HOUSE BILL No. 4360

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EXECUTIVE BUDGET BILL

February 28, 2007, Introduced by Rep. Sak 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, 2008; 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, 2008, from the funds indicated

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

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:		
GROSS APPROPRIATION	$	297,369,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	297,369,000
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	297,369,000

Sec. 102. OPERATIONS

Alpena Community College	$	5,027,400
Bay de Noc Community College		5,073,600
Delta College		13,641,900
Glen Oaks Community College		2,291,400
Gogebic Community College		4,145,500
Grand Rapids Community College		17,125,000
Henry Ford Community College		20,838,300
Jackson Community College		11,516,000
Kalamazoo Valley Community College		11,806,600
Kellogg Community College		9,263,400

Kirtland Community College		2,817,800
Lake Michigan College		4,994,400
Lansing Community College		29,613,100
Macomb Community College		31,618,500
Mid Michigan Community College		4,213,200
Monroe County Community College		4,110,000
Montcalm Community College		2,962,300
C.S. Mott Community College		14,952,200
Muskegon Community College		8,499,700
North Central Michigan College		2,880,700
Northwestern Michigan College		8,667,100
Oakland Community College		19,972,100
St. Clair County Community College		6,698,100
Schoolcraft College		11,678,200
Southwestern Michigan College		6,274,100
Washtenaw Community College		11,981,600
Wayne County Community College		15,820,000
West Shore Community College		2,189,100
GROSS APPROPRIATION	$	290,671,300
Appropriated from:		
Special revenue funds:		
State general fund/general purpose	$	290,671,300

Sec. 103. GRANTS

At-risk student success program	$	3,322,700
Renaissance zone tax reimbursement funding		3,375,000
GROSS APPROPRIATION	$	6,697,700
Appropriated from:		

Special revenue funds:

State general fund/general purpose	$	6,697,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2007-2008 is $297,369,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is $297,369,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations	$	290,671,300
At-risk student success program		3,322,700
Renaissance zone tax reimbursement program		3,375,000
TOTAL	$	297,369,000

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

Sec. 203. Unless otherwise specified, a community college receiving appropriations in part 1 and the department of labor and economic growth shall use the Internet to fulfill the reporting requirements of this bill. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement or it may include placement of reports on an Internet or Intranet site.

Sec. 208. The department of labor and economic growth shall continue to work collaboratively with community colleges to implement an accelerated entrepreneurship curriculum, including an associate degree, to provide students with the skills and knowledge needed for creating their own businesses.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality.

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

Sec. 211. (1) The money appropriated in this bill is appropriated for community colleges with fiscal years ending June 30, 2008, and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16,

2007. Each community college shall accrue its July and August 2008 payments to its institutional fiscal year ending June 30, 2008. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for the prior school year to the department of labor and economic growth by November 1, the monthly installments shall be withheld from that community college until those data are submitted.

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

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

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

Sec. 217. Money appropriated in part 1 shall not be used to pay for the construction or maintenance of a self-liquidating project. Any construction, renovation, or other capital outlay project that exceeds $1,000,000.00 requires the approval of a use and finance statement by the joint capital outlay subcommittee

(JCOS) pursuant to JCOS policy.

Sec. 224. Recognizing the critical importance of education in strengthening Michigan's workforce, the state's public community colleges are encouraged to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

Sec. 234. Community colleges shall do the following:

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

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

Sec. 241. Community colleges are encouraged to expand their current nursing education programs and increase nursing education program enrollments. This expansion may include, but is not limited to, creating partnerships with hospitals and other health care providers, expanding the focus and utilization of the nursing scholarship program, and redirecting existing institutional resources toward nursing education programs.

STATE AID - OPERATIONS

Sec. 301. Unless otherwise stated, all data items used in determining state aid in this bill are as defined in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges, which shall be the basis for reporting data, and the 2003 Activities Classification Structure Manual for Michigan Community

Colleges, which shall be used to document financial needs of the community colleges.

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

Sec. 303. A community college selected for audit under section 502 whose audited activities classification structure data is significantly different than the data used to determine state aid under this bill shall return any overappropriated money as provided in this subsection. The department of labor and economic growth shall compare formula computations for the audited colleges using pre- and post-audit data. If the state allocation is 2% or more than the post-audit allocation amount, the college shall return the excess money. The returned money shall be redistributed to all 28 community colleges, prorated on the base appropriations contained in part 1.

GRANTS

Sec. 401. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of labor and economic growth pursuant to the 2003 Activities Classification Structure Manual for Michigan Community Colleges. Of the amount appropriated in part 1 for the at-risk student success program, $1,120,000.00 is allocated for base grants of $40,000.00 each, to address the special needs of at-risk students at community colleges.

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

(3) For the fiscal year ending September 30, 2008, the at-risk student success program money is allocated as follows:

Alpena Community College	$	80,500
Bay de Noc Community College		76,600
Delta College		99,400
Glen Oaks Community College		115,100
Gogebic Community College		58,200
Grand Rapids Community College		128,700
Henry Ford Community College		159,200
Jackson Community College		113,800
Kalamazoo Valley Community College		91,100
Kellogg Community College		167,400
Kirtland Community College		129,000
Lake Michigan College		155,100

Lansing Community College	143,800
Macomb Community College	84,300
Mid Michigan Community College	147,900
Monroe County Community College	103,900
Montcalm Community College	66,000
C.S. Mott Community College	105,700
Muskegon Community College	81,800
North Central Michigan College	116,200
Northwestern Michigan College	122,600
Oakland Community College	147,500
St. Clair Community College	110,500
Schoolcraft College	128,500
Southwestern Michigan College	145,100
Washtenaw Community College	153,700
Wayne County Community College	147,400
West Shore Community College	143,700

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

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

(b) Are diagnosed as learning disabled.

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

(5) Grant funding under this section shall be utilized to address the special needs of at-risk students. Activities related to services provided to at-risk students include, but are not limited to, pretesting for academic ability, counseling contacts,

and special programs. Equipment or information technology hardware or software purchased under this section must be associated with the operation of a program designed to address the needs of at-risk students.

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

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

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

REPORTS AND AUDITS

Sec. 501. The department of labor and economic growth shall publish the activities classification structure data book for Michigan community colleges on or before March 1, 2008, for use by the legislature during budget development for the fiscal year ending September 30, 2009.

Sec. 502. (1) The auditor general or an independent public accounting firm appointed by the auditor general shall audit data for the fiscal year ending on June 30, 2007, as submitted to the department of labor and economic growth by 7 randomly selected community colleges, selected by the auditor general. A community college shall maintain and provide those records necessary for the auditor general or certified public accountant appointed by the auditor general to determine the accuracy of the reported data. The audits shall be based upon the definitions and requirements contained in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges and the 2003 Activities Classification Structure Manual for Michigan Community Colleges. Before the submission of a final audit report, a community college may appeal the findings of the preliminary report under an appeal process to be established by the auditor general. The auditor general shall submit a report of the findings to the house and senate appropriations committees, the department of labor and economic growth, and the state budget director before June 1, 2008.

(2) The auditor general or a certified public accountant appointed by the auditor general may conduct performance audits of community colleges as the auditor general considers necessary.

(3) Not more than 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, the department of labor and economic growth, the auditor

general, and the state budget director a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

Sec. 503. The department of labor and economic growth shall review the taxonomy of the 7 community colleges selected for the audit under section 502 that is based on the 2003 Activities Classification Structure Manual for Michigan Community Colleges.

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

(2) Contracts between the community college and agencies that reimburse the community college for the costs of instruction shall

be retained for audit purposes.

Sec. 505. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the department of labor and economic growth, and the state budget director before November 15, 2007. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges.

Sec. 506. (1) Each community college shall report the following to the department of labor and economic growth no later than November 1, 2007:

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

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

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

and request tuition waivers.

(3) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2008.

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

Sec. 508. (1) Each community college shall report to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth by August 31, 2007, the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2007-2008 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2007-2008 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth within 15 days of being adopted.

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

Sec. 509. (1) Each community college shall report to the department of labor and economic growth the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 2007.

(2) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2008.

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