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

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

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

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

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

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

24 Sec. 402. The legislature intends that any executive or legislative
25 proposal or action, subsequent to the adoption of a recommendation for
26 appropriations for community colleges for the fiscal year ending
27 September 30, 2003, to increase appropriations to state-supported 4-year

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1 universities in excess of the governor's original recommendation for the
2 fiscal year ending September 30, 2003, will be accompanied by a similar
3 action or proposal for state-supported community colleges.

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

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

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

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

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

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

10 (d) The student must be eligible for a federal Pell grant.

11 (e) Other requirements established by the MHEAA.

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

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

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

26 (6) A PASS award for a student eligible under subsection (2), (3),
27 or (4) shall be calculated by the MHEAA as the amount remaining after

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1 subtracting from the value of the student's allowable tuition and fees,
2 as prescribed in subsection (8), all of the following state and federal
3 financial educational assistance for which that student is eligible:

4 (a) Michigan competitive scholarship.

5 (b) Michigan tuition grant.

6 (c) Pell grant.

7 (d) Federal hope scholarship tax credit.

8 (7) Each higher education institution shall prepare and utilize a
9 tax credit table, or shall notify the MHEAA that the institution chooses
10 to have the MHEAA utilize the department of treasury's tax credit table,
11 to impute an amount under subsection (6) for the federal hope scholarship
12 tax credit.

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

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

20 (b) For a student enrolled at a Michigan public university, the
21 value of allowable tuition and fees is 125% of the highest in-district
22 tuition and fees for community colleges for the immediately preceding
23 academic year as reported before August 1 after that academic year.

24 (c) For a student enrolled at a Michigan independent, nonprofit,
25 degree-granting college or university, the value of allowable tuition and
26 fees is 125% of the highest in-district tuition and fees for community

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1 colleges for the immediately preceding academic year as reported before
2 August 1 after that academic year.

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

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

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

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

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

15 (14) The MHEAA shall submit to the senate and house appropriations
16 subcommittees on community colleges, the house and senate fiscal agen-
17 cies, and the department of management and budget by March 1, 2003, a
18 comprehensive report on the PASS program from December 31, 2001 to
19 February 1, 2003, including, but not limited to:

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

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

23 (c) Total PASS program expenditures.

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

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

3

4

5 PART 2A

6 PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2001-02

7 **GENERAL SECTIONS**

8 Sec. 2201. (1) Pursuant to section 30 of article IX of the state
9 constitution of 1963, total state spending from state resources for
10 fiscal year 2001-02 is estimated at \$400.00 in part 1A of this appropria-
11 tion act and state spending from state sources paid to local units of
12 government for fiscal year 2001-02 is estimated at \$0.

13 (2) If it appears to the principal executive officer of a department
14 or branch that state spending to local units of government will be less
15 than the amount that was projected to be expended under subsection (1),
16 the principal executive officer shall immediately give notice of the
17 approximate shortfall to the state budget director.

[Sec. 2202. It is the intent of the legislature that capital outlay projects for which any state funds are used be competitively bid. As used in this section, "capital outlay projects" means capital outlay as defined in section 113 of the management and budget act, 1984 PA 431, MCL 18.1113.]