

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 1151, entitled

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Bill Hardiman

Fred Miller

Ron Jelinek

Joan Bauer

Irma Clark-Coleman

Darwin Booher

Conferees for the Senate

Conferees for the House

**SUBSTITUTE FOR
SENATE BILL NO. 1151**

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2011; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for the fiscal year ending September 30, 2011, from the funds indicated in

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

COMMUNITY COLLEGES

APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	295,880,500
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		0
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ADJUSTED GROSS APPROPRIATION.....	\$	295,880,500
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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.....	\$	295,880,500
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Sec. 102. OPERATIONS

Alpena Community College.....	\$	5,126,100
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Bay de Noc Community College.....		5,178,400
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Delta College.....		13,751,600
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Glen Oaks Community College.....		2,304,800
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Gogebic Community College.....		4,275,200
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Grand Rapids Community College.....		17,219,800
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Henry Ford Community College.....		20,898,900
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Jackson Community College.....		11,542,300
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Kalamazoo Valley Community College.....		11,888,600
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Kellogg Community College.....		9,311,800
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1	Kirtland Community College.....	2,842,800
2	Lake Michigan College.....	5,012,100
3	Lansing Community College.....	29,762,500
4	Macomb Community College.....	31,773,900
5	Mid Michigan Community College.....	4,289,200
6	Monroe County Community College.....	4,142,800
7	Montcalm Community College.....	2,981,600
8	C.S. Mott Community College.....	15,016,400
9	Muskegon Community College.....	8,518,600
10	North Central Michigan College.....	2,893,600
11	Northwestern Michigan College.....	8,682,000
12	Oakland Community College.....	20,133,700
13	St. Clair County Community College.....	6,729,800
14	Schoolcraft College.....	11,767,000
15	Southwestern Michigan College.....	6,276,900
16	Washtenaw Community College.....	12,149,000
17	Wayne County Community College.....	15,889,900
18	West Shore Community College.....	<u>2,198,500</u>
19	GROSS APPROPRIATION.....	\$ 292,557,800
20	Appropriated from:	
21	State general fund/general purpose.....	\$ 292,557,800
22	Sec. 103. GRANTS	
23	At-risk student success program.....	\$ <u>3,322,700</u>
24	GROSS APPROPRIATION.....	\$ 3,322,700
25	Appropriated from:	
26	State general fund/general purpose.....	\$ 3,322,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2010-2011 is \$295,880,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$295,880,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations.....	\$	292,557,800
At-risk student success program.....		<u>3,322,700</u>
TOTAL.....	\$	295,880,500

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.

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of energy, labor, and economic growth 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 or

1 services, or both, are available. Preference should be given to
2 goods or services, or both, manufactured or provided by Michigan
3 businesses, if they are competitively priced and of comparable
4 quality. In addition, preference should be given to goods or
5 services, or both, that are manufactured or provided by Michigan
6 businesses owned and operated by veterans, if they are
7 competitively priced and of comparable quality.

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

16 Sec. 211. (1) The money appropriated in this act is
17 appropriated for community colleges with fiscal years ending June
18 30, 2011 and shall be paid out of the state treasury and
19 distributed by the state treasurer to the respective community
20 colleges in 11 monthly installments on the sixteenth of each month,
21 or the next succeeding business day, beginning with October 16,
22 2010. Each community college shall accrue its July and August 2011
23 payments to its institutional fiscal year ending June 30, 2011.
24 However, if a community college fails to submit all verified
25 Michigan community colleges activities classification structure
26 data for school year 2009-2010 to the department of energy, labor,
27 and economic growth by November 1, 2010, the monthly installments

1 shall be withheld from that community college until those data are
2 submitted. The amount from the money appropriated in part 1 that is
3 allocated to address the special needs of at-risk students shall be
4 paid in full by the state treasurer by November 1, 2010. The amount
5 distributed to a community college or department shall not exceed
6 the net state allocation authorized by this act.

7 (2) Except as otherwise provided by law, each of the amounts
8 appropriated shall be used solely for the respective purposes
9 stated in this act. The money appropriated in this act may be used
10 to match the cost of any available programs under the Carl D.
11 Perkins vocational and applied technology education act of 1998, 20
12 USC 2301 to 2414, including local administration.

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

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

21 Sec. 217. Money appropriated in part 1 shall not be used to
22 pay for the construction or maintenance of a self-liquidating
23 project. A community college shall comply with the current use and
24 finance requirements of the joint capital outlay subcommittee
25 (JCOS) for any construction, renovation, or other capital outlay
26 projects pursuant to JCOS policy.

27 Sec. 224. (1) Recognizing the critical importance of education

1 in strengthening Michigan's workforce, the legislature encourages
2 the state's public community colleges to explore ways of increasing
3 collaboration and cooperation with 4-year universities,
4 particularly in the areas related to training, instruction, and
5 program articulation.

6 (2) Recognizing the central role of community colleges in
7 responding to local employment needs and challenges, community
8 colleges shall develop and continue efforts to collaborate with
9 local employers and students to identify local employment needs and
10 strategies to meet them.

11 (3) Community colleges are encouraged to collaborate with each
12 other on innovations to identify and meet local employment needs.

13 Sec. 234. Community colleges shall do the following:

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

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

20 Sec. 241. (1) It is the intent of the legislature that
21 community colleges expand their current nursing education programs
22 and increase nursing education program enrollments. This expansion
23 may include, but is not limited to, creating partnerships with
24 hospitals and other health care providers, encouraging programs
25 that assist in placing students at all levels of nursing,
26 recruiting and hiring a larger number of individuals with masters
27 degrees in nursing as instructors, and redirecting existing

1 institutional resources toward nursing education programs.

2 (2) Community colleges are encouraged to coordinate with the
3 chief nurse executive in the department of community health and
4 with 4-year universities to improve access to nursing programs and
5 to assist students to successfully enter the nursing workforce.

6 Sec. 242. It is the intent of the legislature that the
7 Michigan community college association, the legislature, and other
8 interested parties continue the discussion regarding payments in
9 lieu of taxes, especially for those community college districts
10 that contain significant portions of nontaxable land.

11 Sec. 247. Funds appropriated in part 1 shall not be used to
12 enter into a lease for, or to purchase, a vehicle assembled or
13 manufactured outside of the United States if competitively priced
14 and comparable quality vehicles made in the state of Michigan or
15 elsewhere in the United States of America are available.

16 Sec. 249. It is the intent of the legislature to encourage
17 community college districts to evaluate and pursue efficiency and
18 cost-containment measures that maximize state funding. Community
19 colleges shall identify practices that increase efficiencies,
20 including, but not limited to, establishing joint ventures,
21 consolidating services, utilizing program collaborations,
22 maximizing educational benefits through optimal class sizes and
23 frequency of course offerings, increasing web-based instruction,
24 eliminating low-enrollment and high-cost instructional programs,
25 using self-insurance, practicing energy conservation, and utilizing
26 group purchasing. Efficiency efforts shall also include reviewing
27 proposed capital outlay projects to increase coordination and

1 utilization of new facilities, renovation projects, and technology
2 improvements.

3 **STATE AID - OPERATIONS**

4 Sec. 301. Unless otherwise stated, all data items used in
5 determining state aid in this act are as defined in the "2001
6 Manual for Uniform Financial Reporting, Michigan Public Community
7 Colleges," which shall be the basis for reporting data, and the
8 "Activities Classification Structure Manual for Michigan Community
9 Colleges," as amended, which shall be used to document financial
10 needs of the community colleges.

11 Sec. 302. A community college shall not include in the
12 enrollment data reported for determining state aid under this act
13 any student credit hours or student contact hours for a student
14 incarcerated in a Michigan penal institution. Exclusion of these
15 students is intended to avoid the payment of state aid under this
16 act for the same individuals for whom reimbursement is provided by
17 the state correctional system.

18 Sec. 304. It is the intent of the legislature that the
19 recommendations and performance measures developed by the
20 performance indicators task force formed pursuant to section 242 of
21 2005 PA 154 be reviewed and more fully implemented for distribution
22 of state funding to community colleges in future years.
23 Specifically, it is the intent of the legislature that the
24 performance indicators task force review and implement 1 or more
25 measurable data items for the local strategic value indicator and
26 review and implement 1 or more measurable data items for an

1 administrative cost formula component.

2 **GRANTS**

3 Sec. 401. (1) The community college at-risk student success
4 program is continued. The funding shall be prorated among community
5 colleges based on the number of student contact hours for
6 developmental and preparatory instruction reported by each
7 community college to the department of energy, labor, and economic
8 growth pursuant to the "Activities Classification Structure Manual
9 for Michigan Community Colleges," as amended. Of the amount
10 appropriated in part 1 for the at-risk student success program,
11 \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to
12 address the special needs of at-risk students at community
13 colleges.

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

22 (3) For the fiscal year ending September 30, 2011, the at-risk
23 student success program money is allocated as follows:

24	Alpena Community College.....	\$	82,100
25	Bay de Noc Community College.....		77,900
26	Delta College.....		108,000

1	Glen Oaks Community College.....	106,600
2	Gogebic Community College.....	54,900
3	Grand Rapids Community College.....	135,500
4	Henry Ford Community College.....	169,600
5	Jackson Community College.....	146,800
6	Kalamazoo Valley Community College.....	90,600
7	Kellogg Community College.....	138,400
8	Kirtland Community College.....	124,300
9	Lake Michigan College.....	147,200
10	Lansing Community College.....	147,800
11	Macomb Community College.....	83,100
12	Mid Michigan Community College.....	126,100
13	Monroe County Community College.....	102,100
14	Montcalm Community College.....	73,200
15	C.S. Mott Community College.....	127,700
16	Muskegon Community College.....	87,600
17	North Central Michigan College.....	103,800
18	Northwestern Michigan College.....	127,200
19	Oakland Community College.....	147,900
20	St. Clair County Community College.....	104,500
21	Schoolcraft College.....	124,300
22	Southwestern Michigan College.....	156,000
23	Washtenaw Community College.....	117,500
24	Wayne County Community College.....	166,600
25	West Shore Community College.....	145,400

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

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

4 (b) Are diagnosed as learning disabled.

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

6 (5) Grant funding under this section shall be utilized to
7 address the special needs of at-risk students. Activities related
8 to services provided to at-risk students include, but are not
9 limited to, pretesting for academic ability, counseling contacts,
10 and special programs. Equipment or information technology hardware
11 or software purchased under this section must be associated with
12 the operation of a program designed to address the needs of at-risk
13 students.

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

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

24 Sec. 405. A community college receiving funds under this act
25 shall cooperate with the state to comply with the provisions of the
26 American recovery and reinvestment act of 2009, Public Law 111-5,
27 requiring the establishment of a statewide P-20 longitudinal data

1 system.

2 **REPORTS AND AUDITS**

3 Sec. 502. (1) The auditor general or a certified public
4 accountant appointed by the auditor general may conduct performance
5 audits of community colleges as the auditor general considers
6 necessary.

7 (2) Not more than 60 days after an audit report is released by
8 the office of the auditor general, the principal executive officer
9 of the community college that was audited shall submit to the house
10 and senate appropriations committees, the house and senate fiscal
11 agencies, the department of energy, labor, and economic growth, the
12 auditor general, and the state budget director a plan to comply
13 with audit recommendations. The plan shall contain projected dates
14 and resources required, if any, to achieve compliance with the
15 audit recommendations, or a documented explanation of the college's
16 noncompliance with the audit recommendations concerning the matters
17 on which the audited community college and office of the auditor
18 general disagree.

19 Sec. 504. (1) A community college shall retain certified class
20 summaries, class lists, registration documents, and student
21 transcripts that are consistent with the taxonomy of courses. For
22 each enrollment period during the fiscal year, these certified
23 documents shall identify clearly by course the number of in-
24 district and out-of-district student credit and contact hours. The
25 class summaries and class lists shall be consistent with each other
26 and shall include the course prefix and numbers, course title,

1 course credit and contact hours, credit and contact hours generated
2 by each student, and activity classifications consistent with the
3 taxonomy. An auditable process shall be used by the community
4 college to determine the unduplicated head count for in-district
5 students, out-of-district students, and prisoners for each
6 enrollment period during the fiscal year.

7 (2) Contracts between the community college and agencies that
8 reimburse the community college for the costs of instruction shall
9 be retained for audit purposes.

10 Sec. 505. Each community college shall have an annual audit of
11 all income and expenditures performed by an independent auditor and
12 shall furnish the independent auditor's management letter and an
13 annual audited accounting of all general and current funds income
14 and expenditures including audits of college foundations to the
15 members of the senate and house appropriations subcommittees on
16 community colleges, the senate and house fiscal agencies, the
17 auditor general, the department of energy, labor, and economic
18 growth, and the state budget director before November 15, 2010. If
19 a community college fails to furnish the audit materials, the
20 monthly state aid installments shall be withheld from that college
21 until the information is submitted. All reporting shall conform to
22 the requirements set forth in the "2001 Manual for Uniform
23 Financial Reporting, Michigan Public Community Colleges."

24 Sec. 506. (1) Each community college shall report the
25 following to the department of energy, labor, and economic growth
26 no later than November 1, 2010:

27 (a) The number of North American Indian students enrolled each

1 term for the previous fiscal year, using guidelines and procedures
2 developed by the department of energy, labor, and economic growth
3 and the Michigan commission on Indian affairs.

4 (b) The number of North American Indian tuition waivers
5 granted each term, and the monetary value of the waivers for the
6 previous fiscal year.

7 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL
8 390.1251 to 390.1253, to determine eligibility for tuition waivers,
9 and shall grant those waivers to individuals who meet the criteria
10 and request tuition waivers.

11 Sec. 507. Upon request, a community college shall inform
12 interested Michigan high schools of the aggregate academic status
13 of its students for the prior academic year, in a manner prescribed
14 by the Michigan community college association and in cooperation
15 with the Michigan association of secondary school principals.

16 Sec. 508. Each community college shall report to the house and
17 senate fiscal agencies, the state budget director, and the
18 department of energy, labor, and economic growth by August 31,
19 2010, the tuition and mandatory fees paid by a full-time in-
20 district student and a full-time out-of-district student as
21 established by the college governing board for the 2010-2011
22 academic year. This report should also include the annual cost of
23 attendance based on a full-time course load of 30 credits. Each
24 community college shall also report any revisions to the reported
25 2010-2011 academic year tuition and mandatory fees adopted by the
26 college governing board to the house and senate fiscal agencies,
27 the state budget director, and the department of energy, labor, and

1 economic growth within 15 days of being adopted.

2 Sec. 509. Each community college shall report to the
3 department of energy, labor, and economic growth the numbers and
4 type of associate degrees and other certificates awarded during the
5 previous fiscal year. The report shall be made not later than
6 November 15, 2010.

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