

FIRST CONFERENCE REPORT

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

Senate Bill No. 1157, entitled

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2011; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Recommends:

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

(attached)

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

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2011; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

Tony Stamas

Joan Bauer

Thomas M. George

George Cushingberry, Jr.

Liz Brater

Bill Caul

Conferees for the Senate

Conferees for the House

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1157**

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2011; 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:

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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 higher 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:

HIGHER EDUCATION

APPROPRIATION SUMMARY

Full-time equated classified positions..... 1.0

GROSS APPROPRIATION..... \$ 1,578,278,500

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 0

ADJUSTED GROSS APPROPRIATION..... \$ 1,578,278,500

Federal revenues:

Total federal revenues..... 4,500,000

Special revenue funds:

Total local revenues..... 0

Total private revenues..... 0

Total other state restricted revenues..... 30,400,000

State general fund/general purpose..... \$ 1,543,378,500

SUBPART A - RESEARCH UNIVERSITIES

Sec. 102. MICHIGAN STATE UNIVERSITY

Operations..... \$ 283,685,200

Agricultural experiment station..... 33,243,100

Cooperative extension service..... 28,672,600

GROSS APPROPRIATION..... \$ 345,600,900

Appropriated from:

State general fund/general purpose..... \$ 345,600,900

1 **Sec. 103. UNIVERSITY OF MICHIGAN - ANN ARBOR**

2 Operations..... \$ 316,254,500

3 GROSS APPROPRIATION..... \$ 316,254,500

4 Appropriated from:

5 State general fund/general purpose..... \$ 316,254,500

6 **Sec. 104. WAYNE STATE UNIVERSITY**

7 Operations..... \$ 214,171,400

8 GROSS APPROPRIATION..... \$ 214,171,400

9 Appropriated from:

10 State general fund/general purpose..... \$ 214,171,400

11 **SUBPART B - STATE UNIVERSITIES**

12 **Sec. 105. CENTRAL MICHIGAN UNIVERSITY**

13 Operations..... \$ 80,132,000

14 GROSS APPROPRIATION..... \$ 80,132,000

15 Appropriated from:

16 State general fund/general purpose..... \$ 80,132,000

17 **Sec. 106. EASTERN MICHIGAN UNIVERSITY**

18 Operations..... \$ 76,026,200

19 GROSS APPROPRIATION..... \$ 76,026,200

20 Appropriated from:

21 State general fund/general purpose..... \$ 76,026,200

1	Sec. 107. FERRIS STATE UNIVERSITY	
2	Operations.....	\$ <u>48,619,200</u>
3	GROSS APPROPRIATION.....	\$ 48,619,200
4	Appropriated from:	
5	State general fund/general purpose	\$ 48,619,200
6	Sec. 108. GRAND VALLEY STATE UNIVERSITY	
7	Operations.....	\$ <u>61,976,400</u>
8	GROSS APPROPRIATION.....	\$ 61,976,400
9	Appropriated from:	
10	State general fund/general purpose	\$ 61,976,400
11	Sec. 109. LAKE SUPERIOR STATE UNIVERSITY	
12	Operations.....	\$ <u>12,694,200</u>
13	GROSS APPROPRIATION.....	\$ 12,694,200
14	Appropriated from:	
15	State general fund/general purpose	\$ 12,694,200
16	Sec. 110. MICHIGAN TECHNOLOGICAL UNIVERSITY	
17	Operations.....	\$ <u>47,924,200</u>
18	GROSS APPROPRIATION.....	\$ 47,924,200
19	Appropriated from:	
20	State general fund/general purpose	\$ 47,924,200
21	Sec. 111. NORTHERN MICHIGAN UNIVERSITY	
22	Operations.....	\$ <u>45,140,300</u>
23	GROSS APPROPRIATION.....	\$ 45,140,300

1	Appropriated from:	
2	State general fund/general purpose	\$ 45,140,300
3	Sec. 112. OAKLAND UNIVERSITY	
4	Operations.....	\$ <u>50,761,300</u>
5	GROSS APPROPRIATION.....	\$ 50,761,300
6	Appropriated from:	
7	State general fund/general purpose	\$ 50,761,300
8	Sec. 113. SAGINAW VALLEY STATE UNIVERSITY	
9	Operations.....	\$ <u>27,720,700</u>
10	GROSS APPROPRIATION.....	\$ 27,720,700
11	Appropriated from:	
12	State general fund/general purpose	\$ 27,720,700
13	Sec. 114. UNIVERSITY OF MICHIGAN - DEARBORN	
14	Operations.....	\$ <u>24,726,200</u>
15	GROSS APPROPRIATION.....	\$ 24,726,200
16	Appropriated from:	
17	State general fund/general purpose	\$ 24,726,200
18	Sec. 115. UNIVERSITY OF MICHIGAN - FLINT	
19	Operations.....	\$ <u>20,898,000</u>
20	GROSS APPROPRIATION.....	\$ 20,898,000
21	Appropriated from:	
22	State general fund/general purpose	\$ 20,898,000

1 **Sec. 116. WESTERN MICHIGAN UNIVERSITY**

2	Operations.....	\$	<u>109,615,100</u>
3	GROSS APPROPRIATION.....	\$	109,615,100
4	Appropriated from:		
5	State general fund/general purpose.....	\$	109,615,100

6 **SUBPART C - GRANTS AND FINANCIAL AID**

7 **Sec. 117. STATE AND REGIONAL PROGRAMS**

8	Full-time equated positions	1.0	
9	Higher education database modernization and		
10	conversion--1.0 FTE position	\$	105,000
11	Midwestern higher education compact.....		<u>95,000</u>
12	GROSS APPROPRIATION.....	\$	200,000
13	Appropriated from:		
14	State general fund/general purpose.....	\$	200,000

15 **Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ -**
 16 **ROSA PARKS PROGRAM**

17	Select student supportive services.....	\$	1,956,100
18	Michigan college/university partnership program.....		586,800
19	Morris Hood, Jr. educator development program.....		<u>148,600</u>
20	GROSS APPROPRIATION.....	\$	2,691,500
21	Appropriated from:		
22	State general fund/general purpose.....	\$	2,691,500

23 **Sec. 119. GRANTS AND FINANCIAL AID**

1	State competitive scholarships.....	\$	19,861,700
2	Tuition grants.....		31,664,700
3	Robert C. Byrd honors scholarship program.....		1,500,000
4	Tuition incentive program.....		37,400,000
5	Children of veterans and officer's survivor tuition		
6	grant programs		1,200,000
7	Project gear-up.....		<u>1,500,000</u>
8	GROSS APPROPRIATION.....	\$	93,126,400
9	Appropriated from:		
10	Federal revenues:		
11	Higher education act of 1965, title IV, 20 USC		1,500,000
12	Higher education act of 1965, title IV, part A		1,500,000
13	United States department of education, office of		
14	elementary and secondary education, gear-up.....		1,500,000
15	Special revenue funds:		
16	Michigan merit award trust fund.....		30,100,000
17	Contributions to children of veterans tuition grant		
18	program		300,000
19	State general fund/general purpose.....	\$	58,226,400

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 this act for fiscal year 2010-2011 is \$1,573,778,500.00 and

1 state spending from state resources to be paid to local units of
2 government for fiscal year 2010-2011 is \$0.

3 Sec. 202. The appropriations authorized under this act are
4 subject to the management and budget act, 1984 PA 431, MCL 18.1101
5 to 18.1594.

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

11 Sec. 208. Unless otherwise specified, public universities
12 receiving appropriations in part 1 shall use the Internet to
13 fulfill the reporting requirements of this act. This requirement
14 may include transmission of reports via electronic mail to the
15 recipients identified for each reporting requirement, or it may
16 include placement of reports on an Internet or Intranet site.

17 Sec. 209. Funds appropriated in part 1 shall not be used for
18 the purchase of foreign goods or services, or both, if
19 competitively priced and of comparable quality American goods and
20 services, or both, are available. Preference shall be given to
21 goods or services, or both, manufactured or provided by Michigan
22 businesses if they are competitively priced and of comparable
23 value. In addition, preference shall be given to goods or services,
24 or both, that are manufactured or provided by Michigan businesses
25 owned and operated by veterans if they are competitively priced and
26 of comparable quality.

27 Sec. 210. It is the intent of the legislature that the funds

1 appropriated in part 1 to state institutions of higher education
2 shall not be used to enter into a lease or to purchase a vehicle
3 assembled or manufactured outside of the United States, and that
4 preference be given to vehicles assembled or manufactured in
5 Michigan.

6 Sec. 211. The principal executive officer of each public
7 university receiving appropriations in part 1 shall take all
8 reasonable steps to ensure that businesses in deprived and
9 depressed communities compete for and perform contracts to provide
10 services, supplies, or both. Each principal executive officer shall
11 strongly encourage firms with which the university contracts to
12 subcontract with businesses in depressed and deprived communities
13 for services, supplies, or both.

14 Sec. 212. (1) The funds appropriated in part 1 to public
15 universities shall be paid out of the state treasury and
16 distributed by the state treasurer to the respective institutions
17 in 11 equal monthly installments on the sixteenth of each month, or
18 the next succeeding business day, beginning with October 16, 2010.
19 Except for Wayne State University, each institution shall accrue
20 its July and August 2011 payments to its institutional fiscal year
21 ending June 30, 2011.

22 (2) All public universities shall submit higher education
23 institutional data inventory (HEIDI) data and associated financial
24 and program information requested by and in a manner prescribed by
25 the state budget director. For public universities with fiscal
26 years ending June 30, 2010, these data shall be submitted to the
27 state budget director by October 15, 2010. Public universities with

1 a fiscal year ending September 30, 2010 shall submit preliminary
2 HEIDI data by November 15, 2010 and final data by December 15,
3 2010. If a public university fails to submit HEIDI data and
4 associated financial aid program information in accordance with
5 this reporting schedule, the state treasurer shall withhold the
6 monthly installments under subsection (1) to the public university
7 until those data are submitted.

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

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

17 Sec. 214. If section 274 of the income tax act of 1967, 1967
18 PA 281, MCL 206.274, is not repealed and if a public university
19 that receives funds under this act notifies the department of
20 treasury regarding its tuition and fee rates in order to qualify as
21 an eligible institution for the Michigan tuition tax credit under
22 section 274 of the income tax act of 1967, 1967 PA 281, MCL
23 206.274, the public university shall also submit the notification
24 and applicable documentation of tuition and fee changes to the
25 house and senate fiscal agencies.

26 Sec. 215. A public university that receives funds under this
27 act shall furnish all program and financial information that is

1 required by and in a manner prescribed by the state budget director
2 or the house or senate appropriations committee.

3 Sec. 216. A public university receiving funds in part 1 shall
4 cooperate with all measures taken by the state to establish a
5 statewide P-20 education longitudinal data system to comply with
6 the state fiscal stabilization fund provisions of the American
7 recovery and reinvestment act of 2009, Public Law 111-5.

8 Sec. 218. In an effort to better improve transparency and to
9 further identify effective educational practices, it is the intent
10 of the legislature that a public university receiving an
11 appropriation in part 1 shall develop, post, and maintain a user-
12 friendly and publicly accessible Internet site, with all
13 expenditures made by the university within a fiscal year. The
14 posting must include the purpose for which the expenditure is made.
15 A public university shall not provide financial information on its
16 website under this section if doing so would violate a federal or
17 state law, rule, regulation, or guideline that establishes privacy
18 or security standards applicable to that section. A public
19 university shall not expend more than \$100.00 from the
20 appropriations in part 1 to implement the requirements of this
21 section.

22 GRANTS AND FINANCIAL AID

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

26 (2) Pursuant to section 6 of 1964 PA 208, MCL 390.976, the

1 department of treasury shall determine an actual maximum state
2 competitive scholarship award per student, which shall be no less
3 than \$1,300.00, that ensures that the aggregate payments for the
4 state competitive scholarship program do not exceed the
5 appropriation contained in part 1 for the state competitive
6 scholarship program. If the department determines that insufficient
7 funds are available to establish a maximum award amount equal to at
8 least \$1,300.00, the department shall immediately report to the
9 house and senate appropriations subcommittees on higher education,
10 the house and senate fiscal agencies, and the state budget director
11 regarding the estimated amount of additional funds necessary to
12 establish a \$1,300.00 maximum award amount.

13 (3) The department of treasury shall implement a proportional
14 competitive scholarship maximum award level for recipients enrolled
15 less than full-time in a given semester or term.

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

22 (5) If the department of treasury increases the maximum award
23 per eligible student from that provided in the previous fiscal
24 year, it shall not have the effect of reducing the number of
25 eligible students receiving awards in relation to the total number
26 of eligible applicants. Any increase in the maximum grant shall be
27 proportional for all eligible students receiving awards.

1 (6) Veterans administration benefits shall not be considered
2 in determining eligibility for the award of scholarships under 1964
3 PA 208, MCL 390.971 to 390.981.

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

7 (2) Tuition grant awards shall be made to all eligible
8 Michigan residents enrolled in undergraduate degree programs who
9 apply before July 1, 2010 and who are qualified.

10 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
11 subject to subsection (7), the department of treasury shall
12 determine an actual maximum tuition grant award per student, which
13 shall be no less than \$2,100.00, that ensures that the aggregate
14 payments for the tuition grant program do not exceed the
15 appropriation contained in part 1 for the state tuition grant
16 program. If the department determines that insufficient funds are
17 available to establish a maximum award amount equal to at least
18 \$2,100.00, the department shall immediately report to the house and
19 senate appropriations subcommittees on higher education, the house
20 and senate fiscal agencies, and the state budget director regarding
21 the estimated amount of additional funds necessary to establish a
22 \$2,100.00 maximum award amount. By December 15, 2010, and again by
23 February 1, 2011, the department shall analyze the status of award
24 commitments, shall make any necessary adjustments, and shall
25 confirm that those award commitments will not exceed the
26 appropriation contained in part 1 for the tuition grant program.
27 The determination and actions shall be reported to the state budget

1 director and the house and senate fiscal agencies no later than
2 February 15, 2011. If award adjustments are necessary, the students
3 shall be notified of the adjustment by the third Monday in
4 February.

5 (4) Any unexpended and unencumbered funds remaining on
6 September 30, 2011 from the amounts appropriated in part 1 for the
7 tuition grant program shall not lapse on September 30, 2011, but
8 shall continue to be available for expenditure for tuition grants
9 provided in the 2011-2012 fiscal year under a work project account.
10 The use of these unexpended fiscal year 2010-2011 funds shall
11 terminate at the end of the 2011-2012 fiscal year.

12 (5) The department of treasury shall continue a proportional
13 tuition grant maximum award level for recipients enrolled less than
14 full-time in a given semester or term.

15 (6) If the department of treasury increases the maximum award
16 per eligible student from that provided in the previous fiscal
17 year, it shall not have the effect of reducing the number of
18 eligible students receiving awards in relation to the total number
19 of eligible applicants. Any increase in the maximum grant shall be
20 proportional for all eligible students receiving awards for fiscal
21 year 2010-2011.

22 (7) The department of treasury shall not award more than
23 \$3,000,000.00 in tuition grants to eligible students enrolled in
24 the same independent nonprofit college or university in this state.
25 Any decrease in the maximum grant shall be proportional for all
26 eligible students enrolled in that college or university, as
27 determined by the department.

1 Sec. 307. The auditor general may audit selected enrollments,
2 degrees, and awards at selected independent colleges and
3 universities receiving awards administered by the department of
4 treasury. The audits shall be based upon definitions and
5 requirements established by the department of treasury, the state
6 budget director, and the senate and house fiscal agencies. The
7 auditor general shall accept the Free Application for Federal
8 Student Aid (FAFSA) form as the standard of residency
9 documentation. The auditor general shall submit a report of
10 findings to the senate and house appropriations committees and
11 state budget director by May 1, 2011.

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

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

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

25 Sec. 309. The department of treasury shall determine the needs
26 analysis criteria for students to qualify for the state competitive
27 scholarship program and tuition grant program. To be consistent

1 with federal requirements, student wages may be taken into
2 consideration when determining the amount of the award.

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

7 (2) As used in this section:

8 (a) "Phase I" means the first part of the tuition incentive
9 assistance program defined as the academic period of 80 semester or
10 120 term credits, or less, leading to an associate degree or
11 certificate.

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

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

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

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

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

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

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

27 (iv) Be at least a half-time student, earning less than 80

1 semester or 120 term credits at a participating educational
2 institution within 4 years of high school graduation or GED
3 certificate completion.

4 (v) Request information on filing a FAFSA.

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

7 (a):

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

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

12 (c) To be eligible for phase I or phase II, a person must not
13 be incarcerated and must be financially eligible as determined by
14 the department. A person is financially eligible for the tuition
15 incentive program if that person was Medicaid eligible for 24
16 months within the 36 months before application. Certification of
17 eligibility may begin in the sixth grade.

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

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

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

26 (b) For persons enrolled at a Michigan community college, the
27 department shall pay the current in-district tuition and mandatory

1 fees. For persons residing in an area that is not included in any
2 community college district, the out-of-district tuition rate may be
3 authorized.

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

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

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

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

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

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

27 (8) Applications for the tuition incentive program may be

1 approved at any time after the student begins the sixth grade. If a
2 determination of financial eligibility is made, that determination
3 is valid as long as the student meets all other program
4 requirements and conditions.

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

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

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

19 Sec. 315. By February 15 of each year, the department of
20 treasury shall submit a report to the state budget director, the
21 house and senate appropriations subcommittees on higher education,
22 and the house and senate fiscal agencies for the preceding fiscal
23 year on all student financial aid programs for which funds are
24 appropriated in part 1. For each student financial aid program, the
25 report shall include, but is not limited to, the total number of
26 awards paid in the preceding fiscal year, the total dollar amount
27 of those awards, and the number of students receiving awards and

1 the total amount of those awards at each eligible postsecondary
2 institution. To the extent information is available, the report
3 shall also include information on the average exam performance,
4 household income, and other demographic characteristics of students
5 receiving awards under each program and historical information on
6 the number of awards and total award amounts for each program.

7 **UNIVERSITY OPERATIONS**

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

16 Sec. 426. (1) It is the intent of the legislature that each
17 public university shall develop policies for minimizing the cost of
18 textbooks and course materials used at the university while
19 maintaining quality of education and academic freedom. These
20 policies should require all of the following:

21 (a) That faculty members submit lists of required textbooks
22 and course materials for university review.

23 (b) That faculty members consider the least costly practices
24 in assigning textbooks and course materials, such as adopting the
25 least expensive edition of a textbook available when educational
26 content is comparable to a more costly edition.

1 (c) That the university review any potential financial
2 conflict of interest that may occur if a faculty member requires
3 the purchase of any textbooks or course materials he or she has
4 written.

5 (2) By February 1, 2011, each public university shall submit a
6 report to the house and senate appropriations subcommittees on
7 higher education and the house and senate fiscal agencies on the
8 policies developed pursuant to this section.

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

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

21 (3) Not later than September 30, 2011, a report shall be
22 submitted by Michigan State University to the state budget
23 director, the house and senate appropriations subcommittees on
24 agriculture and on higher education, and the house and senate
25 fiscal agencies for the preceding school fiscal year regarding
26 expenditures and programmatic outcomes of the agricultural
27 experiment station and cooperative extension service. The report

1 shall include, but is not limited to:

2 (a) Total funds expended by the agricultural experiment
3 station and cooperative extension service identified by state,
4 local, private, federal, and university fund sources.

5 (b) The dollar amount of each project GREEN project and a
6 review of each project's performance and accomplishments.

7 (c) The dollar amount of each bioeconomy research and
8 development project and a review of each project's performance and
9 accomplishments.

10 (d) The dollar amount and description of all other individual
11 programs and services provided by the agricultural experiment
12 station and cooperative extension service and a review of each
13 project's performance and accomplishments.

14 (e) The number of businesses created or that had increased
15 employment and the number of patents generated as a result of work
16 conducted by the agricultural experiment station and cooperative
17 extension service.

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

23 Sec. 436. (1) It is the intent of the legislature that, if any
24 public university increases its resident undergraduate tuition and
25 required fees from academic year 2009-2010 to academic year 2010-
26 2011, then that university shall increase its fiscal year 2009-2010
27 general fund expenditures for student financial aid by at least the

1 same percentage as the percentage change in resident undergraduate
2 tuition and required fees. It is the intent of the legislature that
3 public universities place an emphasis on increasing the number of
4 institutional financial aid awards that are based on demonstrated
5 financial need.

6 (2) Each public university shall report the following
7 information to the house and senate appropriations subcommittees on
8 higher education, the house and senate fiscal agencies, and the
9 state budget director by November 1, 2010:

10 (a) Actual academic year 2009-2010 and academic year 2010-2011
11 average tuition and required fee charges for a full-time resident
12 undergraduate student.

13 (b) Actual fiscal year 2009-2010 and budgeted fiscal year
14 2010-2011 total general fund tuition and fee revenue.

15 (c) Actual fiscal year 2009-2010 and budgeted fiscal year
16 2010-2011 total general fund revenue.

17 (d) Actual fiscal year 2009-2010 and budgeted fiscal year
18 2010-2011 general fund expenditures for student financial aid.

19 (e) Actual fiscal year 2009-2010 and budgeted fiscal year
20 2010-2011 total general fund expenditures.

21 (f) Actual fiscal year 2009-2010 and projected fiscal year
22 2010-2011 total fiscal year equated student enrollment.

23 (3) The state budget director shall, in consultation with the
24 house and senate fiscal agencies, develop a uniform reporting
25 mechanism based on standard definitions for public universities to
26 comply with the reporting requirements of subsection (2).

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

1 tuition and fees actually charged to a full-time resident
2 undergraduate student for academic year 2010-2011 as part of their
3 higher education institutional data inventory (HEIDI) data by
4 August 31, 2010. A public university shall report any revisions for
5 any semester of the reported academic year 2010-2011 tuition and
6 fee charges to HEIDI within 15 days of being adopted.

7 Sec. 450. (1) For the fiscal year ending September 30, 2011,
8 it is the intent of the legislature that an amount calculated under
9 subsection (2) be allocated for per-student floor funding from the
10 general fund/general purpose unreserved balances at the close of
11 the 2009-2010 fiscal year.

12 (2) The amount allocated under subsection (1) for per-student
13 floor funding is equal to \$3,775.00 per 2008-2009 fiscal-year-
14 equated student at each university. The number of 2008-2009
15 students at a university is determined by reference to the higher
16 education institutional data inventory (HEIDI).

17 Sec. 451. For the fiscal year ending September 30, 2011, it is
18 the intent of the legislature that funds be allocated for unfunded
19 North American Indian tuition waiver costs incurred by public
20 universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the
21 general fund/general purpose unreserved balances at the close of
22 the 2009-2010 fiscal year.

23 Sec. 460. From the amount appropriated in part 1 to Central
24 Michigan University for operations, \$29,700.00 shall be paid to
25 Saginaw Chippewa Tribal College for the costs of waiving tuition
26 for North American Indians under 1976 PA 174, MCL 390.1251 to
27 390.1253.

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

5 Sec. 463. Not later than February 1, 2011, each of the public
6 universities receiving appropriations in part 1 shall submit to the
7 state budget director, members of the house of representatives and
8 the senate, and the house and senate fiscal agencies a report on
9 the number of residents from an eligible county enrolled at the
10 university and the quantifiable increase from the 2009-2010
11 academic year to the 2010-2011 academic year in outreach efforts to
12 enroll students at the university from an eligible county. As used
13 in this section, "eligible county" means a county in this state
14 that meets both of the following:

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

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

20 Sec. 464. Each public university receiving an appropriation in
21 part 1 shall submit a plan by January 15, 2011 to the state budget
22 director, the house and senate appropriations subcommittees on
23 higher education, and the house and senate fiscal agencies on its
24 process to inform both the private and public sectors regarding
25 research and technology that could be developed commercially.

26 Sec. 466. Public universities shall coordinate their purchases
27 of goods and services whenever possible. This may include, but is

1 not limited to, group purchases for vehicles, utilities, supplies,
2 electronic equipment, maintenance equipment, books, and contractual
3 services. To the extent possible, the public universities shall use
4 both the "Michigan delivering extended agreements locally" (MiDEAL)
5 purchasing services of the state department of technology,
6 management, and budget that makes state contracts available to
7 local units of government, colleges, and universities and the
8 purchasing services available through the state's membership in the
9 Midwestern Higher Education Compact (MHEC). Not later than January
10 1 of each year, the presidents council, state universities of
11 Michigan shall submit to the members of the house and senate
12 appropriations subcommittees on higher education, the house and
13 senate fiscal agencies, and the state budget director a report on
14 group or pooled purchases and the savings achieved by the public
15 universities in the previous fiscal year.

16 Sec. 469. By November 14, 2010, each public university
17 receiving an appropriation in part 1 shall report the number of
18 undergraduate students who graduated in academic year 2009-2010 and
19 received a Pell grant at any time during their enrollment at that
20 university to the members of the house and senate appropriations
21 subcommittees on higher education, the house and senate fiscal
22 agencies, and the state budget director.

23 Sec. 480. (1) It is the intent of the legislature that each
24 public university receiving an appropriation in part 1 do all of
25 the following:

26 (a) Meet the provisions of section 5003 of the post-911
27 veterans educational assistance act of 2008, title V of Public Law

1 110-252, 38 USC 3301 to 3324, including voluntary participation in
2 the yellow ribbon GI education enhancement program established in
3 that act in 38 USC 3317. By October 1 of each year, each public
4 university shall report to the house and senate appropriations
5 subcommittees on higher education, the house and senate fiscal
6 agencies, and the presidents council, state universities of
7 Michigan on whether or not it has chosen to participate in the
8 yellow ribbon GI education enhancement program. If at any time
9 during the fiscal year a university participating in the yellow
10 ribbon program chooses to leave the yellow ribbon program, it shall
11 notify the house and senate appropriations subcommittees on higher
12 education, the house and senate fiscal agencies, and the presidents
13 council, state universities of Michigan.

14 (b) Establish an on-campus veterans' liaison to provide
15 information and assistance to all student veterans.

16 (c) Provide flexible enrollment application deadlines for all
17 veterans.

18 (2) As used in this section, "veteran" means an honorably
19 discharged veteran entitled to educational assistance under the
20 provisions of section 5003 of the post-911 veterans educational
21 assistance act of 2008, title V of Public Law 110-252, 38 USC 3301
22 to 3324.

23 Sec. 481. It is the intent of the legislature to consider an
24 appropriation of funds for grants to universities for the purpose
25 of hiring a consultant when a university is exploring the
26 possibility of creating an urban center or core in its community.

STATE AND REGIONAL PROGRAMS

Sec. 490. 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. 501. (1) Included in the appropriation for each public 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 public university shall apply the percentage change applicable to every public university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

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

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

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

25 (3) The program described in this section shall be
26 administered by each public university in a manner prescribed by
27 the Michigan department of energy, labor, and economic growth.

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

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

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

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

27 (2) The grants shall be made under the program described in

1 this section to Michigan public and independent colleges and
2 universities. An award to any 1 institution shall not be greater
3 than \$150,000.00, and the amount awarded shall be matched on a 70%
4 state, 30% college or university basis.

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

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

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

20 Sec. 506. (1) Included in the appropriation in part 1 is
21 funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa
22 Parks initiative for the Morris Hood, Jr. educator development
23 program which is intended to increase the number of academically or
24 economically disadvantaged students who enroll in and complete K-12
25 teacher education programs at the baccalaureate level. Preference
26 may not be given to participants on the basis of race, color,
27 ethnicity, gender, or national origin. Institutions should

1 encourage participation from those who would otherwise not
2 adequately be represented in the teacher education student
3 population.

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

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

12 Sec. 507. Each institution receiving funds under section 503,
13 504, or 506 shall notify the Michigan department of energy, labor,
14 and economic growth by April 15, 2011 as to whether it will expend
15 by the end of its fiscal year the funds received under section 503,
16 504, or 506. Notwithstanding the award limitations in sections 503
17 and 504, the amount of funding reported as not being expended will
18 be reallocated to the institutions that intend to expend all
19 funding received under section 503, 504, or 506.

20 **STUDENT PERFORMANCE REPORTING**

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

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

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

12 Sec. 603. Public universities shall work with the state
13 community colleges to encourage the transfer of students from the
14 community colleges to the state universities and to facilitate the
15 transfer of credits from the community colleges to the public
16 universities.

17 GENERAL REPORTS AND AUDITS

18 Sec. 701. (1) The auditor general shall review higher
19 education institutional data inventory (HEIDI) enrollment data
20 submitted by all public universities and may perform audits of
21 selected public universities if determined necessary. The review
22 and audits shall be based upon the definitions, requirements, and
23 uniform reporting categories established by the state budget
24 director and the house and senate fiscal agencies in consultation
25 with the HEIDI advisory committee. The auditor general shall submit
26 a report of findings to the house and senate appropriations

1 committees and the state budget director no later than July 1,
2 2011.

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

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

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

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

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

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

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

27 (ii) Are consistent with the current institutional role and

1 mission.

2 (iii) Are accommodated within the continuing funding base of the
3 public university.

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

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

11 (3) The auditor general shall periodically audit higher
12 education institutional data inventory (HEIDI) data as submitted by
13 the public universities for compliance with the definitions
14 established by the state budget director in consultation with the
15 HEIDI advisory committee for the HEIDI database.

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

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

25 (a) Bachelor's degree programs:

26 Central Michigan University, Integrated Leadership Studies Major,
27 B.S.

- 1 Ferris State University, Allied Health, B.S.
- 2 Ferris State University, Architecture and Sustainability, B.S.
- 3 Ferris State University, Computer Information Technology Systems,
- 4 B.S.
- 5 Ferris State University, Energy Systems Engineering, B.S.
- 6 Ferris State University, Molecular Diagnostic Program, B.S.
- 7 Grand Valley State University, Diagnostic Medical Sonography, B.S.
- 8 Grand Valley State University, Radiation Therapy, B.S.
- 9 Grand Valley State University, Radiologic and Imaging Services,
- 10 B.S.
- 11 Grand Valley State University, Supply Chain Management, B.B.A.
- 12 Lake Superior State University, Literature-Creative Writing, B.A.
- 13 Michigan State University, Global Studies in the Arts and
- 14 Humanities, B.A.
- 15 Oakland University, Actuarial Science, B.S.
- 16 Wayne State University, Construction Management, B.S.
- 17 Wayne State University, Electric Transportation Technology, B.S.
- 18 Western Michigan University, Stage Management, B.F.A.
- 19 Western Michigan University, Theater Design and Technical
- 20 Production, B.F.A.
- 21 Western Michigan University, Theater Performance, B.F.A.
- 22 (b) Master's degree programs:
- 23 Central Michigan University, Integrated Science, M.A.
- 24 Eastern Michigan University, Curriculum and Assessment, M.A.
- 25 Michigan Technological University, Applied Cognitive Science and
- 26 Human Factors, M.S.
- 27 Northern Michigan University, Business Administration, M.B.A.

1 Saginaw Valley State University, Master of Arts in Teaching: Urban
2 Teaching, M.A.T.
3 University of Michigan-Ann Arbor, Postsecondary Science Education,
4 M.S.
5 University of Michigan-Dearborn, Energy Systems Engineering, M.S.E.
6 University of Michigan-Dearborn, Program and Project Management,
7 M.S.E.
8 Wayne State University, Joint M.D./M.P.H., M.D./M.P.H.

9 (c) Doctoral degree programs:

10 Ferris State University, Community College Leadership, Ed.D.
11 Michigan Technological University, Applied Cognitive Science and
12 Human Factors, Ph.D.
13 University of Michigan-Flint, Curriculum/Educational Leadership,
14 Ed.S.
15 Wayne State University, Kinesiology, Ph.D.

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

19 (3) When submitting the listing of new degree programs for
20 purposes of section 701(2)(e), the presidents council of state
21 universities shall also provide a listing of degree programs that
22 institutions of higher education will no longer offer in subsequent
23 academic years.

24 Sec. 702. The principal executive officer of each public
25 university receiving an appropriation under part 1 shall expend a
26 portion of the funds appropriated to that public university to make
27 a report to the auditor general, the senate and house fiscal

1 agencies, and the state budget director within 60 days after the
2 auditor general issues his or her report on the operation of the
3 institution. The public university's report shall specify all of
4 the following:

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

8 (b) The recommendations of the auditor general not implemented
9 by the public university or implemented by the public university as
10 modified.

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

13 Sec. 708. The auditor general may conduct performance audits
14 of public universities receiving funds in part 1 during the fiscal
15 year ending September 30, 2011 as the auditor general considers
16 necessary.

17 Sec. 709. A public university receiving funds under part 1 and
18 also subject to the student right-to-know and campus security act,
19 Public Law 101-542, 104 Stat. 2381, shall make a copy of all
20 material prepared pursuant to the public information reporting
21 requirements under the crime awareness and campus security act of
22 1990, title II of the student right-to-know and campus security
23 act, Public Law 101-542, 104 Stat. 2381, available in electronic
24 Internet format on their websites.

25 Sec. 714. A public university receiving funds under this act
26 and also subject to the family educational rights and privacy act
27 (FERPA), 20 USC 1232g, 34 CFR part 99, shall, when requested,

1 provide information from the records of a student to any person or
2 persons to whom the student has authorized disclosure on a written
3 consent form pursuant to 34 CFR 99.30.