

HOUSE BILL No. 5728

EXECUTIVE BUDGET BILL

February 21, 2006, Introduced by Rep. Brown and referred to the Committee on Appropriations.

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 expenditure of the 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:

PART 1

LINE-ITEM APPROPRIATIONS

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

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

3 **HIGHER EDUCATION**

4 APPROPRIATION SUMMARY:

5	Full-time equated classified positions.....	1.0	
6	GROSS APPROPRIATION.....		\$ 1,741,840,700
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers		0
10	ADJUSTED GROSS APPROPRIATION.....		\$ 1,741,840,700
11	Federal revenues:		
12	Total federal revenues.....		3,000,000
13	Special revenue funds:		
14	Total local revenues.....		0
15	Total private revenues.....		0
16	Total other state restricted revenues.....		153,800,000
17	State general fund/general purpose.....		\$ 1,585,040,700
18	Sec. 102. CENTRAL MICHIGAN UNIVERSITY		
19	Operations.....		\$ <u>81,736,200</u>
20	GROSS APPROPRIATION.....		\$ 81,736,200
21	Appropriated from:		
22	Special revenue funds:		
23	Michigan merit award trust fund.....		538,440
24	State general fund/general purpose.....		\$ 81,197,760
25	Sec. 103. EASTERN MICHIGAN UNIVERSITY		
26	Operations.....		\$ <u>77,628,100</u>
27	GROSS APPROPRIATION.....		\$ 77,628,100

1	Appropriated from:	
2	State general fund/general purpose	\$ 77,628,100
3	Sec. 104. FERRIS STATE UNIVERSITY	
4	Operations	\$ <u>49,478,600</u>
5	GROSS APPROPRIATION	\$ 49,478,600
6	Appropriated from:	
7	State general fund/general purpose	\$ 49,478,600
8	Sec. 105. GRAND VALLEY STATE UNIVERSITY	
9	Operations	\$ <u>62,449,200</u>
10	GROSS APPROPRIATION	\$ 62,449,200
11	Appropriated from:	
12	Special revenue funds:	
13	Michigan merit award trust fund	5,000,000
14	State general fund/general purpose	\$ 57,449,200
15	Sec. 106. LAKE SUPERIOR STATE UNIVERSITY	
16	Operations	\$ <u>12,988,600</u>
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	33,163,800
23	Cooperative extension service	<u>28,604,300</u>
24	GROSS APPROPRIATION	\$ 351,173,000
25	Appropriated from:	
26	State general fund/general purpose	\$ 351,173,000
27	Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY	

1	Operations.....	\$ <u>48,880,400</u>
2	GROSS APPROPRIATION.....	\$ 48,880,400
3	Appropriated from:	
4	State general fund/general purpose.....	\$ 48,880,400
5	Sec. 109. NORTHERN MICHIGAN UNIVERSITY	
6	Operations.....	\$ <u>45,879,000</u>
7	GROSS APPROPRIATION.....	\$ 45,879,000
8	Appropriated from:	
9	State general fund/general purpose.....	\$ 45,879,000
10	Sec. 110. OAKLAND UNIVERSITY	
11	Operations.....	\$ <u>51,719,700</u>
12	GROSS APPROPRIATION.....	\$ 51,719,700
13	Appropriated from:	
14	Special revenue funds:	
15	Michigan merit award trust fund.....	1,941,768
16	State general fund/general purpose.....	\$ 49,777,932
17	Sec. 111. SAGINAW VALLEY STATE UNIVERSITY	
18	Operations.....	\$ <u>28,302,700</u>
19	GROSS APPROPRIATION.....	\$ 28,302,700
20	Appropriated from:	
21	Special revenue funds:	
22	Michigan merit award trust fund.....	2,019,792
23	State general fund/general purpose.....	\$ 26,282,908
24	Sec. 112. UNIVERSITY OF MICHIGAN - ANN ARBOR	
25	Operations.....	\$ <u>322,695,900</u>
26	GROSS APPROPRIATION.....	\$ 322,695,900
27	Appropriated from:	

1	State general fund/general purpose	\$	322,695,900
2	Sec. 113. UNIVERSITY OF MICHIGAN - DEARBORN		
3	Operations	\$	<u>25,286,900</u>
4	GROSS APPROPRIATION	\$	25,286,900
5	Appropriated from:		
6	State general fund/general purpose	\$	25,286,900
7	Sec. 114. UNIVERSITY OF MICHIGAN - FLINT		
8	Operations	\$	<u>21,420,100</u>
9	GROSS APPROPRIATION	\$	21,420,100
10	Appropriated from:		
11	State general fund/general purpose	\$	21,420,100
12	Sec. 115. WAYNE STATE UNIVERSITY		
13	Operations	\$	<u>218,959,600</u>
14	GROSS APPROPRIATION	\$	218,959,600
15	Appropriated from:		
16	State general fund/general purpose	\$	218,959,600
17	Sec. 116. WESTERN MICHIGAN UNIVERSITY		
18	Operations	\$	<u>111,398,800</u>
19	GROSS APPROPRIATION	\$	111,398,800
20	Appropriated from:		
21	State general fund/general purpose	\$	111,398,800
22	Sec. 117. STATE AND REGIONAL PROGRAMS		
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		<u>90,000</u>
27	GROSS APPROPRIATION	\$	290,000

1	Appropriated from:	
2	State general fund/general purpose	\$ 290,000
3	Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ -	
4	ROSA PARKS PROGRAM	
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	Sec. 119. GRANTS AND FINANCIAL AID	
12	State competitive scholarships	\$ 63,598,600
13	Michigan work-study program	7,326,300
14	Part-time independent student program	2,653,300
15	Michigan education opportunity grants	2,084,200
16	Robert C. Byrd honors scholarship program	1,500,000
17	Nursing scholarship and grant programs	4,000,000
18	Michigan merit award program	127,700,000
19	Children of veterans tuition grant program	1,000,000
20	Michigan leadership, education and development	
21	initiative (MiLEAD)	5,000,000
22	Tuition incentive program	<u>14,000,000</u>
23	GROSS APPROPRIATION	\$ 228,862,400
24	Appropriated from:	
25	Federal revenues:	
26	Higher education act of 1965, title IV, 20 USC	1,500,000
27	Higher education act of 1965, title IV, part A	1,500,000

1 Special revenue funds:

2	Michigan merit award trust fund.....	138,300,000
3	Michigan civilian conservation corps endowment fund..	5,000,000
4	Contributions to children of veteran's tuition	
5	grant program	1,000,000
6	State general fund/general purpose.....	\$ 81,562,400

7 PART 2

8 PROVISIONS CONCERNING APPROPRIATIONS

9 GENERAL SECTIONS

10 Sec. 201. Pursuant to section 30 of article IX of the state
 11 constitution of 1963, total state spending from state resources
 12 under part 1 for fiscal year 2006-2007 is \$1,738,840,700.00 and
 13 state spending from state resources to be paid to local units of
 14 government for fiscal year 2006-2007 is \$3,759.100.00. The itemized
 15 statement below identifies the estimated appropriations from which
 16 spending to local units of government will occur:

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

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

24 Sec. 208. Unless otherwise specified, the institutions of
 25 higher education receiving appropriations in part 1 shall use the
 26 Internet to fulfill the reporting requirements of this bill. This

1 requirement may include transmission of reports via electronic mail
2 to the recipients identified for each reporting requirement, or it
3 may include placement of reports on an Internet or Intranet site.

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

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

19 (2) All universities shall submit higher education
20 institutional data inventory (HEIDI) data and associated financial
21 and program information requested by and in a manner prescribed by
22 the state budget director. For universities with fiscal years
23 ending June 30, 2006, these data shall be submitted to the state
24 budget director by October 15, 2006. Universities with a fiscal
25 year ending September 30, 2006 shall submit preliminary HEIDI data
26 by November 15, 2006 and final data by December 15, 2006. If a
27 university fails to submit HEIDI data and associated financial aid

1 program information in accordance with this reporting schedule, the
2 state treasurer shall withhold the monthly installments under
3 subsection (1) to the university until those data are submitted.

4 Sec. 213. Funds received by the state from the federal
5 government or private sources for the use of a college or
6 university are appropriated for the purposes for which they are
7 provided. The acceptance and use of federal or private funds do
8 not place an obligation upon the legislature to continue the
9 purposes for which the funds are made available.

10 Sec. 214. If section 274 of the income tax act of 1967, 1967
11 PA 281, MCL 206.274, is not repealed and if a state institution of
12 higher education that receives funds under this bill notifies the
13 department of treasury regarding its tuition and fee rates in order
14 to qualify as an eligible institution for the Michigan tuition tax
15 credit under section 274 of the income tax act of 1967, 1967 PA
16 281, MCL 206.274, the institution shall also submit the
17 notification and applicable documentation of tuition and fee
18 changes to the house and senate fiscal agencies.

19 Sec. 215. A state institution of higher education that
20 receives funds under this bill shall furnish all program and
21 financial information that is required by and in a manner
22 prescribed by the state budget director or the house or senate
23 appropriations committee.

24 **GRANTS AND FINANCIAL AID**

25 Sec. 301. (1) Payments of the amounts included in part 1 for
26 the state competitive scholarship program shall be distributed

1 pursuant to 1964 PA 208, MCL 390.971 to 390.981 and pursuant to the
2 provisions of subsection (6).

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

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

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

20 (5) Students who receive aid under 1964 PA 208, MCL 390.971 to
21 390.981, shall be awarded scholarships on the basis of merit and
22 financial need. Veterans administration benefits shall not be
23 considered in determining eligibility under 1964 PA 208, MCL
24 390.971 to 390.981.

25 (6) Included in the amounts appropriated in part 1 for the
26 state competitive scholarship program is an amount not to exceed
27 \$29,468,100.00 to provide 2006-2007 academic year awards to

1 eligible undergraduate students who received a tuition grant
2 pursuant to 1966 PA 313, MCL 390.991 to 390.997a in the 2005-2006
3 academic year. The maximum award amount shall not exceed the
4 maximum award per eligible student provided under the state
5 competitive scholarship program.

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

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

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

26 Sec. 307. The auditor general may audit selected enrollments,
27 degrees, and awards at selected independent colleges and

1 universities receiving awards administered by the department of
2 treasury. The audits shall be based upon definitions and
3 requirements established by the Michigan higher education
4 assistance authority, the state budget director, and the senate and
5 house fiscal agencies. The auditor general shall accept the Free
6 Application for Federal Student Aid (FAFSA) form as the standard of
7 residency documentation. The auditor general shall submit a report
8 of findings to the senate and house appropriations committees and
9 state budget director by May 1, 2007.

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

14 (a) For the state competitive scholarship, nursing
15 scholarship, part-time independent student, and Michigan education
16 opportunity grant programs, 25% shall be paid at the beginning of
17 the state's first fiscal quarter, 25% at the beginning of the
18 state's second fiscal quarter, 25% at the beginning of the state's
19 third fiscal quarter, and 25% at the beginning of the state's
20 fourth fiscal quarter.

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

23 (c) For the Robert C. Byrd honors scholarship and tuition
24 incentive programs, 50% shall be paid at the beginning of the
25 state's first fiscal quarter and 50% at the beginning of the
26 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. To be consistent with
3 federal requirements, student wages may be taken into consideration
4 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) File a FAFSA.

8 (b) To be eligible for phase II, a person shall meet one 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) Achieve junior level status at a four-year institution.

14 (iii) Obtain an associate degree or certificate at a
15 participating institution.

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

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

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

27 (a) Payments for associate degree or certificate programs

1 shall not be made for more than 80 semester or 120 term credits for
2 any individual student at any participating institution.

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

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

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

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

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

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

26 (7) The department shall work closely with participating
27 institutions to develop an application and eligibility

1 determination process that will provide the highest level of
2 participation and ensure that all requirements of the program are
3 met.

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

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

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

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

23 Sec. 312. From the funds appropriated in part 1 for nursing
24 scholarship and grant programs, the Michigan higher education
25 assistance authority shall administer any nursing scholarship or
26 nursing school grant programs authorized under the Michigan nursing
27 scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

1 Sec. 313. (1) The funds appropriated in part 1 for the
2 Michigan leadership, education and development initiative (MiLEAD)
3 shall be used to provide grants to higher education institutions
4 for residential programs for at-risk youth to provide them with
5 college credits while they perform conservation-based community
6 service.

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

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

21 **STATE UNIVERSITIES**

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

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

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

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

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

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

11 Sec. 418. (1) A one percent increase for university operations
12 funding contained in part 1 for those universities except Michigan
13 State University, University of Michigan - Ann Arbor, and Wayne
14 State University, is allocated to each eligible university using a
15 four-part incentive-based formula to encourage universities to keep
16 higher education affordable and accessible, to encourage outreach
17 efforts to low-income students, and to encourage degree completion.
18 Each formula component allocates one-quarter of one percent of the
19 increase as follows:

20 (2) The affordability component is calculated as follows:

21 (a) The sum of the fiscal year 2006 state appropriations and
22 fiscal year 2005 general fund tuition and fee revenue is divided by
23 the total 2005 fiscal year equated students (FYES) as reported by
24 each university in the higher education institutional data
25 inventory (HEIDI).

26 (b) A statewide average combined state appropriation and
27 tuition revenue per FYES is computed. Those eligible universities

1 with combined state appropriation and tuition revenue per FYES
2 below the state average receive a payment under this component
3 equal to the difference between the statewide average and that
4 university's combined state appropriation and tuition revenue per
5 FYES, prorated to the available funding for this component of
6 \$1,512,700.00.

7 (3) The accessibility component is calculated as follows:

8 (a) The percentage of 2004-2005 general fund financial aid
9 expenditures compared to combined fiscal year 2005 state
10 appropriations plus tuition and fees for each university as
11 reported in HEIDI is computed. An accessibility index is then
12 calculated by dividing each university's financial aid percentage
13 by the sum of all of the financial aid percentages.

14 (b) Each eligible university receives a payment under this
15 component equal to that university's percentage share of the
16 accessibility index multiplied by the available funding for this
17 component of \$1,512,700.00.

18 (4) The participation component is calculated as follows:

19 (a) The percentage of pell grant awards compared to
20 undergraduate FYES for each university as reported in HEIDI is
21 computed. A participation effort index is then calculated by
22 dividing each university's pell grant percentage by the sum of all
23 of the pell grant percentages.

24 (b) Each eligible university receives a payment under this
25 component equal to that university's percentage share of the
26 participation index multiplied by the available funding for this
27 component of \$1,512,700.00.

1 (5) The degree completion component is calculated as follows:

2 (a) Degrees conferred by each eligible university for 2004-
3 2005 as reported in the federal integrated postsecondary education
4 data system (IPEDS) are weighted as follows:

5 (b) By academic level:

6 (i) Each associate degree and degree earned in less than two
7 years is weighted at 0.5.

8 (ii) Each bachelor's, master's, doctoral and professional
9 degree is weighted at 1.0.

10 (c) By program category:

11 (i) Each degree earned in a general category is weighted at
12 1.0.

13 (ii) Each degree earned in math, science, engineering and
14 health is weighted at 2.0.

15 (d) Each eligible university receives a payment under this
16 component equal to that university's proportion of total weighted
17 degrees multiplied by the available funding for this component of
18 \$1,512,700.00.

19 Sec. 433. (1) Included in part 1 is \$2,953,400.00 for the
20 agricultural experiment station and \$2,619,000.00 for the
21 cooperative extension service for project GREEN. Project GREEN
22 is intended to address critical regulatory, food safety, economic,
23 and environmental problems faced by this state's plant-based
24 agriculture, forestry, and processing industries. "GREEN" is an
25 acronym for generating research and extension to meet environmental
26 and economic needs.

27 (2) The department of agriculture and Michigan State

1 University, in consultation with agricultural commodity groups and
2 other interested parties, shall develop project GREEN and its
3 program priorities.

4 (3) Not later than September 30, 2007, a report shall be
5 submitted by Michigan State University to the state budget
6 director, the house and senate appropriations subcommittees on
7 agriculture and on higher education, and the house and senate
8 fiscal agencies for the preceding fiscal year regarding project
9 GREEN projects. The report shall include, but is not limited to,
10 the dollar amount of each project and a review of each project's
11 performance and accomplishments.

12 Sec. 436. It is the intent of the legislature that if any
13 Michigan public university increases its resident undergraduate
14 tuition and required fees from academic year 2005-2006 to academic
15 year 2006-2007, then that university shall increase its fiscal year
16 2006-2007 general fund expenditures for student financial aid by at
17 least the same percentage as the percentage change in resident
18 undergraduate tuition and required fees. Each public university
19 shall report its proposed fiscal year 2006-2007 general fund
20 expenditures for student financial aid compared to its projected
21 fiscal year 2005-2006 general fund expenditures for student
22 financial aid, and its projected academic year 2006-2007 resident
23 undergraduate tuition and required fee changes from academic year
24 2005-2006, to the state budget director and the house and senate
25 appropriations subcommittees on higher education by November 15,
26 2006.

27 Sec. 440. All universities shall submit the amount of tuition

1 and fees actually charged to a full-time resident undergraduate
2 student for academic year 2006-2007 as part of their higher
3 education institutional data inventory (HEIDI) data by August 31,
4 2006. A university shall report any revisions for any semester of
5 the reported academic year tuition and fee charges to HEIDI within
6 15 days of being adopted.

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

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

12 Sec. 501. (1) Included in the appropriation for each public
13 university in part 1 is funding for the Martin Luther King, Jr. -
14 Cesar Chavez - Rosa Parks future faculty program, that is intended
15 to increase the pool of minority candidates pursuing faculty
16 teaching careers in postsecondary education. Each university shall
17 apply the percentage change applicable to every university in the
18 calculation of appropriations in part 1 to the amount of funds
19 allocated to the future faculty program.

20 (2) The program shall be administered by each university in a
21 manner prescribed by the Michigan department of labor and economic
22 growth. The Michigan department of labor and economic growth shall
23 use a good faith effort standard to evaluate whether a fellowship
24 is in default.

25 Sec. 502. (1) Included in the appropriation for each public
26 university in part 1 is funding for the Martin Luther King, Jr. -

1 Cesar Chavez - Rosa Parks college day program that is intended to
2 introduce schoolchildren underrepresented in postsecondary
3 education to the potential of a college education.

4 (2) Individual program plans of each university shall include
5 a budget of equal contributions from this program, the
6 participating public university, the participating school district,
7 and the participating independent degree granting college. College
8 day funds shall not be expended to cover indirect costs. Not more
9 than 20% of the university match shall be attributable to indirect
10 costs. Each university shall apply the percentage change
11 applicable to every university in the calculation of appropriations
12 in part 1 to the amount of funds allocated to the college day
13 program.

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

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

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

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

27 Sec. 504. (1) Included in part 1 is funding for the Martin

1 Luther King, Jr. - Cesar Chavez - Rosa Parks college/university
2 partnership program between 4-year public and independent colleges
3 and universities and public community colleges, which is intended
4 to increase the number of academically and economically
5 disadvantaged students who transfer from community colleges into
6 baccalaureate programs.

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

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

14 Sec. 505. (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 visiting professors program which is
17 intended to increase the number of underrepresented minority
18 instructors in the classroom and provide role models for
19 underrepresented minority students.

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

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

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

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

8 Sec. 507. Each state institution of higher education receiving
9 funds under sections 503, 504, or 506 shall notify the Michigan
10 department of labor and economic growth by April 15, 2007 as to
11 whether it will expend by the end of its fiscal year the funds
12 received under sections 503, 504, or 506. Notwithstanding the
13 award limitations in sections 503 and 504, the amount of funding
14 reported as not being expended will be reallocated to the
15 institutions that intend to expend all funding received under
16 sections 503, 504, or 506.

17 **STUDENT PERFORMANCE REPORTING**

18 Sec. 601. (1) From the amount appropriated in part 1 for state
19 universities, the state universities shall systematically inform
20 Michigan high schools regarding the academic status of students
21 from each high school in a manner prescribed by the presidents
22 council, state universities of Michigan in cooperation with the
23 Michigan association of secondary school principals.

24 (2) The Michigan high schools shall systematically inform the
25 state universities about the use of information received under this
26 section in a manner prescribed by the Michigan association of

1 secondary school principals in cooperation with the presidents
2 council, state universities of Michigan.

3 Sec. 602. From the amount appropriated in part 1 for state
4 universities, the state universities shall inform Michigan
5 community colleges regarding the academic status of community
6 college transfer students in a manner prescribed by the presidents
7 council, state universities of Michigan in cooperation with the
8 Michigan community college association.

9 **GENERAL REPORTS AND AUDITS**

10 Sec. 701. (1) The auditor general shall review higher
11 education institutional data inventory (HEIDI) enrollment data
12 submitted by all public universities and may perform audits of
13 selected public universities if determined necessary. The review
14 and audits shall be based upon the definitions, requirements, and
15 uniform reporting categories established by the state budget
16 director and the senate and house fiscal agencies. The auditor
17 general shall submit a report of findings to the house and senate
18 appropriations committees and the state budget director no later
19 than July 1, 2007.

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

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

26 (b) Student credit hours generated through distance learning

1 instruction for students not paying the institution's resident
2 tuition rate.

3 (c) Student credit hours generated through credit by
4 examination.

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

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

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

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

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

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

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

24 (3) The auditor general shall periodically audit higher
25 education institutional data inventory (HEIDI) data as submitted by
26 the state universities for compliance with the definitions approved
27 by the HEIDI advisory committee for the HEIDI database.

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

8 Sec. 702. The principal executive officer of each institution
9 of higher education receiving an appropriation under this bill
10 shall expend a portion of the funds appropriated to that
11 institution to make a report to the auditor general, the house and
12 senate fiscal agencies, and the state budget director within 60
13 days after the auditor general issues his or her report on the
14 operation of the institution. The institution's report shall
15 specify all of the following:

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

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

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

23 Sec. 708. The auditor general may conduct performance audits
24 of state universities during the fiscal year ending September 30,
25 2007 as the auditor general considers necessary.

26 Sec. 709. An institution receiving funds under this bill and
27 also subject to the student right-to-know and campus security act,

1 Public Law 101-522, 104 Stat. 2381, shall make a copy of all
2 material prepared pursuant to the public information reporting
3 requirements under the crime awareness and campus security act of
4 1990, title II of the student right-to-know and campus security
5 act, Public Law 101-542, 104 Stat. 2381, available in electronic
6 Internet format on their websites.