

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.....	\$	299,100,500
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		0
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ADJUSTED GROSS APPROPRIATION.....	\$	299,100,500
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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.....	\$	299,100,500
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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.....	\$ 3,322,700
24	Renaissance zone tax reimbursement funding.....	<u>3,220,000</u>
25	GROSS APPROPRIATION.....	\$ 6,542,700
26	Appropriated from:	
27	Federal revenues:	

1 State general fund/general purpose \$ 6,542,700

2 PART 2

3 PROVISIONS CONCERNING APPROPRIATIONS

4 GENERAL SECTIONS

5 Sec. 201. Pursuant to section 30 of article IX of the state
6 constitution of 1963, total state spending from state resources
7 under part 1 for fiscal year 2010-2011 is \$299,100,500.00 and state
8 spending from state resources to be paid to local units of
9 government for fiscal year 2010-2011 is \$299,100,500.00. The
10 itemized statement below identifies appropriations from which
11 spending to local units of government will occur:

12	Operations.....	\$	292,557,800
13	At-risk student success program.....		3,322,700
14	Renaissance zone tax reimbursement program.....		<u>3,220,000</u>
15	TOTAL.....	\$	299,100,500

16 Sec. 202. The appropriations authorized under this act are
17 subject to the management and budget act, 1984 PA 431, MCL 18.1101
18 to 18.1594.

19 Sec. 203. Unless otherwise specified, a community college
20 receiving appropriations in part 1 and the department of energy,
21 labor, and economic growth shall use the Internet to fulfill the
22 reporting requirements of this act. This requirement may include
23 transmission of reports via electronic mail to the recipients
24 identified for each reporting requirement or it may include
25 placement of reports on an Internet or Intranet site.

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

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

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

1 Michigan community colleges activities classification structure
2 data for school year 2009-2010 to the department of energy, labor,
3 and economic growth by November 1, 2010, the monthly installments
4 shall be withheld from that community college until those data are
5 submitted. The amount from the money appropriated in part 1 that is
6 allocated to address the special needs of at-risk students shall be
7 paid in full by the state treasurer by November 1, 2010. The amount
8 distributed to a community college or department shall not exceed
9 the net state allocation authorized by this act.

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

16 Sec. 216. (1) A community college shall pay the employer's
17 contributions to the Michigan public school employees' retirement
18 system created by the public school employees retirement act of
19 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of
20 receiving money appropriated under this act.

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

24 Sec. 217. Money appropriated in part 1 shall not be used to
25 pay for the construction or maintenance of a self-liquidating
26 project. A community college shall comply with the current use and
27 finance requirements of the joint capital outlay subcommittee

1 (JCOS) for any construction, renovation, or other capital outlay
2 projects pursuant to JCOS policy.

3 Sec. 224. (1) Recognizing the critical importance of education
4 in strengthening Michigan's workforce, the legislature encourages
5 the state's public community colleges to explore ways of increasing
6 collaboration and cooperation with 4-year universities,
7 particularly in the areas related to training, instruction, and
8 program articulation.

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

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

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

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

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

23 Sec. 241. (1) It is the intent of the legislature that
24 community colleges expand their current nursing education programs
25 and increase nursing education program enrollments. This expansion
26 may include, but is not limited to, creating partnerships with
27 hospitals and other health care providers, encouraging programs

1 that assist in placing students at all levels of nursing,
2 recruiting and hiring a larger number of individuals with masters
3 degrees in nursing as instructors, and redirecting existing
4 institutional resources toward nursing education programs.

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

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

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

19 Sec. 249. It is the intent of the legislature to encourage
20 community college districts to evaluate and pursue efficiency and
21 cost-containment measures that maximize state funding. Community
22 colleges shall identify practices that increase efficiencies,
23 including, but not limited to, establishing joint ventures,
24 consolidating services, utilizing program collaborations,
25 maximizing educational benefits through optimal class sizes and
26 frequency of course offerings, increasing web-based instruction,
27 eliminating low-enrollment and high-cost instructional programs,

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1 using self-insurance, practicing energy conservation, and utilizing
2 group purchasing. Efficiency efforts shall also include reviewing
3 proposed capital outlay projects to increase coordination and
4 utilization of new facilities, renovation projects, and technology
5 improvements.

6 Sec. 250. Funds appropriated in part 1 shall not be used to
7 construct or improve a community college building unless the
8 community college and contractor state in the construction
9 contract, in writing, that the community college and the contractor
10 will not knowingly or repeatedly violate the provisions of 1965 PA
11 166, MCL 408.551 to 408.558, if applicable, in the construction or
12 improvement of that community college building.

[Sec. 254. In an effort to better improve transparency and to
further identify effective educational practices, it is the intent of the
legislature that a community college receiving an appropriation in part 1
shall develop, post, and maintain a user-friendly and publicly accessible
Internet site, with all expenditures made by the college within a fiscal
year. The posting must include the purpose for which the expenditure is
made. A community college shall not provide financial information on its
website under this section if doing so would violate a federal or state
law, rule, regulation, or guideline that establishes privacy or security
standards applicable to that section. A community college shall not
expend more than \$100.00 from the appropriations in part 1 to implement
the requirements of this section.]

13 **STATE AID - OPERATIONS**

14 Sec. 301. Unless otherwise stated, all data items used in
15 determining state aid in this act are as defined in the "2001
16 Manual for Uniform Financial Reporting, Michigan Public Community
17 Colleges," which shall be the basis for reporting data, and the
18 "Activities Classification Structure Manual for Michigan Community
19 Colleges," as amended, which shall be used to document financial
20 needs of the community colleges.

21 Sec. 302. A community college shall not include in the
22 enrollment data reported for determining state aid under this act
23 any student credit hours or student contact hours for a student
24 incarcerated in a Michigan penal institution. Exclusion of these

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25 students is intended to avoid the payment of state aid under this
26 act for the same individuals for whom reimbursement is provided by

1 the state correctional system.

2 Sec. 304. It is the intent of the legislature that the
3 recommendations and performance measures developed by the
4 performance indicators task force formed pursuant to section 242 of
5 2005 PA 154 be reviewed and more fully implemented for distribution
6 of state funding to community colleges in future years.

7 Specifically, it is the intent of the legislature that the
8 performance indicators task force review and implement 1 or more
9 measurable data items for the local strategic value indicator and
10 review and implement 1 or more measurable data items for an
11 administrative cost formula component.

12 GRANTS

13 Sec. 401. (1) The community college at-risk student success
14 program is continued. The funding shall be prorated among community
15 colleges based on the number of student contact hours for
16 developmental and preparatory instruction reported by each
17 community college to the department of energy, labor, and economic
18 growth pursuant to the "Activities Classification Structure Manual
19 for Michigan Community Colleges," as amended. Of the amount
20 appropriated in part 1 for the at-risk student success program,
21 \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to
22 address the special needs of at-risk students at community
23 colleges.

24 (2) Of the amount appropriated in part 1 for the at-risk
25 student success program, the balance of the appropriated money
26 shall be distributed on a proration utilizing the sum of the most

recent 3 years' developmental/preparatory contact hours divided by the sum of the 3-year total contact hours at each college. Each community college's percentage shall be divided by the sum of all the percentages systemwide to obtain each community college's prorated grant amount.

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

Alpena Community College.....	\$	82,100
Bay de Noc Community College.....		77,900
Delta College.....		108,000
Glen Oaks Community College.....		106,600
Gogebic Community College.....		54,900
Grand Rapids Community College.....		135,500
Henry Ford Community College.....		169,600
Jackson Community College.....		146,800
Kalamazoo Valley Community College.....		90,600
Kellogg Community College.....		138,400
Kirtland Community College.....		124,300
Lake Michigan College.....		147,200
Lansing Community College.....		147,800
Macomb Community College.....		83,100
Mid Michigan Community College.....		126,100
Monroe County Community College.....		102,100
Montcalm Community College.....		73,200
C.S. Mott Community College.....		127,700
Muskegon Community College.....		87,600
North Central Michigan College.....		103,800

1	Northwestern Michigan College.....	127,200
2	Oakland Community College.....	147,900
3	St. Clair County Community College.....	104,500
4	Schoolcraft College.....	124,300
5	Southwestern Michigan College.....	156,000
6	Washtenaw Community College.....	117,500
7	Wayne County Community College.....	166,600
8	West Shore Community College.....	145,400

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

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

14 (b) Are diagnosed as learning disabled.

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

16 (5) Grant funding under this section shall be utilized to
17 address the special needs of at-risk students. Activities related
18 to services provided to at-risk students include, but are not
19 limited to, pretesting for academic ability, counseling contacts,
20 and special programs. Equipment or information technology hardware
21 or software purchased under this section must be associated with
22 the operation of a program designed to address the needs of at-risk
23 students.

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

27 (7) Each community college shall report to the department of

1 energy, labor, and economic growth a summary of all accomplishments
2 under, expenditures for, and compliance with the intent of this
3 program, including the number of at-risk students served. The
4 report is subject to audit as provided for in section 502(1). The
5 report shall be submitted not later than 90 days after the end of
6 the state's fiscal year.

7 Sec. 404. The appropriation in part 1 for renaissance zone
8 reimbursements shall be made to each eligible recipient no later
9 than 60 days after the department of treasury certifies to the
10 state budget director that it has received all necessary
11 information to properly determine the amounts due each eligible
12 recipient under section 12 of the Michigan renaissance zone act,
13 1996 PA 376, MCL 125.2692.

14 Sec. 405. A community college receiving funds in part 1 shall
15 cooperate with all measures taken by the state to establish a
16 statewide P-20 education longitudinal data system to comply with
17 the state fiscal stabilization fund provisions of the American
18 recovery and reinvestment act of 2009, Public Law 111-5.

19 REPORTS AND AUDITS

20 Sec. 502. (1) The auditor general or a certified public
21 accountant appointed by the auditor general may conduct performance
22 audits of community colleges as the auditor general considers
23 necessary.

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

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

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

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

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

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

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

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

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

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

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

6 Sec. 508. Each community college shall report to the house and
7 senate fiscal agencies, the state budget director, and the
8 department of energy, labor, and economic growth by August 31,
9 2010, the tuition and mandatory fees paid by a full-time in-
10 district student and a full-time out-of-district student as
11 established by the college governing board for the 2010-2011
12 academic year. This report should also include the annual cost of
13 attendance based on a full-time course load of 30 credits. Each
14 community college shall also report any revisions to the reported
15 2010-2011 academic year tuition and mandatory fees adopted by the
16 college governing board to the house and senate fiscal agencies,
17 the state budget director, and the department of energy, labor, and
18 economic growth within 15 days of being adopted.

19 Sec. 509. Each community college shall report to the
20 department of energy, labor, and economic growth the numbers and
21 type of associate degrees and other certificates awarded during the
22 previous fiscal year. The report shall be made not later than
23 November 15, 2010.

24 Sec. 510. A community college receiving funding under this act
25 and also subject to the student right-to-know and campus security
26 act, Public Law 101-542, 104 Stat. 2381, shall make a copy of all
27 material prepared in accordance with the public information

1 reporting requirements under the crime awareness and campus
2 security act of 1990, title II of the student right-to-know and
3 campus security act, Public Law 101-542, 104 Stat. 2384, available
4 in hard copy and electronic format accessible through the Internet
5 for school districts, parents, and students.

6 Sec. 514. As reported on its 2010 audit report, a community
7 college with general fund unrestricted net assets equal to more
8 than 20% of its general fund operating revenue and general fund net
9 nonoperating revenue shall prepare a report outlining the college's
10 intended use or purpose for carrying the unrestricted net assets.
11 The community college shall submit the report to the senate and
12 house appropriations subcommittees on community colleges, the
13 senate and house fiscal agencies, and the state budget office no
14 later than December 1, 2010.