HOUSE BILL No. 4422

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February 15, 1995, Introduced by Reps. LeTarte, McBryde, Oxender, Middleton, Gilmer, Johnson, Bankes, Dolan, McNutt, Bobier and Geiger and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for community colleges for the fiscal year ending September 30, 1996; to provide for the expenditure of the appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, officers, and employees.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 101. There is appropriated for community colleges and certain other state purposes relating to education, subject to the conditions set forth in this act, for the fiscal year ending September 30, 1996, the following amounts:

COMMUNITY COLLEGES

APPROPRIATIONS SUMMARY:

	For Fiscal Year Ending September 30, 1996
GROSS APPROPRIATION	$ 252,065,400
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION	$ 252,065,400
Federal revenues:	
Total federal revenues	0
Special revenue funds:	
Total local revenues	0
Total private revenues	0
Total other state restricted revenues	0
State general fund/general purpose	$ 252,065,400
OPERATIONS	
Alpena Community College	$ 4,035,500
Bay de Noc Community College	3,516,600
C.S. Mott Community College	12,702,100
Delta College	11,521,000
Glen Oaks Community College	1,744,400
Gogebic Community College	3,594,300
Grand Rapids Community College	16,089,100
Henry Ford Community College	17,427,700
Jackson Community College	10,656,100
Kalamazoo Valley Community College	8,378,000
Kellogg Community College	7,246,600
Kirtland Community College	2,628,600
Lake Michigan College	4,014,500
Lansing Community College	25,513,900
Macomb Community College	27,513,300
Mid Michigan Community College	3,192,500
Monroe County Community College	3,125,900

Montcalm Community College		2,676,800
Muskegon Community College		7,365,800
North Central Michigan College		2,430,700
Northwestern Michigan College		6,767,700
Oakland Community College		18,217,600
St. Clair County Community College		5,709,500
Schoolcraft College		9,374,200
Southwestern Michigan College		4,575,100
Washtenaw Community College		8,868,600
Wayne County Community College		14,859,600
West Shore Community College		1,848,100
GROSS APPROPRIATION	$	245,593,800
Appropriated from:		
State general fund/general purpose	$	245,593,800
GRANTS		
Highland Park public schools	$	2,989,300
At-risk student success program		3,482,300
GROSS APPROPRIATION	$	6,471,600
Appropriated from:		
State general fund/general purpose	$	6,471,600

GENERAL SECTIONS

Sec. 201. The expenditures and funding sources authorized under this bill are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

COLLEGE GENERAL SECTIONS

Sec. 301.(1) For community colleges with fiscal years ending June 30, 1996, the sums appropriated in this act are appropriated for their fiscal years ending June 30, 1996 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in nine equal monthly installments for the period October 1, 1995 to June 30, 1996. However, if a community college fails to submit all verified Michigan community college activity classification structure data for school year 1994-95 to the department of education by November 1, 1995, the monthly installments shall be withheld from that community college until those data are submitted. The department of education shall publish the activity classification structure data book on or before March 1, 1996 for use by the legislature during budget development for the fiscal year ending September 30, 1996. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

(2) Except as otherwise provided by law, each of the amounts appropriated shall be used solely for the respective purposes stated in this act. The funds appropriated by this act may be used to match the cost of any available programs under the vocational education act of 1963, Public Law 88-210, 98 Stat. 2435, including local administration.

Sec. 302. (1) The auditor general or an independent public accounting firm appointed by the auditor general shall audit data for the fiscal year ending on June 30, 1995 as submitted on the department of education activity classification structure request forms of seven randomly selected community colleges. A community college shall maintain and provide those records necessary for the auditor general or certified public accountant appointed by the auditor general to determine the accuracy of the reported data. The audits shall be based upon the definitions and requirements contained in the Michigan public community colleges manual for uniform financial reporting, 1981, as revised, and the Michigan community colleges activities classification structure, 1981, as revised. Before the submission of a final audit report, a community college may appeal the findings of the preliminary report, and the auditor general shall consult legislative and executive authorities concerning an interpretation of the manual if necessary, pursuant to an appeal process to be established by the auditor general. The auditor general shall submit a report of the findings to the house and senate appropriations committees, the department of education, and the department of management and budget before June 1, 1996.

(2) The auditor general or a certified public accountant appointed by the auditor general shall conduct not less than three performance audits of community colleges but may conduct more if the auditor general considers it necessary.

(3) Not more than 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, the department of education, the auditor general, and the department of management and budget a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

(4) Any community college whose audited activities classification structure data is significantly different than the data used to determine state aid under this act shall return any overappropriated funds.

Sec. 303. The department of education shall review and update the taxonomy of the seven community colleges selected for audit in section 302(1) pursuant to the Michigan community colleges activities classification structure, 1981, as revised.

Sec. 304. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

(2) Contracts between the community college and agencies that reimburse the community college for the costs of instruction shall be retained for audit purposes.

Sec. 305. (1) Each community college shall furnish an independent auditor's management letter addressing any material weaknesses in the college operations, and an annual audited accounting of all current fund income and expenditures including audits of college foundations to the legislature, the senate and house fiscal agencies, the auditor general, the department of education, and the department of management and budget before December 1, 1995. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the Michigan public community colleges manual for uniform financial reporting, 1981, as revised.

(2) Each community college that has a deficit indicated in the independent audit shall submit a plan to eliminate the deficit to the

department of education, no later than 30 days after December 1. If the college fails to submit a deficit elimination plan, the department shall withhold checks, beginning with the January check, until such time as a mutually acceptable plan is developed and submitted. If the plan as submitted is not acceptable to the department, the department may withhold up to 50% of each succeeding state aid installment until an acceptable plan is submitted.

Sec. 306. (1) Appropriations under this act shall not be expended in contemplation of federal or other matching funds until federal or other matching funds are available. The acceptance of federal or other matching funds does not obligate this state to continue programs after those funds are no longer available.

(2) A community college shall not establish special programs or expand existing programs beyond the scope of the programs of the community college already established and recognized by the legislature, including programs that may develop as a result of gifts or money received or available from the federal government, if that acceptance will require an obligation or expenditure of state funds.

(3) A community college shall pay the employer's contributions to the Michigan public school employees retirement system created by the public school employees retirement act of 1979, Act No. 300 of the Public Acts of 1980, being sections 38.1301 to 38.1408 of the Michigan Compiled Laws, as a condition of receiving funds appropriated under this act. A community college shall not pay an employer's contribution to more than one retirement fund providing benefits for an employee.

(4) An appropriation contained in this act shall not be used for the construction of buildings or for operations of a community college not expressly authorized in section 101. Funds appropriated in section 101 shall not be used to pay for the construction or maintenance of any self-liquidating project.

(5) The governing body of a community college shall reduce expenditures authorized by appropriations when it appears that actual revenues for a fiscal period will fall below the revenue estimates on which appropriations for that period were based.

(6) Except as otherwise provided in this subsection, funds appropriated in section 101 shall not be used for travel outside the United States. This subsection does not apply to expenses of students, administrators, faculty, or college trustees necessarily incurred for involvement in a foreign study program offered by a community college, for travel to fulfill a reciprocal education program with a postsecondary educational institution, or for program-specific curriculum, educational, or exchange policy discussions with a foreign postsecondary institution or government.

Sec. 307. Each community college shall report to the house and senate fiscal agencies, the department of education, and the department of management and budget a modification in credit or contact hour tuition or mandatory noncourse related student fees not later than 30 days after the modification is established by the college governing board.

Sec. 308. A community college shall develop a plan to increase the number of minority students in meeting the continuing educational needs of all Michigan citizens. Individual plans will be submitted by the colleges to the department of education and civil rights by December 1 of each year.

Sec. 309. Each community college shall report to the department of education, the house and senate appropriations committees, and the house and senate fiscal agencies the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 1995.

Sec. 310. Each community college shall submit the following statistical data and reports relating to the community college to the civil rights commission and the house and senate appropriations subcommittees on community colleges in a format established by the department of civil rights and the community colleges that incorporates the requirements of state and federal law, and that includes all of the following:

(a) An affirmative action plan for employment of minorities, women, and handicappers including the plan requirements set forth in executive directive 1979-4.

(b) A statistical report for minorities and women employees for the most recent school year as submitted to the federal government on the EEO-6 form.

(c) A statistical report for the most recent school year that includes enrollment statistics for minorities and women as submitted to the department of education.

Sec. 311. (1) Guidelines and procedures developed by the Michigan department of education, the Michigan commission on Indian affairs, and each state supported community college shall be used to ensure accurate and consistent reporting and auditing of North American Indian student enrollments. Community college financial aid programs shall comply with all of the guidelines and procedures developed pursuant to this section.

(2) As used in this section, "North American Indian" means that term as defined in section 2 of Act No. 174 of the Public Acts of 1976, being section 390.1252 of the Michigan Compiled Laws, or a person certified as a North American Indian by a tribal organization.

STATE AID - OPERATIONS

Sec. 401. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the Michigan public community colleges manual for uniform financial reporting, 1981, as revised, which shall be the basis for reporting data, and the Michigan community colleges activities classification structure, 1981, as revised, which shall be used to document financial needs of the community colleges.

Sec. 402. A community college shall not include in the enrollment report any student credit hours or student contact hours for a student taking a college course to complete high school graduation requirements or generated by a student incarcerated in Michigan penal institutions. Exclusion of these students is intended to avoid the payment of state aid under this act for the same individuals for whom a community college has already been reimbursed under the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections 388.1601 to 388.1772 of the Michigan Compiled Laws, for completion of high school requirements or for whom reimbursement is provided by the state correctional system.

GRANTS

Sec. 501. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of education for use in the Michigan community colleges activities classification structure, 1981, as revised. Of the amount appropriated in section 101 for the at-risk student success program, $1,120,000.00 shall be 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 section 101 for the at-risk student success program, the balance of the appropriated funds, shall be distributed on a proration utilizing the sum of the most recent three years activities classification structure reported developmental/ preparatory contact hours divided by the sum of the three year total

contact hours at each college. Each community college's percentage shall be divided by the sum of all such percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 1996, the at-risk student success program funds shall be allocated as follows:

Alpena Community College	$	107,300
Bay de Noc Community College		112,700
C. S. Mott Community College		102,400
Delta College		108,100
Glen Oaks Community College		132,500
Gogebic Community College		71,900
Grand Rapids Community College		66,300
Henry Ford Community College		138,300
Jackson Community College		117,700
Kalamazoo Valley Community College		118,500
Kellogg Community College		129,100
Kirtland Community College		144,700
Lake Michigan College		186,200
Lansing Community College		114,100
Macomb Community College		83,800
Mid Michigan Community College		116,500
Monroe Community College		95,300
Montcalm Community College		80,400
Muskegon Community College		174,900
North Central Michigan College		113,900
Northwestern Michigan College		129,500
Oakland Community College		153,900
St. Clair County Community College		77,100
Schoolcraft College		176,300
Southwestern Michigan College		163,200

Washtenaw Community College	138,700
Wayne County Community College	210,100
West Shore Community College	119,100

(4) For the purposes of this section, "at-risk students" means students who meet one or more of the following criteria:

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

(b) Are diagnosed as learning disabled.

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

(5) Grant funding under this section shall be used only for activities related to services provided to at-risk students. This includes, but is not limited to, pretesting for academic ability, counseling contacts, and special programs.

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

(7) Each community college shall report to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the director of the department of management and budget a summary of all accomplishments under, expenditures for, and compliance with the intent of this program, including the number of at-risk students served. The report is subject to audit by the auditor general as provided for in section 203(1). The report shall be submitted not later than 90 days after the end of the state's fiscal year.

(8) Each community college receiving grant funds under this section shall, not more than 12 months after receipt of those funds, report to the state treasurer, the department of management and budget, the house and senate fiscal agencies, and the auditor general all the grant

funds that are not expended or encumbered. Those funds not expended or encumbered shall be returned within 30 days and shall lapse to the state's general fund.

Sec. 502. Upon completion of a plan for the cessation of operations at Highland Park Community College, the funds appropriated for Highland Park public schools shall be available to meet one-time needs such as equipment, physical plant upgrades, and termination costs.