

# HOUSE BILL No. 4412

March 19, 2003, Introduced by Rep. Sak and referred to the Committee on Appropriations.

## EXECUTIVE BUDGET BILL

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2004; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

### THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

#### PART 1

#### LINE-ITEM APPROPRIATIONS

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

1 amounts listed in this part are appropriated for community colleges and  
 2 certain other state purposes relating to education for the fiscal year  
 3 ending September 30, 2004, from the funds indicated in this part. The  
 4 following is a summary of the appropriations in this part:

5 **COMMUNITY COLLEGES**

6 APPROPRIATIONS SUMMARY:

|    |  |                |
|----|--|----------------|
| 7  | GROSS APPROPRIATION.....                             | \$ 289,013,100 |
| 8  | Total interdepartmental grants and intradepartmental |                |
| 9  | transfers .....                                      | 0              |
| 10 | ADJUSTED GROSS APPROPRIATION.....                    | \$ 289,013,100 |
| 11 | Total federal revenues.....                          | 0              |
| 12 | Total local revenues.....                            | 0              |
| 13 | Total private revenues.....                          | 0              |
| 14 | Total other state restricted revenues.....           | 0              |
| 15 | State general fund/general purpose.....              | \$ 289,013,100 |
| 16 | <b>Sec. 102. OPERATIONS</b>                          |                |
| 17 | Alpena Community College.....                        | \$ 4,780,500   |
| 18 | Bay de Noc Community College.....                    | 4,616,800      |
| 19 | Delta College.....                                   | 13,331,900     |
| 20 | Glen Oaks Community College.....                     | 2,236,800      |
| 21 | Gogebic Community College.....                       | 3,928,400      |
| 22 | Grand Rapids Community College.....                  | 16,769,300     |
| 23 | Henry Ford Community College.....                    | 20,436,700     |
| 24 | Jackson Community College.....                       | 11,312,800     |
| 25 | Kalamazoo Valley Community College.....              | 11,542,800     |
| 26 | Kellogg Community College.....                       | 9,068,800      |

|    |   |                  |
|----|---|------------------|
| 1  | Kirtland Community College.....                 | 2,752,400        |
| 2  | Lake Michigan College.....                      | 4,880,800        |
| 3  | Lansing Community College.....                  | 28,999,400       |
| 4  | Macomb Community College.....                   | 30,941,500       |
| 5  | Mid Michigan Community College.....             | 4,127,600        |
| 6  | Monroe County Community College.....            | 4,015,800        |
| 7  | Montcalm Community College.....                 | 2,904,700        |
| 8  | C.S. Mott Community College.....                | 14,661,600       |
| 9  | Muskegon Community College.....                 | 8,343,600        |
| 10 | North Central Michigan College.....             | 2,826,100        |
| 11 | Northwestern Michigan College.....              | 8,513,800        |
| 12 | Oakland Community College.....                  | 19,518,300       |
| 13 | St. Clair County Community College.....         | 6,537,800        |
| 14 | Schoolcraft College.....                        | 11,455,400       |
| 15 | Southwestern Michigan College.....              | 6,149,300        |
| 16 | Washtenaw Community College.....                | 11,642,900       |
| 17 | Wayne County Community College.....             | 15,500,600       |
| 18 | West Shore Community College.....               | <u>2,144,000</u> |
| 19 | GROSS APPROPRIATION.....                        | \$ 283,940,400   |
| 20 | Appropriated from:                              |                  |
| 21 | State general fund/general purpose.....         | \$ 283,940,400   |
| 22 | <b>Sec. 103. GRANTS</b>                         |                  |
| 23 | At-risk student success program.....            | \$ 3,322,700     |
| 24 | Renaissance zone tax reimbursement funding..... | <u>1,750,000</u> |
| 25 | GROSS APPROPRIATION.....                        | \$ 5,072,700     |
| 26 | Appropriated from:                              |                  |
| 27 | State general fund/general purpose.....         | \$ 5,072,700     |

## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

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 2003-2004 is \$289,013,100.00 and state spending from state resources to be paid to units of local government for fiscal year 2003-2004 is \$289,013,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

|   |                  |
|---|------------------|
| Operations.....                                 | \$ 283,940,400   |
| At-risk student success program.....            | 3,322,700        |
| Renaissance zone tax reimbursement program..... | <u>1,750,000</u> |
| TOTAL .....                                     | \$ 289,013,100   |

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

Sec. 203. Unless otherwise specified, the department of career development shall use the Internet to fulfill the reporting requirements of this bill. This requirement 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.

Sec. 204. (1) The money appropriated in this bill is appropriated for community colleges with fiscal years ending June 30, 2004, and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding

1 business day, beginning with October 16, 2003. Each community college  
2 shall accrue its July and August 2004 payments to its institutional  
3 fiscal year ending June 30, 2004. However, if a community college  
4 fails to submit all verified Michigan community colleges activities  
5 classification structure data for school year 2002-2003 to the  
6 department of career development by November 1, 2003, the monthly  
7 installments shall be withheld from that community college until those  
8 data are submitted. The department of career development shall publish  
9 the activities classification structure data book for Michigan  
10 community colleges on or before March 1, 2004, for use by the  
11 legislature during budget development for the fiscal year ending  
12 September 30, 2005. The amount from the money appropriated in part 1  
13 that is allocated under section 103 to address the special needs of at-  
14 risk students shall be paid 50% in the state's first fiscal quarter and  
15 50% in the state's second fiscal quarter.

16 (2) Except as otherwise provided by law, each of the amounts  
17 appropriated shall be used solely for the respective purposes stated in  
18 this bill. The money appropriated by this bill may be used to match  
19 the cost of any available programs under the Carl D. Perkins  
20 vocational and applied technology education act, Public Law 88-210, 98  
21 Stat. 2435, including local administration.

22 Sec. 205. (1) The auditor general or an independent public  
23 accounting firm appointed by the auditor general shall audit data for  
24 the fiscal year ending on June 30, 2003, as submitted to the department  
25 of career development by 7 randomly selected community colleges. A  
26 community college shall maintain and provide those records necessary  
27 for the auditor general or certified public accountant appointed by the

1 auditor general to determine the accuracy of the reported data. The  
2 audits shall be based upon the definitions and requirements contained  
3 in the Manual for Uniform Financial Reporting, Michigan Public  
4 Community Colleges, published by the Michigan department of career  
5 development in 2001, and the Activities Classification Structure Manual  
6 for Michigan Community Colleges, 1996 revision of the final report of  
7 the activities classification structure task force (July 1981),  
8 published by the department of education. Before the submission of a  
9 final audit report, a community college may appeal the findings of the  
10 preliminary report under an appeal process to be established by the  
11 auditor general. The auditor general shall submit a report of the  
12 findings to the house and senate appropriations committees, the  
13 department of career development, and the state budget director before  
14 June 1, 2004.

15 (2) The auditor general or a certified public accountant  
16 appointed by the auditor general may conduct performance audits of  
17 community colleges as the auditor general considers necessary.

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

1 college and office of the auditor general disagree.

2       Sec. 206. The department of career development shall review the  
3 taxonomy of the 7 community colleges selected for the audit under  
4 section 212 that is based on the Activities Classification Structure  
5 Manual for Michigan Community Colleges, 1996 revision of the final  
6 report of the activities classification structure task force (July  
7 1981), published by the department of education.

8       Sec. 207. (1) A community college shall retain certified class  
9 summaries, class lists, registration documents, and student transcripts  
10 that are consistent with the taxonomy of courses. For each enrollment  
11 period during the fiscal year, these certified documents shall identify  
12 clearly by course the number of in-district and out-of-district student  
13 credit and contact hours. The class summaries and class lists shall be  
14 consistent with each other and shall include the course prefix and  
15 numbers, course title, course credit and contact hours, credit and  
16 contact hours generated by each student, and activity classifications  
17 consistent with the taxonomy. An auditable process shall be used by  
18 the community college to determine the unduplicated head count for in-  
19 district students, out-of-district students, and prisoners for each  
20 enrollment period during the fiscal year.

21       (2) Contracts between the community college and agencies that  
22 reimburse the community college for the costs of instruction shall be  
23 retained for audit purposes.

24       Sec. 208. Each community college shall have an annual audit of all  
25 income and expenditures performed by an independent auditor and shall  
26 furnish the independent auditor's management letter and an annual  
27 audited accounting of all general and current funds income and

1 expenditures including audits of college foundations to the senate and  
2 house fiscal agencies, the auditor general, the department of career  
3 development, and the state budget director before November 15, 2003.  
4 If a community college fails to furnish the audit materials, the  
5 monthly state aid installments shall be withheld from that college  
6 until the information is submitted. All reporting shall conform to the  
7 requirements set forth in the Manual for Uniform Financial Reporting,  
8 Michigan Public Community Colleges, published by the Michigan  
9 department of career development in 2001.

10       Sec. 209. (1) A community college shall pay the employer's  
11 contributions to the Michigan public school employees' retirement  
12 system created by the public school employees retirement act of 1979,  
13 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of receiving money  
14 appropriated under this bill.

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

17       Sec. 210. An appropriation contained in this bill shall not be used  
18 for the construction of buildings for, or operations of, a community  
19 college not expressly authorized in part 1. Money appropriated in part  
20 1 shall not be used to pay for the construction or maintenance of a  
21 self-liquidating project.

22       Sec. 211. (1) Each community college shall report the following to  
23 the department of career development, no later than November 1, 2003:

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



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

3 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL  
4 390.1251 to 390.1253, to determine eligibility for tuition waivers, and  
5 shall grant those waivers to individuals who meet the criteria and  
6 request tuition waivers.

7 (3) The department of career development shall compile the  
8 information received under subsection (1) and shall submit this  
9 compilation to the house and senate appropriations subcommittees on  
10 community colleges, the senate and house fiscal agencies, and the state  
11 budget director by January 7, 2004.

12 Sec. 212. The appropriation in part 1 for renaissance zone  
13 reimbursements shall be made to each eligible recipient no later than  
14 60 days after the department of treasury certifies to the state budget  
15 director that it has received all necessary information to properly  
16 determine the amounts due each eligible recipient under section 12 of  
17 the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

18 Sec. 213. Upon request, a community college shall inform interested  
19 Michigan high schools of the aggregate academic status of its students  
20 for the prior academic year in a manner prescribed by the Michigan  
21 community college association and in cooperation with the Michigan  
22 association of secondary school principals.

23 Sec. 214. (1) Each community college shall report to the house and  
24 senate fiscal agencies, the state budget director, and the department  
25 of career development by August 31, 2003, the tuition and mandatory fee  
26 rates paid by a full-time in-district student and a full-time out-of-  
27 district student as established by the college governing board for the

1 2003-2004 academic year. Each community college shall also report any  
2 revisions to the reported 2003-2004 academic year tuition and mandatory  
3 fee rates adopted by the college governing board to the house and  
4 senate fiscal agencies, the state budget director and the department of  
5 career development within 15 days of being adopted.

6 (2) The department of career development shall prepare and  
7 provide to community colleges a standard format for reporting tuition  
8 and fee rates pursuant to subsection 1.

9 Sec. 215. (1) Each community college shall report to the department  
10 of career development the numbers and types of associate degrees and  
11 other certificates awarded during the previous fiscal year. The report  
12 shall be made not later than November 15, 2003.

13 (2) The department of career development shall compile the  
14 information received under subsection (1) and shall submit this  
15 compilation to the house and senate appropriations subcommittees on  
16 community colleges, the senate and house fiscal agencies, and the state  
17 budget director by January 7, 2004.

18 Sec. 216. A community college receiving funding under this bill and  
19 also subject to the student right-to-know and campus security act,  
20 Public Law 101-542, 104 Stat. 2381, shall make a copy of all material  
21 prepared in accordance with the public information reporting  
22 requirements under the crime awareness and campus security act of 1990,  
23 title II of the student right-to-know and campus security act, Public  
24 Law 101-542, 104 Stat. 2384, available in hard copy and electronic  
25 format accessible through the Internet for school districts, parents,  
26 and students.

27 **STATE AID - OPERATIONS**

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

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

17 **GRANTS**

18       Sec. 401. (1) The community college at-risk student success program  
19 is continued. The funding shall be prorated among community colleges  
20 based on the number of student contact hours for developmental and  
21 preparatory instruction reported by each community college to the  
22 department of career development for use in the Activities  
23 Classification Structure Manual for Michigan Community Colleges, 1996  
24 revision of the final report of the activities classification structure  
25 task force (July 1981), published by the department of education. Of  
26 the amount appropriated in part 1 for the at-risk student success  
27 program, \$1,120,000.00 is allocated for base grants of \$40,000.00 each,

1 to address the special needs of at-risk students at community colleges  
 2 or the acquisition or upgrade of technology related equipment and  
 3 software.

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

11 (3) For the fiscal year ending September 30, 2004, the at-risk  
 12 student success program money is allocated as follows:

|    |   |           |
|----|---|-----------|
| 13 | Alpena Community College.....           | \$ 68,700 |
| 14 | Bay de Noc Community College.....       | 82,400    |
| 15 | Delta College.....                      | 99,400    |
| 16 | Glen Oaks Community College.....        | 127,500   |
| 17 | Gogebic Community College.....          | 71,500    |
| 18 | Grand Rapids Community College.....     | 98,000    |
| 19 | Henry Ford Community College.....       | 146,500   |
| 20 | Jackson Community College.....          | 101,800   |
| 21 | Kalamazoo Valley Community College..... | 100,200   |
| 22 | Kellogg Community College.....          | 143,000   |
| 23 | Kirtland Community College.....         | 146,600   |
| 24 | Lake Michigan College.....              | 162,100   |
| 25 | Lansing Community College.....          | 147,600   |
| 26 | Macomb Community College.....           | 84,400    |
| 27 | Mid Michigan Community College.....     | 124,000   |

|    |   |         |
|----|---|---------|
| 1  | Monroe County Community College.....    | 90,700  |
| 2  | Montcalm Community College.....         | 67,800  |
| 3  | C.S. Mott Community College.....        | 101,900 |
| 4  | Muskegon Community College.....         | 185,300 |
| 5  | North Central Michigan College.....     | 121,300 |
| 6  | Northwestern Michigan College.....      | 129,700 |
| 7  | Oakland Community College.....          | 141,700 |
| 8  | St. Clair County Community College..... | 88,500  |
| 9  | Schoolcraft College.....                | 134,800 |
| 10 | Southwestern Michigan College.....      | 152,400 |
| 11 | Washtenaw Community College.....        | 157,200 |
| 12 | Wayne County Community College.....     | 129,500 |
| 13 | West Shore Community College.....       | 118,200 |

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

16 (a) Are initially placed in 1 or more developmental courses as a  
 17 result of standardized testing or as a result of failure to make  
 18 satisfactory academic progress.

19 (b) Are diagnosed as learning disabled.

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

21 (5) Grant funding under this section shall be utilized to address  
 22 the special needs of at-risk students or for equipment or upgrade of  
 23 information technology hardware or software. Activities related to  
 24 services provided to at-risk students include, but are not limited to,  
 25 pretesting for academic ability, counseling contacts, and special  
 26 programs. Equipment or information technology hardware or software  
 27 purchased under this section need not be associated with the operation

1 of a program designed to address the needs of at-risk students.

2 (6) Grant funding under this section shall not be used for  
3 indirect costs including, but not limited to, rent, utilities, or,  
4 except as provided in this section, college administration.

5 (7) Each community college shall report to the department of  
6 career development a summary of all accomplishments under, expenditures  
7 for, and compliance with the intent of this program, including the  
8 number of at-risk students served. The report is subject to audit as  
9 provided for in section 212(1). The report shall be submitted not  
10 later than 90 days after the end of the state's fiscal year.