

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.....	\$	289,940,500
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		0
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ADJUSTED GROSS APPROPRIATION.....	\$	289,940,500
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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.....	\$	289,940,500
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Sec. 102. OPERATIONS

Alpena Community College.....	\$	4,965,600
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Bay de Noc Community College.....		5,016,300
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Delta College.....		13,321,000
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Glen Oaks Community College.....		2,232,600
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Gogebic Community College.....		4,141,300
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Grand Rapids Community College.....		16,680,600
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Henry Ford Community College.....		20,244,600
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Jackson Community College.....		11,180,900
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Kalamazoo Valley Community College.....		11,516,400
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Kellogg Community College.....		9,020,200
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1	Kirtland Community College.....	2,753,800
2	Lake Michigan College.....	4,855,200
3	Lansing Community College.....	28,830,600
4	Macomb Community College.....	30,779,100
5	Mid Michigan Community College.....	4,154,900
6	Monroe County Community College.....	4,013,100
7	Montcalm Community College.....	2,888,200
8	C.S. Mott Community College.....	14,546,200
9	Muskegon Community College.....	8,251,900
10	North Central Michigan College.....	2,803,000
11	Northwestern Michigan College.....	8,410,200
12	Oakland Community College.....	19,503,300
13	St. Clair County Community College.....	6,519,100
14	Schoolcraft College.....	11,398,600
15	Southwestern Michigan College.....	6,080,400
16	Washtenaw Community College.....	11,768,600
17	Wayne County Community College.....	15,392,400
18	West Shore Community College.....	<u>2,129,700</u>
19	GROSS APPROPRIATION.....	\$ 283,397,800
20	Appropriated from:	
21	State general fund/general purpose.....	\$ 283,397,800
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	State general fund/general purpose.....	\$ 6,542,700

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 \$289,940,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$289,940,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations.....	\$	283,397,800
At-risk student success program.....		3,322,700
Renaissance zone tax reimbursement program.....		<u>3,220,000</u>
TOTAL.....	\$	289,940,500

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

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

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

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

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

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

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

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

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

1 projects pursuant to JCOS policy.

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

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

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

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

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

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

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

1 recruiting and hiring a larger number of individuals with masters
2 degrees in nursing as instructors, and redirecting existing
3 institutional resources toward nursing education programs.

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

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

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

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

1 group purchasing. Efficiency efforts shall also include reviewing
2 proposed capital outlay projects to increase coordination and
3 utilization of new facilities, renovation projects, and technology
4 improvements.

5 **STATE AID - OPERATIONS**

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

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

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

measurable data items for the local strategic value indicator and review and implement 1 or more measurable data items for an administrative cost formula component.

GRANTS

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

(2) Of the amount appropriated in part 1 for the at-risk student success program, the balance of the appropriated money 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
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1	Bay de Noc Community College.....	77,900
2	Delta College.....	108,000
3	Glen Oaks Community College.....	106,600
4	Gogebic Community College.....	54,900
5	Grand Rapids Community College.....	135,500
6	Henry Ford Community College.....	169,600
7	Jackson Community College.....	146,800
8	Kalamazoo Valley Community College.....	90,600
9	Kellogg Community College.....	138,400
10	Kirtland Community College.....	124,300
11	Lake Michigan College.....	147,200
12	Lansing Community College.....	147,800
13	Macomb Community College.....	83,100
14	Mid Michigan Community College.....	126,100
15	Monroe County Community College.....	102,100
16	Montcalm Community College.....	73,200
17	C.S. Mott Community College.....	127,700
18	Muskegon Community College.....	87,600
19	North Central Michigan College.....	103,800
20	Northwestern Michigan College.....	127,200
21	Oakland Community College.....	147,900
22	St. Clair County Community College.....	104,500
23	Schoolcraft College.....	124,300
24	Southwestern Michigan College.....	156,000
25	Washtenaw Community College.....	117,500
26	Wayne County Community College.....	166,600
27	West Shore Community College.....	145,400

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

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

6 (b) Are diagnosed as learning disabled.

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

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

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

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

26 Sec. 404. The appropriation in part 1 for renaissance zone
27 reimbursements shall be made to each eligible recipient no later

1 than 60 days after the department of treasury certifies to the
2 state budget director that it has received all necessary
3 information to properly determine the amounts due each eligible
4 recipient under section 12 of the Michigan renaissance zone act,
5 1996 PA 376, MCL 125.2692.

6 Sec. 405. A community college receiving funds under this act
7 shall cooperate with the state to comply with the provisions of the
8 American recovery and reinvestment act of 2009, Public Law 111-5,
9 requiring the establishment of a statewide P-20 longitudinal data
10 system.

11 REPORTS AND AUDITS

12 Sec. 502. (1) The auditor general or a certified public
13 accountant appointed by the auditor general may conduct performance
14 audits of community colleges as the auditor general considers
15 necessary.

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

1 general disagree.

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

16 (2) Contracts between the community college and agencies that
17 reimburse the community college for the costs of instruction shall
18 be retained for audit purposes.

19 Sec. 505. Each community college shall have an annual audit of
20 all income and expenditures performed by an independent auditor and
21 shall furnish the independent auditor's management letter and an
22 annual audited accounting of all general and current funds income
23 and expenditures including audits of college foundations to the
24 members of the senate and house appropriations subcommittees on
25 community colleges, the senate and house fiscal agencies, the
26 auditor general, the department of energy, labor, and economic
27 growth, and the state budget director before November 15, 2010. If

1 a community college fails to furnish the audit materials, the
2 monthly state aid installments shall be withheld from that college
3 until the information is submitted. All reporting shall conform to
4 the requirements set forth in the "2001 Manual for Uniform
5 Financial Reporting, Michigan Public Community Colleges."

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

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

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

16 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL
17 390.1251 to 390.1253, to determine eligibility for tuition waivers,
18 and shall grant those waivers to individuals who meet the criteria
19 and request tuition waivers.

20 Sec. 507. Upon request, a community college shall inform
21 interested Michigan high schools of the aggregate academic status
22 of its students for the prior academic year, in a manner prescribed
23 by the Michigan community college association and in cooperation
24 with the Michigan association of secondary school principals.

25 Sec. 508. Each community college shall report to the house and
26 senate fiscal agencies, the state budget director, and the
27 department of energy, labor, and economic growth by August 31,

1 2010, the tuition and mandatory fees paid by a full-time in-
2 district student and a full-time out-of-district student as
3 established by the college governing board for the 2010-2011
4 academic year. This report should also include the annual cost of
5 attendance based on a full-time course load of 30 credits. Each
6 community college shall also report any revisions to the reported
7 2010-2011 academic year tuition and mandatory fees adopted by the
8 college governing board to the house and senate fiscal agencies,
9 the state budget director, and the department of energy, labor, and
10 economic growth within 15 days of being adopted.

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

16 Sec. 510. A community college receiving funding under this act
17 and also subject to the student right-to-know and campus security
18 act, Public Law 101-542, 104 Stat. 2381, shall make a copy of all
19 material prepared in accordance with the public information
20 reporting requirements under the crime awareness and campus
21 security act of 1990, title II of the student right-to-know and
22 campus security act, Public Law 101-542, 104 Stat. 2384, available
23 in hard copy and electronic format accessible through the Internet
24 for school districts, parents, and students.