

HOUSE BILL No. 4351

EXECUTIVE BUDGET BILL

February 28, 2007, Introduced by Rep. Byrnes and referred to the Committee on Appropriations.

A bill to make appropriations for Michigan State University, University of Michigan - Ann Arbor, and Wayne State University for the fiscal year ending September 30, 2008; 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:

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 Michigan State University, University of Michigan - Ann Arbor, and Wayne State University for the fiscal year ending September 30, 2008, from the

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

RESEARCH UNIVERSITIES

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	960,268,300
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		0
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ADJUSTED GROSS APPROPRIATION.....	\$	960,268,300
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Federal revenues:

Total federal revenues.....		0
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Special revenue funds:

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.....	\$	960,268,300
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Sec. 102. MICHIGAN STATE UNIVERSITY

Operations.....	\$	299,490,100
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Agricultural experiment station.....		33,827,100
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Cooperative extension service.....		<u>26,520,700</u>
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GROSS APPROPRIATION.....	\$	359,837,900
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Appropriated from:

State general fund/general purpose.....	\$	359,837,700
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Sec. 103. UNIVERSITY OF MICHIGAN - ANN ARBOR

Operations.....	\$	<u>333,941,200</u>
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GROSS APPROPRIATION.....	\$	333,941,200
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Appropriated from:

1	State general fund/general purpose	\$	333,941,200
2	Sec. 104. WAYNE STATE UNIVERSITY		
3	Operations	\$	<u>225,533,800</u>
4	GROSS APPROPRIATION	\$	225,533,800
5	Appropriated from:		
6	State general fund/general purpose	\$	225,533,800
7	Sec. 105. SUPPLEMENTAL PAYMENT		
8	One-time supplemental payment	\$	<u>40,955,400</u>
9	GROSS APPROPRIATION	\$	40,955,400
10	Appropriated from:		
11	State general fund/general purpose	\$	40,955,400

12 PART 2

13 PROVISIONS CONCERNING APPROPRIATIONS

14 **GENERAL SECTIONS**

15 Sec. 201. Pursuant to section 30 of article IX of the state

16 constitution of 1963, total state spending from state resources

17 under part 1 for fiscal year 2007-2008 is \$960,268,300.00 and state

18 spending from state resources to be paid to local units of

19 government for fiscal year 2007-2008 is \$0.00.

20 Sec. 202. The appropriations authorized under this bill are

21 subject to the management and budget act, 1984 PA 431, MCL 18.1101

22 to 18.1594.

23 Sec. 203. Unless otherwise specified, the institutions of

24 higher education receiving appropriations in part 1 shall use the

25 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. 204. 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. 205. (1) The funds appropriated in part 1 to state
12 institutions of higher education, except for the one-time
13 supplemental payment, shall be paid out of the state treasury and
14 distributed by the state treasurer to the respective institutions
15 in 11 monthly installments on the sixteenth of each month, or the
16 next succeeding business day, beginning with October 16, 2007.
17 Except for Wayne State University, each institution shall accrue
18 its July and August 2008 payments to its institutional fiscal year
19 ending June 30, 2008.

20 (2) The funds appropriated in part 1 to state institutions of
21 higher education for the one-time supplemental payment shall be
22 paid out of the state treasury and distributed by the state
23 treasurer to the respective institutions on October 16, 2007.
24 Except for Wayne State University, each state institution of higher
25 education shall accrue this payment to its institutional fiscal
26 year ending June 30, 2007. Wayne State University shall accrue
27 this payment to its institutional fiscal year ending September 30,

1 2007.

2 (3) All universities receiving appropriations in part 1 shall
3 submit higher education institutional data inventory (HEIDI) data
4 and associated financial and program information requested by and
5 in a manner prescribed by the state budget director. For
6 universities with fiscal years ending June 30, 2007, these data
7 shall be submitted to the state budget director by October 15,
8 2007. Universities with a fiscal year ending September 30, 2007
9 shall submit preliminary HEIDI data by November 15, 2007 and final
10 data by December 15, 2007. If a university fails to submit HEIDI
11 data and associated financial aid program information in accordance
12 with this reporting schedule, the state treasurer shall withhold
13 the monthly installments under subsection (1) to the university
14 until those data are submitted.

15 Sec. 206. Funds received by the state from the federal
16 government or private sources for the use of a university receiving
17 appropriations in part 1 are appropriated for the purposes for
18 which they are provided. The acceptance and use of federal or
19 private funds do not place an obligation upon the legislature to
20 continue the purposes for which the funds are made available.

21 Sec. 207. If section 274 of the income tax act of 1967, 1967
22 PA 281, MCL 206.274, is not repealed and if a state institution of
23 higher education that receives appropriations under part 1 notifies
24 the department of treasury regarding its tuition and fee rates in
25 order to qualify as an eligible institution for the Michigan
26 tuition tax credit under section 274 of the income tax act of 1967,
27 1967 PA 281, MCL 206.274, the institution shall also submit the

1 notification and applicable documentation of tuition and fee
2 changes to the house and senate fiscal agencies.

3 Sec. 208. A state institution of higher education that
4 receives appropriations under part 1 shall furnish all program and
5 financial information that is required by and in a manner
6 prescribed by the state budget director or the house or senate
7 appropriations committee.

8 STATE UNIVERSITIES

9 Sec. 301. (1) Included in part 1 is \$2,953,400.00 for the
10 agricultural experiment station and \$2,619,000.00 for the
11 cooperative extension service for project GREEN. Project GREEN is
12 intended to address critical regulatory, food safety, economic, and
13 environmental problems faced by this state's plant-based
14 agriculture, forestry, and processing industries. "GREEN" is an
15 acronym for generating research and extension to meet environmental
16 and economic needs.

17 (2) The department of agriculture and Michigan State
18 University, in consultation with agricultural commodity groups and
19 other interested parties, shall develop project GREEN and its
20 program priorities.

21 (3) Not later than September 30, 2008, a report shall be
22 submitted by Michigan State University to the state budget
23 director, the house and senate appropriations subcommittees on
24 agriculture and on higher education, and the house and senate
25 fiscal agencies for the preceding fiscal year regarding project
26 GREEN projects. The report shall include, but is not limited to,

1 the dollar amount of each project and a review of each project's
2 performance and accomplishments.

3 Sec. 302. If any Michigan public university receiving
4 appropriations under part 1 increases its resident undergraduate
5 tuition and required fees from academic year 2006-2007 to academic
6 year 2007-2008, that university shall increase its fiscal year
7 2007-2008 general fund expenditures for student financial aid by at
8 least the same percentage as the percentage change in resident
9 undergraduate tuition and required fees. Each public university
10 shall report its proposed fiscal year 2007-2008 general fund
11 expenditures for student financial aid compared to its projected
12 fiscal year 2006-2007 general fund expenditures for student
13 financial aid, and its projected academic year 2007-2008 resident
14 undergraduate tuition and required fee changes from academic year
15 2006-2007, to the state budget director and the house and senate
16 appropriations subcommittees on higher education by November 15,
17 2007.

18 Sec. 303. All universities receiving appropriations under part
19 1 shall submit the amount of tuition and fees actually charged to a
20 full-time resident undergraduate student for academic year 2007-
21 2008 as part of their higher education institutional data inventory
22 (HEIDI) data by August 31, 2007. A university shall report any
23 revisions for any semester of the reported academic year 2007-2008
24 tuition and fee charges to HEIDI within 15 days of being adopted.

25 Sec. 304. (1) Included in the appropriation for each public
26 university in part 1 is funding for the Martin Luther King, Jr. -
27 Cesar Chavez - Rosa Parks future faculty program, that is intended

1 to increase the pool of minority candidates pursuing faculty
2 teaching careers in postsecondary education. Each university shall
3 apply the percentage change applicable to every university in the
4 calculation of appropriations in part 1 to the amount of funds
5 allocated to the future faculty program.

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

11 Sec. 305. (1) Included in the appropriation for each public
12 university in part 1 is funding for the Martin Luther King, Jr. -
13 Cesar Chavez - Rosa Parks college day program that is intended to
14 introduce schoolchildren underrepresented in postsecondary
15 education to the potential of a college education.

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

26 (3) The program shall be administered by each university in a
27 manner prescribed by the Michigan department of labor and economic

1 growth.

2 Sec. 306. (1) Included in the appropriation for each public
3 university in part 1 is funding for the Martin Luther King, Jr. -
4 Cesar Chavez - Rosa Parks visiting professors program which is
5 intended to increase the number of underrepresented minority
6 instructors in the classroom and provide role models for
7 underrepresented minority students.

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

10 **STUDENT PERFORMANCE REPORTING**

11 Sec. 401. (1) From the amount appropriated in part 1 for state
12 universities, the state universities shall systematically inform
13 Michigan high schools regarding the academic status of students
14 from each high school in a manner prescribed by the presidents
15 council, state universities of Michigan in cooperation with the
16 Michigan association of secondary school principals.

17 (2) The Michigan high schools shall systematically inform the
18 state universities about the use of information received under this
19 section in a manner prescribed by the Michigan association of
20 secondary school principals in cooperation with the presidents
21 council, state universities of Michigan.

22 Sec. 402. From the amount appropriated in part 1 for state
23 universities, the state universities shall inform Michigan
24 community colleges regarding the academic status of community
25 college transfer students in a manner prescribed by the presidents
26 council, state universities of Michigan in cooperation with the

1 Michigan community college association.

2 **GENERAL REPORTS AND AUDITS**

3 Sec. 501. (1) The auditor general shall review higher
4 education institutional data inventory (HEIDI) enrollment data
5 submitted by all public universities and may perform audits of
6 selected public universities if determined necessary. The review
7 and audits shall be based upon the definitions, requirements, and
8 uniform reporting categories established by the state budget
9 director and the senate and house fiscal agencies. The auditor
10 general shall submit a report of findings to the house and senate
11 appropriations committees and the state budget director no later
12 than July 1, 2008.

13 (2) Student credit hours reports shall not include the
14 following:

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

19 (b) Student credit hours generated through distance learning
20 instruction for students not eligible for the institution's in-
21 state main campus resident tuition rate.

22 (c) Student credit hours generated through credit by
23 examination.

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

26 (e) Student credit hours generated in new degree programs

1 after January 1, 1975, that have not been specifically authorized
2 for funding by the legislature, except spin-off programs converted
3 from existing core programs that do all of the following:

4 (i) Represent new options, fields, or concentrations within
5 existing programs.

6 (ii) Are consistent with the current institutional role and
7 mission.

8 (iii) Are accommodated within the continuing funding base of
9 the institution.

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

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

17 (3) The auditor general shall periodically audit higher
18 education institutional data inventory (HEIDI) data as submitted by
19 the state universities for compliance with the definitions approved
20 by the HEIDI advisory committee for the HEIDI database.

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

1 Sec. 502. The principal executive officer of each institution
2 of higher education receiving an appropriation under part 1 shall
3 expend a portion of the funds appropriated to that institution to
4 make a report to the auditor general, the house and senate fiscal
5 agencies, and the state budget director within 60 days after the
6 auditor general issues his or her report on the operation of the
7 institution. The institution's report shall specify all of the
8 following:

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

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

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

16 Sec. 503. The auditor general may conduct performance audits
17 of state universities during the fiscal year ending September 30,
18 2008 as the auditor general considers necessary.

19 Sec. 504. An institution receiving an appropriation under part
20 1 and also subject to the student right-to-know and campus security
21 act, Public Law 101-522, 104 Stat. 2381, shall make a copy of all
22 material prepared pursuant to the public information reporting
23 requirements under the crime awareness and campus security act of
24 1990, title II of the student right-to-know and campus security
25 act, Public Law 101-542, 104 Stat. 2381, available in electronic
26 Internet format on their websites.

27 Sec. 505. Not later than February 1, 2008, each of Michigan's

1 public universities receiving appropriations in part 1 shall submit
2 to the state budget director and the house and senate fiscal
3 agencies a report on the following:

4 (a) The number of students who graduated from the university
5 in academic year 2005-2006 and academic year 2006-2007 with an
6 advanced degree in mathematics, science, healthcare, or
7 engineering, and the number of those graduates that remained in
8 Michigan to work.

9 (b) The projected numbers of graduates in each of the above-
10 listed categories for the next five calendar years and plans or
11 programs, if any, to increase the numbers of graduates in these
12 categories.

13 (c) The status of the university's state and regional economic
14 development activities and the monetary value of these activities
15 on the economy of Michigan. The report shall include efforts
16 undertaken to assist the state and its communities with the
17 development of programs and infrastructure necessary to expand
18 businesses and jobs, including those in manufacturing, tourism,
19 agriculture and health care.

20 (d) Partnerships with other Michigan universities, community
21 colleges, or other entities regarding new technology development
22 including but not limited to life sciences, alternative energy and
23 advanced manufacturing and increasing college graduates in science,
24 technology, engineering and math disciplines.

25 (e) Efforts to increase foreign investment and international
26 trade; efforts to encourage international students to develop,
27 locate or partner with Michigan-based businesses upon graduation;

1 and, efforts to identify economic development leads or prospects in
2 national or international markets for Michigan business for
3 referral to state, regional or local economic development
4 officials.

5 (f) The impact of research and technology development
6 undertaken by the university including:

7 (i) The amount of private, state, and federal research funding
8 received by the university.

9 (ii) The total amount of research spending by the university.

10 (iii) The number of new invention disclosures filed by
11 university faculty, researchers, and graduate students.

12 (iv) The number of start-up companies formed based on
13 university generated inventions and the number of those companies
14 headquartered in Michigan.

15 (v) The number of new licensing agreements with corporate
16 partners and the amount of university revenue generated from
17 licensing new technologies.

18 (vi) The number of patent applications filed by the university
19 and the number of patents granted to the university.

20 (vii) The number of jobs created or retained in Michigan
21 attributed to university generated research and technology
22 transfer.