

SENATE BILL No. 1183

EXECUTIVE BUDGET BILL

March 3, 2010, Introduced by Senators CLARK-COLEMAN and SWITALSKI 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	Sec. 102. OPERATIONS		
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	Sec. 103. GRANTS	
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.