

# SENATE BILL No. 1082

February 28, 2006, Introduced by Senators SWITALSKI and EMERSON and referred to the Committee on Appropriations.

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2007; to provide for the expenditure of the 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 amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for

the fiscal year ending September 30, 2007, from the funds indicated in this part. The following is a summary of the appropriations in this part:

#### **COMMUNITY COLLEGES**

##### **APPROPRIATION SUMMARY:**

GROSS APPROPRIATION.....	\$	287,129,400
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers .....		0
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ADJUSTED GROSS APPROPRIATION.....	\$	287,129,400
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Total federal revenues.....		0
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Total local revenues.....		0
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Total private revenues.....		0
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Total other state restricted revenues.....		0
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State general fund/general purpose.....	\$	287,129,400
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##### **Sec. 102. OPERATIONS**

Alpena Community College.....	\$	4,872,600
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Bay de Noc Community College.....		4,710,900
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Delta College.....		13,175,400
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Glen Oaks Community College.....		2,210,400
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Gogebic Community College.....		4,030,500
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Grand Rapids Community College.....		16,572,500
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Henry Ford Community College.....		20,196,700
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Jackson Community College.....		11,180,000
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Kalamazoo Valley Community College.....		11,407,300
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Kellogg Community College.....		8,962,400
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Kirtland Community College.....		2,720,100
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1	Lake Michigan College.....	4,823,500
2	Lansing Community College.....	28,659,000
3	Macomb Community College.....	30,578,200
4	Mid Michigan Community College.....	4,079,100
5	Monroe County Community College.....	3,968,600
6	Montcalm Community College.....	2,870,600
7	C.S. Mott Community College.....	14,489,500
8	Muskegon Community College.....	8,245,600
9	North Central Michigan College.....	2,792,900
10	Northwestern Michigan College.....	8,413,900
11	Oakland Community College.....	19,289,100
12	St. Clair County Community College.....	6,461,000
13	Schoolcraft College.....	11,320,900
14	Southwestern Michigan College.....	6,077,200
15	Washtenaw Community College.....	11,506,200
16	Wayne County Community College.....	14,873,800
17	West Shore Community College.....	<u>2,118,800</u>
18	GROSS APPROPRIATION.....	\$ 280,606,700
19	Appropriated from:	
20	State general fund/general purpose.....	\$ 280,606,700
21	<b>Sec. 103. GRANTS</b>	
22	At-risk student success program.....	\$ 3,322,700
23	Renaissance zone tax reimbursement funding.....	<u>3,200,000</u>
24	GROSS APPROPRIATION.....	\$ 6,522,700
25	Appropriated from:	
26	State general fund/general purpose.....	\$ 6,522,700

## 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 2006-2007 is \$287,129,400.00 and state spending from state resources to be paid to local units of government for fiscal year 2006-2007 is \$287,129,400.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations .....	\$	280,606,700
At-risk student success program.....		3,322,700
Renaissance zone tax reimbursement program.....		<u>3,200,000</u>
TOTAL .....	\$	287,129,400

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, a community college receiving appropriations in part 1 and the department of labor and economic growth 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. 208. The department of labor and economic growth shall work collaboratively with community colleges to develop an accelerated entrepreneurship curriculum, including an associate

1 degree, to provide students with the skills and knowledge needed  
2 for creating their own businesses.

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

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

18       Sec. 211. (1) The money appropriated in this bill is  
19 appropriated for community colleges with fiscal years ending June  
20 30, 2007, and shall be paid out of the state treasury and  
21 distributed by the state treasurer to the respective community  
22 colleges in 11 monthly installments on the sixteenth of each month,  
23 or the next succeeding business day, beginning with October 16,  
24 2006. Each community college shall accrue its July and August 2007  
25 payments to its institutional fiscal year ending June 30, 2007.  
26 However, if a community college fails to submit all verified  
27 Michigan community colleges activities classification structure

1 data for school year 2005-2006 to the department of labor and  
2 economic growth by November 1, 2006, the monthly installments shall  
3 be withheld from that community college until those data are  
4 submitted. The amount distributed to a community college or  
5 department shall not exceed the net state allocation authorized by  
6 this bill.

7 (2) Except as otherwise provided by law, each of the amounts  
8 appropriated shall be used solely for the respective purposes  
9 stated in this bill. The money appropriated by this bill may be  
10 used to match the cost of any available programs under the Carl D.  
11 Perkins vocational and applied technology education act, 20 USC  
12 2301 to 2415, including local administration.

13 Sec. 216. (1) A community college shall pay the employer's  
14 contributions to the Michigan public school employees' retirement  
15 system created by the public school employees retirement act of  
16 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of  
17 receiving money appropriated under this bill.

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

21 Sec. 217. Money appropriated in part 1 shall not be used to  
22 pay for the construction or maintenance of a self-liquidating  
23 project. Any construction, renovation, or other capital outlay  
24 project that exceeds \$1,000,000.00 requires the approval of a use  
25 and finance statement by the joint capital outlay subcommittee  
26 (JCOS) pursuant to JCOS policy.

27 Sec. 224. Recognizing the critical importance of education in

strengthening Michigan's workforce, the state's public community colleges are encouraged to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation, which also includes an accelerated entrepreneurship curriculum which may lead to an associate degree.

Sec. 234. Community colleges shall do the following:

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

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

Sec. 241. Community colleges are encouraged to expand their current nursing education programs and increase nursing education program enrollments. This expansion may include, but is not limited to, creating partnerships with hospitals and other health care providers, expanding the focus and utilization of the nursing scholarship program, and redirecting existing institutional resources toward nursing education programs.

#### **STATE AID - OPERATIONS**

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this bill are as defined in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges, which shall be the basis for reporting data, and the 2003 Activities Classification Structure Manual for Michigan Community

1 Colleges, which shall be used to document financial needs of the  
2 community colleges.

3 Sec. 302. A community college shall not include in the  
4 enrollment data reported for determining state aid under this bill  
5 any student credit hours or student contact hours for a student  
6 incarcerated in a Michigan penal institution. Exclusion of these  
7 students is intended to avoid the payment of state aid under this  
8 bill for the same individuals for whom reimbursement is provided by  
9 the state correctional system.

10 Sec. 303. A community college selected for audit under section  
11 502 whose audited activities classification structure data is  
12 significantly different than the data used to determine state aid  
13 under this bill shall return any overappropriated money as provided  
14 in this subsection. The department of labor and economic growth  
15 shall compare formula computations for the audited colleges using  
16 pre- and post-audit data. If the state allocation is 2% or more  
17 than the post-audit allocation amount, the college shall return the  
18 excess money. The returned money shall be redistributed to all 28  
19 community colleges, prorated on the base appropriations contained  
20 in part 1.

## 21 **GRANTS**

22 Sec. 401. (1) The community college at-risk student success  
23 program is continued. The funding shall be prorated among  
24 community colleges based on the number of student contact hours for  
25 developmental and preparatory instruction reported by each  
26 community college to the department of labor and economic growth



pursuant to the 2003 Activities Classification Structure Manual for Michigan Community Colleges. Of the amount appropriated in part 1 for the at-risk student success program, \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges or the acquisition or upgrade of technology-related equipment and software.

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

(3) For the fiscal year ending September 30, 2007, the at-risk student success program money is allocated as follows:

Alpena Community College .....	\$	78,600
Bay de Noc Community College .....		100,800
Delta College .....		97,900
Glen Oaks Community College .....		117,500
Gogebic Community College .....		62,400
Grand Rapids Community College.....		122,100
Henry Ford Community College .....		151,900
Jackson Community College .....		105,000
Kalamazoo Valley Community College.....		89,400
Kellogg Community College .....		159,500
Kirtland Community College .....		124,300

1	Lake Michigan College .....	155,800
2	Lansing Community College .....	134,500
3	Macomb Community College .....	83,300
4	Mid Michigan Community College.....	142,200
5	Monroe County Community College.....	97,500
6	Montcalm Community College .....	66,700
7	C.S. Mott Community College .....	103,800
8	Muskegon Community College .....	118,500
9	North Central Michigan College.....	117,200
10	Northwestern Michigan College.....	118,200
11	Oakland Community College .....	147,300
12	St. Clair Community College .....	92,000
13	Schoolcraft College .....	130,000
14	Southwestern Michigan College.....	138,600
15	Washtenaw Community College .....	159,800
16	Wayne County Community College.....	172,400
17	West Shore Community College .....	135,500

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

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

23       (b) Are diagnosed as learning disabled.

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

25       (5) Grant funding under this section shall be utilized to  
26 address the special needs of at-risk students or for equipment or  
27 upgrade of information technology hardware or software. Activities

1 related to services provided to at-risk students include, but are  
2 not limited to, pretesting for academic ability, counseling  
3 contacts, and special programs. Equipment or information technology  
4 hardware or software purchased under this section must be  
5 associated with the operation of a program designed to address the  
6 needs of at-risk students.

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

10 (7) Each community college shall report to the department of  
11 labor and economic growth a summary of all accomplishments under,  
12 expenditures for, and compliance with the intent of this program,  
13 including the number of at-risk students served. The report is  
14 subject to audit as provided for in section 502(1). The report  
15 shall be submitted not later than 90 days after the end of the  
16 state's fiscal year.

17 Sec. 404. The appropriation in part 1 for renaissance zone  
18 reimbursements shall be made to each eligible recipient no later  
19 than 60 days after the department of treasury certifies to the  
20 state budget director that it has received all necessary  
21 information to properly determine the amounts due each eligible  
22 recipient under section 12 of the Michigan renaissance zone act,  
23 1996 PA 376, MCL 125.2692.

#### 24 **REPORTS AND AUDITS**

25 Sec. 501. The department of labor and economic growth shall  
26 publish the activities classification structure data book for

1 Michigan community colleges on or before March 1, 2007, for use by  
2 the legislature during budget development for the fiscal year  
3 ending September 30, 2008.

4       Sec. 502. (1) The auditor general or an independent public  
5 accounting firm appointed by the auditor general shall audit data  
6 for the fiscal year ending on June 30, 2006, as submitted to the  
7 department of labor and economic growth by 7 randomly selected  
8 community colleges, selected by the auditor general. A community  
9 college shall maintain and provide those records necessary for the  
10 auditor general or certified public accountant appointed by the  
11 auditor general to determine the accuracy of the reported data. The  
12 audits shall be based upon the definitions and requirements  
13 contained in the 2001 Manual for Uniform Financial Reporting,  
14 Michigan Public Community Colleges and the 2003 Activities  
15 Classification Structure Manual for Michigan Community Colleges.  
16 Before the submission of a final audit report, a community college  
17 may appeal the findings of the preliminary report under an appeal  
18 process to be established by the auditor general. The auditor  
19 general shall submit a report of the findings to the house and  
20 senate appropriations committees, the department of labor and  
21 economic growth, and the state budget director before June 1, 2007.

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

25       (3) Not more than 60 days after an audit report is released by  
26 the office of the auditor general, the principal executive officer  
27 of the community college that was audited shall submit to the house

1 and senate appropriations committees, the house and senate fiscal  
2 agencies, the department of labor and economic growth, the auditor  
3 general, and the state budget director a plan to comply with audit  
4 recommendations. The plan shall contain projected dates and  
5 resources required, if any, to achieve compliance with the audit  
6 recommendations, or a documented explanation of the college's  
7 noncompliance with the audit recommendations concerning the matters  
8 on which the audited community college and office of the auditor  
9 general disagree.

10       Sec. 504. (1) A community college shall retain certified class  
11 summaries, class lists, registration documents, and student  
12 transcripts that are consistent with the taxonomy of courses. For  
13 each enrollment period during the fiscal year, these certified  
14 documents shall identify clearly by course the number of in-  
15 district and out-of-district student credit and contact hours. The  
16 class summaries and class lists shall be consistent with each other  
17 and shall include the course prefix and numbers, course title,  
18 course credit and contact hours, credit and contact hours generated  
19 by each student, and activity classifications consistent with the  
20 taxonomy. An auditable process shall be used by the community  
21 college to determine the unduplicated head count for in-district  
22 students, out-of-district students, and prisoners for each  
23 enrollment period during the fiscal year.

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

27       Sec. 505. Each community college shall have an annual audit of

1 all income and expenditures performed by an independent auditor and  
2 shall furnish the independent auditor's management letter and an  
3 annual audited accounting of all general and current funds income  
4 and expenditures including audits of college foundations to the  
5 members of the senate and house appropriations subcommittees on  
6 community colleges, the senate and house fiscal agencies, the  
7 auditor general, the department of labor and economic growth, and  
8 the state budget director before November 15, 2006. If a community  
9 college fails to furnish the audit materials, the monthly state aid  
10 installments shall be withheld from that college until the  
11 information is submitted. All reporting shall conform to the  
12 requirements set forth in the 2001 Manual for Uniform Financial  
13 Reporting, Michigan Public Community Colleges.

14 Sec. 506. (1) Each community college shall report the  
15 following to the department of labor and economic growth no later  
16 than November 1, 2006:

17 (a) The number of North American Indian students enrolled each  
18 term for the previous fiscal year, using guidelines and procedures  
19 developed by the department of labor and economic growth and the  
20 Michigan commission on Indian affairs.

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

23 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL  
24 390.1251 to 390.1253, to determine eligibility for tuition waivers,  
25 and shall grant those waivers to individuals who meet the criteria  
26 and request tuition waivers.

27 (3) The department of labor and economic growth shall compile

1 the information received under subsection (1) and shall submit this  
2 compilation to the house and senate appropriations subcommittees on  
3 community colleges, the senate and house fiscal agencies, and the  
4 state budget director by January 7, 2007.

5 Sec. 507. Upon request, a community college shall inform  
6 interested Michigan high schools of the aggregate academic status  
7 of its students for the prior academic year, in a manner prescribed  
8 by the Michigan community college association and in cooperation  
9 with the Michigan association of secondary school principals.

10 Sec. 508. (1) Each community college shall report to the house  
11 and senate fiscal agencies, the state budget director, and the  
12 department of labor and economic growth by August 31, 2006 the  
13 tuition and mandatory fees paid by a full-time in-district student  
14 and a full-time out-of-district student as established by the  
15 college governing board for the 2006-2007 academic year. This  
16 report should also include the annual cost of attendance based on a  
17 full-time course load of 30 credits. Each community college shall  
18 also report any revisions to the reported 2006-2007 academic year  
19 tuition and mandatory fees adopted by the college governing board  
20 to the house and senate fiscal agencies, the state budget director,  
21 and the department of labor and economic growth within 15 days of  
22 being adopted.

23 (2) The department of labor and economic growth shall prepare  
24 and provide to community colleges a standard format for reporting  
25 tuition and fees pursuant to subsection (1).

26 Sec. 509. (1) Each community college shall report to the  
27 department of labor and economic growth the numbers and type of

1 associate degrees and other certificates awarded during the  
2 previous fiscal year. The report shall be made not later than  
3 November 15, 2006.

4 (2) The department of labor and economic growth shall compile  
5 the information received under subsection (1) and shall submit this  
6 compilation to the house and senate appropriations subcommittees on  
7 community colleges, the senate and house fiscal agencies, and the  
8 state budget director by January 7, 2007.

9 Sec. 510. A community college receiving funding under this  
10 bill and also subject to the student right-to-know and campus  
11 security act, Public Law 101-542, 104 Stat. 2381, shall make a copy  
12 of all material prepared in accordance with the public information  
13 reporting requirements under the crime awareness and campus  
14 security act of 1990, title II of the student right-to-know and  
15 campus security act, Public Law 101-542, 104 Stat. 2384, available  
16 in hard copy and electronic format accessible through the Internet  
17 for school districts, parents, and students.