

Act No. 213
Public Acts of 2008
Approved by the Governor
July 15, 2008
Filed with the Secretary of State
July 16, 2008
EFFECTIVE DATE: July 16, 2008

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008**

Introduced by Senator Stamas

ENROLLED SENATE BILL No. 1099

AN ACT to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2009; 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:

ARTICLE 1

SUMMARY AND GENERAL PROVISIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this act are appropriated for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2009, from the funds indicated in this act. The following is a summary of the appropriations in this act:

HIGHER EDUCATION

APPROPRIATION SUMMARY:

Full-time equated classified positions.....1.0	
GROSS APPROPRIATION.....	\$ 1,769,105,200
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 1,769,105,200
Federal revenues:	
Total federal revenues	7,400,000
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues	116,100,000
State general fund/general purpose	\$ 1,645,605,200

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under this act for fiscal year 2008-2009 is \$1,761,705,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$3,759,100.00. The itemized statement below identifies the estimated appropriations from which spending to local units of government will occur:

Part-time independent student program.....	\$ 1,255,700
Michigan education opportunity grants.....	932,900
Michigan work-study.....	1,570,500
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 to 18.1594.

ARTICLE 2
RESEARCH UNIVERSITIES
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 research universities for the fiscal year ending September 30, 2009, from the funds indicated in this part.

Sec. 102. MICHIGAN STATE UNIVERSITY

Operations	\$	293,041,200
Agricultural experiment station		34,336,200
Cooperative extension service		29,615,500
GROSS APPROPRIATION	\$	356,992,900
Appropriated from:		
State general fund/general purpose	\$	356,992,900

Sec. 103. UNIVERSITY OF MICHIGAN - ANN ARBOR

Operations	\$	326,674,300
GROSS APPROPRIATION	\$	326,674,300
Appropriated from:		
State general fund/general purpose	\$	326,674,300

Sec. 104. WAYNE STATE UNIVERSITY

Operations	\$	221,237,000
GROSS APPROPRIATION	\$	221,237,000
Appropriated from:		
State general fund/general purpose	\$	221,237,000

PART 2
PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 203. As used in this act, “research university” means a public university classified as a “research university (very high research activity)” under the 2005 classification of institutions of higher education conducted by the Carnegie foundation for the advancement of teaching.

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. 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. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods and services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.

Sec. 210. It is the intent of the legislature that the funds appropriated in part 1 to state institutions of higher education shall not be used to enter into a lease or to purchase a vehicle assembled or manufactured outside of the United States, and that preference be given to vehicles assembled or manufactured in Michigan.

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2008. Except for Wayne State University, each institution shall accrue its July and August 2009 payments to its institutional fiscal year ending June 30, 2009.

(2) All universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For universities with fiscal years ending June 30, 2008, these data shall be submitted to the state budget director by October 15, 2008. Universities with a fiscal year ending September 30, 2008 shall submit preliminary HEIDI data by November 15, 2008 and final data by December 15, 2008. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

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

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

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

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

Sec. 216. By December 31, 2008, state universities receiving funds in part 1 shall submit a report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding steps that have been taken toward and challenges associated with development of student-level data that could be submitted to the center for educational performance and information established in section 94a of the state school aid act of 1979, 1979 PA 94, MCL 388.1694a, to develop a comprehensive preschool through postsecondary student data system that will allow analysis of student-level educational data to ensure that Michigan's education and training systems are preparing students for success in their adult careers.

Sec. 217. It is the intent of the legislature that the governing board of each state university examine university operations for potential conflicts of interest.

UNIVERSITY OPERATIONS

Sec. 402. The University of Michigan biological station at Douglas Lake in Cheboygan County is regarded as a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.

Sec. 426. (1) It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

(2) It is the intent of the legislature that each state university that provides for the use of funds in a university-administered account or financial aid for the purchase of required textbooks and supplies at bookstores operated by or affiliated with the university also provide for the use of funds in a university-administered account or financial aid at bookstores providing required textbooks or supplies that are not operated by or affiliated with the university. A state university may require bookstores not operated by or affiliated with the university to reimburse the university for any reasonable costs attributable to these transactions and to pay a reasonable rate or commission to the university.

Sec. 433. (1) Included in part 1 is \$2,982,900.00 for the agricultural experiment station and \$2,645,200.00 for the cooperative extension service for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

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

(3) Not later than September 30, 2009, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding fiscal year regarding project GREEN projects. The report shall include, but is not limited to, the dollar amount of each project and a review of each project's performance and accomplishments.

Sec. 434. Included in the appropriation in part 1 for Michigan State University is \$80,000.00 for the Michigan future farmers of America association. This \$80,000.00 appropriation shall not supplant any existing support that Michigan State University provides to the Michigan future farmers of America association.

Sec. 436. It is the intent of the legislature that if any state university increases its resident undergraduate tuition and required fees from academic year 2007-2008 to academic year 2008-2009, then that university shall increase its fiscal year 2008-2009 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. Each state university shall report its proposed fiscal year 2008-2009 general fund expenditures for student financial aid compared to its projected fiscal year 2007-2008 general fund expenditures for student financial aid, and its projected academic year 2008-2009 resident undergraduate tuition and required fee changes from academic year 2007-2008, to the state budget director and the house and senate appropriations subcommittees on higher education by November 15, 2008.

Sec. 440. All universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2008-2009 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2008. A university shall report any revisions for any semester of the reported academic year 2008-2009 tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 451. For the fiscal year ending September 30, 2009, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by state universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund/general purpose unreserved balances at the close of the 2007-2008 fiscal year.

Sec. 462. It is the intent of the legislature that each state university receiving an appropriation in part 1 consider developing an education program on recognizing depression and mental health disorders and preventing suicide and violence and providing that program annually to students, beginning with any freshman orientation.

Sec. 463. Not later than February 1, 2009, each of the state universities receiving appropriations in part 1 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 the number of residents from an eligible county enrolled at the university and the quantifiable increase from the 2007-2008 academic year to the 2008-2009 academic year in outreach efforts to enroll students at the university from an eligible county. As used in this section, "eligible county" means a county in this state that meets both of the following:

(a) Has a population of not less than 700,000 and not more than 1,000,000 according to the most recent federal decennial census.

(b) Does not contain the main campus of a 4-year public university within its boundaries.

Sec. 464. Each state university receiving an appropriation in part 1 shall submit a plan by January 15, 2009 to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies on its process to inform both the private and public sectors regarding research and technology that could be developed commercially. If a state university does not submit its plan by January 15, 2009, then that state university will not be eligible to receive an allocation from the technology commercialization incentive fund when it is established.

Sec. 466. State universities shall coordinate their purchases of goods and services whenever possible. This may include, but is not limited to, group purchases for vehicles, utilities, supplies, electronic equipment, maintenance equipment, books, and contractual services. To the extent possible, the state universities shall use both the "Michigan delivering extended agreements locally" (MiDEAL) purchasing services of the state department of management and budget that makes state contracts available to local units of government, colleges, and universities and the purchasing services available through the state's membership in the Midwestern Higher Education Compact (MHEC). Not later than January 1 of each year, the presidents council, state universities of Michigan shall submit to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director a report on group or pooled purchases and the savings achieved by the state universities in the previous fiscal year.

Sec. 467. It is the intent of the legislature to establish performance standards for the research universities receiving appropriations in part 1.

Sec. 469. By November 14, 2008, each university receiving an appropriation in part 1 shall report the number of students who graduated in academic year 2007-2008 and received a Pell grant at any time during their enrollment at that university to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.

Sec. 471. (1) It is the intent of the legislature that each state university receiving an appropriation in part 1 limit any changes to the general requirements or credits needed for a student to graduate from a degree program while that student is enrolled in that program.

(2) It is the intent of the legislature that each state university receiving an appropriation in part 1, to the extent possible, provide sufficient counseling to students to facilitate the timely graduation of those students.

Sec. 472. It is the intent of the legislature that if a state university receiving an appropriation in part 1 raised its undergraduate resident tuition for the 2007-2008 academic year based on the assumption that it would not receive the August 2007 appropriation payment delayed pursuant to Executive Order No. 2007-3 and 2007 PA 17, the state university shall rebate to students any amount of the tuition increase that was based on that assumption.

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

Sec. 501. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

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

Sec. 502. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

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

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

Sec. 505. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of

instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the Michigan department of labor and economic growth.

STUDENT PERFORMANCE REPORTING

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

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

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

Sec. 603. State universities shall work with the state community colleges to encourage the transfer of students from the community colleges to the state universities and to facilitate the transfer of credits from the community colleges to the state universities.

GENERAL REPORTS AND AUDITS

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all state universities and may perform audits of selected state universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2009.

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

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

(b) Student credit hours generated through distance learning instruction for students not eligible for the institution's in-state main campus resident tuition rate. However, in instances where a student is enrolled in distance education and non-distance education credit hours in a given term and the student's non-distance education enrollment is at a campus or site located within Michigan, student credit hours per the student's eligibility for in-state or out-of-state tuition rates may be reported.

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

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

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

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

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

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

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

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

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

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

Sec. 701a. (1) Pursuant to section 701(2)(e), the institutions of higher education receiving appropriations in part 1 may establish the following degree programs:

(a) Bachelor's degree programs:

University of Michigan - Ann Arbor, Concentration in Informatics, B.A./B.S.

University of Michigan - Ann Arbor, Concentration in Polish, B.A./B.S.

University of Michigan - Ann Arbor, Joint Bachelor of Fine Arts Degree Program, B.F.A.

Wayne State University, Biochemistry and Chemical Biology, B.S.

Wayne State University, Biomedical Physics, B.S.

Wayne State University, Urban Studies, B.A.

(b) Master's degree programs:

Michigan State University, Public Health, M.P.H.

University of Michigan - Ann Arbor, M.B.A./M.P.H. Dual-Degree, M.B.A./M.P.H.

Wayne State University, Joint Degree: M.Ed. in Social Studies, M.A. in History, M.A./M.Ed.

Wayne State University, Marriage and Family Psychology, M.A.

Wayne State University, Radiologist and Assistant Studies, M.S.

(c) Doctoral degree programs:

Wayne State University, Doctor of Nursing Practice, D.N.P.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

(3) When submitting the listing of new degree programs for purposes of section 701(2)(e) in fiscal years after 2008-2009, the presidents council of state universities shall also provide a listing of degree programs that these institutions of higher education will no longer offer in subsequent academic years.

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

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

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

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

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2009 as the auditor general considers necessary.

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

Sec. 714. An institution receiving funds under this act and also subject to the family educational rights and privacy act (FERPA), 20 USC 1232g, 34 CFR 99, shall, when requested, provide information from the records of a student to any person or persons to whom the student has authorized disclosure on a written consent form pursuant to 34 CFR 99.30.

ARTICLE 3
STATE UNIVERSITIES

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 state universities for the fiscal year ending September 30, 2009, from the funds indicated in this part.

Sec. 102. CENTRAL MICHIGAN UNIVERSITY

Operations	\$ 82,760,500
GROSS APPROPRIATION	\$ 82,760,500
Appropriated from:	
State general fund/general purpose	\$ 82,760,500

Sec. 103. EASTERN MICHIGAN UNIVERSITY

Operations	\$ 78,551,800
GROSS APPROPRIATION	\$ 78,551,800
Appropriated from:	
State general fund/general purpose	\$ 78,551,800

Sec. 104. FERRIS STATE UNIVERSITY

Operations	\$ 50,228,100
GROSS APPROPRIATION	\$ 50,228,100
Appropriated from:	
State general fund/general purpose	\$ 50,228,100

Sec. 105. GRAND VALLEY STATE UNIVERSITY

Operations	\$ 64,021,400
GROSS APPROPRIATION	\$ 64,021,400
Appropriated from:	
State general fund/general purpose	\$ 64,021,400

Sec. 106. LAKE SUPERIOR STATE UNIVERSITY

Operations	\$ 13,111,700
GROSS APPROPRIATION	\$ 13,111,700
Appropriated from:	
State general fund/general purpose	\$ 13,111,700

Sec. 107. MICHIGAN TECHNOLOGICAL UNIVERSITY

Operations	\$ 49,518,500
GROSS APPROPRIATION	\$ 49,518,500
Appropriated from:	
State general fund/general purpose	\$ 49,518,500

Sec. 108. NORTHERN MICHIGAN UNIVERSITY

Operations	\$ 46,633,200
GROSS APPROPRIATION	\$ 46,633,200
Appropriated from:	
State general fund/general purpose	\$ 46,633,200

Sec. 109. OAKLAND UNIVERSITY

Operations	\$ 52,452,200
GROSS APPROPRIATION	\$ 52,452,200
Appropriated from:	
State general fund/general purpose	\$ 52,452,200

Sec. 110. SAGINAW VALLEY STATE UNIVERSITY

Operations	\$ 28,639,800
GROSS APPROPRIATION	\$ 28,639,800
Appropriated from:	
State general fund/general purpose	\$ 28,639,800

Sec. 111. UNIVERSITY OF MICHIGAN - DEARBORN

Operations	\$ 25,548,000
GROSS APPROPRIATION	\$ 25,548,000
Appropriated from:	
State general fund/general purpose	\$ 25,548,000

Sec. 112. UNIVERSITY OF MICHIGAN - FLINT

Operations	\$ 21,593,700
GROSS APPROPRIATION	\$ 21,593,700
Appropriated from:	
State general fund/general purpose	\$ 21,593,700

Sec. 113. WESTERN MICHIGAN UNIVERSITY

Operations	\$ 113,243,200
GROSS APPROPRIATION	\$ 113,243,200
Appropriated from:	
State general fund/general purpose	\$ 113,243,200

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. 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. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods and services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable value. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans if they are competitively priced and of comparable quality.

Sec. 210. It is the intent of the legislature that the funds appropriated in part 1 to state institutions of higher education shall not be used to enter into a lease or to purchase a vehicle assembled or manufactured outside of the United States, and that preference be given to vehicles assembled or manufactured in Michigan.

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2008. Each institution shall accrue its July and August 2009 payments to its institutional fiscal year ending June 30, 2009.

(2) All universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director by October 15, 2008. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

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

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

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

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

Sec. 216. By December 31, 2008, state universities receiving funds in part 1 shall submit a report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding steps that have been taken toward and challenges associated with development of student-level data that could be submitted to the center for educational performance and information established in section 94a of the state school aid act of 1979, 1979 PA 94, MCL 388.1694a, to develop a comprehensive preschool through postsecondary student data system that will allow analysis of student-level educational data to ensure that Michigan's education and training systems are preparing students for success in their adult careers.

Sec. 217. It is the intent of the legislature that the governing board of each state university examine university operations for potential conflicts of interest.

UNIVERSITY OPERATIONS

Sec. 426. (1) It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

(2) It is the intent of the legislature that each state university that provides for the use of funds in a university-administered account or financial aid for the purchase of required textbooks and supplies at bookstores operated by or affiliated with the university also provide for the use of funds in a university-administered account or financial aid at bookstores providing required textbooks or supplies that are not operated by or affiliated with the university. A state university may require bookstores not operated by or affiliated with the university to reimburse the university for any reasonable costs attributable to these transactions and to pay a reasonable rate or commission to the university.

Sec. 436. It is the intent of the legislature that if any state university increases its resident undergraduate tuition and required fees from academic year 2007-2008 to academic year 2008-2009, then that university shall increase its fiscal year 2008-2009 general fund expenditures for student financial aid by at least the same percentage as the percentage change in resident undergraduate tuition and required fees. Each state university shall report its proposed fiscal year 2008-2009 general fund expenditures for student financial aid compared to its projected fiscal year 2007-2008 general fund expenditures for student financial aid, and its projected academic year 2008-2009 resident undergraduate tuition and required fee changes from academic year 2007-2008, to the state budget director and the house and senate appropriations subcommittees on higher education by November 15, 2008.

Sec. 440. All universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year 2008-2009 as part of their higher education institutional data inventory (HEIDI) data by August 31, 2008. A university shall report any revisions for any semester of the reported academic year 2008-2009 tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 450. (1) For the fiscal year ending September 30, 2009, it is the intent of the legislature that an amount calculated under subsection (2) be allocated for per-student floor funding from the general fund/general purpose unreserved balances at the close of the 2007-2008 fiscal year.

(2) The amount allocated under subsection (1) for per-student floor funding is equal to \$3,775.00 per 2006-2007 fiscal-year-equated student at each university. The number of 2006-2007 students at a university is determined by reference to the higher education institutional data inventory (HEIDI).

Sec. 451. For the fiscal year ending September 30, 2009, it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by state universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund/general purpose unreserved balances at the close of the 2007-2008 fiscal year.

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

Sec. 462. It is the intent of the legislature that each state university receiving an appropriation in part 1 consider developing an education program on recognizing depression and mental health disorders and preventing suicide and violence and providing that program annually to students, beginning with any freshman orientation.

Sec. 463. Not later than February 1, 2009, each of the state universities receiving appropriations in part 1 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 the number of residents from an eligible county enrolled at the university and the quantifiable increase from the 2007-2008 academic year to the 2008-2009 academic year in outreach efforts to enroll students at the university from an eligible county. As used in this section, "eligible county" means a county in this state that meets both of the following:

(a) Has a population of not less than 700,000 and not more than 1,000,000 according to the most recent federal decennial census.

(b) Does not contain the main campus of a 4-year public university within its boundaries.

Sec. 464. Each state university receiving an appropriation in part 1 shall submit a plan by January 15, 2009 to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies on its process to inform both the private and public sectors regarding research and technology that could be developed commercially. If a state university does not submit its plan by January 15, 2009, then that state university will not be eligible to receive an allocation from the technology commercialization incentive fund when it is established.

Sec. 466. State universities shall coordinate their purchases of goods and services whenever possible. This may include, but is not limited to, group purchases for vehicles, utilities, supplies, electronic equipment, maintenance equipment, books, and contractual services. To the extent possible, the state universities shall use both the "Michigan delivering extended agreements locally" (MiDEAL) purchasing services of the state department of management and budget that makes state contracts available to local units of government, colleges, and universities and the purchasing services available through the state's membership in the Midwestern Higher Education Compact (MHEC). Not later than January 1 of each year, the presidents council, state universities of Michigan shall submit to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director a report on group or pooled purchases and the savings achieved by the state universities in the previous fiscal year.

Sec. 467. It is the intent of the legislature to establish performance standards for the state universities receiving appropriations in part 1.

Sec. 469. By November 14, 2008, each university receiving an appropriation in part 1 shall report the number of students who graduated in academic year 2007-2008 and received a Pell grant at any time during their enrollment at that university to the members of the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director.

Sec. 471. (1) It is the intent of the legislature that each state university receiving an appropriation in part 1 limit any changes to the general requirements or credits needed for a student to graduate from a degree program while that student is enrolled in that program.

(2) It is the intent of the legislature that each state university receiving an appropriation in part 1, to the extent possible, provide sufficient counseling to students to facilitate the timely graduation of those students.

Sec. 472. It is the intent of the legislature that if a state university receiving an appropriation in part 1 raised its undergraduate resident tuition for the 2007-2008 academic year based on the assumption that it would not receive the August 2007 appropriation payment delayed pursuant to Executive Order No. 2007-3 and 2007 PA 17, the state university shall rebate to students any amount of the tuition increase that was based on that assumption.

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

Sec. 501. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or

economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each state university shall apply the percentage change applicable to every state university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

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

Sec. 502. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

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

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

Sec. 505. (1) Included in the appropriation for each state university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the Michigan department of labor and economic growth.

STUDENT PERFORMANCE REPORTING

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

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

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

Sec. 603. State universities shall work with the state community colleges to encourage the transfer of students from the community colleges to the state universities and to facilitate the transfer of credits from the community colleges to the state universities.

GENERAL REPORTS AND AUDITS

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all state universities and may perform audits of selected state universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2009.

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

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

(b) Student credit hours generated through distance learning instruction for students not eligible for the institution's in-state main campus resident tuition rate. However, in instances where a student is enrolled in distance education and non-distance education credit hours in a given term and the student's non-distance education enrollment is at a campus or site located within Michigan, student credit hours per the student's eligibility for in-state or out-of-state tuition rates may be reported.

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

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

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

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

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

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

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

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

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

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

Sec. 701a. (1) Pursuant to section 701(2)(e), state universities may establish the following degree programs:

(a) Bachelor's degree programs:

Central Michigan University, Construction Management Major, B.A., B.A.A., B.S.

Central Michigan University, Music Education Major: General Music Option: General Music Minor, B.M.E.

Central Michigan University, Real Estate: Development and Finance Major, B.S. in Business Administration

Eastern Michigan University, International Affairs, B.A./B.S.

Ferris State University, Dental Hygiene, B.S.

Ferris State University, Digital Media Software Engineering, B.S.

Ferris State University, Information Security and Intelligence, B.S.

Grand Valley State University, Art History, B.A.

Michigan Technological University, Theatre and Electronic Media Performance, B.A.

Northern Michigan University, Loss Prevention Management, Bachelor's

Oakland University, Applied Health Sciences, B.S. in Health Sciences

Oakland University, B.F.A. in Theatre: Acting, Musical Theatre, Design and Technology, B.F.A.

Oakland University, Dance, B.F.A.

Oakland University, Engineering Biology, B.S.

Oakland University, Liberal Arts Major in International Relations, B.A.

Oakland University, Social Work Program, B.S.W.

University of Michigan - Flint, Journalism, B.A.

University of Michigan - Flint, Mechanical Engineering, B.S.

Western Michigan University, Social Studies Secondary Education, B.A.

(b) Master's degree programs:

Central Michigan University, Apparel Product Development and Merchandising Technology, M.S.

Eastern Michigan University, Autism Spectrum Disorders, M.A.

Eastern Michigan University, English Studies for Teachers, M.A.

Eastern Michigan University, Health Administration, Master's

Ferris State University, Art Education, Master's

Saginaw Valley State University, E-Learning, M.A.

University of Michigan - Flint, B.S./M.S. in Chemistry or Biochemistry, B.S./M.S.

(c) Doctoral degree programs:
 Central Michigan University, Science of Advanced Materials, Ph.D.
 Eastern Michigan University, Educational Studies, Ph.D.
 Oakland University, Computer Science and Informatics, Ph.D.
 University of Michigan - Flint, Doctor of Nursing Practice, D.N.P.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

(3) When submitting the listing of new degree programs for purposes of section 701(2)(e) in fiscal years after 2008-2009, the presidents council of state universities shall also provide a listing of degree programs that institutions of higher education will no longer offer in subsequent academic years.

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

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

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

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

Sec. 708. The auditor general may conduct performance audits of state universities during the fiscal year ending September 30, 2009 as the auditor general considers necessary.

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

Sec. 714. An institution receiving funds under this act and also subject to the family educational rights and privacy act (FERPA), 20 USC 1232g, 34 CFR 99, shall, when requested, provide information from the records of a student to any person or persons to whom the student has authorized disclosure on a written consent form pursuant to 34 CFR 99.30.

ARTICLE 4

STATE AND REGIONAL PROGRAMS, GRANTS, AND FINANCIAL AID

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this article are appropriated for certain state purposes related to education for the fiscal year ending September 30, 2009, from the funds indicated in this part.

Sec. 102. STATE AND REGIONAL PROGRAMS

Full-time equated positions	1.0		
Higher education database modernization and conversion—1.0 FTE position.....	\$	200,000	
Midwestern higher education compact		95,000	
GROSS APPROPRIATION	\$	295,000	
Appropriated from:			
State general fund/general purpose	\$	295,000	

Sec. 103. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAM

Select student supportive services	\$	1,956,100	
Michigan college/university partnership program.....		586,800	
Morris Hood, Jr. educator development program		148,600	
GROSS APPROPRIATION	\$	2,691,500	

Appropriated from:
State general fund/general purpose \$ 2,691,500

Sec. 104. GRANTS AND FINANCIAL AID

State competitive scholarships..... \$ 35,530,500
Tuition grants..... 56,668,100
Michigan work-study program..... 7,326,300
Part-time independent student program..... 2,653,300
Michigan education opportunity grants..... 2,084,200
Robert C. Byrd honors scholarship program..... 1,500,000
Nursing scholarship and grant programs..... 4,250,000
Michigan merit award program 5,200,000
Michigan promise grant program 90,500,000
Tuition incentive program..... 25,200,000
Children of veterans tuition grant program..... 1,000,000
Project gear-up 3,000,000
GROSS APPROPRIATION..... \$ 234,912,400

Appropriated from:

Federal revenues:

Higher education act of 1965, title IV, 20 USC 2,900,000
Higher education act of 1965, title IV, part A 1,500,000
United States department of education, office of elementary and secondary education, gear-up .. 3,000,000

Special revenue funds:

Michigan merit award trust fund..... 115,800,000
Contributions to children of veterans tuition grant program 300,000
State general fund/general purpose \$ 111,412,400

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GRANTS AND FINANCIAL AID

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

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

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

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

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

(6) It is the intent of the legislature to secure funding to provide a 1.0% increase for state competitive scholarships for fiscal year 2008-2009.

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

(2) Tuition grant awards shall be made to all eligible Michigan residents who apply before July 1, 2008 and who are qualified. Tuition grant awards shall not be made to students newly enrolled in a juris doctor law degree program after the 1995-1996 academic year.

(3) The Michigan higher education assistance authority shall determine an actual maximum tuition grant award per student, which shall be no less than \$2,100.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in part 1 for the state tuition grant program. If the authority determines that insufficient funds are available to establish a maximum award amount of \$2,100.00, the authority shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director, regarding the estimated amount of additional funds necessary to establish a \$2,100.00 maximum award amount. By December 15, 2008, and again by February 1, 2009, the authority shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in part 1 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than February 15, 2009. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in February.

(4) Any unexpended and unencumbered funds remaining on September 30, 2009 from the amounts appropriated in part 1 for the tuition grant program shall not lapse on September 30, 2009, but shall continue to be available for expenditure for tuition grants provided in the 2009-2010 fiscal year under a work project account. The use of these unexpended fiscal year 2008-2009 funds shall terminate at the end of the 2009-2010 fiscal year.

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

(6) If the Michigan higher education assistance authority increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for fiscal year 2008-2009.

(7) It is the intent of the legislature to secure funding to provide a 1.0% increase for Michigan tuition grants for fiscal year 2008-2009.

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

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

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

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the Michigan higher education assistance authority, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2009.

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

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

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

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

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

Sec. 309. The Michigan higher education assistance authority shall determine the needs analysis criteria for students to qualify for the state competitive scholarship program and tuition grant program. To be consistent with federal requirements, student wages may be taken into consideration when determining the amount of the award.

Sec. 310. (1) The funds appropriated in part 1 for the tuition incentive program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program of the department of treasury.

(2) As used in this section:

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

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

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

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

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

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

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

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

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

(v) Request information on filing a FAFSA.

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

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

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

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

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

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

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

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

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

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

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

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

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

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

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

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

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

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

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

Sec. 314. By December 1 of each year, the Michigan higher education assistance authority shall submit a report to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies for the preceding fiscal year on the children of veterans tuition grant program. The report shall include, but is not limited to, the total number of tuition grants paid by the authority in the preceding fiscal year, the total dollar amount of those tuition grants, and the number of students receiving tuition grants and the total amount of those tuition grants at each eligible institution.

Sec. 315. By January 15 of each year, the department of treasury shall submit a report to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies for the preceding fiscal year on all student financial aid programs for which funds are appropriated in part 1. For each student financial aid program, the report shall include, but is not limited to, the total number of awards paid in the preceding fiscal year, the total dollar amount of those awards, and the number of students receiving awards and the total amount of those awards at each eligible postsecondary institution. To the extent information is available, the report shall also include information on the average exam performance, household income, and other demographic characteristics of students receiving awards under each program and historical information on the number of awards and total award amounts for each program.

STATE AND REGIONAL PROGRAMS

Sec. 405. The funds appropriated in part 1 for higher education database modernization and conversion shall be expended to maintain, coordinate, and improve the higher education institutional data inventory (HEIDI) established under section 1299 of the management and budget act, 1984 PA 431, MCL 18.1299. The advisory committee established under that section shall meet regularly to review data definitions and requirements in order to advise the state budget director regarding changes to those definitions and requirements that would result in more useful and reliable data being provided to state policymakers and university officials.

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

Sec. 503. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically or economically disadvantaged student retention programs for 4-year state and independent educational institutions in this state. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the student population.

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

(3) The program described in this section shall be administered by the Michigan department of labor and economic growth.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year state and independent colleges and universities and public community colleges, which is intended to increase the number of academically or economically disadvantaged students who transfer from community colleges into baccalaureate programs. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the transfer student population.

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

(3) The program described in this section shall be administered by the Michigan department of labor and economic growth.

Sec. 506. (1) Included in the appropriation in part 1 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of academically or economically disadvantaged students who enroll in and complete K-12 teacher education programs at the baccalaureate level. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the teacher education student population.

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

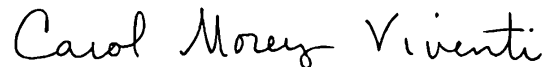
(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the program described in this section.

Sec. 507. Each state institution of higher education receiving funds under section 503, 504, or 506 shall notify the Michigan department of labor and economic growth by April 15, 2009 as to whether it will expend by the end of its fiscal year the funds received under section 503, 504, or 506. Notwithstanding the award limitations in sections 503 and 504, the amount of funding reported as not being expended will be reallocated to the state institutions of higher education that intend to expend all funding received under section 503, 504, or 506.

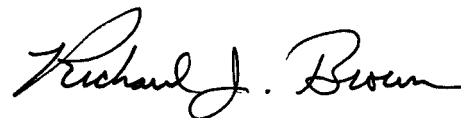
REPORTS

Sec. 715. By December 1, 2008, the Michigan department of labor and economic growth shall submit a report to the state budget director, the house and senate appropriations committees, and the house and senate fiscal agencies on the status of nursing education in Michigan. The report shall include, but is not limited to, the number of nursing degree programs offered at Michigan postsecondary institutions, the type of nursing degrees offered (associate, bachelor's, master's, doctoral), the number of available openings for new nursing students, the number and type of faculty needed to expand nursing education, and any barriers there may be to the employment of more nurses in the state of Michigan.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor