

SENATE BILL No. 247

EXECUTIVE BUDGET BILL

February 21, 2007, Introduced by Senators CLARK-COLEMAN and SCHAUER 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

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

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	297,369,000
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers		0
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ADJUSTED GROSS APPROPRIATION.....	\$	297,369,000
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Federal revenues:

Total federal revenues.....		0
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Special revenue funds:

Total local revenues.....		0
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Total private revenues.....		0
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Total other state restricted revenues.....		0
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State general fund/general purpose.....	\$	297,369,000
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Sec. 102. OPERATIONS

Alpena Community College.....	\$	5,027,400
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Bay de Noc Community College.....		5,073,600
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Delta College.....		13,641,900
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Glen Oaks Community College.....		2,291,400
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Gogebic Community College.....		4,145,500
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Grand Rapids Community College.....		17,125,000
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Henry Ford Community College.....		20,838,300
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Jackson Community College.....		11,516,000
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Kalamazoo Valley Community College.....		11,806,600
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Kellogg Community College.....		9,263,400
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1	Kirtland Community College.....	2,817,800
2	Lake Michigan College.....	4,994,400
3	Lansing Community College.....	29,613,100
4	Macomb Community College.....	31,618,500
5	Mid Michigan Community College.....	4,213,200
6	Monroe County Community College.....	4,110,000
7	Montcalm Community College.....	2,962,300
8	C.S. Mott Community College.....	14,952,200
9	Muskegon Community College.....	8,499,700
10	North Central Michigan College.....	2,880,700
11	Northwestern Michigan College.....	8,667,100
12	Oakland Community College.....	19,972,100
13	St. Clair County Community College.....	6,698,100
14	Schoolcraft College.....	11,678,200
15	Southwestern Michigan College.....	6,274,100
16	Washtenaw Community College.....	11,981,600
17	Wayne County Community College.....	15,820,000
18	West Shore Community College.....	<u>2,189,100</u>
19	GROSS APPROPRIATION.....	\$ 290,671,300
20	Appropriated from:	
21	Special revenue funds:	
22	State general fund/general purpose.....	\$ 290,671,300
23	Sec. 103. GRANTS	
24	At-risk student success program.....	\$ 3,322,700
25	Renaissance zone tax reimbursement funding.....	<u>3,375,000</u>
26	GROSS APPROPRIATION.....	\$ 6,697,700
27	Appropriated from:	

1 Special revenue funds:

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

3 PART 2

4 PROVISIONS CONCERNING APPROPRIATIONS

5 GENERAL SECTIONS

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

13	Operations.....	\$	290,671,300
14	At-risk student success program.....		3,322,700
15	Renaissance zone tax reimbursement program.....		<u>3,375,000</u>
16	TOTAL.....	\$	297,369,000

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

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

1 placement of reports on an Internet or Intranet site.

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

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

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

22 Sec. 211. (1) The money appropriated in this bill is
23 appropriated for community colleges with fiscal years ending June
24 30, 2008, and shall be paid out of the state treasury and
25 distributed by the state treasurer to the respective community
26 colleges in 11 monthly installments on the sixteenth of each month,
27 or the next succeeding business day, beginning with October 16,

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

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

15 Sec. 216. (1) A community college shall pay the employer's
16 contributions to the Michigan public school employees' retirement
17 system created by the public school employees retirement act of
18 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of
19 receiving money appropriated under this bill.

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

23 Sec. 217. Money appropriated in part 1 shall not be used to
24 pay for the construction or maintenance of a self-liquidating
25 project. Any construction, renovation, or other capital outlay
26 project that exceeds \$1,000,000.00 requires the approval of a use
27 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

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

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

10 Sec. 303. A community college selected for audit under section
11 502 whose audited activities classification structure data is
12 significantly different than the data used to determine state aid
13 under this bill shall return any overappropriated money as provided
14 in this subsection. The department of labor and economic growth
15 shall compare formula computations for the audited colleges using
16 pre- and post-audit data. If the state allocation is 2% or more
17 than the post-audit allocation amount, the college shall return the
18 excess money. The returned money shall be redistributed to all 28
19 community colleges, prorated on the base appropriations contained
20 in part 1.

21 GRANTS

22 Sec. 401. (1) The community college at-risk student success
23 program is continued. The funding shall be prorated among
24 community colleges based on the number of student contact hours for
25 developmental and preparatory instruction reported by each
26 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

1	Lansing Community College.....	143,800
2	Macomb Community College.....	84,300
3	Mid Michigan Community College.....	147,900
4	Monroe County Community College.....	103,900
5	Montcalm Community College.....	66,000
6	C.S. Mott Community College.....	105,700
7	Muskegon Community College.....	81,800
8	North Central Michigan College.....	116,200
9	Northwestern Michigan College.....	122,600
10	Oakland Community College.....	147,500
11	St. Clair Community College.....	110,500
12	Schoolcraft College.....	128,500
13	Southwestern Michigan College.....	145,100
14	Washtenaw Community College.....	153,700
15	Wayne County Community College.....	147,400
16	West Shore Community College.....	143,700

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

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

22 (b) Are diagnosed as learning disabled.

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

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

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

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

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

15 Sec. 404. The appropriation in part 1 for renaissance zone
16 reimbursements shall be made to each eligible recipient no later
17 than 60 days after the department of treasury certifies to the
18 state budget director that it has received all necessary
19 information to properly determine the amounts due each eligible
20 recipient under section 12 of the Michigan renaissance zone act,
21 1996 PA 376, MCL 125.2692.

22 **REPORTS AND AUDITS**

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

1 ending September 30, 2009.

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

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

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

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

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

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

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

1 be retained for audit purposes.

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

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

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

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

25 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL
26 390.1251 to 390.1253, to determine eligibility for tuition waivers,
27 and shall grant those waivers to individuals who meet the criteria

1 and request tuition waivers.

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

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

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

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

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

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

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