

SUBSTITUTE FOR  
SENATE BILL NO. 1088

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, 2007; 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:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for higher education for the fiscal year ending September 30, 2007, from the funds

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indicated in this part. The following is a summary of the appropriations in this part:

**HIGHER EDUCATION**

## APPROPRIATION SUMMARY:

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

GROSS APPROPRIATION . . . . . \$ <<1,777,886,800>>

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers ..... 0

ADJUSTED GROSS APPROPRIATION\$ . . . . . \$ <<1,777,886,800>>

Federal revenues:

Total federal revenues..... 3,000,000

Special revenue funds:

Total local revenues..... 0

Total private revenues..... 0

Total other state restricted revenues..... <<157,050,000>>

State general fund/general purpose. . . . . \$ <<1,617,836,800>>

**Sec. 102. CENTRAL MICHIGAN UNIVERSITY**

Operations..... \$ 81,807,400

GROSS APPROPRIATION..... \$ 81,807,400

Appropriated from:

Special revenue funds:

Michigan merit award trust fund..... 538,440

State general fund/general purpose..... \$ 81,268,960

**Sec. 103. EASTERN MICHIGAN UNIVERSITY**

Operations..... \$ <<77,628,100>>

GROSS APPROPRIATION..... \$ <<77,628,100>>

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1       Appropriated from:

2       State general fund/general purpose ..... \$ <<77,628,100>>

3       **Sec. 104. FERRIS STATE UNIVERSITY**

4       Operations..... \$ 49,510,100

5       GROSS APPROPRIATION..... \$ 49,510,100

6       Appropriated from:

7       State general fund/general purpose ..... 49,510,100

8       **Sec. 105. GRAND VALLEY STATE UNIVERSITY**

9       Operations..... \$ 65,390,100

10       GROSS APPROPRIATION..... \$ 65,390,100

11       Appropriated from:

12       Special revenue funds:

13       Michigan merit award trust fund..... 5,000,000

14       State general fund/general purpose ..... \$ 60,390,100

15       **Sec. 106. LAKE SUPERIOR STATE UNIVERSITY**

16       Operations..... \$ <<12,988,600>>

17       GROSS APPROPRIATION..... \$ <<12,988,600>>

18       Appropriated from:

19       State general fund/general purpose ..... \$ <<12,988,600>>

20       **Sec. 107. MICHIGAN STATE UNIVERSITY**

21       Operations..... \$ <<289,404,900>>

22       Agricultural experiment station..... <<33,827,100>>

23       Cooperative extension service..... <<29,176,400>>

24       GROSS APPROPRIATION..... \$ <<352,408,400>>

25       Appropriated from:

26       State general fund/general purpose ..... <<352,408,400>>

27       **Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY**

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1	Operations.....	\$	<u>&lt;&lt;48,880,400&gt;&gt;</u>
2	GROSS APPROPRIATION.....	\$	<<48,880,400>>
3	Appropriated from:		
4	State general fund/general purpose.....	\$	<<48,880,400>>
5	<b>Sec. 109. NORTHERN MICHIGAN UNIVERSITY</b>		
6	Operations.....	\$	<u>&lt;&lt;45,879,000&gt;&gt;</u>
7	GROSS APPROPRIATION.....	\$	<<45,879,000>>
8	Appropriated from:		
9	State general fund/general purpose.....	\$	<<45,879,000>>
10	<b>Sec. 110. OAKLAND UNIVERSITY</b>		
11	Operations.....	\$	<u>52,789,800</u>
12	GROSS APPROPRIATION.....	\$	52,789,800
13	Appropriated from:		
14	Special revenue funds:		
15	Michigan merit award trust fund.....		1,941,768
16	State general fund/general purpose.....	\$	50,848,032
17	<b>Sec. 111. SAGINAW VALLEY STATE UNIVERSITY</b>		
18	Operations.....	\$	<u>29,178,800</u>
19	GROSS APPROPRIATION.....	\$	29,178,800
20	Appropriated from:		
21	Special revenue funds:		
22	Michigan merit award trust fund.....		2,019,792
23	State general fund/general purpose.....	\$	27,159,008
24	<b>Sec. 112. UNIVERSITY OF MICHIGAN-ANN ARBOR</b>		
25	Operations.....	\$	<u>&lt;&lt;322,695,900&gt;&gt;</u>
26	GROSS APPROPRIATION.....	\$	<<322,695,900>>
27	Appropriated from:		

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1	State general fund/general purpose .....	\$ <<322,695,900>>
2	<b>Sec. 113. UNIVERSITY OF MICHIGAN-DEARBORN</b>	
3	Operations .....	\$ <<25,286,900>>
4	GROSS APPROPRIATION .....	\$ <<25,286,900>>
5	Appropriated from:	
6	State general fund/general purpose .....	\$ <<25,286,900>>
7	<b>Sec. 114. UNIVERSITY OF MICHIGAN-FLINT</b>	
8	Operations .....	\$ <<21,420,100>>
9	GROSS APPROPRIATION .....	\$ <<21,420,100>>
10	Appropriated from:	
11	State general fund/general purpose .....	\$ <<21,420,100>>
12	<b>Sec. 115. WAYNE STATE UNIVERSITY</b>	
13	Operations .....	\$ <<218,959,600>>
14	GROSS APPROPRIATION .....	\$ <<218,959,600>>
15	Appropriated from:	
16	State general fund/general purpose .....	\$ <<218,959,600>>
17	<b>Sec. 116. WESTERN MICHIGAN UNIVERSITY</b>	
18	Operations .....	\$ 111,669,700
19	GROSS APPROPRIATION .....	\$ 111,669,700
20	Appropriated from:	
21	State general fund/general purpose .....	\$ 111,669,700
22	<b>Sec. 117. STATE AND REGIONAL PROGRAMS</b>	
23	Full-time equated positions .....	1.0
24	Higher education database modernization and	
25	conversion--1.0 FTE position .....	\$ 200,000
26	Midwestern higher education compact .....	90,000
27	GROSS APPROPRIATION .....	\$ 290,000

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1	Appropriated from:	
2	State general fund/general purpose .....	\$ 290,000
3	<b>Sec. 118. MARTIN LUTHER KING, JR.-CESAR CHAVEZ-ROSA</b>	
4	<b>PARKS PROGRAM</b>	
5	Select student supportive services .....	\$ 1,956,100
6	Michigan college/university partnership program .....	586,800
7	Morris Hood, Jr. educator development program .....	<u>148,600</u>
8	GROSS APPROPRIATION .....	\$ 2,691,500
9	Appropriated from:	
10	State general fund/general purpose .....	\$ 2,691,500
11	<b>Sec. 119. GRANTS AND FINANCIAL AID</b>	
12	State competitive scholarships .....	\$ 34,130,500
13	Tuition grants .....	58,768,100
14	Michigan work-study program .....	7,326,300
15	Part-time independent student program .....	2,653,300
16	Michigan education opportunity grants .....	2,084,200
17	Robert C. Byrd honors scholarship program .....	1,500,000
18	Nursing scholarship and grant programs .....	<<4,250,000>>
19	Michigan merit award program .....	127,700,000
20	Tuition incentive program .....	14,000,000
21	Children of veterans tuition grant program .....	1,000,000
22	Michigan leadership, education and development	
23	initiative .....	<u>5,000,000</u>
24	GROSS APPROPRIATION .....	\$ <<258,412,400>>
25	Appropriated from:	
26	Federal revenues:	
27	Higher education act of 1965, title IV, 20 USC .....	1,500,000

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1	Higher education act of 1965, title IV, part A .....	1,500,000
2	Special revenue funds:	
3	Michigan merit award trust fund <<and carryforward funds from fiscal year 2005-2006>> .....	<<138,550,000>>
4	Michigan higher education assistance authority	
5	operating fund .....	3,000,000
6	Michigan civilian conservation corps endowment fund..	5,000,000
7	Contributions to children of veterans tuition grant	
8	program .....	1,000,000
9	State general fund/general purpose .....	\$ 107,862,400

## 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 2006-2007 is <<\$1,774,886,800.00>> and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$3,759,100.00. The itemized statement below identifies the estimated appropriations from which spending to local units of government will occur:

20	Part-time independent student program .....	\$ 1,255,700
21	Michigan education opportunity grant .....	932,900
22	Michigan work-study .....	<u>1,570,500</u>
23	TOTAL .....	\$ 3,759,100

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

1 to 18.1594.

2       Sec. 208. Unless otherwise specified, the institutions of  
3 higher education receiving appropriations in part 1 shall use the  
4 Internet to fulfill the reporting requirements of this act. This  
5 requirement may include transmission of reports via electronic mail  
6 to the recipients identified for each reporting requirement, or it  
7 may include placement of reports on an Internet or Intranet site.

8       Sec. 209. Funds appropriated in part 1 shall not be used for  
9 the purchase of foreign goods or services, or both, if  
10 competitively priced and of comparable quality American goods and  
11 services, or both, are available. Preference should be given to  
12 goods or services, or both, manufactured or provided by Michigan  
13 businesses if they are competitively priced and of comparable  
14 value.

15       Sec. 212. (1) The funds appropriated in part 1 to state  
16 institutions of higher education shall be paid out of the state  
17 treasury and distributed by the state treasurer to the respective  
18 institutions in 11 equal monthly installments on the sixteenth of  
19 each month, or the next succeeding business day, beginning with  
20 October 16, 2006. Except for Wayne State University, each  
21 institution shall accrue its July and August 2007 payments to its  
22 institutional fiscal year ending June 30, 2007.

23       (2) All universities shall submit higher education  
24 institutional data inventory (HEIDI) data and associated financial  
25 and program information requested by and in a manner prescribed by  
26 the state budget director. For universities with fiscal years  
27 ending June 30, 2006, these data shall be submitted to the state



1 budget director by October 15, 2006. Universities with a fiscal  
2 year ending September 30, 2006 shall submit preliminary HEIDI data  
3 by November 15, 2006 and final data by December 15, 2006. If a  
4 university fails to submit HEIDI data and associated financial aid  
5 program information in accordance with this reporting schedule, the  
6 state treasurer shall withhold the monthly installments under  
7 subsection (1) to the university until those data are submitted.

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

11 Sec. 213. Funds received by the state from the federal  
12 government or private sources for the use of a college or  
13 university are appropriated for the purposes for which they are  
14 provided. The acceptance and use of federal or private funds do not  
15 place an obligation upon the legislature to continue the purposes  
16 for which the funds are made available.

17 Sec. 214. If section 274 of the income tax act of 1967, 1967  
18 PA 281, MCL 206.274, is not repealed and if a state institution of  
19 higher education that receives funds under this act notifies the  
20 department of treasury regarding its tuition and fee rates in order  
21 to qualify as an eligible institution for the Michigan tuition tax  
22 credit under section 274 of the income tax act of 1967, 1967 PA  
23 281, MCL 206.274, the institution shall also submit the  
24 notification and applicable documentation of tuition and fee  
25 changes to the house and senate fiscal agencies.

26 Sec. 215. A state institution of higher education that  
27 receives funds under this act shall furnish all program and

1 financial information that is required by and in a manner  
2 prescribed by the state budget director or the house or senate  
3 appropriations committee.

4 **GRANTS AND FINANCIAL AID**

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

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

12 (3) If a student who receives an award under this section has  
13 his or her tuition and fees paid under the Michigan educational  
14 trust program, pursuant to the Michigan education trust act, 1986  
15 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the  
16 funds awarded under this section may be used for educational  
17 expenses other than tuition and fees.

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

25 (5) Students who receive aid under 1964 PA 208, MCL 390.971 to  
26 390.981, shall be awarded scholarships on the basis of merit and

1 financial need. Veterans administration benefits shall not be  
2 considered in determining eligibility under 1964 PA 208, MCL  
3 390.971 to 390.981.

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

7 (2) Tuition grant awards shall be made to all eligible  
8 Michigan residents who apply before July 1, 2006 and who are  
9 qualified. Tuition grant awards shall not be made to students newly  
10 enrolled in a juris doctor law degree program after the 1995-1996  
11 academic year.

12 (3) The Michigan higher education assistance authority shall  
13 determine an actual maximum tuition grant award per student, which  
14 shall be no less than \$2,000.00, that ensures that the aggregate  
15 payments for the tuition grant program do not exceed the  
16 appropriation contained in part 1 for the state tuition grant  
17 program. If the authority determines that insufficient funds are  
18 available to establish a maximum award amount of \$2,000.00, the  
19 authority shall immediately report to the house and senate  
20 appropriations subcommittees on higher education, the house and  
21 senate fiscal agencies, and the state budget director, regarding  
22 the estimated amount of additional funds necessary to establish a  
23 \$2,000.00 maximum award amount. By December 15, 2006, and again by  
24 February 1, 2007, the authority shall analyze the status of award  
25 commitments, shall make any necessary adjustments, and shall  
26 confirm that those award commitments will not exceed the  
27 appropriation contained in part 1 for the tuition grant program.

1 The determination and actions shall be reported to the state budget  
2 director and the house and senate fiscal agencies no later than  
3 February 15, 2007. If award adjustments are necessary, the students  
4 shall be notified of the adjustment by the third Monday in  
5 February.

6 (4) Any unexpended and unencumbered funds remaining on  
7 September 30, 2007 from the amounts appropriated in part 1 for the  
8 tuition grant program shall not lapse on September 30, 2007, but  
9 shall continue to be available for expenditure for tuition grants  
10 provided in the 2007-2008 fiscal year. The use of these unexpended  
11 fiscal year 2006-2007 funds shall terminate at the end of the 2007-  
12 2008 fiscal year.

13 (5) The Michigan higher education assistance authority shall  
14 continue a proportional tuition grant maximum award level for  
15 recipients enrolled less than full-time in a given semester or  
16 term.

17 (6) If the Michigan higher education assistance authority  
18 increases the maximum award per eligible student from that provided  
19 in the previous fiscal year, it shall not have the effect of  
20 reducing the number of eligible students receiving awards in  
21 relation to the total number of eligible applicants. Any increase  
22 in the maximum grant shall be proportional for all eligible  
23 students receiving awards for fiscal year 2006-2007.

24 (7) All Ferris State University students enrolled at Kendall  
25 College of Art and Design prior to January 1, 2001 who were  
26 qualified for the state tuition grant shall continue to receive the  
27 dollar amount of the state tuition grant for which they were

1 eligible until they graduate or are no longer enrolled in the  
2 Kendall College of Art and Design at Ferris State University.

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

12       (2) The Michigan higher education assistance authority shall  
13 allocate funds to institutions eligible for work-study money based  
14 upon each institution's specific Pell grant index and each  
15 institution's utilization rate of work-study funds for the 3 most  
16 recent years for which statistics are available.

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

23       Sec. 307. The auditor general may audit selected enrollments,  
24 degrees, and awards at selected independent colleges and  
25 universities receiving awards administered by the department of  
26 treasury. The audits shall be based upon definitions and  
27 requirements established by the Michigan higher education

1 assistance authority, the state budget director, and the senate and  
2 house fiscal agencies. The auditor general shall accept the Free  
3 Application for Federal Student Aid (FAFSA) form as the standard of  
4 residency documentation. The auditor general shall submit a report  
5 of findings to the senate and house appropriations committees and  
6 state budget director by May 1, 2007.

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

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

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

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

24       (d) For the Robert C. Byrd honors scholarship program, 50%  
25 shall be paid at the beginning of the state's first fiscal quarter  
26 and 50% at the beginning of the state's second fiscal quarter.

27       Sec. 309. The Michigan higher education assistance authority

1 shall determine the needs analysis criteria for students to qualify  
2 for the competitive scholarship program and tuition grant program.  
3 To be consistent with federal requirements, student wages may be  
4 taken into consideration when determining the amount of the award.

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

10 (2) As used in this section:

11 (a) "Phase I" means the first part of the tuition incentive  
12 assistance program defined as the academic period of 80 semester or  
13 120 term credits, or less, leading to an associate degree or  
14 certificate.

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

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

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

21 (a) To be eligible for phase I, a person shall meet all of the  
22 following criteria:

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

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

1           (iii) Be a United States citizen and a resident of Michigan  
2 according to institutional criteria.

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

7           (v) Request information on filing a FAFSA.

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

10 (a):

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

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

15           (c) To be eligible for phase I or phase II, a person must be  
16 financially eligible as determined by the department. A person is  
17 financially eligible for the tuition incentive program if that  
18 person was Medicaid eligible for 24 months within the 36 months  
19 before application. Certification of eligibility may begin in the  
20 sixth grade.

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

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

26           (a) Payments for associate degree or certificate programs  
27 shall not be made for more than 80 semester or 120 term credits for



1 any individual student at any participating institution.

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

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

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

17 (6) A person participating in phase II may be eligible for  
18 additional funds not to exceed \$500.00 per semester or \$400.00 per  
19 term up to a maximum of \$2,000.00 subject to the following  
20 conditions:

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

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

25 (7) The department shall work closely with participating  
26 institutions to develop an application and eligibility  
27 determination process that will provide the highest level of

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1 participation and ensure that all requirements of the program are  
2 met.

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

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

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

17 Sec. 311. To enable the legislature and the state budget  
18 director to evaluate the appropriation needs of higher education,  
19 each independent college and university shall make available to the  
20 legislature or state budget director, upon request, data regarding  
21 grants for the preceding, current, and ensuing fiscal years.

22 Sec. 312. From the funds appropriated in part 1 for nursing  
23 scholarship and grant programs, the Michigan higher education  
24 assistance authority shall administer any nursing scholarship or  
25 nursing school grant programs authorized under the Michigan nursing  
26 scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189. <<The Michigan  
higher education assistance authority shall include a master's degree in  
a nursing program as eligible for the funds appropriated in part 1 for  
nursing scholarship and grant programs. An individual receiving a  
scholarship for a master's degree in a nursing program is subject to the  
same employment, repayment, and other obligations imposed on nursing  
scholarship recipients under the Michigan nursing scholarship act, 2002  
PA 591, MCL 390.1181 to 390.1189.>>

27 Sec. 313. (1) The funds appropriated in part 1 for the  
S05800'06 (S-1)

RJA

1 Michigan leadership, education and development initiative (MiLEAD)  
2 shall be used to provide grants to higher education institutions  
3 for residential programs for at-risk youth to provide them with  
4 college credits while they perform conservation-based community  
5 service.

6 (2) MiLEAD grants of up to \$1,000,000.00 each may be awarded  
7 by the Michigan department of natural resources to Michigan public  
8 community colleges, Michigan public universities, and Michigan  
9 independent, nonprofit degree granting colleges and universities to  
10 provide 1-year residency programs for a minimum of 36 students.  
11 The college or university shall identify critical conservation  
12 projects as approved by the Michigan department of natural  
13 resources that provide MiLEAD participants with a paid work  
14 experience and provide participants with necessary remedial course  
15 work and additional education opportunities resulting in college  
16 credit.

17 (3) Each college or university receiving a MiLEAD grant shall  
18 document the educational, work, and life skills outcomes for each  
19 MiLEAD participant and provide an annual report to the Michigan  
20 department of natural resources in a form specified by the  
21 department.

## 22 **STATE UNIVERSITIES**

23 Sec. 402. The University of Michigan biological station at  
24 Douglas Lake in Cheboygan County is regarded as a unique resource  
25 and is designated as a special research reserve. It is the intent  
26 of the legislature to protect and preserve the unique long-term

1 research value and capabilities of the biological station area and  
2 Douglas Lake. The legislature further intends that no state  
3 programs or policies be developed that would have a deleterious  
4 impact on the research value of Douglas Lake.

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

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

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

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

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

16 (2) The committee shall be responsible for maintaining and  
17 enhancing the state higher education database for which funding is  
18 included in part 1.

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

27 Sec. 433. (1) Included in part 1 is \$2,953,400.00 for the

1 agricultural experiment station and \$2,619,000.00 for the  
2 cooperative extension service for project GREEN. Project GREEN is  
3 intended to address critical regulatory, food safety, economic, and  
4 environmental problems faced by this state's plant-based  
5 agriculture, forestry, and processing industries. "GREEN" is an  
6 acronym for generating research and extension to meet environmental  
7 and economic needs.

8 (2) The department of agriculture and Michigan State  
9 University, in consultation with agricultural commodity groups and  
10 other interested parties, shall develop project GREEN and its  
11 program priorities.

12 (3) Not later than September 30, 2007, a report shall be  
13 submitted by Michigan State University to the state budget  
14 director, the house and senate appropriations subcommittees on  
15 agriculture and on higher education, and the house and senate  
16 fiscal agencies for the preceding fiscal year regarding project  
17 GREEN projects. The report shall include, but is not limited to,  
18 the dollar amount of each project and a review of each project's  
19 performance and accomplishments.

20 Sec. 436. It is the intent of the legislature that if any  
21 Michigan public university increases its resident undergraduate  
22 tuition and required fees from academic year 2005-2006 to academic  
23 year 2006-2007, then that university shall increase its fiscal year  
24 2006-2007 general fund expenditures for student financial aid by at  
25 least the same percentage as the percentage change in resident  
26 undergraduate tuition and required fees. Each public university  
27 shall report its proposed fiscal year 2006-2007 general fund

1 expenditures for student financial aid compared to its projected  
2 fiscal year 2005-2006 general fund expenditures for student  
3 financial aid, and its projected academic year 2006-2007 resident  
4 undergraduate tuition and required fee changes from academic year  
5 2005-2006, to the state budget director and the house and senate  
6 appropriations subcommittees on higher education by November 15,  
7 2006.

8       Sec. 440. All universities shall submit the amount of tuition  
9 and fees actually charged to a full-time resident undergraduate  
10 student for academic year 2006-2007 as part of their higher  
11 education institutional data inventory (HEIDI) data by August 31,  
12 2006. A university shall report any revisions for any semester of  
13 the reported academic year 2006-2007 tuition and fee charges to  
14 HEIDI within 15 days of being adopted.

15       Sec. 450. The amount allocated under part 1 for per-student  
16 floor funding is equal to \$3,750.00 per 2004-2005 fiscal-year-  
17 equated student at each university, except for Grand Valley State  
18 University due to limited state resources. The number of 2004-2005  
19 fiscal-year-equated students at a university is determined by  
20 reference to the higher education institutional data inventory  
21 (HEIDI).

22       Sec. 461. From the amount appropriated in part 1 to Lake  
23 Superior State University for operations, \$100,000.00 shall be paid  
24 to Bay Mills Community College for the costs of waiving tuition for  
25 North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

26 **MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**

1       Sec. 501. (1) Included in the appropriation for each public  
2 university in part 1 is funding for the Martin Luther King, Jr. -  
3 Cesar Chavez - Rosa Parks future faculty program, that is intended  
4 to increase the pool of minority candidates pursuing faculty  
5 teaching careers in postsecondary education. Each university shall  
6 apply the percentage change applicable to every university in the  
7 calculation of appropriations in part 1 to the amount of funds  
8 allocated to the future faculty program.

9       (2) The program shall be administered by each university in a  
10 manner prescribed by the Michigan department of labor and economic  
11 growth. The Michigan department of labor and economic growth shall  
12 use a good faith effort standard to evaluate whether a fellowship  
13 is in default.

14       Sec. 502. (1) Included in the appropriation for each public  
15 university in part 1 is funding for the Martin Luther King, Jr. -  
16 Cesar Chavez - Rosa Parks college day program that is intended to  
17 introduce schoolchildren underrepresented in postsecondary  
18 education to the potential of a college education.

19       (2) Individual program plans of each university shall include  
20 a budget of equal contributions from this program, the  
21 participating public university, the participating school district,  
22 and the participating independent degree granting college. College  
23 day funds shall not be expended to cover indirect costs. Not more  
24 than 20% of the university match shall be attributable to indirect  
25 costs. Each university shall apply the percentage change applicable  
26 to every university in the calculation of appropriations in part 1  
27 to the amount of funds allocated to the college day program.

1           (3) The program shall be administered by each university in a  
2 manner prescribed by the Michigan department of labor and economic  
3 growth.

4           Sec. 503. (1) Included in part 1 is funding for the Martin  
5 Luther King, Jr. - Cesar Chavez - Rosa Parks select student support  
6 services program for developing academically and economically  
7 disadvantaged student retention programs for 4-year public and  
8 independent educational institutions in this state.

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

12           (3) The program shall be administered by the Michigan  
13 department of labor and economic growth.

14           Sec. 504. (1) Included in part 1 is funding for the Martin  
15 Luther King, Jr. - Cesar Chavez - Rosa Parks college/university  
16 partnership program between 4-year public and independent colleges  
17 and universities and public community colleges, which is intended  
18 to increase the number of academically and economically  
19 disadvantaged students who transfer from community colleges into  
20 baccalaureate programs.

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

26           (3) The program shall be administered by the Michigan  
27 department of labor and economic growth.



1       Sec. 505. (1) Included in the appropriation for each public  
2 university in part 1 is funding for the Martin Luther King, Jr. -  
3 Cesar Chavez - Rosa Parks visiting professors program which is  
4 intended to increase the number of underrepresented minority  
5 instructors in the classroom and provide role models for  
6 underrepresented minority students.

7       (2) The program shall be administered by the Michigan  
8 department of labor and economic growth.

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

15       (2) The program shall be administered by each state-approved  
16 teacher education institution in a manner prescribed by the  
17 Michigan department of labor and economic growth.

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

22       Sec. 507. Each state institution of higher education receiving  
23 funds under section 503, 504, or 506 shall notify the Michigan  
24 department of labor and economic growth by April 15, 2007 as to  
25 whether it will expend by the end of its fiscal year the funds  
26 received under section 503, 504, or 506. Notwithstanding the award  
27 limitations in sections 503 and 504, the amount of funding reported

1 as not being expended will be reallocated to the institutions that  
2 intend to expend all funding received under section 503, 504, or  
3 506.

#### 4 **STUDENT PERFORMANCE REPORTING**

5 Sec. 601. (1) From the amount appropriated in part 1 for state  
6 universities, the state universities shall systematically inform  
7 Michigan high schools regarding the academic status of students  
8 from each high school in a manner prescribed by the presidents  
9 council, state universities of Michigan in cooperation with the  
10 Michigan association of secondary school principals.

11 (2) The Michigan high schools shall systematically inform the  
12 state universities about the use of information received under this  
13 section in a manner prescribed by the Michigan association of  
14 secondary school principals in cooperation with the presidents  
15 council, state universities of Michigan.

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

#### 22 **GENERAL REPORTS AND AUDITS**

23 Sec. 701. (1) The auditor general shall review higher  
24 education institutional data inventory (HEIDI) enrollment data  
25 submitted by all public universities and may perform audits of

1 selected public universities if determined necessary. The review  
2 and audits shall be based upon the definitions, requirements, and  
3 uniform reporting categories established by the state budget  
4 director and the senate and house fiscal agencies. The auditor  
5 general shall submit a report of findings to the house and senate  
6 appropriations committees and the state budget director no later  
7 than July 1, 2007.

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

10 (a) Student credit hours generated through instructional  
11 activity by faculty or staff in classrooms located outside  
12 Michigan, with the exception of instructional activity related to  
13 study-abroad programs or field programs.

14 (b) Student credit hours generated through distance learning  
15 instruction for students not paying the institution's resident  
16 tuition rate.

17 (c) Student credit hours generated through credit by  
18 examination.

19 (d) Student credit hours generated through inmate prison  
20 programs regardless of teaching location.

21 (e) Student credit hours generated in new degree programs  
22 after January 1, 1975, that have not been specifically authorized  
23 for funding by the legislature, except spin-off programs converted  
24 from existing core programs that do all of the following:

25 (i) Represent new options, fields, or concentrations within  
26 existing programs.

27 (ii) Are consistent with the current institutional role and

1 mission.

2 (iii) Are accommodated within the continuing funding base of the  
3 institution.

4 (iv) Do not require a new degree level beyond that which the  
5 institution is currently authorized to grant within that discipline  
6 or field.

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

11 (3) The auditor general shall periodically audit higher  
12 education institutional data inventory (HEIDI) data as submitted by  
13 the state universities for compliance with the definitions approved  
14 by the HEIDI advisory committee for the HEIDI database.

15 (4) "Distance learning instruction" as used in subsection (2)  
16 means instruction that occurs in other than a traditional classroom  
17 setting where the student and instructor are in the same physical  
18 location and for which a student receives course credits and is  
19 charged tuition and fees. Examples of distance learning instruction  
20 are instruction delivered solely through the Internet, cable  
21 television, teleconference, or mail.

22 Sec. 702. The principal executive officer of each institution  
23 of higher education receiving an appropriation under this act shall  
24 expend a portion of the funds appropriated to that institution to  
25 make a report to the auditor general, the house and senate fiscal  
26 agencies, and the state budget director within 60 days after the  
27 auditor general issues his or her report on the operation of the

1 institution. The institution's report shall specify all of the  
2 following:

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

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

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

10 Sec. 708. The auditor general may conduct performance audits  
11 of state universities during the fiscal year ending September 30,  
12 2007 as the auditor general considers necessary.

13 Sec. 709. An institution receiving funds under this act and  
14 also subject to the student right-to-know and campus security act,  
15 Public Law 101-522, 104 Stat. 2381, shall make a copy of all  
16 material prepared pursuant to the public information reporting  
17 requirements under the crime awareness and campus security act of  
18 1990, title II of the student right-to-know and campus security  
19 act, Public Law 101-542, 104 Stat. 2381, available in electronic  
20 Internet format on their websites.

21 Sec. 711. Not later than May 31, 2007, each of Michigan's  
22 public universities shall submit to the state budget director,  
23 members of the house of representatives and the senate, and the  
24 house and senate fiscal agencies a report on the efforts of the  
25 university to increase the number of education degrees conferred  
26 for teaching middle school and high school mathematics, physics,  
27 chemistry, biology, and the languages of Chinese, Korean, Japanese,

Senate Bill No. 1088 as amended March 29, 2006

1 Arabic, Spanish, French, Russian, and German.

<<Sec. 712. Not later than February 1, 2007, each of Michigan's public universities shall submit to the state budget director, members of the house of representatives and the senate, and the house and senate fiscal agencies a report on all of the following for academic year 2005-2006 for the university:

(a) The amount of private, state, and federal research funding sought after, pledged, or received.

(b) The number of businesses, companies, or organizations that used technology developed at the university.

(c) How many of those businesses, companies, or organizations are domiciled in the state of Michigan and whose primary business location is the state of Michigan.

(d) How many jobs were created in Michigan as a direct result of any new businesses, companies, or organizations that were created or any businesses, companies, or organizations that expanded.

(e) The length of time it took for the university to transfer its technology outside the university.

(f) The number of patents obtained by the university and the number of those patents that were used commercially within the state of Michigan.

(g) Intellectual property rights policies.

(h) The number of jobs created or retained in the state of Michigan that are directly attributable to research and technology transfer at the university.

(i) The number of students who graduated from the university with an advanced degree in mathematics, science, health care, or engineering, and the number of those graduates that remained in Michigan to work and how long and in what capacity they plan to work.>>