

# HOUSE BILL No. 5876

## EXECUTIVE BUDGET BILL

February 23, 2010, 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, 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:

#### 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, 2011, from the funds indicated

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

3 **COMMUNITY COLLEGES**

4 APPROPRIATION SUMMARY

5	GROSS APPROPRIATION.....	\$	299,100,500
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and intradepartmental		
8	transfers .....		0
9	ADJUSTED GROSS APPROPRIATION.....	\$	299,100,500
10	Federal revenues:		
11	Total federal revenues.....		0
12	Special revenue funds:		
13	Total local revenues.....		0
14	Total private revenues.....		0
15	Total other state restricted revenues.....		0
16	State general fund/general purpose.....	\$	299,100,500
17	<b>Sec. 102. OPERATIONS</b>		
18	Alpena Community College.....	\$	5,126,100
19	Bay de Noc Community College.....		5,178,400
20	Delta College.....		13,751,600
21	Glen Oaks Community College.....		2,304,800
22	Gogebic Community College.....		4,275,200
23	Grand Rapids Community College.....		17,219,800
24	Henry Ford Community College.....		20,898,900
25	Jackson Community College.....		11,542,300
26	Kalamazoo Valley Community College.....		11,888,600
27	Kellogg Community College.....		9,311,800

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	Special revenue funds:	
22	State general fund/general purpose.....	\$ 292,557,800
23	<b>Sec. 103. GRANTS</b>	
24	At-risk student success program.....	\$ 3,322,700
25	Renaissance zone tax reimbursement funding.....	<u>3,220,000</u>
26	GROSS APPROPRIATION.....	\$ 6,542,700
27	Appropriated from:	

1 Special revenue funds:  
 2 State general fund/general purpose..... \$ 6,542,700

3 PART 2

4 PROVISIONS CONCERNING APPROPRIATIONS

5 GENERAL SECTIONS

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

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

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

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

1 placement of reports on an Internet or Intranet site.

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

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

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

1 However, if a community college fails to submit all verified  
2 Michigan community colleges activities classification structure  
3 data for school year 2009-2010 to the department of energy, labor,  
4 and economic growth by November 1, 2010, the monthly installments  
5 shall be withheld from that community college until those data are  
6 submitted. The amount distributed to a community college or  
7 department shall not exceed the net state allocation authorized by  
8 this bill.

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 bill. The money appropriated in this bill may be  
12 used 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 bill.

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.

26 Sec. 224. (1) Recognizing the critical importance of education  
27 in strengthening Michigan's workforce, the state's public community

1 colleges are encouraged to explore ways of increasing collaboration  
2 and cooperation with 4-year universities, particularly in the areas  
3 related to training, instruction, and program articulation.

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

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

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

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

16 (b) Review, analyze, and eradicate activities that may tend to  
17 discriminate.

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

27 (2) Community colleges are encouraged to coordinate with the

1 chief nurse executive in the department of community health and  
2 with 4-year universities to improve access to nursing programs and  
3 to assist students to successfully enter the nursing workforce.

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

9 Sec. 249. Community college districts are encouraged to  
10 evaluate and pursue efficiency and cost-containment measures that  
11 maximize state funding. Community colleges shall identify practices  
12 that increase efficiencies, including, but not limited to,  
13 establishing joint ventures, consolidating services, utilizing  
14 program collaborations, maximizing educational benefits through  
15 optimal class sizes and frequency of course offerings, increasing  
16 web-based instruction, eliminating low-enrollment and high-cost  
17 instructional programs, using self-insurance, practicing energy  
18 conservation, and utilizing group purchasing. Efficiency efforts  
19 shall also include reviewing proposed capital outlay projects to  
20 increase coordination and utilization of new facilities, renovation  
21 projects, and technology improvements.

## 22 **STATE AID - OPERATIONS**

23 Sec. 301. Unless otherwise stated, all data items used in  
24 determining state aid in this bill are as defined in the "2001  
25 Manual for Uniform Financial Reporting, Michigan Public Community  
26 Colleges," which shall be the basis for reporting data, and the  
27 "Activities Classification Structure Manual for Michigan Community

1 Colleges," as amended, which shall be used to document financial  
2 needs of the community colleges.

3 Sec. 302. A community college shall not include in the  
4 enrollment data reported for determining state aid under this bill  
5 any student credit hours or student contact hours for a student  
6 incarcerated in a Michigan penal institution. Exclusion of these  
7 students is intended to avoid the payment of state aid under this  
8 bill for the same individuals for whom reimbursement is provided by  
9 the state correctional system.

#### 10 GRANTS

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

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

1 the percentages systemwide to obtain each community college's  
2 prorated grant amount.

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

5	Alpena Community College.....	\$	82,100
6	Bay de Noc Community College.....		77,900
7	Delta College.....		108,000
8	Glen Oaks Community College.....		106,600
9	Gogebic Community College.....		54,900
10	Grand Rapids Community College.....		135,500
11	Henry Ford Community College.....		169,600
12	Jackson Community College.....		146,800
13	Kalamazoo Valley Community College.....		90,600
14	Kellogg Community College.....		138,400
15	Kirtland Community College.....		124,300
16	Lake Michigan College.....		147,200
17	Lansing Community College.....		147,800
18	Macomb Community College.....		83,100
19	Mid Michigan Community College.....		126,100
20	Monroe County Community College.....		102,100
21	Montcalm Community College.....		73,200
22	C.S. Mott Community College.....		127,700
23	Muskegon Community College.....		87,600
24	North Central Michigan College.....		103,800
25	Northwestern Michigan College.....		127,200
26	Oakland Community College.....		147,900
27	St. Clair County Community College.....		104,500

1	Schoolcraft College.....	124,300
2	Southwestern Michigan College.....	156,000
3	Washtenaw Community College.....	117,500
4	Wayne County Community College.....	166,600
5	West Shore Community College.....	145,400

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

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

11 (b) Are diagnosed as learning disabled.

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

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

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

24 (7) Each community college shall report to the department of  
25 energy, labor, and economic growth a summary of all accomplishments  
26 under, expenditures for, and compliance with the intent of this  
27 program, including the number of at-risk students served. The

1 report is subject to audit as provided for in section 502(1). The  
2 report shall be submitted not later than 90 days after the end of  
3 the state's fiscal year.

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

11 Sec. 405. A community college receiving funds under this bill  
12 shall cooperate with the state to comply with the provisions of the  
13 American recovery and reinvestment act of 2009, Public Law 111-5,  
14 requiring the establishment of a statewide P-20 longitudinal data  
15 system.

#### 16 **REPORTS AND AUDITS**

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

21 (2) Not more than 60 days after an audit report is released by  
22 the office of the auditor general, the principal executive officer  
23 of the community college that was audited shall submit to the house  
24 and senate appropriations committees, the house and senate fiscal  
25 agencies, the department of energy, labor, and economic growth, the  
26 auditor general, and the state budget director a plan to comply  
27 with audit recommendations. The plan shall contain projected dates

1 and resources required, if any, to achieve compliance with the  
2 audit recommendations, or a documented explanation of the college's  
3 noncompliance with the audit recommendations concerning the matters  
4 on which the audited community college and office of the auditor  
5 general disagree.

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

20       (2) Contracts between the community college and agencies that  
21 reimburse the community college for the costs of instruction shall  
22 be retained for audit purposes.

23       Sec. 505. Each community college shall have an annual audit of  
24 all income and expenditures performed by an independent auditor and  
25 shall furnish the independent auditor's management letter and an  
26 annual audited accounting of all general and current funds income  
27 and expenditures including audits of college foundations to the

1 members of the senate and house appropriations subcommittees on  
2 community colleges, the senate and house fiscal agencies, the  
3 auditor general, the department of energy, labor, and economic  
4 growth, and the state budget director before November 15, 2010. If  
5 a community college fails to furnish the audit materials, the  
6 monthly state aid installments shall be withheld from that college  
7 until the information is submitted. All reporting shall conform to  
8 the requirements set forth in the "2001 Manual for Uniform  
9 Financial Reporting, Michigan Public Community Colleges."

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

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

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

20       (2) Colleges shall use the criteria cited in 1976 PA 174, MCL  
21 390.1251 to 390.1253, to determine eligibility for tuition waivers,  
22 and shall grant those waivers to individuals who meet the criteria  
23 and request tuition waivers.

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

1 with the Michigan association of secondary school principals.

2       Sec. 508. Each community college shall report to the house and  
3 senate fiscal agencies, the state budget director, and the  
4 department of energy, labor, and economic growth by August 31,  
5 2010, the tuition and mandatory fees paid by a full-time in-  
6 district student and a full-time out-of-district student as  
7 established by the college governing board for the 2010-2011  
8 academic year. This report should also include the annual cost of  
9 attendance based on a full-time course load of 30 credits. Each  
10 community college shall also report any revisions to the reported  
11 2010-2011 academic year tuition and mandatory fees adopted by the  
12 college governing board to the house and senate fiscal agencies,  
13 the state budget director, and the department of energy, labor, and  
14 economic growth within 15 days of being adopted.

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

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

1 for school districts, parents, and students.