

HOUSE BILL No. 4435

EXECUTIVE BUDGET BILL

February 24, 2009, Introduced by Rep. Miller and referred to the Committee on Appropriations.

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2010; 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:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, 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, 2010, from the funds indicated

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

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	299,360,500
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		0
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ADJUSTED GROSS APPROPRIATION.....	\$	299,360,500
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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.....	\$	299,360,500
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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>3,480,000</u>
25	GROSS APPROPRIATION.....	\$ 6,802,700
26	Appropriated from:	
27	State general fund/general purpose.....	\$ 6,802,700

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 2009-2010 is \$299,360,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2009-2010 is \$299,360,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations.....	\$	292,557,800
At-risk student success program.....		3,322,700
Renaissance zone tax reimbursement program.....		<u>3,480,000</u>
TOTAL.....	\$	299,360,500

Sec. 202. The appropriations authorized under this bill 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 bill. 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 bill is
19 appropriated for community colleges with fiscal years ending June
20 30, 2010, 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 2009. Each community college shall accrue its July and August 2010
25 payments to its institutional fiscal year ending June 30, 2010.
26 However, if a community college fails to submit all verified
27 Michigan community colleges activities classification structure

1 data for school year 2008-2009 to the department of energy, labor
2 and economic growth by November 1, 2009, the monthly installments
3 shall be withheld from that community college until those data are
4 submitted. The amount distributed to a community college or
5 department shall not exceed the net state allocation authorized by
6 this bill.

7 (2) Except as otherwise provided by law, each of the amounts
8 appropriated shall be used solely for the respective purposes
9 stated in this bill. The money appropriated in this bill may be
10 used to match the cost of any available programs under the Carl D.
11 Perkins vocational and applied technology education act of 1998, 20
12 USC 2301 to 2415, including local administration.

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

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

21 Sec. 217. Money appropriated in part 1 shall not be used to
22 pay for the construction or maintenance of a self-liquidating
23 project.

24 Sec. 224. (1) Recognizing the critical importance of education
25 in strengthening Michigan's workforce, the state's public community
26 colleges are encouraged to explore ways of increasing collaboration
27 and cooperation with 4-year universities, particularly in the areas

1 related to training, instruction, and program articulation.

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

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

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

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

14 (b) Review, analyze, and eradicate activities that may tend to
15 discriminate.

16 Sec. 241. (1) Community colleges are encouraged to expand
17 their current nursing education programs and increase nursing
18 education program enrollments. This expansion may include, but is
19 not limited to, creating partnerships with hospitals and other
20 health care providers and redirecting existing institutional
21 resources toward nursing education programs.

22 (2) Community college nursing programs are part of a
23 comprehensive solution to Michigan's nursing shortage. Community
24 college students can receive Michigan promise grants under 2006 PA
25 479, MCL 390.1621 to 390.1628 and are eligible to apply for
26 financial assistance through the Michigan college access grants.
27 The Michigan nursing corps grants described in section 431 of 2008

1 PA 251 and administered by the department of energy, labor and
2 economic growth provide funding to address the shortage of
3 qualified nursing faculty. Community colleges are encouraged to
4 coordinate with the chief nurse executive in the department of
5 community health and with 4-year universities to improve access to
6 nursing programs and to assist students to successfully enter the
7 nursing workforce.

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

13 Sec. 248. It is expected that a public university or
14 community college receiving federal stimulus funds will not raise
15 tuition and fees charged to Michigan residents for the remainder of
16 2008-2009 and for 2009-2010.

17 **STATE AID - OPERATIONS**

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

25 Sec. 302. A community college shall not include in the
26 enrollment data reported for determining state aid under this bill

1 any student credit hours or student contact hours for a student
2 incarcerated in a Michigan penal institution. Exclusion of these
3 students is intended to avoid the payment of state aid under this
4 bill for the same individuals for whom reimbursement is provided by
5 the state correctional system.

6 GRANTS

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

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

26 (3) For the fiscal year ending September 30, 2010, the at-risk

1	student success program money is allocated as follows:		
2	Alpena Community College.....	\$	83,000
3	Bay de Noc Community College.....		69,100
4	Delta College.....		106,400
5	Glen Oaks Community College.....		111,300
6	Gogebic Community College.....		56,300
7	Grand Rapids Community College.....		133,300
8	Henry Ford Community College.....		163,300
9	Jackson Community College.....		132,800
10	Kalamazoo Valley Community College.....		92,000
11	Kellogg Community College.....		152,600
12	Kirtland Community College.....		128,400
13	Lake Michigan College.....		147,000
14	Lansing Community College.....		157,000
15	Macomb Community College.....		84,200
16	Mid Michigan Community College.....		133,600
17	Monroe County Community College.....		104,100
18	Montcalm Community College.....		75,600
19	C.S. Mott Community College.....		113,300
20	Muskegon Community College.....		81,100
21	North Central Michigan College.....		109,800
22	Northwestern Michigan College.....		122,500
23	Oakland Community College.....		146,900
24	St. Clair Community College.....		123,100
25	Schoolcraft College.....		123,500
26	Southwestern Michigan College.....		152,300
27	Washtenaw Community College.....		127,300

1	Wayne County Community College.....	146,200
2	West Shore Community College.....	146,700

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

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

8 (b) Are diagnosed as learning disabled.

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

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

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

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

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

8 REPORTS AND AUDITS

9 Sec. 501. The department of energy, labor and economic growth
10 shall publish the activities classification structure data book for
11 Michigan community colleges on or before March 1, 2010.

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, 2009. 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 Financial
5 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 no
8 later than November 1, 2009:

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 (3) The department of energy, labor and economic growth shall
21 compile the information received under subsection (1) and shall
22 submit this compilation to the house and senate appropriations
23 subcommittees on community colleges, the senate and house fiscal
24 agencies, and the state budget director by January 7, 2010.

25 Sec. 507. Upon request, a community college shall inform
26 interested Michigan high schools of the aggregate academic status
27 of its students for the prior academic year, in a manner prescribed

1 by the Michigan community college association and in cooperation
2 with the Michigan association of secondary school principals.

3 Sec. 508. (1) Each community college shall report to the house
4 and senate fiscal agencies, the state budget director, and the
5 department of energy, labor and economic growth by August 31, 2009,
6 the tuition and mandatory fees paid by a full-time in-district
7 student and a full-time out-of-district student as established by
8 the college governing board for the 2009-2010 academic year. This
9 report should also include the annual cost of attendance based on a
10 full-time course load of 30 credits. Each community college shall
11 also report any revisions to the reported 2009-2010 academic year
12 tuition and mandatory fees adopted by the college governing board
13 to the house and senate fiscal agencies, the state budget director,
14 and the department of energy, labor and economic growth within 15
15 days of being adopted.

16 (2) The department of energy, labor and economic growth shall
17 prepare and provide to community colleges a standard format for
18 reporting tuition and fees pursuant to subsection (1).

19 Sec. 509. (1) 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, 2009.

24 (2) The department of energy, labor and economic growth shall
25 compile the information received under subsection (1) and shall
26 submit this compilation to the house and senate appropriations
27 subcommittees on community colleges, the senate and house fiscal

1 agencies, and the state budget director by January 7, 2010.

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