

**SUBSTITUTE FOR
SENATE BILL NO. 963**

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2001; 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:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

3

Sec. 101. Subject to the conditions set forth in this act, the

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amounts listed in this part are appropriated for community colleges and

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certain other state purposes relating to education for the fiscal year

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ending September 30, 2001, from the funds indicated in this part. The

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following is a summary of the appropriations in this part:

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For Fiscal Year Ending
September 30, 2001

1	COMMUNITY COLLEGES		
2	GROSS APPROPRIATION.....	\$	323,250,789
3	Total interdepartmental grants and intradepartmental		
4	transfers.....	\$	0
5	ADJUSTED GROSS APPROPRIATION.....	\$	323,250,789
6	Total federal revenues.....		0
7	Total local revenues.....		0
8	Total private revenues.....		0
9	Total state restricted revenues.....		10,000,000
10	State general fund/general purpose.....	\$	313,250,789
11	Sec. 102. OPERATIONS		
12	Alpena Community College.....	\$	5,200,693
13	Bay de Noc Community College.....		5,002,251
14	Delta College.....		14,528,515
15	Glen Oaks Community College.....		2,417,525
16	Gogebic Community College.....		4,293,830
17	Grand Rapids Community College.....		18,359,766
18	Henry Ford Community College.....		22,165,487
19	Jackson Community College.....		12,373,453
20	Kalamazoo Valley Community College.....		12,469,539
21	Kellogg Community College.....		9,820,945
22	Kirtland Community College.....		3,009,342
23	Lake Michigan College.....		5,288,177
24	Lansing Community College.....		31,508,013
25	Macomb Community College.....		33,812,200
26	Mid Michigan Community College.....		4,472,546

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1	Monroe County Community College.....		4,350,252
2	Montcalm Community College.....		3,172,195
3	C.S. Mott Community College.....		15,966,872
4	Muskegon Community College.....		9,094,304
5	North Central Michigan College.....		3,082,488
6	Northwestern Michigan College.....		9,251,343
7	Oakland Community College.....		21,369,520
8	St. Clair County Community College.....		7,137,689
9	Schoolcraft College.....		12,481,892
10	Southwestern Michigan College.....		6,630,508
11	Washtenaw Community College.....		12,560,626
12	Wayne County Community College.....		16,970,807
13	West Shore Community College.....		<u>2,334,778</u>
14	GROSS APPROPRIATION.....	\$	309,125,555
15	Appropriated from:		
16	State general fund/general purpose.....	\$	309,125,555
17	Sec. 103. GRANTS		
18	At-risk student success program.....	\$	3,692,103
19	Renaissance zone tax reimbursement funding.....		<u>433,131</u>
20	GROSS APPROPRIATION.....	\$	4,125,234
21	Appropriated from:		
22	State general fund/general purpose.....	\$	4,125,234
23	Sec. 104. FINANCIAL AID		
24	Postsecondary access student scholarship program.....	\$	<u>10,000,000</u>
25	GROSS APPROPRIATION.....	\$	10,000,000
26	Appropriated from:		

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For Fiscal Year Ending
September 30, 2001

1 Special revenue funds:
2 Michigan tobacco settlement trust fund..... 10,000,000
3 State general fund/general purpose..... \$ 0

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6 PART 2

7 PROVISIONS CONCERNING APPROPRIATIONS

8 **GENERAL SECTIONS**

9 Sec. 201. Pursuant to section 30 of article IX of the state consti-
10 tution of 1963, total state spending from state resources under part 1
11 for fiscal year 2000-2001 is \$323,250,789.00 and state spending from
12 state resources to be paid to local units of government for fiscal year
13 2000-2001 is \$323,250,789.00.

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

16 Sec. 208. The department shall continue to pilot the use of the
17 Internet to fulfill the reporting requirements of this act. This may
18 include transmission of reports via electronic mail to the recipients
19 identified for each reporting requirement or it may include placement of
20 reports on the Internet or legislative Intranet site. The senate and
21 house of representatives appropriations subcommittees and senate and
22 house fiscal agencies shall be notified in writing of the Internet or
23 Intranet site of any such report. Quarterly, the department shall pro-
24 vide a cumulative listing of the reports submitted during the most recent
25 3-month period along with the Internet or Intranet site of each report,
26 and a list of those reports expected to be transmitted in the following
27 quarter.

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1 Sec. 209. Funds appropriated in part 1 shall not be used for the
2 purchase of foreign goods or services, or both, if competitively priced
3 and of comparable quality American goods or services, or both, are
4 available.

5 Sec. 210. The director of each department receiving appropriations
6 in part 1 shall take all reasonable steps to ensure businesses in
7 deprived and depressed communities compete for and perform contracts to
8 provide services or supplies, or both. Each director shall strongly
9 encourage firms with which the department contracts to subcontract with
10 certified businesses in depressed and deprived communities for services,
11 supplies, or both.

12 Sec. 211. (1) The money appropriated in this act is appropriated
13 for community colleges with fiscal years ending June 30, 2001 and shall
14 be paid out of the state treasury and distributed by the state treasurer
15 to the respective community colleges in 11 monthly installments on the
16 sixteenth of each month, or the next succeeding business day, beginning
17 with October 16, 2000. Each community college shall accrue its July and
18 August 2001 payments to its institutional fiscal year ending June 30,
19 2001. However, if a community college fails to submit all verified
20 Michigan community colleges activities classification structure data for
21 school year 1999-2000 to the department of career development by November
22 1, 2000, the monthly installments shall be withheld from that community
23 college until those data are submitted. The department of career devel-
24 opment shall publish the activities classification structure data book
25 for Michigan community colleges on or before March 1, 2001 for use by the
26 legislature during budget development for the fiscal year ending
27 September 30, 2002. The amount from the money appropriated in part 1

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1 that is allocated under section 103 to address the special needs of
2 at-risk students shall be paid in full by the state treasurer by November
3 1, 2000. The amount distributed to a community college or department
4 shall not exceed the net state allocation authorized by this act.

5 (2) Except as otherwise provided by law, each of the amounts appro-
6 priated shall be used solely for the respective purposes stated in this
7 act. The money appropriated by this act may be used to match the cost of
8 any available programs under the Carl D. Perkins vocational and applied
9 technology education act, Public Law 88-210, 98 Stat. 2435, including
10 local administration.

11 Sec. 212. (1) The auditor general or an independent public account-
12 ing firm appointed by the auditor general shall audit data for the fiscal
13 year ending on June 30, 2000 as submitted to the department of career
14 development by 7 randomly selected community colleges. A community col-
15 lege shall maintain and provide those records necessary for the auditor
16 general or certified public accountant appointed by the auditor general
17 to determine the accuracy of the reported data. The audits shall be
18 based upon the definitions and requirements contained in the Manual for
19 Uniform Financial Reporting, Michigan Public Community Colleges, pub-
20 lished by the Michigan state board of education in 1981, and the
21 Activities Classification Structure Manual for Michigan Community
22 Colleges, 1996 revision of the final report of the activities classifica-
23 tion structure task force (July 1981), published by the department of
24 education. Before the submission of a final audit report, a community
25 college may appeal the findings of the preliminary report under an appeal
26 process to be established by the auditor general. The auditor general
27 shall submit a report of the findings to the house and senate

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1 appropriations committees, the department of career development, and the
2 state budget director before June 1, 2001.

3 (2) The auditor general or a certified public accountant appointed
4 by the auditor general shall conduct not less than 3 performance audits
5 of community colleges but may conduct more if the auditor general consid-
6 ers it necessary.

7 (3) Not more than 60 days after an audit report is released by the
8 office of the auditor general, the principal executive officer of the
9 community college that was audited shall submit to the house and senate
10 appropriations committees, the house and senate fiscal agencies, the
11 department of career development, the auditor general, and the department
12 of management and budget a plan to comply with audit recommendations.
13 The plan shall contain projected dates and resources required, if any, to
14 achieve compliance with the audit recommendations, or a documented expla-
15 nation of the college's noncompliance with the audit recommendations con-
16 cerning the matters on which the audited community college and office of
17 the auditor general disagree.

18 (4) A community college whose audited activities classification
19 structure data is significantly different than the data used to determine
20 state aid under this act shall return any overappropriated money as pro-
21 vided in this section. The department of career development shall com-
22 pare formula computations for the audited colleges using pre- and
23 post-audit data. If the state allocation is 2% or more than the
24 post-audit allocation amount, the college shall return the excess money.
25 The returned money shall be redistributed to all 28 community colleges,
26 prorated on the base appropriations contained in part 1.

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1 Sec. 213. The department of career development shall review the
2 taxonomy of the 7 community colleges selected for the audit under section
3 212 that is based on the Activities Classification Structure Manual for
4 Michigan Community Colleges, 1996 revision of the final report of the
5 activities classification structure task force (July 1981), published by
6 the department of education.

7 Sec. 214. (1) A community college shall retain certified class sum-
8 maries, class lists, registration documents, and student transcripts that
9 are consistent with the taxonomy of courses. For each enrollment period
10 during the fiscal year, these certified documents shall identify clearly
11 by course the number of in-district and out-of-district student credit
12 and contact hours. The class summaries and class lists shall be consis-
13 tent with each other and shall include the course prefix and numbers,
14 course title, course credit and contact hours, credit and contact hours
15 generated by each student, and activity classifications consistent with
16 the taxonomy. An auditable process shall be used by the community col-
17 lege to determine the unduplicated head count for in-district students,
18 out-of-district students, and prisoners for each enrollment period during
19 the fiscal year.

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

23 Sec. 215. Each community college shall have an annual audit of all
24 income and expenditures performed by an independent auditor and shall
25 furnish the independent auditor's management letter and an annual audited
26 accounting of all general and current funds income and expenditures
27 including audits of college foundations to the legislature, the senate

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1 and house fiscal agencies, the auditor general, the department of career
2 development, and the state budget director before November 15, 2000. If
3 a community college fails to furnish the audit materials, the monthly
4 state aid installments shall be withheld from that college until the
5 information is submitted. All reporting shall conform to the require-
6 ments set forth in the Manual for Uniform Financial Reporting, Michigan
7 Public Community Colleges, published by the Michigan state board of edu-
8 cation in 1981.

9 Sec. 216. (1) A community college shall pay the employer's contri-
10 butions to the Michigan public school employees' retirement system cre-
11 ated by the public school employees retirement act of 1979, 1980 PA 300,
12 MCL 38.1301 to 38.1408, as a condition of receiving money appropriated
13 under this act.

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

16 Sec. 217. An appropriation contained in this act shall not be used
17 for the construction of buildings for, or operations of, a community col-
18 lege not expressly authorized in part 1. Money appropriated in part 1
19 shall not be used to pay for the construction or maintenance of a
20 self-liquidating project.

21 Sec. 218. The department of career development shall ensure that a
22 statistical report for minorities and women employees for the most recent
23 school year as submitted to the federal government on the EEO-6 form be
24 included in the Michigan Community Colleges Enrollment Profile published
25 by the department of career development. Also included in this profile
26 shall be a statistical report for the most recent school year that
27 includes enrollment statistics for minorities and women from the current

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1 year as submitted to the department of career development and from the
2 prior year as submitted to the department of education. The department
3 of career development shall distribute a copy of this report to the state
4 budget director and to members of the house and senate appropriations
5 subcommittees on community colleges and the house and senate fiscal agen-
6 cies no later than March 1, 2001.

7 Sec. 219. (1) The department of treasury shall annually collect and
8 compile data on the tax revenue losses to community colleges resulting
9 from tax increment financing authorities (TIFA) and tax abatements. The
10 department of treasury shall produce a report detailing the data. The
11 report shall be completed and presented to the house and senate appropri-
12 ations subcommittees on community colleges, the department of career
13 development, and the department of management and budget not later than
14 February 15, 2001. The report shall include, but is not limited to, the
15 following:

16 (a) Estimated revenue losses for each community college for the cal-
17 endar year 2000.

18 (b) Confirmed revenue losses for each community college for the cal-
19 endar years 1999, 1998, and 1997.

20 (c) Other requirements requested by the house and senate appropria-
21 tions subcommittees on community colleges.

22 Sec. 220. The auditor general shall audit the 1999, 1998, and 1997
23 calendar years tax revenue losses to community colleges resulting from
24 TIFAs and tax abatements. The auditor general shall submit the results
25 of this audit to the house and senate appropriations subcommittees on
26 community colleges and the senate and house fiscal agencies by February
27 15, 2001.

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1 Sec. 221. (1) Each community college shall report the following to
2 the department of career development, no later than November 1, 2000:

3 (a) The number of North American Indian students enrolled each term
4 for the previous fiscal year, using guidelines and procedures developed
5 by the department of career development and the Michigan commission on
6 Indian affairs.

7 (b) The number of Indian tuition waivers granted each term, and the
8 monetary value of the waivers for the previous fiscal year.

9 (2) Colleges shall use the criteria cited in 1976 PA 174,
10 MCL 390.1251 to 390.1253, to determine eligibility for tuition waivers,
11 and shall grant those waivers to individuals who meet the criteria and
12 request tuition waivers.

13 (3) The department of career development shall compile the informa-
14 tion received under subsection (1) and shall submit this compilation to
15 the house and senate appropriations subcommittees on community colleges,
16 the senate and house fiscal agencies, and the state budget director by
17 January 7, 2001.

18 Sec. 222. From the general fund/general purpose appropriation in
19 part 1, there is allocated \$433,131.00 to make reimbursement to community
20 colleges, as provided by section 12 of the Michigan renaissance zone act,
21 1996 PA 376, MCL 125.2692, for property taxes levied in 2000.
22 Reimbursements shall be made in amounts to each eligible recipient no
23 later than 60 days after the department of treasury certifies to the
24 state budget director that it has received all necessary information to
25 properly determine the amounts due each eligible recipient under
26 section 12 of the Michigan renaissance zone act, 1996 PA 376,
27 MCL 125.2692. Excess allocations lapse to the general fund.

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1 Sec. 223. Upon request, a community college shall inform interested
2 Michigan high schools of the aggregate academic status of its students
3 for the fiscal year beginning October 1, 2000, in a manner prescribed by
4 the Michigan community college association and in cooperation with the
5 Michigan association of secondary school principals.

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

11 (2) Community colleges shall report by December 1, 2000 to the
12 department of career development on steps they have taken to increase
13 collaboration and cooperation with 4-year universities under
14 subsection (1).

15 (3) The department of career development shall compile the informa-
16 tion received under subsection (2) and shall submit this compilation to
17 the house and senate appropriations subcommittees on community colleges
18 and the senate and house fiscal agencies by January 7, 2001.

19 Sec. 225. The legislature intends that all citizens of this state
20 have geographic and programmatic access to quality comprehensive commu-
21 nity college services. The legislature and the Michigan community col-
22 lege association shall continue to review and analyze the recommendations
23 made by the co-terminus task force to assure geographic and programmatic
24 access to quality and comprehensive community college services.

25 Sec. 226. Each community college shall report to the house and
26 senate fiscal agencies and the department of career development a
27 modification in credit or contact hour tuition or mandatory

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1 non-course-related student fees not later than 30 days after the
2 modification is established by the college governing board.

3 Sec. 227. (1) Each community college shall report to the department
4 of career development the numbers and type of associate degrees and other
5 certificates awarded during the previous fiscal year. The report shall
6 be made not later than November 15, 2000.

7 (2) The department of career development shall compile the informa-
8 tion received under subsection (1) and shall submit this compilation to
9 the house and senate appropriations subcommittees on community colleges,
10 the senate and house fiscal agencies, and the state budget director by
11 January 7, 2001.

12 Sec. 228. The legislature intends to achieve full funding of the
13 Gast-Mathieu fairness in funding formula.

14 Sec. 229. (1) A community college receiving funding under this act
15 and also subject to the student right-to-know and campus security act,
16 Public Law 101-542, 104 Stat. 2381, shall make a copy of all material
17 prepared in accordance with the public information reporting requirements
18 under the crime awareness and campus security act of 1990, title II of
19 the student right-to-know and campus security act, Public Law 101-542,
20 104 Stat. 2384, available in hard copy and electronic format accessible
21 through the Internet for school districts, parents, and students.

22 Sec. 230. (1) A community college shall not expend money appropri-
23 ated under this act to provide health care coverage for community college
24 employees or their dependents for abortion services, other than for spon-
25 taneous abortion or to prevent the death of the woman upon whom the abor-
26 tion is performed. A community college shall not approve a collective
27 bargaining agreement or enter into any other employment contract that

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1 includes health care coverage for abortion services other than
2 spontaneous abortion or to prevent the death of the woman upon whom the
3 abortion is performed.

4 (2) If a community college expends money appropriated under this act
5 in violation of subsection (1), the community college shall repay to this
6 state an amount equal to the amount of money spent in violation of sub-
7 section (1).

8 Sec. 231. In light of sections 1, 3, and 4 of 1846 RS 83, MCL
9 551.1, 551.3, and 551.4, and section 1 of 1939 PA 168, MCL 551.271, the
10 legislature intends that a community college receiving funding under this
11 act shall not use part 1 money to extend employee benefits to the unmar-
12 ried partners of the community college's employees except for pre- and
13 post-natal costs.

14 STATE AID - OPERATIONS

15 Sec. 301. Unless otherwise stated, all data items used in determin-
16 ing state aid in this act are as defined in the Manual for Uniform
17 Financial Reporting, Michigan Public Community Colleges, published by the
18 Michigan state board of education in 1981, which shall be the basis for
19 reporting data, and the Activities Classification Structure Manual for
20 Michigan Community Colleges, 1996 revision of the final report of the
21 activities classification structure task force (July 1981), published by
22 the department of education, which shall be used to document financial
23 needs of the community colleges.

24 Sec. 302. A community college shall not include in the enrollment
25 report any student credit hours or student contact hours for a student

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1 incarcerated in a Michigan penal institution. Exclusion of these
2 students is intended to avoid the payment of state aid under this act for
3 the same individuals for whom reimbursement is provided by the state
4 correctional system.

5 **GRANTS**

6 Sec. 401. (1) The community college at-risk student success program
7 is continued. The funding shall be prorated among community colleges
8 based on the number of student contact hours for developmental and prepa-
9 ratory instruction reported by each community college to the department
10 of education for use in the Activities Classification Structure Manual
11 for Michigan Community Colleges, 1996 revision of the final report of the
12 activities classification structure task force (July 1981), published by
13 the department of education. Of the amount appropriated in part 1 for
14 the at-risk student success program, \$1,120,000.00 is allocated for base
15 grants of \$40,000.00 each, to address the special needs of at-risk stu-
16 dents at community colleges or the acquisition or upgrade of technology
17 related equipment and software.

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

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1 (3) For the fiscal year ending September 30, 2001, the at-risk
2 student success program money is allocated as follows:

3	Alpena Community College.....	\$	121,725
4	Bay de Noc Community College.....		105,324
5	Delta College.....		110,504
6	Glen Oaks Community College.....		131,210
7	Gogebic Community College.....		78,617
8	Grand Rapids Community College.....		76,714
9	Henry Ford Community College.....		168,324
10	Jackson Community College.....		114,933
11	Kalamazoo Valley Community College.....		118,490
12	Kellogg Community College.....		157,285
13	Kirtland Community College.....		145,724
14	Lake Michigan College.....		194,902
15	Lansing Community College.....		134,738
16	Macomb Community College.....		90,272
17	Mid Michigan Community College.....		123,549
18	Monroe Community College.....		102,673
19	Montcalm Community College.....		70,131
20	Mott Community College.....		105,617
21	Muskegon Community College.....		212,002
22	North Central Michigan College.....		178,833
23	Northwestern Michigan College.....		120,835
24	Oakland Community College.....		164,112
25	St. Clair Community College.....		77,130
26	Schoolcraft College.....		148,852

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1	Southwestern Michigan College.....	186,227
2	Washtenaw Community College.....	148,858
3	Wayne County Community College.....	158,329
4	West Shore Community College.....	146,193

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

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

10 (b) Are diagnosed as learning disabled.

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

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

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

23 (7) Each community college shall report to the department of career
24 development a summary of all accomplishments under, expenditures for, and
25 compliance with the intent of this program, including the number of
26 at-risk students served. The report is subject to audit as provided for
27 in section 204(1). The report shall be submitted not later than 90 days

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1 after the end of the state's fiscal year. The department of career
2 development shall compile the information received under this subsection
3 and shall submit this compilation to the house and senate appropriations
4 subcommittees on community colleges, the senate and house fiscal agen-
5 cies, and the state budget director by 120 days after the end of the
6 state's fiscal year.

7 (8) Each community college receiving grant money under this section
8 shall, not more than 12 months after receipt of that money, certify to
9 the state treasurer, the state budget director, the house and senate
10 fiscal agencies, and the auditor general whether all the grant money is
11 expended or encumbered.

12 Sec. 402. The legislature intends that any executive or legislative
13 proposal or action, subsequent to the adoption of a recommendation for
14 appropriations for community colleges for the fiscal year ending
15 September 30, 2001, to increase appropriations to state-supported 4-year
16 universities in excess of the governor's original recommendation for the
17 fiscal year ending September 30, 2001, will be accompanied by a similar
18 action or proposal for state-supported community colleges.

19 Sec. 403. The legislature intends that not less than 70% of the
20 economic development job training grant money be awarded to community
21 colleges or a consortium of community colleges and other eligible appli-
22 cants as provided in section 401(4) of 1999 PA 120. Further, the legis-
23 lature intends that at least a portion of the total appropriation for
24 economic development job training grants be awarded to community colleges
25 that offer certified programs that are bureau of apprenticeship training
26 certified. The department of career development shall report by November
27 1 of each year to the house and senate appropriations subcommittees on

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1 community colleges and the senate and house fiscal agencies the names of
2 the community colleges awarded grant money under this section, the amount
3 of the grants awarded, and the percentage awarded to bureau of appren-
4 ticeship training certified programs.

5 Sec. 404. (1) The Michigan postsecondary access student scholarship
6 (PASS) program is established to pay the remaining tuition and fees, as
7 calculated under this section, for a student who is eligible under sub-
8 section (2), (3), or (4). The Michigan higher education assistance
9 authority (MHEAA) shall administer the PASS program, for which there is
10 \$10,000,000.00 appropriated in part 1, and the program shall comply with
11 the requirements of this section.

12 (2) A student is eligible to have the student's remaining tuition
13 and fees for 2 years of college enrollment paid by the PASS program if
14 the student meets all of the following:

15 (a) The student must be a Michigan resident enrolled in a program
16 leading to an associate degree at a Michigan public community college,
17 Michigan public university, or Michigan nonprofit degree granting inde-
18 pendent college or university.

19 (b) The student must be enrolled **at least half-time**
20 and must be less than 22 years old at the
21 time of enrollment.

22 (c) The student must have taken the Michigan education assessment
23 program test, and received qualifying results for the Michigan merit
24 award scholarship as determined by the Michigan merit award board, in
25 each of the following subject areas: reading, writing, mathematics, and
26 science.

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1 (d) The student's family's adjusted gross income, as reported on the
2 free application for federal student aid form, must be equal to or less
3 than \$40,000.00.

4 (e) Other requirements established by the MHEEA.

5 (3) A student who takes the tests listed in subsection (2)(c) is
6 eligible to have the student's remaining tuition and fees for 1 year of
7 college enrollment paid by the PASS program if the student meets all of
8 the requirements under subsection (2) other than achieving qualifying
9 test results as required by subsection (2)(c). If such a student main-
10 tains satisfactory academic progress in that first year of college
11 enrollment and continues to meet the requirements of subsection (2) other
12 than subsection (2)(c), the student is eligible to have the student's
13 remaining tuition and fees for the second year of college enrollment paid
14 by the PASS program.

15 (4) A student who is 22 years old or older is eligible to have a
16 maximum of \$500.00 of the student's remaining tuition and fees for the
17 second year of college enrollment paid by the PASS program if the student
18 meets all of the requirements under subsection (2) other than the differ-
19 ent age requirement of subsection (2)(e) and qualifying test results as
20 required by subsection (2)(c). A student may qualify under this section
21 whether or not the student took any of the tests listed in subsection (2)
22 while enrolled in high school.

23 (5) For a student enrolled at a Michigan community college, allow-
24 able tuition and fees are the in-district tuition and fees. For a stu-
25 dent who does not reside within a community college district, allowable
26 tuition and fees are the out-of-district tuition and fees for the
27 community college that the student is attending.

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1 (6) For a student enrolled at a Michigan public university,
2 allowable tuition and fees are the lower level resident tuition and fees
3 for that public university.

4 (7) For a student enrolled at a Michigan independent, nonprofit
5 degree granting college or university, allowable tuition and fees are the
6 average lower level resident tuition and fees for all Michigan public
7 universities for the immediately preceding academic year as reported
8 before August 1 after that academic year.

9 (8) Before billing the PASS program for an eligible student's
10 remaining tuition and fees, the higher education institution that the
11 student is attending shall ensure that the student's remaining tuition
12 and fees are calculated as provided in this subsection. Before remitting
13 an eligible student's remaining tuition and fees to the higher education
14 institution that the student is attending, the MHEEA shall ensure that
15 the student's remaining tuition and fees have been calculated as provided
16 in this subsection. An eligible student's remaining tuition and fees are
17 the dollar amount remaining after subtracting from the student's allow-
18 able tuition and fees, as prescribed in subsection (5), (6), or (7), all
19 of the following state and federal financial educational assistance for
20 which that student is eligible:

21 (a) Grants.

22 (b) Scholarships.

23 (c) Tax credits.

24 (9) The PASS program shall not pay tuition or fees for a student's
25 theology or divinity courses.

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1 (10) The MHEEA shall develop an application and eligibility
2 determination process that ensures that all of the requirements,
3 prescribed either by this section or otherwise, are met.

4 (11) The legislature intends to continue to evaluate and further
5 develop a comprehensive student financial assistance program.

(12) Students who are expected to receive a tuition incentive
program scholarship are not eligible for the PASS program as described in
this section.