

**SUBSTITUTE FOR
SENATE BILL NO. 193**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 236, 236a, 236b, 241, 244, 245, 246, 252, 256,
258, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 275, 275a, 276,
277, 278, 279, 280, 281, 282, 289, 293a, and 296 (MCL 388.1836,
388.1836a, 388.1836b, 388.1841, 388.1844, 388.1845, 388.1846,
388.1852, 388.1856, 388.1858, 388.1863a, 388.1864, 388.1865,
388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874,
388.1875, 388.1875a, 388.1876, 388.1877, 388.1878, 388.1879,
388.1880, 388.1881, 388.1882, 388.1889, 388.1893a, and 388.1896),
sections 236, 236a, 241, 244, 245, 252, 256, 258, 263a, 264, 265,
267, 268, 269, 270, 274, 275, 275a, 276, 277, 278, 279, 280, 281,
282, and 289 as amended and sections 236b, 246, 265a, and 293a as
added by 2012 PA 201 and section 296 as added by 2011 PA 62, and by
adding section 262a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 236. (1) Subject to the conditions set forth in this
2 article, the amounts listed in subsections (2) to ~~(7)~~ **(6)** are
3 appropriated for higher education for the fiscal year ending
4 September 30, ~~2013,~~ **2014**, from the funds indicated in this section.
5 The following is a summary of the appropriations in subsections (2)
6 to ~~(7)~~ **(6)**:

7 (a) The gross appropriation is ~~\$1,399,220,400.00.~~
8 **\$1,430,573,500.00**. After deducting total interdepartmental grants
9 and intradepartmental transfers in the amount of \$0.00, the
10 adjusted gross appropriation is
11 ~~\$1,399,220,400.00.~~ **\$1,430,573,500.00.**

12 (b) The sources of the adjusted gross appropriation described
13 in subdivision (a) are as follows:

14 (i) Total federal revenues, \$97,026,400.00.

15 (ii) Total local revenues, \$0.00.

16 (iii) Total private revenues, \$0.00.

17 (iv) Total other state restricted revenues, \$200,565,700.00.

18 (v) State general fund/general purpose money,
19 ~~\$1,101,628,300.00.~~ **\$1,132,981,400.00.**

20 (2) Amounts appropriated for public universities are as
21 follows:

22 (a) The appropriation for Central Michigan University is
23 ~~\$69,575,300.00, \$68,108,900.00~~ **\$73,195,200.00, \$71,352,300.00** for
24 operations and ~~\$1,466,400.00~~ **\$1,842,900.00** for performance funding,
25 appropriated from the following:

26 (i) State school aid fund, \$11,284,600.00.

1 (ii) State general fund/general purpose money,
2 ~~\$58,290,700.00.~~**\$61,910,600.00.**

3 (b) The appropriation for Eastern Michigan University is
4 ~~\$66,297,500.00, \$64,619,100.00~~**\$67,124,100.00, \$66,466,700.00** for
5 operations and ~~\$1,678,400.00~~**\$657,400.00** for performance funding,
6 appropriated from the following:

7 (i) State school aid fund, \$10,706,400.00.

8 (ii) State general fund/general purpose money,
9 ~~\$55,591,100.00.~~**\$56,417,700.00.**

10 (c) The appropriation for Ferris State University is
11 ~~\$42,981,400.00, \$41,324,300.00~~**\$46,087,100.00, \$44,250,700.00** for
12 operations and ~~\$1,657,100.00~~**\$1,836,400.00** for performance funding,
13 appropriated from the following:

14 (i) State school aid fund, \$6,846,800.00.

15 (ii) State general fund/general purpose money,
16 ~~\$36,134,600.00.~~**\$39,240,300.00.**

17 (d) The appropriation for Grand Valley State University is
18 ~~\$55,097,500.00, \$52,677,400.00~~**\$57,428,000.00, \$55,436,000.00** for
19 operations and ~~\$2,420,100.00~~**\$1,992,000.00** for performance funding,
20 appropriated from the following:

21 (i) State school aid fund, \$8,727,800.00.

22 (ii) State general fund/general purpose money,
23 ~~\$46,369,700.00.~~**\$48,700,200.00.**

24 (e) The appropriation for Lake Superior State University is
25 ~~\$11,030,700.00, \$10,789,500.00~~**\$12,736,100.00, \$12,046,100.00** for
26 operations and ~~\$241,200.00~~**\$690,000.00** for performance funding,
27 appropriated from the following:

1 (i) State school aid fund, \$1,787,600.00.

2 (ii) State general fund/general purpose money,

3 ~~\$9,243,100.00~~ **\$10,948,500.00.**

4 (f) The appropriation for Michigan State University is

5 ~~\$298,733,800.00, \$241,120,800.00~~ **\$303,164,000.00, \$245,037,000.00**

6 for operations, ~~\$3,408,400.00~~ **\$2,838,300.00** for performance

7 funding, and ~~\$54,204,600.00~~ **\$55,288,700.00** for MSU AgBioResearch

8 and MSU extension activities, appropriated from the following:

9 (i) State school aid fund, \$39,949,900.00.

10 (ii) State general fund/general purpose money,

11 ~~\$258,783,900.00~~ **\$263,214,100.00.**

12 (g) The appropriation for Michigan Technological University is

13 ~~\$42,409,900.00, \$40,733,600.00~~ **\$43,764,200.00, \$42,579,100.00** for

14 operations and ~~\$1,676,300.00~~ **\$1,185,100.00** for performance funding,

15 appropriated from the following:

16 (i) State school aid fund, \$6,748,900.00.

17 (ii) State general fund/general purpose money,

18 ~~\$35,661,000.00~~ **\$37,015,300.00.**

19 (h) The appropriation for Northern Michigan University is

20 ~~\$40,348,800.00, \$38,367,400.00~~ **\$42,452,600.00, \$40,856,600.00** for

21 operations and ~~\$1,981,400.00~~ **\$1,596,000.00** for performance funding,

22 appropriated from the following:

23 (i) State school aid fund, \$6,356,900.00.

24 (ii) State general fund/general purpose money,

25 ~~\$33,991,900.00~~ **\$36,095,700.00.**

26 (i) The appropriation for Oakland University is

27 ~~\$44,033,300.00, \$43,145,000.00~~ **\$45,578,800.00, \$44,964,100.00** for

1 operations and ~~\$888,300.00~~ **\$614,700.00** for performance funding,
 2 appropriated from the following:

3 (i) State school aid fund, \$7,148,400.00.

4 (ii) State general fund/general purpose money,
 5 ~~\$36,884,900.00~~ **\$38,430,400.00**.

6 (j) The appropriation for Saginaw Valley State University is
 7 ~~\$25,487,500.00, \$23,561,500.00~~ **\$26,105,400.00, \$25,656,700.00** for
 8 operations and ~~\$1,926,000.00~~ **\$448,700.00** for performance funding,
 9 appropriated from the following:

10 (i) State school aid fund, \$3,903,800.00.

11 (ii) State general fund/general purpose money,
 12 ~~\$21,583,700.00~~ **\$22,201,600.00**.

13 (k) The appropriation for University of Michigan - Ann Arbor
 14 is ~~\$273,056,700.00, \$268,803,300.00~~ **\$277,935,100.00,**
 15 **\$274,156,700.00** for operations and ~~\$4,253,400.00~~ **\$3,778,400.00** for
 16 performance funding, appropriated from the following:

17 (i) State school aid fund, \$44,536,300.00.

18 (ii) State general fund/general purpose money,
 19 ~~\$228,520,400.00~~ **\$233,398,800.00**.

20 (l) The appropriation for University of Michigan - Dearborn is
 21 ~~\$21,898,800.00, \$21,016,300.00~~ **\$22,684,200.00, \$22,237,300.00** for
 22 operations and ~~\$882,500.00~~ **\$446,900.00** for performance funding,
 23 appropriated from the following:

24 (i) State school aid fund, \$3,482,100.00.

25 (ii) State general fund/general purpose money,
 26 ~~\$18,416,700.00~~ **\$19,202,100.00**.

27 (m) The appropriation for University of Michigan - Flint is

~~\$19,103,500.00, \$17,762,400.00~~ **\$20,278,900.00, \$19,526,600.00** for operations and ~~\$1,341,100.00~~ **\$752,300.00** for performance funding, appropriated from the following:

(i) State school aid fund, \$2,942,900.00.

(ii) State general fund/general purpose money, ~~\$16,160,600.00~~ **\$17,336,000.00**.

(n) The appropriation for Wayne State University is ~~\$183,229,100.00, \$182,036,900.00~~ **\$183,908,500.00, \$183,398,300.00** for operations and ~~\$1,192,200.00~~ **\$510,200.00** for performance funding, appropriated from the following:

(i) State school aid fund, \$30,160,600.00.

(ii) State general fund/general purpose money, ~~\$153,068,500.00~~ **\$153,747,900.00**.

(o) The appropriation for Western Michigan University is ~~\$95,318,300.00, \$93,168,300.00~~ **\$97,167,200.00, \$95,487,500.00** for operations and ~~\$2,150,000.00~~ **\$1,679,700.00** for performance funding, appropriated from the following:

(i) State school aid fund, \$15,436,500.00.

(ii) State general fund/general purpose money, ~~\$79,881,800.00~~ **\$81,730,700.00**.

~~— (3) In addition to the amounts described in subsection (2), \$9,054,200.00 in tuition restraint funding is appropriated for university operations from general fund/general purpose money. The amount allocated to each public university is determined in the manner provided in section 265.~~

~~(3) (4)~~ The amount appropriated for Michigan public school employees' retirement system reimbursement is ~~\$446,200.00~~,

1 **\$2,446,200.00, \$446,200.00** appropriated from the state school aid
 2 fund **AND \$2,000,000.00 FROM STATE GENERAL FUND/GENERAL PURPOSE**
 3 **MONEY.**

4 (4) ~~(5)~~—The amount appropriated for state and regional
 5 programs is ~~\$200,000.00, \$2,200,000.00~~, appropriated from general
 6 fund/general purpose money and allocated as follows:

7 (A) **COLLEGE ACCESS PROGRAM, \$2,000,000.00.**

8 (B) ~~(a)~~—Higher education database modernization and
 9 conversion, \$105,000.00.

10 (C) ~~(b)~~—Midwestern higher education compact, \$95,000.00.

11 (5) ~~(6)~~—The amount appropriated for the Martin Luther King,
 12 Jr. - Cesar Chavez - Rosa Parks program is \$2,691,500.00,
 13 appropriated from general fund/general purpose money and allocated
 14 as follows:

15 (a) Select student support services, \$1,956,100.00.

16 (b) Michigan college/university partnership program,
 17 \$586,800.00.

18 (c) Morris Hood, Jr. educator development program,
 19 \$148,600.00.

20 (6) ~~(7)~~—Subject to subsection ~~(8)~~, ~~(7)~~, the amount
 21 appropriated for grants and financial aid is ~~\$98,226,400.00,~~
 22 **\$103,626,400.00**, allocated as follows:

23 (a) State competitive scholarships, \$18,361,700.00.

24 (b) Tuition grants, \$31,664,700.00.

25 (c) Tuition incentive program, ~~\$43,800,000.00~~ **\$47,000,000.00.**

26 (d) Children of veterans and officer's survivor tuition grant
 27 programs, ~~\$1,200,000.00~~ **\$1,400,000.00.**

1 (e) Project GEAR-UP, \$3,200,000.00.

2 **(F) NORTH AMERICAN INDIAN TUITION WAIVER, \$2,000,000.00.**

3 **(7) ~~(8)~~**—The money appropriated in subsection **~~(7)~~—(6)** for
4 grants and financial aid is appropriated from the following:

5 (a) Federal revenues under the United States department of
6 education, office of elementary and secondary education, GEAR-UP
7 program, \$3,200,000.00.

8 (b) Federal revenues under the social security act, temporary
9 assistance for needy families, \$93,826,400.00.

10 (c) Contributions to children of veterans tuition grant
11 program, \$100,000.00.

12 (d) State general fund/general purpose money,
13 ~~\$1,100,000.00.~~**\$6,500,000.00.**

14 Sec. 236a. It is the intent of the legislature to provide
15 appropriations for the fiscal year ending on September 30, ~~2014~~
16 **2015** for the items listed in section 236. The fiscal year ~~2013–2014~~
17 **2014–2015** appropriations are anticipated to be the same as those
18 for fiscal year ~~2012–2013, 2013–2014~~, except that the amounts will
19 be adjusted for changes in caseload and related costs, federal fund
20 match rates, economic factors, and available revenue. These
21 adjustments will be determined after the January ~~2013–2014~~
22 consensus revenue estimating conference.

23 Sec. 236b. In addition to the funds appropriated in section
24 236, there is appropriated for grants and financial aid in fiscal
25 year ~~2012–2013–2013–2014~~ an amount not to exceed \$6,000,000.00 for
26 federal contingency funds. These funds are not available for
27 expenditure until they have been transferred under section 393(2)

1 of the management and budget act, 1984 PA 431, MCL 18.1393, for
2 another purpose under this article.

3 Sec. 241. (1) Subject to section 265a, the funds appropriated
4 in section 236 to public universities shall be paid out of the
5 state treasury and distributed by the state treasurer to the
6 respective institutions in 11 equal monthly installments on the
7 sixteenth of each month, or the next succeeding business day,
8 beginning with October 16, ~~2012~~—**2013**. Except for Wayne State
9 University, each institution shall accrue its July and August ~~2013~~
10 **2014** payments to its institutional fiscal year ending June 30,
11 ~~2013~~—**2014**.

12 (2) All public universities shall submit higher education
13 institutional data inventory (HEIDI) data and associated financial
14 and program information requested by and in a manner prescribed by
15 the state budget director. For public universities with fiscal
16 years ending June 30, ~~2012~~—**2013**, these data shall be submitted to
17 the state budget director by October 15, ~~2012~~—**2013**. Public
18 universities with a fiscal year ending September 30, ~~2012~~—**2013**
19 shall submit preliminary HEIDI data by November 15, ~~2012~~—**2013** and
20 final data by December 15, ~~2012~~—**2013**. If a public university fails
21 to submit HEIDI data and associated financial aid program
22 information in accordance with this reporting schedule, the state
23 treasurer ~~shall~~—**MAY** withhold the monthly installments under
24 subsection (1) to the public university until those data are
25 submitted.

26 Sec. 244. A public university receiving funds in section 236
27 shall cooperate with all measures taken by the state to develop,

1 operate, and maintain the statewide-P-20 education-longitudinal
2 data system described in section 94a. If the state budget director
3 finds that a university has not complied with this section, the
4 state budget director is authorized to withhold the monthly
5 installments provided to that university under section 236 until he
6 or she finds the university has complied with this section.

7 Sec. 245. (1) Within 30 days after the board of a public
8 university adopts its annual operating budget for the following
9 school fiscal year, or after the board adopts a subsequent revision
10 to that budget, the public university shall make all of the
11 following available through a link on its website homepage: ~~in a~~
12 ~~form and manner prescribed by the department of technology,~~
13 ~~management, and budget.~~

14 (a) The annual operating budget and subsequent budget
15 revisions.

16 (b) A summary of current expenditures for the most recent
17 fiscal year for which they are available, expressed as pie charts
18 in the following 2 categories:

19 (i) A chart of personnel expenditures, broken into the
20 following subcategories:

21 (A) Earnings and wages.

22 (B) Employee benefit costs, including, but not limited to,
23 medical, dental, vision, life, disability, and long-term care
24 benefits.

25 (C) Retirement benefit costs.

26 (D) All other personnel costs.

27 (ii) A chart of all current expenditures the public university

1 reported as part of its higher education institutional data
 2 inventory data under section 241(2), broken into the same
 3 subcategories in which it reported those data.

4 (c) Links to all of the following for the public university:

5 (i) The current collective bargaining agreement for each
 6 bargaining unit.

7 (ii) Each health care benefits plan, including, but not limited
 8 to, medical, dental, vision, disability, long-term care, or any
 9 other type of benefits that would constitute health care services,
 10 offered to any bargaining unit or employee of the public
 11 university.

12 (iii) Audits and financial reports for the most recent fiscal
 13 year for which they are available.

14 (iv) Campus security policies and crime statistics pursuant to
 15 the student right-to-know and campus security act, Public Law 101-
 16 542, 104 Stat. 2381. Information shall include all material
 17 prepared pursuant to the public information reporting requirements
 18 under the crime awareness and campus security act of 1990, title II
 19 of the student right-to-know and campus security act, Public Law
 20 101-542, 104 Stat. 2381.

21 ~~(d) A list of all positions funded partially or wholly through~~
 22 ~~institutional general fund revenue that includes the position~~
 23 ~~title, name, and annual salary or wage amount for each position.~~ **THE**
 24 **NUMBER OF ACTIVE EMPLOYEES SORTED BY JOB CLASSIFICATION AND MAJOR**
 25 **ADMINISTRATIVE UNIT.**

26 **(E) GENERAL FUND REVENUE AND EXPENDITURE PROJECTIONS FOR**
 27 **FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015.**

1 (F) A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY
2 PROJECT, ANTICIPATED FISCAL YEAR 2013-2014 PAYMENT FOR EACH
3 PROJECT, AND TOTAL OUTSTANDING DEBT.

4 (G) THE INSTITUTION'S POLICY REGARDING THE TRANSFERABILITY OF
5 CORE COLLEGE COURSES BETWEEN COMMUNITY COLLEGES AND THE UNIVERSITY.

6 (H) A LISTING OF ALL COMMUNITY COLLEGES THAT HAVE ENTERED INTO
7 REVERSE TRANSFER AGREEMENTS WITH THE UNIVERSITY.

8 (2) A public university shall provide a dashboard or report
9 card demonstrating the university's performance in several "best
10 practice" measures. The dashboard or report card shall include at
11 least all of the following for the 3 most recent school years for
12 which the data are available:

13 (a) Enrollment.

14 (b) Student retention rate.

15 (c) Six-year graduation rates.

16 (d) Number of Pell grant recipients **AND GRADUATING PELL GRANT**
17 **RECIPIENTS.**

18 (e) Geographic origination of students, categorized as in-
19 state, out-of-state, and international.

20 (f) Faculty to student ratios and total university employee to
21 student ratios.

22 (g) Teaching load by faculty classification.

23 (h) Graduation outcome rates, including employment and
24 continuing education.

25 (3) For statewide consistency and public visibility, public
26 universities must use the icon badge provided by the department of
27 technology, management, and budget consistent with the icon badge

1 developed by the department of education for K-12 school districts.
2 It must appear on the front of each public university's homepage.
3 The size of the icon may be reduced to 150 x 150 pixels. The font
4 size and style for this reporting must be consistent with other
5 documents on each university's website. ~~To be in compliance with~~
6 ~~this section, all data elements defined in this section must be~~
7 ~~available on the university's homepage, in a form and manner~~
8 ~~prescribed by the department of technology, management, and budget,~~
9 ~~by December 31, 2012.~~

10 (4) The state budget director shall determine whether a public
11 university has complied with this section. The state budget
12 director may withhold a public university's monthly installments
13 described in section 241 until the public university complies with
14 this section.

15 Sec. 246. (1) The funds appropriated in section 236(4) for
16 Michigan public school employees' retirement system reimbursement
17 shall be allocated to each participating public university under
18 this section based on each participating public university's total
19 retiree health care premiums paid for Michigan public school
20 employees' retirement system retirants in proportion to the total
21 retiree health care premiums paid for Michigan public school
22 employees' retirement system retirants for all participating public
23 universities for the immediately preceding state fiscal year.
24 Payments shall be made in a form and manner determined by the
25 office of retirement services. A public university that receives
26 money under this section shall use that money solely for the
27 purpose of offsetting a portion of the retirement contributions

1 owed by the university. ~~for the fiscal year ending September 30,~~
2 ~~2013.~~

3 (2) As used in this section, "participating public university"
4 means a public university that is a reporting unit of the Michigan
5 public school employees' retirement system under the public school
6 employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to
7 38.1408, and that pays retiree health care premiums to the Michigan
8 public school employees' retirement system for the state fiscal
9 year.

10 Sec. 252. (1) The amounts appropriated in section 236 for the
11 state tuition grant program shall be distributed pursuant to 1966
12 PA 313, MCL 390.991 to 390.997a.

13 (2) Tuition grant awards shall be made to all eligible
14 Michigan residents enrolled in undergraduate degree programs who
15 apply before July 1, ~~2012-2013~~ and who are qualified.

16 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
17 subject to subsection (7), the department of treasury shall
18 determine an actual maximum tuition grant award per student, which
19 shall be no less than \$1,512.00, that ensures that the aggregate
20 payments for the tuition grant program do not exceed the
21 appropriation contained in section 236 for the state tuition grant
22 program. If the department determines that insufficient funds are
23 available to establish a maximum award amount equal to at least
24 \$1,512.00, the department shall immediately report to the house and
25 senate appropriations subcommittees on higher education, the house
26 and senate fiscal agencies, and the state budget director regarding
27 the estimated amount of additional funds necessary to establish a

1 \$1,512.00 maximum award amount. If the department determines that
2 sufficient funds are available to establish a maximum award amount
3 equal to at least \$1,512.00, the department shall immediately
4 report to the house and senate appropriations subcommittees on
5 higher education, the house and senate fiscal agencies, and the
6 state budget director regarding the maximum award amount
7 established and the projected amount of any projected year-end
8 appropriation balance based on that maximum award amount. By
9 December 15 ~~, 2012,~~ and again by February 18 ~~, 2013~~ **OF EACH FISCAL**
10 **YEAR**, the department shall analyze the status of award commitments,
11 shall make any necessary adjustments, and shall confirm that those
12 award commitments will not exceed the appropriation contained in
13 section 236 for the tuition grant program. The determination and
14 actions shall be reported to the state budget director and the
15 house and senate fiscal agencies no later than the final day of
16 February of each year. If award adjustments are necessary, the
17 students shall be notified of the adjustment by March 4 of each
18 year.

19 (4) Any unexpended and unencumbered funds remaining on
20 September 30, ~~2012-2014~~ from the amounts appropriated in section
21 236 for the tuition grant program shall not lapse on September 30,
22 ~~2012, 2014,~~ but shall continue to be available for expenditure for
23 tuition grants provided in the ~~2012-2013-2014-2015~~ fiscal year
24 under a work project account. The use of these unexpended fiscal
25 year ~~2011-2012-2013-2014~~ funds shall terminate at the end of the
26 ~~2012-2013-2014-2015~~ fiscal year.

27 (5) The department of treasury shall continue a proportional

1 tuition grant maximum award level for recipients enrolled less than
2 full-time in a given semester or term.

3 (6) If the department of treasury increases the maximum award
4 per eligible student from that provided in the previous fiscal
5 year, it shall not have the effect of reducing the number of
6 eligible students receiving awards in relation to the total number
7 of eligible applicants. Any increase in the maximum grant shall be
8 proportional for all eligible students receiving awards for **THAT**
9 fiscal year. ~~2012-2013.~~

10 (7) The department of treasury shall not award more than
11 \$3,000,000.00 in tuition grants to eligible students enrolled in
12 the same independent nonprofit college or university in this state.
13 Any decrease in the maximum grant shall be proportional for all
14 eligible students enrolled in that college or university, as
15 determined by the department.

16 Sec. 256. (1) The funds appropriated in section 236 for the
17 tuition incentive program shall be distributed as provided in this
18 section and pursuant to the administrative procedures for the
19 tuition incentive program of the department of treasury.

20 (2) As used in this section:

21 (a) "Phase I" means the first part of the tuition incentive
22 assistance program defined as the academic period of 80 semester or
23 120 term credits, or less, leading to an associate degree or
24 certificate.

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

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

2 (3) An individual shall meet the following basic criteria and
3 financial thresholds to be eligible for tuition incentive benefits:

4 (a) To be eligible for phase I, an individual shall meet all
5 of the following criteria:

6 (i) Apply for certification to the department before graduating
7 from high school or completing the general education development
8 (GED) certificate.

9 (ii) Be less than 20 years of age at the time he or she
10 graduates from high school with a diploma or certificate of
11 completion or completes his or her GED.

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

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

18 (v) Request information on filing a FAFSA.

19 (b) To be eligible for phase II, an individual shall meet
20 either of the following criteria in addition to the criteria in
21 subdivision (a):

22 (i) Complete at least 56 transferable semester or 84
23 transferable term credits.

24 (ii) Obtain an associate degree or certificate at a
25 participating institution.

26 (c) To be eligible for phase I or phase II, an individual must
27 not be incarcerated and must be financially eligible as determined

1 by the department. An individual is financially eligible for the
2 tuition incentive program if he or she was eligible for Medicaid
3 from the state of Michigan for 24 months within the 36 months
4 before application. The department shall accept certification of
5 Medicaid eligibility only from the department of human services for
6 the purposes of verifying if a person is Medicaid eligible for 24
7 months within the 36 months before application. Certification of
8 eligibility may begin in the sixth grade. As used in this
9 subdivision, "incarcerated" does not include detention of a
10 juvenile in a state-operated or privately operated juvenile
11 detention facility.

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

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

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

20 (b) For persons enrolled at a Michigan community college, the
21 department shall pay the current in-district tuition and mandatory
22 fees. For persons residing in an area that is not included in any
23 community college district, the out-of-district tuition rate may be
24 authorized.

25 (c) For persons enrolled at a Michigan public university, the
26 department shall pay lower division resident tuition and mandatory
27 fees for the current year. **IT IS THE INTENT OF THE LEGISLATURE**

1 THAT, BEGINNING WITH THE 2014-2015 FISCAL YEAR, FOR INDIVIDUALS
2 ENROLLED AT A MICHIGAN PUBLIC UNIVERSITY, THE DEPARTMENT SHALL PAY
3 MANDATORY FEES AND A PER-CREDIT PAYMENT THAT DOES NOT EXCEED 300%
4 OF THE AVERAGE COMMUNITY COLLEGE IN-DISTRICT PER-CREDIT TUITION
5 RATE AS REPORTED ON AUGUST 1 FOR THE IMMEDIATELY PRECEDING ACADEMIC
6 YEAR.

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

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

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

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

22 (7) The department shall work closely with participating
23 institutions to develop an application and eligibility
24 determination process that will provide the highest level of
25 participation and ensure that all requirements of the program are
26 met.

27 (8) Applications for the tuition incentive program may be

1 approved at any time after the student begins the sixth grade. If a
2 determination of financial eligibility is made, that determination
3 is valid as long as the student meets all other program
4 requirements and conditions.

5 (9) Each institution shall ensure that all known available
6 restricted grants for tuition and fees are used prior to billing
7 the tuition incentive program for any portion of a student's
8 tuition and fees.

9 (10) The department shall ensure that the tuition incentive
10 program is well publicized and that eligible Medicaid clients are
11 provided information on the program. The department shall provide
12 the necessary funding and staff to fully operate the program.

13 Sec. 258. By February 15 of each year, the department of
14 treasury shall ~~submit~~ **POST TO ITS PUBLICLY AVAILABLE WEBSITE** a
15 report ~~to the state budget director, the house and senate~~
16 ~~appropriations subcommittees on higher education, and the house and~~
17 ~~senate fiscal agencies~~ for the preceding fiscal year on all student
18 financial aid programs for which funds are appropriated in section
19 236. For each student financial aid program, the report shall
20 include, but is not limited to, the total number of awards paid in
21 the preceding fiscal year, the total dollar amount of those awards,
22 and the number of students receiving awards and the total amount of
23 those awards at each eligible postsecondary institution. To the
24 extent information is available, the report shall also include
25 information on household income and other demographic
26 characteristics of students receiving awards under each program and
27 historical information on the number of awards and total award

1 amounts for each program.

2 SEC. 259. THE FUNDS APPROPRIATED IN SECTION 236 FOR THE
3 COLLEGE ACCESS PROGRAM SHALL BE USED FOR EFFORTS TO SUPPORT COLLEGE
4 ACCESS. THE DEPARTMENT OF TREASURY SHALL ADMINISTER THESE FUNDS.
5 ALLOWABLE USES INCLUDE THE FOLLOWING:

6 (A) MICHIGAN COLLEGE ACCESS NETWORK OPERATIONS, PROGRAMMING,
7 AND SERVICES TO LOCAL COLLEGE ACCESS NETWORKS.

8 (B) LOCAL COLLEGE ACCESS NETWORKS, WHICH ARE COMMUNITY-BASED
9 COLLEGE ACCESS/SUCCESS PARTNERSHIPS COMMITTED TO INCREASING THE
10 COLLEGE PARTICIPATION AND COMPLETION RATES WITHIN GEOGRAPHICALLY
11 DEFINED COMMUNITIES THROUGH A COORDINATED STRATEGY.

12 (C) MICHIGAN COLLEGE ACCESS PORTAL, AN ONLINE 1-STOP PORTAL TO
13 HELP STUDENTS AND FAMILIES PLAN AND APPLY FOR COLLEGE.

14 (D) PUBLIC AWARENESS AND OUTREACH CAMPAIGNS TO ENCOURAGE LOW-
15 INCOME AND FIRST-GENERATION STUDENTS TO TAKE NECESSARY STEPS TOWARD
16 COLLEGE AND TO ASSIST STUDENTS AND FAMILIES IN COMPLETING A TIMELY
17 AND ACCURATE FREE APPLICATION FOR FEDERAL STUDENT AID.

18 (E) SUBGRANTS TO POSTSECONDARY INSTITUTIONS TO RECRUIT, HIRE,
19 AND TRAIN COLLEGE STUDENT MENTORS AND COLLEGE ADVISORS TO ASSIST
20 HIGH SCHOOL STUDENTS IN NAVIGATING THE POSTSECONDARY PLANNING AND
21 ENROLLMENT PROCESS.

22 SEC. 262A. (1) IT IS THE INTENT OF THE LEGISLATURE THAT EACH
23 PUBLIC UNIVERSITY SHALL DEVELOP POLICIES FOR REVIEWING REQUIRED
24 TEXTBOOK AND COURSE MATERIALS WITH THE GOAL OF MINIMIZING THE COST
25 OF TEXTBOOKS AND COURSE MATERIALS USED AT THE UNIVERSITY WHILE
26 MAINTAINING QUALITY OF EDUCATION AND ACADEMIC FREEDOM. THESE
27 POLICIES SHOULD REQUIRE ALL OF THE FOLLOWING:

1 (A) THAT FACULTY MEMBERS SUBMIT LISTS OF REQUIRED TEXTBOOKS
2 AND COURSE MATERIALS FOR UNIVERSITY REVIEW.

3 (B) THAT FACULTY MEMBERS CONSIDER THE LEAST COSTLY PRACTICES
4 IN ASSIGNING TEXTBOOKS AND COURSE MATERIALS, SUCH AS ADOPTING THE
5 LEAST EXPENSIVE EDITION OF A TEXTBOOK AVAILABLE WHEN EDUCATIONAL
6 CONTENT IS COMPARABLE TO A MORE COSTLY EDITION.

7 (C) THAT THE UNIVERSITY REVIEW ANY POTENTIAL FINANCIAL
8 CONFLICT OF INTEREST THAT MAY OCCUR IF A FACULTY MEMBER REQUIRES
9 THE PURCHASE OF ANY TEXTBOOKS OR COURSE MATERIALS HE OR SHE HAS
10 WRITTEN.

11 (D) THAT THE UNIVERSITY REVIEW REQUIRED TEXTBOOKS AND COURSE
12 MATERIALS TO ENSURE THAT LEAST COSTLY PRACTICES ARE BEING UTILIZED,
13 SUCH AS ADOPTING THE LEAST EXPENSIVE EDITION OF A TEXTBOOK
14 AVAILABLE WHEN EDUCATIONAL CONTENT IS COMPARABLE TO A MORE COSTLY
15 EDITION.

16 (2) BY FEBRUARY 1 OF EACH YEAR, EACH PUBLIC UNIVERSITY SHALL
17 SUBMIT A REPORT TO THE HOUSE AND SENATE APPROPRIATIONS
18 SUBCOMMITTEES ON HIGHER EDUCATION AND THE HOUSE AND SENATE FISCAL
19 AGENCIES ON THE POLICIES DEVELOPED UNDER THIS SECTION.

20 ~~Sec. 263a. (1) By January 1, 2013, the Michigan State~~
21 ~~University college of agriculture and natural resources, MSU~~
22 ~~extension, and MSU AgBioResearch, in partnership with the~~
23 ~~department of agriculture and rural development and other~~
24 ~~stakeholders, shall establish a strategic growth initiative for the~~
25 ~~Michigan food and agriculture industry. This initiative shall~~
26 ~~address the following goals as established at the 2011 governor's~~
27 ~~summit for production agriculture:~~

~~———— (a) Increasing the sector's total economic impact from today's
\$71,000,000,000.00 to \$100,000,000,000.00.~~

~~———— (b) Doubling Michigan's agricultural exports from
\$1,750,000,000.00 to \$3,500,000,000.00.~~

~~———— (c) Increasing jobs in the food and agriculture sector by 10%.~~

~~———— (d) Improving access by Michigan consumers to healthy foods by
20%.~~

~~———— (2) The initiative described in subsection (1) shall be
patterned after Project GREEN, shall emphasize priorities as set
by the Michigan food and agricultural industry, and shall include a
commitment to continuous communication, input, and interaction
among stakeholders in government and industry and at Michigan State
University. Similar to Project GREEN, the initiative shall also
include a commitment to communicating results and impacts to
stakeholders and the legislature based on a mutually established
set of metrics designed to assure MSU extension and AgBioResearch
programs are contributing to the goals described in subsection
(1)(a) to (d).~~

(1) ~~(3)~~ Not later than September 30 , 2013, **OF EACH YEAR,**
Michigan State University shall submit a report **ON MSU**
AGBIORESEARCH AND MSU EXTENSION to the house and senate
appropriations subcommittees on agriculture and on higher
education, the house and senate standing committees on agriculture,
the house and senate fiscal agencies, and the state budget director
for the preceding school fiscal year. ~~detailing, but not limited
to:~~

(2) **THE REPORT REQUIRED UNDER SUBSECTION (1) SHALL INCLUDE ALL**

OF THE FOLLOWING:

(a) Total funds expended by MSU AgBioResearch and by MSU extension service identified by state, local, private, federal, and university fund sources.

(b) The metric goals that were used to evaluate the impacts of programs operated by MSU extension and MSU AgBioResearch. It is the intent of the legislature that the following metric goals will be used to evaluate the impacts of those programs:

(i) Increasing the number of agriculture and food-related firms collaborating with and using services of research and extension faculty and staff by 3% per year.

(ii) Increasing the number of individuals utilizing MSU extension's educational services by 5% per year.

(iii) Increasing external funds generated in support of research and extension, beyond state appropriations, by 10% over the amounts generated in the past 3 state fiscal years.

(iv) INCREASING THE SECTOR'S TOTAL ECONOMIC IMPACT FROM TODAY'S \$71,000,000,000.00 TO \$100,000,000,000.00.

(v) DOUBLING MICHIGAN'S AGRICULTURAL EXPORTS FROM \$1,750,000,000.00 TO \$3,500,000,000.00.

(vi) INCREASING JOBS IN THE FOOD AND AGRICULTURE SECTOR BY 10%.

(vii) IMPROVING ACCESS BY MICHIGAN CONSUMERS TO HEALTHY FOODS BY 20%.

(c) A review of major programs within both MSU AgBioResearch and MSU extension with specific reference to accomplishments, impacts, and the metrics described in subdivision (b), including a specific accounting of Project GREEN expenditures and the impact

1 of those expenditures.

2 Sec. 264. Included in the appropriation in section 236 **FOR**
 3 **FISCAL YEAR 2013-2014** for Michigan State University is \$80,000.00
 4 for the Michigan future farmers of America association. This
 5 \$80,000.00 allocation shall not supplant any existing support that
 6 Michigan State University provides to the Michigan future farmers
 7 of America association.

8 Sec. 265. (1) Payments from the amount appropriated in section
 9 ~~236(3)-236(2)~~ for public university ~~tuition restraint incentives~~
 10 **PERFORMANCE FUNDING** shall only be made to a public university that
 11 certifies to the state budget director by August 31, ~~2012-2013~~ that
 12 its board did not adopt an increase in tuition and fee rates for
 13 resident undergraduate students after September 1, ~~2011-2012~~ for
 14 the ~~2011-2012-2012-2013~~ academic year and that its board will not
 15 adopt an increase in tuition and fee rates for resident
 16 undergraduate students for the ~~2012-2013-2013-2014~~ academic year
 17 ~~that is greater than~~ **OF 4.0% OR MORE**. As used in this subsection:
 18 ~~and subsection (2)-~~

19 (a) ~~Subject to subdivision (c), "fee"~~ **"FEE"** means any board-
 20 authorized fee that will be paid by more than 1/2 of all resident
 21 undergraduate students at least once during their enrollment at a
 22 public university. A university increasing a fee that applies to a
 23 specific subset of students or courses shall provide sufficient
 24 information to prove that the increase applied to that subset will
 25 not cause the increase in the average amount of board-authorized
 26 total tuition and fees paid by resident undergraduate students in
 27 the ~~2012-2013-2013-2014~~ academic year to exceed the limit

1 established in this subsection.

2 (b) "Tuition and fee rate" means the average of full-time
3 rates for all undergraduate classes, based on an average of the
4 rates authorized by the university board and actually charged to
5 students, deducting any uniformly-rebated or refunded amounts, for
6 the 2 semesters with the highest levels of full-time equated
7 resident undergraduate enrollment during the academic year.

8 ~~—— (c) For purposes of subdivision (a), for a public university~~
9 ~~that compels resident undergraduate students to be covered by~~
10 ~~health insurance as a condition to enroll at the university, "fee"~~
11 ~~includes the annual amount a student is charged for coverage by the~~
12 ~~university affiliated group health insurance policy if he or she~~
13 ~~does not provide proof that he or she is otherwise covered by~~
14 ~~health insurance. This subdivision does not apply to limited~~
15 ~~subsets of resident undergraduate students to be covered by health~~
16 ~~insurance for specific reasons other than general enrollment at the~~
17 ~~university.~~

18 ~~—— (2) For purposes of section 236(3), each public university's~~
19 ~~allocation for tuition restraint incentive shall be determined as~~
20 ~~follows:~~

21 ~~—— (a) Calculate an adjustment for each university by subtracting~~
22 ~~each university's reported percent change in tuition and fee rates~~
23 ~~for academic year 2012-2013 from 4.1%. If the result of the~~
24 ~~calculation in this subdivision is less than 0.1%, the university~~
25 ~~is not qualified to receive an allocation under this section. All~~
26 ~~calculations under this subdivision shall be rounded to the first~~
27 ~~decimal place.~~

~~—— (b) For each qualified university, divide the university's adjustment as calculated under subdivision (a) by the sum of all adjustments for qualifying universities under subdivision (a) and then multiply the resulting calculation for each university by the total amount available for tuition restraint incentive funding, rounded to the nearest hundred dollars.~~

(2) ~~(3)~~ The state budget director shall implement uniform reporting requirements to ensure that a public university receiving an appropriation under section 236(3) **THAT RECEIVES A PAYMENT UNDER SECTION 265A FOR PERFORMANCE FUNDING** has satisfied the tuition restraint requirements of this section. The state budget director shall have the sole authority to determine if a public university has met the requirements of this section. Information reported by a public university to the state budget director under this subsection shall also be reported to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies.

~~—— (4) In conjunction with the uniform reporting requirements established under subsection (3), each public university shall also report the following information to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director by August 31, 2012:~~

~~—— (a) Actual or estimated fiscal year 2011-2012 and budgeted fiscal year 2012-2013 total general fund tuition and fee revenue.~~

~~—— (b) Actual or estimated fiscal year 2011-2012 and budgeted fiscal year 2012-2013 total general fund revenue.~~

~~—— (c) Actual or estimated fiscal year 2011-2012 and budgeted
fiscal year 2012-2013 general fund expenditures for student
financial aid.~~

~~—— (d) Actual or estimated fiscal year 2011-2012 and budgeted
fiscal year 2012-2013 total general fund expenditures.~~

~~—— (e) Actual or estimated fiscal year 2011-2012 and budgeted
fiscal year 2012-2013 total fiscal year equated student enrollment.~~

Sec. 265a. (1) Appropriations to public universities in
section 236 for performance funding shall be paid only to a public
university that **CERTIFIES TO THE STATE BUDGET DIRECTOR, THE HOUSE
AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, AND
THE HOUSE AND SENATE FISCAL AGENCIES BY AUGUST 31, 2013 THAT IT**
complies with all of the following requirements:

(a) ~~The university certifies to the state budget director, the
house and senate appropriations subcommittees on higher education,
and the house and senate fiscal agencies by August 31, 2012, that,
by January 3, 2013, it will be participating~~ **PARTICIPATES** in
reverse transfer agreements described in section 286 with at least
3 Michigan community colleges or ~~have~~ **HAS** made a good-faith effort
to enter into reverse transfer agreements.

(b) ~~The university certifies to the state budget director, the
house and senate appropriations subcommittees on higher education,
and the house and senate fiscal agencies by August 31, 2012, that,
by January 3, 2013, it~~ **DOES NOT AND** will not consider whether dual
enrollment credits earned by an incoming student were utilized
towards his or her high school graduation requirements when making
a determination as to whether those credits may be used by the

1 student toward completion of a university degree or certificate
2 program.

3 ~~(c) The university certifies to the state budget director, the~~
4 ~~house and senate appropriations subcommittees on higher education,~~
5 ~~and the house and senate fiscal agencies by August 31, 2012 that~~
6 ~~the university participates in the Michigan transfer network~~
7 ~~created as part of the Michigan association of collegiate~~
8 ~~registrars and admissions officers transfer agreement.~~

9 **(D) THE UNIVERSITY COMPLIED WITH THE TUITION RESTRAINT**
10 **REQUIREMENTS UNDER SECTION 265.**

11 (2) Any performance funding amounts under section 236 that are
12 not paid to a public university because it did not comply with 1 or
13 more requirements under subsection (1) are unappropriated and
14 reappropriated for ~~tuition restraint~~ **PERFORMANCE** funding described
15 in ~~section 265~~. **SUBSECTION (4).**

16 (3) The state budget director shall report to the house and
17 senate appropriations subcommittees on higher education and the
18 house and senate fiscal agencies by September 17, ~~2012,~~ **2013,**
19 regarding any performance funding amounts not paid to a public
20 university because it did not comply with 1 or more requirements
21 under subsection (1) and any reappropriation of funds under
22 subsection (2).

23 ~~—— (4) A university that has not implemented the policies~~
24 ~~required under subsection (1)(a) and (b) by August 31, 2012, but~~
25 ~~certifies that it will implement those policies by January 3, 2013,~~
26 ~~shall recertify to the state budget director, the house and senate~~
27 ~~appropriations subcommittees on higher education, and the house and~~

~~senate fiscal agencies by January 3, 2013, that the policies have been fully implemented. For a university that does not recertify that the policies have been fully implemented, the performance funding appropriated to that university in section 236 shall be retroactively withheld and unappropriated and reappropriated under subsection (2).~~

(4) PERFORMANCE FUNDING AMOUNTS DESCRIBED IN SECTION 236 ARE DISTRIBUTED BASED ON THE FOLLOWING FORMULA:

(A) BASED ON WEIGHTED UNDERGRADUATE COMPLETIONS IN CRITICAL SKILLS AREAS, 22.2%.

(B) BASED ON RESEARCH AND DEVELOPMENT EXPENDITURES, FOR UNIVERSITIES CLASSIFIED IN CARNEGIE CLASSIFICATIONS AS DOCTORAL/RESEARCH UNIVERSITIES, RESEARCH UNIVERSITIES (HIGH RESEARCH ACTIVITY), OR RESEARCH UNIVERSITIES (VERY HIGH RESEARCH ACTIVITY) ONLY, 11.1%.

(C) BASED ON 6-YEAR GRADUATION RATE, SCORED AGAINST NATIONAL CARNEGIE CLASSIFICATION PEERS, 22.2%.

(D) BASED ON TOTAL DEGREE COMPLETIONS, SCORED AGAINST NATIONAL CARNEGIE CLASSIFICATION PEERS, 22.2%.

(E) BASED ON INSTITUTIONAL SUPPORT AS A PERCENTAGE OF CORE EXPENDITURES, SCORED AGAINST NATIONAL CARNEGIE CLASSIFICATION PEERS, 22.2%.

(5) FOR PURPOSES OF DETERMINING THE SCORE OF A UNIVERSITY UNDER SUBSECTION (4) (C), (D), AND (E), EACH UNIVERSITY IS ASSIGNED 1 OF THE FOLLOWING SCORES:

(A) A UNIVERSITY CLASSIFIED AS IN THE TOP 20%, A SCORE OF 3.

(B) A UNIVERSITY CLASSIFIED AS ABOVE NATIONAL MEDIAN, A SCORE

1 OF 2.

2 (C) A UNIVERSITY CLASSIFIED AS IMPROVING, A SCORE OF 2. IT IS
3 THE INTENT OF THE LEGISLATURE THAT, BEGINNING IN THE 2014-2015
4 STATE FISCAL YEAR, A UNIVERSITY CLASSIFIED AS IMPROVING IS ASSIGNED
5 A SCORE OF 1.

6 (D) A UNIVERSITY THAT IS NOT INCLUDED IN SUBDIVISION (A), (B),
7 OR (C), A SCORE OF 0.

8 (6) FOR PURPOSES OF THIS SECTION, "CARNEGIE CLASSIFICATION"
9 SHALL MEAN THE BASIC CLASSIFICATION OF THE UNIVERSITY ACCORDING TO
10 THE MOST RECENT VERSION OF THE CARNEGIE CLASSIFICATION OF
11 INSTITUTIONS OF HIGHER EDUCATION, PUBLISHED BY THE CARNEGIE
12 FOUNDATION FOR THE ADVANCEMENT OF TEACHING.

13 Sec. 267. All public universities shall submit the amount of
14 tuition and fees actually charged to a full-time resident
15 undergraduate student for academic year ~~2012-2013~~ **2013-2014** as part
16 of their higher education institutional data inventory (HEIDI) data
17 by August 31 of each year. A public university shall report any
18 revisions for any semester of the reported academic year ~~2012-2013~~
19 **2013-2014** tuition and fee charges to HEIDI within 15 days of being
20 adopted.

21 Sec. 268. (1) For the fiscal year ending September 30, ~~2013,~~
22 **2014**, it is the intent of the legislature that funds be allocated
23 for unfunded North American Indian tuition waiver costs incurred by
24 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
25 from the general fund.

26 (2) APPROPRIATIONS IN SECTION 236(6)(F) FOR NORTH AMERICAN
27 INDIAN TUITION WAIVERS SHALL BE PAID TO UNIVERSITIES UNDER SECTION

1 2A OF 1976 PA 174, MCL 390.1252A. ALLOCATIONS SHALL BE ADJUSTED FOR
2 AMOUNTS INCLUDED IN UNIVERSITY OPERATIONS APPROPRIATIONS. IF FUNDS
3 ARE INSUFFICIENT TO SUPPORT THE ENTIRE COST OF WAIVERS, AMOUNTS
4 SHALL BE PRORATED.

5 (3) BY FEBRUARY 15 OF EACH YEAR, THE DEPARTMENT OF CIVIL
6 RIGHTS SHALL ANNUALLY SUBMIT TO THE STATE BUDGET DIRECTOR, THE
7 HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION,
8 AND THE HOUSE AND SENATE FISCAL AGENCIES FOR THE PRECEDING FISCAL
9 YEAR A REPORT ON NORTH AMERICAN INDIAN TUITION WAIVERS THAT
10 INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING INFORMATION
11 FOR EACH POSTSECONDARY INSTITUTION:

12 (A) THE TOTAL NUMBER OF WAIVER APPLICATIONS.

13 (B) THE TOTAL NUMBER OF WAIVERS GRANTED AND THE MONETARY VALUE
14 OF EACH WAIVER.

15 (C) THE NUMBER OF STUDENTS WHO WITHDRAW FROM CLASSES.

16 (D) THE NUMBER OF STUDENTS WHO SUCCESSFULLY COMPLETE A DEGREE
17 OR CERTIFICATE PROGRAM.

18 Sec. 269. For fiscal year ~~2012-2013~~, **2013-2014**, from the
19 amount appropriated in section 236 to Central Michigan University
20 for operations, \$29,700.00 shall be paid to Saginaw Chippewa Tribal
21 College for the costs of waiving tuition for North American Indians
22 under 1976 PA 174, MCL 390.1251 to 390.1253.

23 Sec. 270. For fiscal year ~~2012-2013~~, **2013-2014**, from the
24 amount appropriated in section 236 to Lake Superior State
25 University for operations, \$100,000.00 shall be paid to Bay Mills
26 Community College for the costs of waiving tuition for North
27 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

1 Sec. 274. It is the intent of the legislature that public and
2 private organizations that conduct human embryonic stem cell
3 derivation subject to section 27 of article I of the state
4 constitution of 1963 will provide information to the director of
5 the department of community health by December 1, ~~2012~~**2013** that
6 includes all of the following:

7 (a) Documentation that the organization conducting human
8 embryonic stem cell derivation is conducting its activities in
9 compliance with the requirements of section 27 of article I of the
10 state constitution of 1963 and all relevant national institutes of
11 health guidelines pertaining to embryonic stem cell derivation.

12 (b) A list of all human embryonic stem cell lines submitted by
13 the organization to the national institutes of health for inclusion
14 in the human embryonic stem cell registry before and during fiscal
15 year ~~2011-2012~~**2012-2013**, and the status of each submission as
16 approved, pending approval, or review completed but not yet
17 accepted.

18 (c) Number of human embryonic stem cell lines derived and not
19 submitted for inclusion in the human embryonic stem cell registry,
20 before and during fiscal year ~~2011-2012~~**2012-2013**.

21 Sec. 275. (1) It is the intent of the legislature that each
22 public university ~~receiving~~**THAT RECEIVES** an appropriation in
23 section 236 do all of the following:

24 (a) Meet the provisions of section 5003 of the post-911
25 veterans educational assistance act of 2008, 38 USC 3301 to 3324,
26 including voluntary participation in the yellow ribbon GI education
27 enhancement program established in that act in 38 USC 3317. By

1 October 1 of each year, each public university shall report to the
2 house and senate appropriations subcommittees on higher education,
3 the house and senate fiscal agencies, and the presidents council,
4 state universities of Michigan on whether or not it has chosen to
5 participate in the yellow ribbon GI education enhancement program.
6 If at any time during the fiscal year a university participating in
7 the yellow ribbon program chooses to leave the yellow ribbon
8 program, it shall notify the house and senate appropriations
9 subcommittees on higher education, the house and senate fiscal
10 agencies, and the presidents council, state universities of
11 Michigan.

12 (b) Establish an on-campus veterans' liaison to provide
13 information and assistance to all student veterans.

14 (c) Provide flexible enrollment application deadlines for all
15 veterans.

16 (d) Include in its admission application process a specific
17 question as to whether an applicant for admission is a veteran, an
18 active member of the military, a member of the national guard or
19 military reserves, or the spouse or dependent of a veteran, active
20 member of the military, or member of the national guard or military
21 reserves, in order to more quickly identify potential educational
22 assistance available to that applicant.

23 **(E) CONSIDER ALL VETERANS RESIDENTS OF THIS STATE FOR**
24 **DETERMINING THEIR TUITION RATES AND FEES.**

25 **(F) WAIVE ENROLLMENT FEES FOR ALL VETERANS.**

26 (2) As used in this section, "veteran" means an honorably
27 discharged veteran entitled to educational assistance under the

1 provisions of section 5003 of the post-911 veterans educational
2 assistance act of 2008, 38 USC 3301 to 3324.

3 Sec. 275a. Funds appropriated in section 236 shall not be used
4 by a public university to pay for the construction or maintenance
5 of a self-liquidating project. A public university shall comply
6 **WITH SECTION 238 OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL**
7 **18.1238, AND** with the current use and finance requirements of the
8 joint capital outlay subcommittee (JCOS) for any construction,
9 renovation, or other capital outlay projects pursuant to JCOS
10 policy. The appropriation in section 236 for a public university
11 that fails to comply with JCOS reporting requirements shall be
12 reduced by 1% for each violation.

13 Sec. 276. (1) Included in the appropriation for ~~fiscal year~~
14 ~~2012-2013~~ for each public university in section 236 is funding for
15 the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future
16 faculty program that is intended to increase the pool of
17 academically or economically disadvantaged candidates pursuing
18 faculty teaching careers in postsecondary education. Preference may
19 not be given to applicants on the basis of race, color, ethnicity,
20 gender, or national origin. Institutions should encourage
21 applications from applicants who would otherwise not adequately be
22 represented in the graduate student and faculty populations. Each
23 public university shall apply the percentage change applicable to
24 every public university in the calculation of appropriations in
25 section 236 to the amount of funds allocated to the future faculty
26 program.

27 (2) The program shall be administered by each public

1 university in a manner prescribed by the workforce development
2 agency. The workforce development agency shall use a good faith
3 effort standard to evaluate whether a fellowship is in default.

4 Sec. 277. (1) Included in the appropriation for ~~fiscal year~~
5 ~~2012-2013~~ for each public university in section 236 is funding for
6 the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day
7 program that is intended to introduce academically or economically
8 disadvantaged schoolchildren to the potential of a college
9 education. Preference may not be given to participants on the basis
10 of race, color, ethnicity, gender, or national origin. Public
11 universities should encourage participation from those who would
12 otherwise not adequately be represented in the student population.

13 (2) Individual program plans of each public university shall
14 include a budget of equal contributions from this program, the
15 participating public university, the participating school district,
16 and the participating independent degree-granting college. College
17 day funds shall not be expended to cover indirect costs. Not more
18 than 20% of the university match shall be attributable to indirect
19 costs. Each public university shall apply the percentage change
20 applicable to every public university in the calculation of
21 appropriations in section 236 to the amount of funds allocated to
22 the college day program.

23 (3) The program described in this section shall be
24 administered by each public university in a manner prescribed by
25 the workforce development agency.

26 Sec. 278. (1) Included in section 236 ~~for fiscal year 2012-~~
27 ~~2013~~ is funding for the Martin Luther King, Jr. - Cesar Chavez -

1 Rosa Parks select student support services program for developing
2 academically or economically disadvantaged student retention
3 programs for 4-year public and independent educational institutions
4 in this state. Preference may not be given to participants on the
5 basis of race, color, ethnicity, gender, or national origin.

6 Institutions should encourage participation from those who would
7 otherwise not adequately be represented in the student population.

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

11 (3) The program described in this section shall be
12 administered by the workforce development agency.

13 Sec. 279. (1) Included in section 236 ~~for fiscal year 2012-~~
14 ~~2013-~~is funding for the Martin Luther King, Jr. - Cesar Chavez -
15 Rosa Parks college/university partnership program between 4-year
16 public and independent colleges and universities and public
17 community colleges, which is intended to increase the number of
18 academically or economically disadvantaged students who transfer
19 from community colleges into baccalaureate programs. Preference may
20 not be given to participants on the basis of race, color,
21 ethnicity, gender, or national origin. Institutions should
22 encourage participation from those who would otherwise not
23 adequately be represented in the transfer student population.

24 (2) The grants shall be made under the program described in
25 this section to Michigan public and independent colleges and
26 universities. An award to any 1 institution shall not be greater
27 than \$150,000.00, and the amount awarded shall be matched on a 70%

1 state, 30% college or university basis.

2 (3) The program described in this section shall be
3 administered by the workforce development agency.

4 Sec. 280. (1) Included in the appropriation ~~for fiscal year~~
5 ~~2012-2013~~ for each public university in section 236 is funding for
6 the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting
7 professors program which is intended to increase the number of
8 instructors in the classroom to provide role models for
9 academically or economically disadvantaged students. Preference may
10 not be given to participants on the basis of race, color,
11 ethnicity, gender, or national origin. Public universities should
12 encourage participation from those who would otherwise not
13 adequately be represented in the student population.

14 (2) The program described in this section shall be
15 administered by the workforce development agency.

16 Sec. 281. (1) Included in the appropriation ~~for fiscal year~~
17 ~~2012-2013~~ in section 236 is funding under the Martin Luther King,
18 Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr.
19 educator development program which is intended to increase the
20 number of academically or economically disadvantaged students who
21 enroll in and complete K-12 teacher education programs at the
22 baccalaureate level. Preference may not be given to participants on
23 the basis of race, color, ethnicity, gender, or national origin.
24 Institutions should encourage participation from those who would
25 otherwise not adequately be represented in the teacher education
26 student population.

27 (2) The program described in this section shall be

1 administered by each state-approved teacher education institution
2 in a manner prescribed by the workforce development agency.

3 (3) Approved teacher education institutions may and are
4 encouraged to use student support services funding in coordination
5 with the Morris Hood, Jr. funding to achieve the goals of the
6 program described in this section.

7 Sec. 282. Each institution receiving funds under section 278,
8 279, or 281 shall notify the workforce development agency by April
9 15, ~~2013~~2014 as to whether it will expend by the end of its fiscal
10 year the funds received under section 278, 279, or 281.

11 Notwithstanding the award limitations in sections 278 and 279, the
12 amount of funding reported as not being expended will be
13 reallocated to the institutions that intend to expend all funding
14 received under section 278, 279, or 281. **FUNDS REMAINING AFTER**
15 **REALLOCATION SHALL LAPSE TO THE STATE GENERAL FUND.**

16 Sec. 289. (1) The auditor general shall ~~review~~**PERIODICALLY**
17 **AUDIT** higher education institutional data inventory (HEIDI)
18 ~~enrollment~~ data submitted by all public universities under section
19 241 and may perform audits of selected public universities if
20 determined necessary. The ~~review and~~ audits shall be based upon the
21 definitions, requirements, and uniform reporting categories
22 established by the state budget director in consultation with the
23 HEIDI advisory committee. The auditor general shall submit a report
24 of findings to the house and senate appropriations committees and
25 the state budget director no later than July 1 of each year **AN**
26 **AUDIT TAKES PLACE.**

27 (2) Student credit hours reports shall not include the

1 following:

2 (a) Student credit hours generated through instructional
3 activity by faculty or staff in classrooms located outside
4 Michigan, with the exception of instructional activity related to
5 study-abroad programs or field programs.

6 (b) Student credit hours generated through distance learning
7 instruction for students not eligible for the public university's
8 in-state main campus resident tuition rate. However, in instances
9 where a student is enrolled in distance education and non-distance
10 education credit hours in a given term and the student's non-
11 distance education enrollment is at a campus or site located within
12 Michigan, student credit hours per the student's eligibility for
13 in-state or out-of-state tuition rates may be reported.

14 (c) Student credit hours generated through credit by
15 examination.

16 (d) Student credit hours generated through inmate prison
17 programs regardless of teaching location.

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

22 ~~—— (i) Represent new options, fields, or concentrations within~~
23 ~~existing programs.~~

24 ~~—— (ii) Are consistent with the current institutional role and~~
25 ~~mission.~~

26 ~~—— (iii) Are accommodated within the continuing funding base of the~~
27 ~~public university.~~

~~—— (iv) Do not require a new degree level beyond that which the public university is currently authorized to grant within that discipline or field.~~

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

~~—— (3) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data as submitted by the public universities under section 241 for compliance with the definitions established by the state budget director in consultation with the HEIDI advisory committee for the HEIDI database.~~

(3) ~~(4)~~—"Distance learning instruction" as used in subsection (2) means instruction that occurs solely in other than a traditional classroom setting where the student and instructor are in the same physical location and for which a student receives course credits and is charged tuition and fees. Examples of distance learning instruction are instruction delivered solely through the internet, cable television, teleconference, or mail.

Sec. 293a. It is the intent of the legislature that fiscal year ~~2012-2013-2013-2014~~ appropriations to the department of technology, management, and budget for state building authority rent be provided for the state share of costs for previously constructed capital projects for public universities. These appropriations for state building authority rent represent additional state general fund support provided to public

universities, and the following is an estimate of the amount of
that support to each university:

(a) Central Michigan University, ~~\$9,100,100.00~~-\$9,155,600.00.

(b) Eastern Michigan University, ~~\$5,203,100.00~~-\$5,234,800.00.

(c) Ferris State University, ~~\$6,322,100.00~~-\$6,360,600.00.

(d) Grand Valley State University,

~~\$4,251,000.00~~-\$4,277,000.00.

(e) Lake Superior State University, ~~\$910,000.00~~-\$915,600.00.

(f) Michigan State University, ~~\$16,096,000.00~~-\$16,194,400.00.

(g) Michigan Technological University,

~~\$7,645,600.00~~-\$7,692,200.00.

(h) Northern Michigan University, ~~\$7,450,000.00~~-\$8,062,600.00.

(i) Oakland University, ~~\$10,726,000.00~~-\$10,791,500.00.

(j) Saginaw Valley State University,

~~\$9,774,000.00~~-\$9,833,700.00.

(k) University of Michigan - Ann Arbor,

~~\$9,156,100.00~~-\$9,212,000.00.

(l) University of Michigan - Dearborn,

~~\$6,294,000.00~~-\$6,332,400.00.

(m) University of Michigan - Flint,

~~\$2,854,100.00~~-\$2,871,400.00.

(n) Wayne State University, ~~\$13,000,100.00~~-\$13,079,500.00.

(o) Western Michigan University,

~~\$15,264,000.00~~-\$15,357,300.00.

Sec. 296. (1) If the maximum amount appropriated under this
act from the state school aid fund for a fiscal year exceeds the
amount necessary to fully fund allocations under this act from the

1 state school aid fund, that excess amount shall not be expended in
2 that state fiscal year and shall not lapse to the general fund, but
3 instead shall be deposited into the school aid stabilization fund
4 created in section 11a.

5 (2) If the total maximum amount appropriated under all
6 articles of this act from the state school aid fund and the school
7 aid stabilization fund exceeds the amount available for expenditure
8 from the state school aid fund for that fiscal year, payments under
9 sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12),
10 51c, 53a, 56, and 152a shall be made in full. In addition, for
11 districts beginning operations after 1994-95 that qualify for
12 payments under section 22b, payments under section 22b shall be
13 made so that the qualifying districts receive the lesser of an
14 amount equal to the 1994-95 foundation allowance of the district in
15 which the district beginning operations after 1994-95 is located or
16 \$5,500.00. The amount of the payment to be made under section 22b
17 for these qualifying districts shall be as calculated under section
18 22a, with the balance of the payment under section 22b being
19 subject to the proration otherwise provided under this subsection
20 and subsection (3). If proration is necessary, state payments under
21 each of the other sections of article I from all state funding
22 sources, and state appropriations to community colleges and public
23 universities under articles II and III from the state school aid
24 fund, shall be prorated in the manner prescribed in subsection (3)
25 as necessary to reflect the amount available for expenditure from
26 the state school aid fund for the affected fiscal year. However, if
27 the department of treasury determines that proration ~~will be~~ **IS**

1 required under this subsection, or if the department of treasury
2 determines that further proration is required under this subsection
3 after an initial proration has already been made for a fiscal year,
4 the department of treasury shall notify the state budget director,
5 and the state budget director shall notify the legislature at least
6 30 calendar days or 6 legislative session days, whichever is more,
7 before the department reduces any payments under this act because
8 of the proration. During the 30-calendar-day or 6-legislative-
9 session-day period after that notification by the state budget
10 director, the department shall not reduce any payments under this
11 act because of proration under this subsection. The legislature may
12 prevent proration from occurring by, within the 30-calendar-day or
13 6-legislative-session-day period after that notification by the
14 state budget director, enacting legislation appropriating
15 additional funds from the general fund, countercyclical budget and
16 economic stabilization fund, state school aid fund balance, or
17 another source to fund the amount of the projected shortfall.

18 (3) If proration is necessary under subsection (2), the
19 department shall calculate the proration in district and
20 intermediate district payments under article I that is required
21 under subsection (2), and the department of treasury shall
22 calculate the proration in community college and public university
23 payments under articles II and III that is required under
24 subsection (2), as follows:

25 (a) The department and the department of treasury shall
26 calculate the percentage of total state school aid fund money that
27 is appropriated and allocated under this act for the affected

1 fiscal year for each of the following:

2 (i) Districts.

3 (ii) Intermediate districts.

4 (iii) Entities receiving funding from the state school aid fund
5 under article I other than districts or intermediate districts.

6 (iv) Community colleges and public universities that receive
7 funding from the state school aid fund.

8 (b) The department shall recover a percentage of the proration
9 amount required under subsection (2) that is equal to the
10 percentage calculated under subdivision (a)(i) for districts by
11 reducing payments to districts. This reduction shall be made by
12 calculating an equal dollar amount per pupil as necessary to
13 recover this percentage of the proration amount and reducing each
14 district's total state school aid from state sources, other than
15 payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f,
16 51a(2), 51a(12), 51c, 53a, and 152a, by that amount.

17 (c) The department shall recover a percentage of the proration
18 amount required under subsection (2) that is equal to the
19 percentage calculated under subdivision (a)(ii) for intermediate
20 districts by reducing payments to intermediate districts. This
21 reduction shall be made by reducing the payments to each
22 intermediate district, other than payments under sections 11f, 11g,
23 26a, 26b, 51a(2), 51a(12), 53a, 56, and 152a, on an equal
24 percentage basis.

25 (d) The department shall recover a percentage of the proration
26 amount required under subsection (2) that is equal to the
27 percentage calculated under subdivision (a)(iii) for entities

1 receiving funding from the state school aid fund under article I
2 other than districts and intermediate districts by reducing
3 payments to these entities. This reduction shall be made by
4 reducing the payments to each of these entities, other than
5 payments under sections 11j, 26a, and 26b, on an equal percentage
6 basis.

7 (e) The department of treasury shall recover a percentage of
8 the proration amount required under subsection (2) that is equal to
9 the percentage calculated under subdivision (a)(iv) for community
10 colleges and public universities that receive funding from the
11 state school aid fund by reducing that portion of the payments
12 under articles II and III to these community colleges and public
13 universities that is from the state school aid fund on an equal
14 percentage basis.

15 Enacting section 1. In accordance with section 30 of article
16 IX of the state constitution of 1963, total state spending from
17 state sources for higher education for fiscal year 2013-2014 under
18 article III is estimated at \$1,333,547,100.00 and the amount of
19 that state spending from state sources to be paid to local units of
20 government for fiscal year 2013-2014 is estimated at \$0.

21 Enacting section 2. Sections 273, 273a, 274a, and 290 of the
22 state school aid act of 1979, 1979 PA 94, MCL 388.1873, 388.1873a,
23 388.1874a, and 388.1890, are repealed effective October 1, 2013.

24 Enacting section 3. This amendatory act takes effect October
25 1, 2013.