

**SUBSTITUTE FOR
HOUSE BILL NO. 4396**

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2004; to provide for the expenditures of those appropriations; 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
4 amounts listed in this part are appropriated for higher education for
5 the fiscal year ending September 30, 2004, from the funds indicated in
6 this part. The following is a summary of the appropriations in this
7 part:

8 **HIGHER EDUCATION**

1	Full-time equated classified positions.....1.0		
2	GROSS APPROPRIATION.....	\$	1,775,437,000
3	Interdepartmental grant revenues:		
4	Total interdepartmental grants and intradepartmental		
5	transfers.....	\$	0
6	ADJUSTED GROSS APPROPRIATION.....	\$	1,775,437,000
7	Appropriated from:		
8	Federal revenues:		
9	Total federal revenues.....		4,400,000
10	Special revenue funds:		
11	Total other state restricted revenues.....		138,350,000
12	State general fund/general purpose.....	\$	1,632,687,000
13	Sec. 102. CENTRAL MICHIGAN UNIVERSITY		
14	Operations.....	\$	<u>81,867,000</u>
15	GROSS APPROPRIATION.....	\$	81,867,000
16	Appropriated from:		
17	State general fund/general purpose.....	\$	81,867,000
18	Sec. 103. EASTERN MICHIGAN UNIVERSITY		
19	Operations.....	\$	<u>78,873,300</u>
20	GROSS APPROPRIATION.....	\$	78,873,300
21	Appropriated from:		
22	State general fund/general purpose.....	\$	78,873,300
23	Sec. 104. FERRIS STATE UNIVERSITY		
24	Operations.....	\$	<u>49,968,200</u>
25	GROSS APPROPRIATION.....	\$	49,968,200
26	Appropriated from:		
27	State general fund/general purpose.....	\$	49,968,200

1	Sec. 105. GRAND VALLEY STATE UNIVERSITY		
2	Operations.....	\$	<u>54,833,200</u>
3	GROSS APPROPRIATION.....	\$	54,833,200
4	Appropriated from:		
5	State general fund/general purpose.....	\$	54,833,200
6	Sec. 106. LAKE SUPERIOR STATE UNIVERSITY		
7	Operations.....	\$	<u>12,841,800</u>
8	GROSS APPROPRIATION.....	\$	12,841,800
9	Appropriated from:		
10	State general fund/general purpose.....	\$	12,841,800
11	Sec. 107. MICHIGAN STATE UNIVERSITY		
12	Operations.....	\$	<u>293,975,900</u>
13	GROSS APPROPRIATION.....	\$	293,975,900
14	Appropriated from:		
15	State general fund/general purpose.....	\$	293,975,900
16	Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY		
17	Operations.....	\$	<u>49,717,400</u>
18	GROSS APPROPRIATION.....	\$	49,717,400
19	Appropriated from:		
20	State general fund/general purpose.....	\$	49,717,400
21	Sec. 109. NORTHERN MICHIGAN UNIVERSITY		
22	Operations.....	\$	<u>46,811,500</u>
23	GROSS APPROPRIATION.....	\$	46,811,500
24	Appropriated from:		
25	State general fund/general purpose.....	\$	46,811,500
26	Sec. 110. OAKLAND UNIVERSITY		
27	Operations.....	\$	<u>47,645,300</u>

1	GROSS APPROPRIATION.....	\$	47,645,300
2	Appropriated from:		
3	State general fund/general purpose.....	\$	47,645,300
4	Sec. 111. SAGINAW VALLEY STATE UNIVERSITY		
5	Operations.....	\$	<u>24,995,000</u>
6	GROSS APPROPRIATION.....	\$	24,995,000
7	Appropriated from:		
8	State general fund/general purpose.....	\$	24,995,000
9	Sec. 112. UNIVERSITY OF MICHIGAN-ANN ARBOR		
10	Operations.....	\$	<u>327,206,100</u>
11	GROSS APPROPRIATION.....	\$	327,206,100
12	Appropriated from:		
13	State general fund/general purpose.....	\$	327,206,100
14	Sec. 113. UNIVERSITY OF MICHIGAN-DEARBORN		
15	Operations.....	\$	<u>25,193,900</u>
16	GROSS APPROPRIATION.....	\$	25,193,900
17	Appropriated from:		
18	State general fund/general purpose.....	\$	25,193,900
19	Sec. 114. UNIVERSITY OF MICHIGAN-FLINT		
20	Operations.....	\$	<u>21,661,300</u>
21	GROSS APPROPRIATION.....	\$	21,661,300
22	Appropriated from:		
23	State general fund/general purpose.....	\$	21,661,300
24	Sec. 115. WAYNE STATE UNIVERSITY		
25	Operations.....	\$	<u>228,279,900</u>
26	GROSS APPROPRIATION.....	\$	228,279,900
27	Appropriated from:		

1	State general fund/general purpose.....	\$	228,279,900
2	Sec. 116. WESTERN MICHIGAN UNIVERSITY		
3	Operations.....	\$	<u>114,065,700</u>
4	GROSS APPROPRIATION.....	\$	114,065,700
5	Appropriated from:		
6	State general fund/general purpose.....	\$	114,065,700
7	Sec. 117. STATE AND REGIONAL PROGRAMS		
8	Full-time equated classified positions.....1.0		
9	Agricultural experiment station.....	\$	33,163,800
10	Cooperative extension service.....		28,604,300
11	Japan center for Michigan universities.....		150,000
12	Higher education database maintenance and		
13	enhancement--1.0 FTE positions.....		200,000
14	Midwestern higher education compact.....		<u>82,500</u>
15	GROSS APPROPRIATION.....	\$	62,200,600
16	Appropriated from:		
17	State general fund/general purpose.....	\$	62,200,600
18	Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ		
19	- ROSA PARKS PROGRAM		
20	Select student supportive services.....	\$	1,956,100
21	Michigan college/university partnership program.....		586,800
22	Morris Hood, Jr. educator development program.....		<u>148,600</u>
23	GROSS APPROPRIATION.....	\$	2,691,500
24	Appropriated from:		
25	State general fund/general purpose.....	\$	2,691,500
26	Sec. 119. GRANTS AND FINANCIAL AID		
27	State competitive scholarships.....	\$	35,993,500

1	Tuition grants.....	64,447,700
2	Michigan work-study program.....	9,547,900
3	Michigan education opportunity grants.....	2,223,300
4	Dental clinics grant.....	4,547,000
5	Robert C. Byrd honors scholarship program.....	1,500,000
6	Nursing scholarship program.....	4,000,000
7	Michigan merit award program.....	125,100,000
8	Tuition incentive program.....	<u>5,250,000</u>
9	GROSS APPROPRIATION..... \$	252,609,400
10	Appropriated from:	
11	Federal revenues:	
12	Higher education act of 1965, title IV, 20 U.S.C....	2,900,000
13	Higher education act of 1965, title IV, part A.....	1,500,000
14	Special revenue funds:	
15	Michigan merit award trust fund.....	138,350,000
16	State general fund/general purpose..... \$	109,859,400

17 PART 2
18 PROVISIONS CONCERNING APPROPRIATIONS

19 **GENERAL SECTIONS**

20 Sec. 201. Pursuant to section 30 of article IX of the state
21 constitution of 1963, total state spending from state resources under
22 part 1 for fiscal year 2003-2004 is \$1,771,037,000.00 and state
23 spending from state resources to be paid to local units of government
24 for fiscal year 2003-2004 is \$3,032,000.00. The itemized statement
25 below identifies the estimated appropriations from which spending to
26 units of local government will occur:

1	Michigan education opportunity grant.....	\$	995,000
2	Michigan work-study.....		<u>2,037</u>
3	TOTAL.....	\$	3,032,000

4 Sec. 202. The appropriations authorized under this act are
5 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
6 18.1594.

7 Sec. 208. Unless otherwise specified, the institutions of higher
8 education receiving appropriations in part 1 shall use the Internet to
9 fulfill the reporting requirements of this act. This requirement may
10 include transmission of reports via electronic mail to the recipients
11 identified for each reporting requirement, or it may include placement
12 of reports on an Internet or Intranet site.

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

17 Sec. 212. (1) The funds appropriated in part 1 to state
18 institutions of higher education shall be paid out of the state
19 treasury and distributed by the state treasurer to the respective
20 institutions in 11 equal monthly installments on the sixteenth of each
21 month, or the next succeeding business day, beginning with October 16,
22 2003. Except for Wayne State University, each institution shall
23 accrue its July and August 2004 payments to its institutional fiscal
24 year ending June 30, 2004.

25 (2) All universities shall submit higher education institutional
26 data inventory (HEIDI) data and associated financial and program
27 information requested by and in a manner prescribed by the state

1 budget director. For universities with fiscal years ending June 30,
2 2003, these data shall be submitted to the state budget director by
3 October 15, 2003. Universities with a fiscal year ending September
4 30, 2003 shall submit preliminary HEIDI data by November 15, 2003 and
5 final data by December 15, 2003. If a university fails to submit
6 HEIDI data and associated financial aid program information in
7 accordance with this reporting schedule, the state treasurer shall
8 withhold the monthly installments under subsection (1) to the
9 university until those data are submitted.

10 (3) A detailed description of procedures utilized to arrive at the
11 amounts appropriated in part 1 shall be submitted to each institution
12 by the senate and house fiscal agencies.

13 Sec. 213. Funds received by the state from the federal
14 government or private sources for the use of a college or university
15 are appropriated for the purposes for which they are provided. The
16 acceptance and use of federal or private funds do not place an
17 obligation upon the legislature to continue the purposes for which the
18 funds are made available.

19 Sec. 214. If section 274 of the income tax act of 1967, 1967
20 PA 281, MCL 206.274, is not repealed and if a state institution of
21 higher education that receives funds under this act notifies the
22 department of treasury regarding its tuition and fee rates in order to
23 qualify as an eligible institution for the Michigan tuition tax credit
24 under section 274 of the income tax act of 1967, 1967 PA 281,
25 MCL 206.274, the institution shall also submit the notification and
26 applicable documentation of tuition and fee changes to the house and
27 senate fiscal agencies.

1 Sec. 215. A state institution of higher education that receives
2 funds under this act shall furnish all program and financial
3 information that is required by and in a manner prescribed by the
4 state budget director or the house or senate appropriations
5 committee.

6 **GRANTS AND FINANCIAL AID**

7 Sec. 301. (1) Payments of the amounts included in part 1 for the
8 state competitive scholarship program shall be distributed pursuant to
9 1964 PA 208, MCL 390.971 to 390.981.

10 (2) The Michigan higher education assistance authority shall
11 implement a proportional competitive scholarship maximum award level
12 for recipients enrolled less than full-time in a given semester or
13 term.

14 (3) If a student who receives an award under this section has his
15 or her tuition and fees paid under the Michigan educational trust
16 program, pursuant to the Michigan education trust act, 1986 PA 316,
17 MCL 390.1421 to 390.1444, and still has financial need, the funds
18 awarded under this section may be used for educational expenses other
19 than tuition and fees.

20 (4) If the Michigan higher education assistance authority
21 increases the maximum award per eligible student from that provided in
22 the previous fiscal year, it shall not have the effect of reducing the
23 number of eligible students receiving awards in relation to the total
24 number of eligible applicants. Any increase in the maximum grant
25 shall be proportional for all eligible students receiving awards.

26 Sec. 302. (1) The amounts appropriated in part 1 for the state
27 tuition grant program shall be distributed pursuant to 1966 PA 313,

1 MCL 390.991 to 390.997a.

2 (2) Tuition grant awards shall be made to all eligible Michigan
3 residents who apply before July 15, 2003 and who are qualified.
4 Tuition grant awards shall not be made to students newly enrolled in a
5 juris doctor law degree program after the 1995-96 academic year.

6 (3) The Michigan higher education assistance authority shall
7 determine an actual maximum tuition grant award per student that
8 ensures that the aggregate payments for the tuition grant program do
9 not exceed the appropriation contained in part 1 for the state tuition
10 grant program. By December 15, 2003, and again by February 1, 2004,
11 the authority shall analyze the status of award commitments, shall
12 make any necessary adjustments, and shall confirm that those award
13 commitments will not exceed the appropriation contained in part 1 for
14 the tuition grant program. The determination and actions shall be
15 reported to the state budget director and the house and senate fiscal
16 agencies no later than February 15, 2004. If award adjustments are
17 necessary, the students shall be notified of the adjustment by the
18 third Monday in February.

19 (4) Any unexpended and unencumbered funds remaining on
20 September 30, 2004 from the amounts appropriated in part 1 for the
21 tuition grant program shall not lapse on September 30, 2004, but shall
22 continue to be available for expenditure for tuition grants provided
23 in the 2004-2005 fiscal year. The use of these unexpended fiscal year
24 2003-2004 funds shall terminate at the end of the 2004-2005 fiscal
25 year.

26 (5) The Michigan higher education assistance authority shall
27 continue a proportional tuition grant maximum award level for

1 recipients enrolled less than full-time in a given semester or term.

2 (6) If the Michigan higher education assistance authority
3 increases the maximum award per eligible student from that provided in
4 the previous fiscal year, it shall not have the effect of reducing the
5 number of eligible students receiving awards in relation to the total
6 number of eligible applicants. Any increase in the maximum grant
7 shall be proportional for all eligible students receiving awards for
8 fiscal year 2003-2004.

9 (7) All Ferris State University students enrolled at Kendall
10 College of Art and Design prior to January 1, 2001 who were qualified
11 for the state tuition grant shall continue to receive the dollar
12 amount of the state tuition grant for which they were eligible until
13 they graduate or are no longer enrolled in the Kendall College of Art
14 and Design at Ferris State University.

15 Sec. 303. (1) Included in the appropriation in part 1 is funding
16 for the Michigan work-study program established under 1986 PA 288,
17 MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to 390.1332.
18 An effort should be made by each institution participating in the
19 Michigan work-study program to assure that not less than 10% of those
20 undergraduate, graduate, and professional students eligible to
21 participate in the program are placed with for-profit employers no
22 later than December 31 of each year for which funding is provided
23 under this act.

24 (2) The Michigan higher education assistance authority shall
25 allocate funds to institutions eligible for work-study money based
26 upon each institution's specific Pell grant index and each
27 institution's utilization rate of work-study funds for the 3 most

1 recent years for which statistics are available.

2 (3) The Michigan higher education assistance authority shall set
3 aside not more than 5% of the total work-study appropriation to
4 process requests from participating institutions for allocation
5 adjustments. Allocation adjustments shall be based on criteria set by
6 the authority prior to making the allocations under subsection (2).

7 Sec. 304. (1) If funding is restored for the general degree
8 reimbursement program established under 1974 PA 75, MCL 390.1021 to
9 390.1027, payments shall be made for all degrees identified in
10 section 1(1) of 1974 PA 75, MCL 390.1021, except doctor of dental
11 surgery, doctor of dental medicine, juris doctor law, and allied
12 health degrees.

13 (2) The reimbursement rate per eligible degree shall be the
14 equally prorated amount permitted by the appropriation, except that
15 the amount of the reimbursement for each associate degree shall be 1/2
16 of the rate of reimbursement for the other degrees eligible under
17 subsection (1) for the general degree reimbursement program.

18 Sec. 305. The sums appropriated in part 1 for the Michigan merit
19 award program are payable for qualifying students from the high school
20 graduating classes of 2000 through 2004. The sum included in part 1
21 for payments to students from the graduating class of 2004 represents
22 1/2 of the estimated total payments for that graduating class.

23 Sec. 306. Funds disbursed through the degree reimbursement
24 program shall not be used by any recipient institution for theology or
25 divinity programs.

26 Sec. 307. The auditor general may audit selected enrollments,
27 degrees, and awards at selected independent colleges and universities

1 receiving awards administered by the department of treasury. The
2 audits shall be based upon definitions and requirements established by
3 the Michigan higher education assistance authority, the state budget
4 director, and the senate and house fiscal agencies. The auditor
5 general shall accept the Free Application for Federal Student Aid
6 (FAFSA) form as the standard of residency documentation. The auditor
7 general shall submit a report of findings to the senate and house
8 appropriations committees and state budget director by May 1, 2004.

9 Sec. 308. The sums appropriated in part 1 for the student
10 financial aid and degree reimbursement programs shall be paid out of
11 the state treasury and shall be distributed to the respective
12 institutions under a quarterly payment system as follows:

13 (a) For the state competitive scholarship, tuition incentive, and
14 tuition grant programs, 40% shall be paid at the beginning of the
15 state's first fiscal quarter, 40% at the beginning of the state's
16 second fiscal quarter, 10% at the beginning of the state's third
17 fiscal quarter, and 10% at the beginning of the state's fourth fiscal
18 quarter.

19 (b) For the work-study program, payments shall be made in 11
20 monthly installments from October 1 to August 31 of any year.

21 (c) For the Michigan education opportunity grant program, 50%
22 shall be paid at the beginning of the state's first fiscal quarter,
23 25% at the beginning of the state's second fiscal quarter, and 25% at
24 the beginning of the state's third fiscal quarter.

25 (d) For the dental clinics grant program and Robert C. Byrd honors
26 scholarship program, 50% shall be paid at the beginning of the state's
27 first fiscal quarter and 50% at the beginning of the state's second

1 fiscal quarter after the number of earned degrees conferred and total
2 amounts to be paid are certified.

3 Sec. 309. The Michigan higher education assistance authority
4 shall determine the needs analysis criteria for students to qualify
5 for the competitive scholarship program and tuition grant program. To
6 be consistent with federal requirements, student wages may be taken
7 into consideration when determining the amount of the award.

8 Sec. 310. (1) The funds appropriated in part 1 for the tuition
9 incentive program/high school completion program shall be distributed
10 as provided in this section and pursuant to the administrative
11 procedures for the tuition incentive program/high school completion
12 program of the department of treasury.

13 (2) As used in this section:

14 (a) "Phase I" means the first part of the tuition incentive
15 assistance program defined as the academic period of 80 semester or
16 120 term credits, or less, leading to an associate degree or
17 certificate.

18 (b) "Phase II" means the second part of the tuition incentive
19 assistance program which provides assistance in the third and fourth
20 year of 4-year degree programs.

21 (c) "Department" means the department of treasury.

22 (3) A person shall meet the following basic criteria and financial
23 thresholds to be eligible for tuition incentive benefits:

24 (a) To be eligible for phase I, a person shall meet all of the
25 following criteria:

26 (i) Apply for certification to the department before graduating
27 from high school or completing the general education development (GED)

1 certificate.

2 (ii) Be less than 20 years of age at the time of high school
3 graduation or GED completion.

4 (iii) Be a United States citizen and a resident of Michigan
5 according to institutional criteria.

6 (iv) Be at least a half-time student, earning less than 80
7 semester or 120 term credits at a participating educational
8 institution within 4 years of high school graduation or GED
9 certificate completion.

10 (b) To be eligible for phase II, a person shall meet either of the
11 following criteria in addition to the criteria in subdivision (a):

12 (i) Complete at least 56 transferable semester or 84 transferable
13 term credits.

14 (ii) Obtain an associate degree or certificate at a participating
15 institution.

16 (c) To be eligible for phase I or phase II, a person must be
17 financially eligible as determined by the department. A person is
18 financially eligible for the tuition incentive program if that person
19 was Medicaid eligible for 24 months within the 36 months before
20 application. Certification of eligibility may begin in the sixth
21 grade and continue until the time of enrollment in a participating
22 institution.

23 (4) For phase I, the department shall provide payment on behalf of
24 a person eligible under subsection (3). The department shall reject
25 billings that are excessive or outside the guidelines for the type of
26 educational institution.

27 (5) For phase I, all of the following apply:

1 (a) Payments for associate degree or certificate programs shall
2 not be made for more than 80 semester or 120 term credits for any
3 individual student at any participating institution.

4 (b) For persons enrolled at a Michigan community college, the
5 department shall pay the current in-district tuition and mandatory
6 fees. For persons residing in an area that is not included in any
7 community college district, the out-of-district tuition rate may be
8 authorized.

9 (c) For persons enrolled at a Michigan public university, the
10 department shall pay lower level resident tuition and mandatory fees
11 for the current year.

12 (d) For persons enrolled at a Michigan independent, nonprofit
13 degree granting college or university, or a Michigan federal tribally
14 controlled community college, or Focus: HOPE, the department shall
15 pay mandatory fees for the current year and a per-credit payment that
16 does not exceed the average community college in-district per-credit
17 tuition rate as reported on August 1, for the immediately preceding
18 academic year.

19 (6) A person participating in phase II may be eligible for
20 additional funds not to exceed \$500.00 per semester or \$400.00 per
21 term up to a maximum of \$2,000.00 subject to the following
22 conditions:

23 (a) Credits are earned in a 4-year program at a Michigan degree
24 granting 4-year college or university.

25 (b) The tuition reimbursement is for coursework completed within
26 30 months of completion of the phase I requirements.

27 (7) Program payments shall not be used by any recipient for

1 theology or divinity courses.

2 (8) The department shall work closely with participating
3 institutions to develop an application and eligibility determination
4 process that will provide the highest level of participation and
5 ensure that all requirements of the program are met.

6 (9) New application approvals for the tuition incentive program
7 shall not be made after September 30, [2004]. If a determination of
8 financial eligibility is made prior to September 30, [2004], that
9 determination is valid as long as the student meets all other program
10 requirements and conditions.

11 (10) Each institution shall ensure that all known available
12 restricted grants for tuition and fees are used prior to billing the
13 tuition incentive program for any portion of a student's tuition and
14 fees.

15 (11) The department shall ensure that the tuition incentive
16 program is well publicized to students who received notification of
17 the program prior to September 30, [2004], and were determined to be
18 financially eligible. The department shall provide the necessary
19 funding and staff to fully operate the program.

20 (12) Any unexpended and unencumbered funds remaining on September
21 30, 2004 from the amounts appropriated in part 1 for the tuition
22 incentive program shall not lapse on September 30, 2004, but shall
23 continue to be available for expenditure for the tuition incentive
24 program in the fiscal year ending September 30, 2005.

25 Sec. 311. To enable the legislature and the state budget
26 director to evaluate the appropriation needs of higher education, each
27 independent college and university shall make available to the

1 legislature or state budget director, upon request, data regarding
2 grants for the preceding, current, and ensuing fiscal years.

3 Sec. 312. From the funds appropriated in part 1, the Michigan
4 higher education assistance authority shall administer the nursing
5 scholarship program pursuant to 2002 PA 591, MCL 390.1181 to
6 390.1189.

7 Sec. 315. Included in part 1 is funding for the dental clinics
8 grant. This appropriation is for the University of Detroit Mercy to
9 support dental clinical services provided by its school of dentistry
10 to low income residents in southeastern Michigan.

11 **STATE UNIVERSITIES**

12 Sec. 401. (1) Included in part 1 is \$5,608,390.00 to Wayne State
13 University for the Joseph F. Young, Sr. psychiatric research and
14 training program. Wayne State University shall use these funds for
15 psychiatric laboratory and clinical research, training, and treatment
16 services. Within the available appropriation, services shall not be
17 denied to any patient who meets established research guidelines for
18 treatment on the basis of personal financial circumstances, age,
19 geographic residence, or projected/actual length of treatment as
20 medically warranted.

21 (2) Wayne State University shall report the following information
22 to the department of community health by November 1, 2004:

23 (a) The number and type of psychiatric research projects funded by
24 the appropriation described in subsection (1).

25 (b) The number and type of students trained and the location of
26 training funded by the appropriation.

1 (c) Demographic data regarding the number and profile of patients
2 to receive psychiatric services funded by the appropriation and a
3 profile of the services provided.

4 (d) A summary budget outlining major expenditure categories and
5 any first- and third-party reimbursements.

6 (3) Copies of these reports shall also be provided to the house
7 and senate fiscal agencies and the state budget director.

8 Sec. 402. The University of Michigan biological station at
9 Douglas Lake in Cheboygan County is regarded as a unique resource and
10 is designated as a special research reserve. It is the intent of the
11 legislature to protect and preserve the unique long-term research
12 value and capabilities of the biological station area and Douglas
13 Lake. The legislature further intends that no state programs or
14 policies be developed that would have a deleterious impact on the
15 research value of Douglas Lake.

16 Sec. 405. (1) There is created the higher education
17 institutional data inventory advisory committee. The committee shall
18 be appointed by the state budget director and shall consist of the
19 following members:

20 (a) One representative from the house fiscal agency.

21 (b) One representative from the senate fiscal agency.

22 (c) One representative from the state budget director's office.

23 (d) Three representatives of the presidents council of state
24 universities. The presidents council shall appoint 1 representative
25 each from a masters, a doctoral, and a research university.

26 (2) The committee shall be responsible for maintaining and
27 enhancing the state higher education database for which funding is

1 included in part 1.

2 Sec. 408. The legislature recognizes that the first and foremost
3 obligation of the public universities is undergraduate instruction.
4 The public universities are therefore encouraged to increase their
5 commitment of tenured and tenure track faculty to undergraduate
6 instruction.

7 Sec. 409. The amounts included in part 1 for public universities
8 recognize 4 separate university groupings. Funding floors for the 4
9 groupings are established as follows:

10 (a) Funding floor of \$4,600.00 per fiscal-year-equated student for
11 Eastern Michigan University, Ferris State University, Grand Valley
12 State University, Lake Superior State University, Northern Michigan
13 University, Saginaw Valley State University, and the University of
14 Michigan-Flint.

15 (b) Funding floor of \$4,800.00 per fiscal-year-equated student for
16 Central Michigan University, Oakland University, and the University of
17 Michigan-Dearborn.

18 (c) Funding floor of \$5,800.00 per fiscal-year-equated student for
19 Michigan Technological University and Western Michigan University.

20 (d) Funding floor of \$9,100.00 per fiscal-year-equated student for
21 Michigan State University, the University of Michigan-Ann Arbor, and
22 Wayne State University.

23 Sec. 418. No state funds shall be used by any state university
24 to undertake a collaborative effort with any other university that
25 would have the effect of increasing its enrollment of first-time
26 professional law degree seeking students.

27 Sec. 421. (1) Central Michigan University shall report by

1 September 30, 2004 to the state budget director, house and senate
2 appropriations committees, and the house and senate fiscal agencies
3 information on the activities and effectiveness of the national
4 charter schools institute for which an appropriation is provided in
5 part 1. Included in the report shall be an accounting of all revenues
6 and expenditures of the institute, the names of the public school
7 academies served, and the type of assistance provided to each public
8 school academy.

9 (2) All funds received under part 1 for the national charter
10 schools institute are intended to be expended on activities of that
11 institute.

12 Sec. 426. It is the legislative intent that private bookstores
13 that sell textbooks to university students and student governments
14 that provide a book swap for university students have accurate and
15 timely access to lists of universities' required textbooks in order to
16 provide prompt and efficient service for students. It is further the
17 legislative intent that each state university allow students who are
18 on financial aid or are receiving tuition grants to decide where to
19 purchase their textbooks.

20 Sec. 433. (1) Included in part 1 is \$2,953,400.00 for the
21 agricultural experiment station and \$2,619,000.00 for the cooperative
22 extension service for project GREEN. Project GREEN is intended to
23 address critical regulatory, food safety, economic, and environmental
24 problems faced by this state's plant-based agriculture, forestry, and
25 processing industries. "GREEN" is an acronym for generating research
26 and extension to meet environmental and economic needs.

27 (2) The department of agriculture and Michigan State University,

1 in consultation with agricultural commodity groups and other
2 interested parties, shall develop project GREEN and its program
3 priorities.

4 (3) Not later than September 30, 2004, a report shall be submitted
5 by Michigan State University to the state budget director, the house
6 and senate appropriations subcommittees on agriculture and on higher
7 education, and the house and senate fiscal agencies for the preceding
8 fiscal year regarding project GREEN projects. The report shall
9 include, but is not limited to, the dollar amount of each project and
10 a review of each project's performance and accomplishments.

11 Sec. 434. All state universities shall work with the Michigan
12 economic development corporation (MEDC) to foster the state's economic
13 development. The presidents council shall meet quarterly with the
14 MEDC or its representative to discuss potential cooperative efforts
15 and examine any strategies or issues of concern related to advancement
16 of Michigan's economic development. The state universities, through
17 its presidents council, shall submit a report that summarizes the
18 discussion and identifies any conclusions or recommendations of the
19 participants at each quarterly meeting. The quarterly report shall be
20 submitted to the state budget director, the house and senate
21 appropriations subcommittees on higher education, and the house and
22 senate fiscal agencies no later than 30 days after each quarterly
23 meeting.

24 Sec. 436. The appropriations in part 1 for Michigan's 15 public
25 universities are intended to maintain the access and affordability to
26 these institutions for students and parents. As a condition to
27 receiving the appropriations in part 1, public universities shall

House Bill No. 4396 (H-1) as amended May 13, 2003

1 adopt reasonable tuition and fee increases for the 2003-2004 academic
2 year.

3 Sec. 437. It is the intent of the legislature that funds in a
4 Michigan public school employee retirement system (MPSERS)
5 stabilization subaccount be used for fiscal year 2003-04 to maintain
6 the annual level percentage of payroll contribution rate at the fiscal
7 year 2002-03 estimated rate of 12.99% for the 7 state universities
8 that have employees in the MPSERS system.

[Sec. 439. Any of Michigan's public universities which have a
policy allowing smoking in their dormitories or residence halls shall
report to the legislature, by December 1, 2003, the reason or reasons for
that policy.]

9 **MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS**

10 **PROGRAMS**

11 Sec. 501. (1) Included in the appropriation for each public
12 university in part 1 is funding for the Martin Luther King, Jr. -
13 Cesar Chavez - Rosa Parks future faculty program, that is intended to
14 increase the pool of minority candidates pursuing faculty teaching
15 careers in postsecondary education. Each university shall apply the
16 percentage increase applicable to every university in the calculation
17 of appropriations in part 1 to the amount of funds allocated to the
18 future faculty program.

19 (2) The program shall be administered by each university in a
20 manner prescribed by the Michigan department of career development.
21 The Michigan department of career development shall use a good faith
22 effort standard to evaluate whether a fellowship is in default.

23 Sec. 502. (1) Included in the appropriation for each public
24 university in part 1 is funding for the Martin Luther King, Jr. -
25 Cesar Chavez - Rosa Parks college day program that is intended to
26 introduce schoolchildren underrepresented in postsecondary education

1 to the potential of a college education.

2 (2) Individual program plans of each university shall include a
3 budget of equal contributions from this program, the participating
4 public university, the participating school district, and the
5 participating independent degree granting college. College day funds
6 shall not be expended to cover indirect costs. Not more than 20% of
7 the university match shall be attributable to indirect costs. Each
8 university shall apply the percentage increase applicable to every
9 university in the calculation of appropriations in part 1 to the
10 amount of funds allocated to the college day program.

11 (3) The program shall be administered by each university in a
12 manner prescribed by the Michigan department of career development.

13 Sec. 503. (1) Included in part 1 is funding for the Martin
14 Luther King, Jr. - Cesar Chavez - Rosa Parks select student support
15 services program for developing academically and economically
16 disadvantaged student retention programs for 4-year public and
17 independent educational institutions in this state.

18 (2) An award made under this program to any 1 institution shall
19 not be greater than \$150,000.00, and the amount awarded shall be
20 matched on a 70% state, 30% college or university basis.

21 (3) The program shall be administered by the Michigan department
22 of career development.

23 Sec. 504. (1) Included in part 1 is funding for the Martin
24 Luther King, Jr. - Cesar Chavez - Rosa Parks college/university
25 partnership program between 4-year public and independent colleges and
26 universities and public community colleges, which is intended to
27 increase the number of academically and economically disadvantaged

1 students who transfer from community colleges into baccalaureate
2 programs.

3 (2) The grants shall be made under this program to Michigan public
4 and independent colleges and universities. An award to any 1
5 institution shall not be greater than \$150,000.00, and the amount
6 awarded shall be matched on a 70% state, 30% college or university
7 basis.

8 (3) The program shall be administered by the Michigan department
9 of career development.

10 Sec. 505. (1) Included in the appropriation for each public
11 university in part 1 is funding for the Martin Luther King, Jr. -
12 Cesar Chavez - Rosa Parks visiting professors program which is
13 intended to increase the number of underrepresented minority
14 instructors in the classroom and provide role models for
15 underrepresented minority students.

16 (2) The program shall be administered by the Michigan department
17 of career development.

18 Sec. 506. (1) Included in the appropriation in part 1 is funding
19 under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
20 initiative for the Morris Hood, Jr. educator development program which
21 is intended to increase the number of minority students, especially
22 males, who enroll in and complete K-12 teacher education programs at
23 the baccalaureate level.

24 (2) The program shall be administered by each state-approved
25 teacher education institution in a manner prescribed by the Michigan
26 department of career development.

27 (3) Approved teacher education institutions may and are encouraged

1 to use student support services funding in coordination with the
2 Morris Hood, Jr. funding to achieve the goals of the program.

3 Sec. 507. Each state institution of higher education receiving
4 funds under section 503, 504, or 506 shall notify the Michigan
5 department of career development by April 15, 2004 as to whether it
6 will expend by the end of its fiscal year the funds received under
7 section 503, 504, or 506. Notwithstanding the award limitations in
8 sections 503 and 504, the amount of funding reported as not being
9 expended will be reallocated to the institutions that intend to expend
10 all funding received under section 503, 504, or 506.

11 STUDENT PERFORMANCE REPORTING

12 Sec. 601. (1) From the amount appropriated in part 1 for state
13 universities, the state universities shall systematically inform
14 Michigan high schools regarding the academic status of students from
15 each high school in a manner prescribed by the presidents council,
16 state universities of Michigan in cooperation with the Michigan
17 association of secondary school principals.

18 (2) The Michigan high schools shall systematically inform the
19 state universities about the use of information received under this
20 section in a manner prescribed by the Michigan association of
21 secondary school principals in cooperation with the presidents
22 council, state universities of Michigan.

23 Sec. 602. From the amount appropriated in part 1 for state
24 universities, the state universities shall inform Michigan community
25 colleges regarding the academic status of community college transfer
26 students in a manner prescribed by the presidents council, state

1 universities of Michigan in cooperation with the Michigan community
2 college association.

3 GENERAL REPORTS AND AUDITS

4 Sec. 701. (1) The auditor general shall review higher education
5 institutional data inventory (HEIDI) enrollment data submitted by all
6 public universities and may perform audits of selected public
7 universities if determined necessary. The review and audits shall be
8 based upon the definitions, requirements, and uniform reporting
9 categories established by the state budget director and the senate and
10 house fiscal agencies. The auditor general shall submit a report of
11 findings to the house and senate appropriations committees and the
12 state budget director no later than July 1, 2004.

13 (2) Student credit hours reports shall not include the following:

14 (a) Student credit hours generated through correspondence courses,
15 credit by examination, or inmate prison programs regardless of
16 teaching location.

17 (b) Student credit hours generated in new degree programs after
18 January 1, 1975, that have not been specifically authorized for
19 funding by the legislature, except spin-off programs converted from
20 existing core programs that do all of the following:

21 (i) Represent new options, fields, or concentrations within
22 existing programs.

23 (ii) Are consistent with the current institutional role and
24 mission.

25 (iii) Are accommodated within the continuing funding base of the
26 institution.

1 (iv) Do not require a new degree level beyond that which the
2 institution is currently authorized to grant within that discipline or
3 field.

4 (v) Do not require funding from the state other than that provided
5 by the student credit hours generated within the program, either
6 before program initiation or within the first 3 years of program
7 operation.

8 (3) The auditor general shall periodically audit higher education
9 institutional data inventory (HEIDI) data as submitted by the state
10 universities for compliance with the definitions approved by the HEIDI
11 advisory committee for the HEIDI database.

12 Sec. 702. The principal executive officer of each institution of
13 higher education receiving an appropriation under this act shall
14 expend a portion of the funds appropriated to that institution to make
15 a report to the auditor general, the house and senate fiscal agencies,
16 and the state budget director within 60 days after the auditor general
17 issues his or her report on the operation of the institution. The
18 institution's report shall specify all of the following:

19 (a) The recommendations of the auditor general implemented by the
20 institution, including projected dates and resources required, if any,
21 to achieve compliance.

22 (b) The recommendations of the auditor general not implemented by
23 the institution or implemented by the institution as modified.

24 (c) The rationale for not implementing a recommendation of the
25 auditor general or of implementing a recommendation as modified.

26 Sec. 708. The auditor general may conduct performance audits of
27 state universities during the fiscal year ending September 30, 2004 as

1 the auditor general considers necessary.

2 Sec. 709. An institution receiving funds under this bill and
3 also subject to the student right-to-know and campus security act,
4 Public Law 101-522, 104 Stat. 2381, shall make a copy of all material
5 prepared pursuant to the public information reporting requirements
6 under the crime awareness and campus security act of 1990, title II of
7 the student right-to-know and campus security act, Public Law 101-542,
8 104 Stat. 2381 available in electronic Internet format on their
9 websites.

10 Sec. 710. By February 15, 2004, each public university that
11 receives funds under this act shall report to the house and senate
12 appropriations subcommittees on higher education and the house and
13 senate fiscal agencies the aggregate dollar amount and the number and
14 percentages of undergraduate students who receive need-based grants,
15 merit-based scholarships and grants, loans, and work-study financial
16 aid for the academic year 2002-2003.