



# SENATE BILL No. 850

## EXECUTIVE BUDGET BILL

February 15, 1996, Introduced by Senators SCHWARZ and CISKY and referred to the Committee on Appropriations.

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 1997; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, and officers.

### THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 101. There is appropriated for the state institutions of  
2 higher education and certain state purposes related to education, and  
3 subject to the conditions set forth in this act, for the fiscal year  
4 ending September 30, 1997, the following respective amounts:

1	HIGHER EDUCATION	
2	APPROPRIATION SUMMARY:	
3	GROSS APPROPRIATION . . . . .	\$ 1,500,873,775
4	Interdepartmental grant revenues:	
5	Total interdepartmental grants and intradepartmental	
6	transfers . . . . .	0
7	ADJUSTED GROSS APPROPRIATION . . . . .	\$ 1,500,873,775
8	Federal revenues:	
9	Total federal revenues . . . . .	5,050,000
10	Special revenue funds:	
11	Total local revenues . . . . .	0
12	Total private revenues . . . . .	0
13	Total other state restricted revenues . . . . .	0
14	State general fund/general purpose . . . . .	\$ 1,495,823,775
15	OPERATIONS	
16	Central Michigan University . . . . .	\$ 67,093,050
17	Eastern Michigan University . . . . .	72,766,441
18	Ferris State University . . . . .	46,536,543
19	Grand Valley State University . . . . .	42,657,851
20	Lake Superior State University . . . . .	11,710,265
21	Michigan State University . . . . .	267,346,783
22	Michigan Technological University . . . . .	45,764,223
23	Northern Michigan University . . . . .	43,802,368
24	Oakland University . . . . .	39,798,120
25	Saginaw Valley State University . . . . .	21,335,150
26	University of Michigan-Ann Arbor . . . . .	301,474,686
27	University of Michigan-Dearborn . . . . .	22,123,650
28	University of Michigan-Flint . . . . .	18,849,300
29	Wayne State University . . . . .	213,686,259

1	Western Michigan University . . . . .	<u>101,545,288</u>
2	GROSS APPROPRIATION . . . . .	\$ 1,316,489,977
3	Appropriated from:	
4	State general fund/general purpose . . . . .	\$ 1,316,489,977
5	STATE AND REGIONAL PROGRAMS	
6	Agricultural experiment station . . . . .	\$ 28,534,622
7	Cooperative extension service . . . . .	24,575,965
8	Michigan molecular institute . . . . .	160,680
9	Japan center for Michigan universities . . . . .	312,000
10	Higher education database modernization and	
11	conversion . . . . .	250,000
12	Midwestern higher education compact . . . . .	<u>60,320</u>
13	GROSS APPROPRIATION . . . . .	\$ 53,893,587
14	Appropriated from:	
15	State general fund/general purpose . . . . .	\$ 53,893,587
16	MARTIN LUTHER KING, JR.-CESAR CHAVEZ-ROSA PARKS PROGRAM	
17	Select student supportive services . . . . .	\$ 1,845,992
18	Michigan college/university partnership program . . . . .	553,798
19	Visiting professors program . . . . .	<u>155,570</u>
20	GROSS APPROPRIATION . . . . .	\$ 2,555,360
21	Appropriated from:	
22	State general fund/general purpose . . . . .	\$ 2,555,360
23	GRANTS AND FINANCIAL AID	
24	State competitive scholarships . . . . .	\$ 31,426,651
25	Tuition grants . . . . .	56,217,759
26	Michigan work study program . . . . .	6,941,960
27	Part-time independent student program . . . . .	2,514,114
28	Grant for Michigan resident dental graduates . . . . .	4,375,435
29	Grant for general degree graduates . . . . .	5,027,772

1	Grant for allied health graduates . . . . .	809,797
2	Michigan education opportunity grants . . . . .	1,974,809
3	Paul Douglas teacher scholarship program . . . . .	750,000
4	Robert C. Byrd honors scholarship program . . . . .	1,500,000
5	Tuition incentive program . . . . .	12,396,554
6	Center for advanced technologies-engineering	
7	tuition reimbursement . . . . .	<u>4,000,000</u>
8	GROSS APPROPRIATION . . . . .	\$ 127,934,851
9	Appropriated from:	
10	Federal revenues:	
11	Higher education act of 1965, title IV, 20 U.S.C . . . . .	2,800,000
12	Higher education act of 1965, title V, part E . . . . .	750,000
13	Higher education act of 1965, title IV, part A . . . . .	1,500,000
14	State general fund/general purpose . . . . .	\$ 122,884,851

15 **GENERAL SECTIONS**

16       Sec. 201. Pursuant to section 30 of article IX of the state  
17 constitution of 1963, total state spending from state sources for  
18 fiscal year 1996-97 is estimated at \$1,495,823,775.00 in this bill and  
19 state spending from state sources paid to local units of government for  
20 fiscal year 1996-97 is estimated at \$4,397,000.00. The itemized  
21 statement below identifies appropriations from which spending to units  
22 of local government will occur:

23 Grants and Financial Aid

24	Part-time independent student program.....	\$ 1,471,000
25	Michigan education opportunity grant.....	923,000
26	Michigan work study.....	2,003,000
27	Total.....	\$ 4,397,000

28       Sec. 202. The expenditures and funding sources authorized under  
29 this bill are subject to the management and budget act, Act no. 431 of

1 the Public Acts of 1984, being sections 18.1101 to 18.1594 of the  
2 Michigan compiled laws.

3 Sec. 203. (1) Departments and state agencies that receive funds  
4 under this bill may receive and expend federal funds for purposes  
5 allowed by the federal government and these funds are appropriated, if  
6 the funds are provided as block grants or other similar replacements  
7 for or consolidations of prior federal funding sources.

8 (2) Departments and state agencies may use the funds described in  
9 subsection (1) to continue existing programs and shall not establish  
10 new programs utilizing these funds unless the legislature has enacted  
11 modifications to the existing program or enacted a new program.

12 Sec. 204. (1) For institutions with fiscal years ending June 30,  
13 1997, the sums appropriated in this act are appropriated for their  
14 fiscal years ending June 30, 1997, and shall be paid out of the state  
15 treasury and distributed by the state treasurer to the respective  
16 institutions in 9 monthly installments for the period October 1, 1996,  
17 to June 30, 1997, pursuant to Act No. 190 of the Public Acts of 1991,  
18 being sections 487.2101 to 487.2105 of the Michigan Compiled Laws. For  
19 an institution with a fiscal year ending September 30, 1997, the sums  
20 appropriated in this act are appropriated for their fiscal year ending  
21 September 30, 1997, and shall be paid out of the state treasury and  
22 distributed by the state treasurer in 12 monthly installments for the  
23 period October 1, 1996 to September 30, 1997, pursuant to Act No. 190  
24 of the Public Acts of 1991.

25 (2) The amount distributed to an institution shall not exceed the  
26 net appropriations plus additional distributions specifically  
27 authorized by this act.

28 (3) All universities shall submit higher education institutional  
29 data inventory (HEIDI) data and associated financial and program  
30 information requested by and in a manner prescribed by the state budget

1 director. For universities with fiscal years ending June 30, 1996,  
2 these data shall be submitted to the department of management and  
3 budget by October 15, 1996. Universities with a fiscal year ending  
4 September 30, 1996 shall submit preliminary HEIDI data by November 15,  
5 1996, and final data by December 15, 1996.

6 (4) A detailed description of procedures utilized to arrive at the  
7 amounts appropriated in section 101 shall be submitted to each  
8 institution by the senate and house fiscal agencies.

9 Sec. 205. Money received by the state from the federal government  
10 or private sources for the use of a college or university is  
11 appropriated for the purpose for which it was provided. The acceptance  
12 and use of federal or private funds does not place an obligation upon  
13 the legislature to continue the purposes for which the funds are made  
14 available.

15 Sec. 206. All universities shall furnish all program and financial  
16 information that is required by and in a manner prescribed by the  
17 director of the department of management and budget or the house or  
18 senate appropriations committee.

#### 19 **GRANTS AND FINANCIAL AID**

20 Sec. 301. (1) Payments of the amounts included in section 101 for  
21 the state competitive scholarship program shall be distributed pursuant  
22 to Act No. 208 of the Public Acts of 1964, being sections 390.971 to  
23 390.981 of the Michigan Compiled Laws. The maximum award to eligible  
24 students shall be \$1,200.00.

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

29 (3) If a student who receives an award under this section has his  
30 or her tuition and fees paid under the Michigan educational trust

1 program, pursuant to the Michigan education trust act, Act No. 316 of  
2 the Public Acts of 1986, being sections 390.1421 to 390.1444 of the  
3 Michigan Compiled Laws, and still has financial need, the funds awarded  
4 under this section may be used for educational expenses other than  
5 tuition and fees.

6 Sec. 302. (1) The amounts appropriated in section 101 for the  
7 state tuition grant program shall be distributed pursuant to Act No.  
8 313 of the Public Acts of 1966, being sections 390.991 to 390.997a of  
9 the Michigan Compiled Laws. The maximum per grant shall be \$2,300.00.

10 (2) Tuition grant awards shall be made to all eligible Michigan  
11 residents who apply before September 1, 1996, and who are qualified.

12 (3) The Michigan higher education assistance authority shall  
13 determine an actual maximum tuition grant award per student that  
14 ensures that the aggregate payments for the tuition grant program do  
15 not exceed the appropriation contained in section 101 for the state  
16 tuition grant program. By October 15, 1996, and again by December 15,  
17 1996, the authority shall analyze the status of award commitments,  
18 shall make any necessary adjustments, and shall confirm that those  
19 award commitments will not exceed the appropriation contained in  
20 section 101 for the tuition grant program. The determination and  
21 actions shall be reported to the department of management and budget  
22 and the house and senate appropriation subcommittees on higher  
23 education no later than December 15, 1996. If award adjustments are  
24 necessary, the students shall be notified of the adjustment by the  
25 third Monday in January.

26 (4) Any unexpended and unencumbered funds remaining on September  
27 30, 1997 from the amounts appropriated in section 101 for the tuition  
28 grant program shall not lapse on September 30, 1997, but shall continue  
29 to be available for expenditure for tuition grants provided in the  
30 1997-98 fiscal year. The use of these unexpended fiscal year 1996-97

1 funds shall terminate at the end of the 1997-98 fiscal year.

2 (5) The Michigan higher education assistance authority shall  
3 continue a proportional tuition grant maximum award level for  
4 recipients enrolled less than full-time in a given semester or term.

5 Sec. 303. (1) Included in the appropriation in section 101 is  
6 funding for the Michigan work study program established under Act No.  
7 288 of the Public Acts of 1986, being sections 390.1371 to 390.1382 of  
8 the Michigan Compiled Laws, and Act No. 303 of the Public Acts of 1986,  
9 being sections 390.1321 to 390.1332 of the Michigan Compiled Laws. An  
10 effort should be made by each institution participating in the Michigan  
11 work study program to assure that not less than 10% of those under-  
12 graduate, graduate, and professional students eligible to participate  
13 in the program are placed with for-profit employers no later than  
14 December 31, of each year for which funding is provided under this act.

15 (2) The Michigan higher education assistance authority shall  
16 allocate funds to institutions eligible for work study money based upon  
17 each institution's specific Pell grant index and each institution's  
18 utilization rate of work study funds for the 3 most recent years for  
19 which statistics are available.

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

25 Sec. 304. (1) Payments of the amounts included in section 101 for  
26 the general degree reimbursement program established under Act No. 75  
27 of the Public Acts of 1974, being sections 390.1021 to 390.1027 of the  
28 Michigan Compiled Laws, shall be made for all degrees identified in  
29 section 1(1) of Act No. 75 of the Public Acts of 1974, being section  
30 390.1021 of the Michigan Compiled Laws, except doctor of dental

1 surgery, doctor of dental medicine, jurisdoctor law, and allied health  
2 degrees.

3 (2) The reimbursement rate per eligible degree shall be the equally  
4 prorated amount permitted by the appropriation, except that the amount  
5 of the reimbursement for each associate degree shall be 1/2 of the rate  
6 of reimbursement for the other degrees eligible under subsection (1)  
7 for the general degree reimbursement program.

8 (3) From the general degree reimbursement program, \$135,300.00  
9 shall be provided to Spring Arbor College for the southern Michigan  
10 state prison program.

11 (4) From the general degree reimbursement program, \$200,500.00  
12 shall be provided to the University of Detroit-Mercy for graduate  
13 research aid.

14 (5) From the general degree reimbursement program, \$30,100.00 shall  
15 be provided to Marygrove College for learning clinics.

16 (6) From the general degree reimbursement program, \$50,000.00 shall  
17 be provided to Suomi College for career education programs.

18 (7) If the Michigan college tuition and fees credit, section 274 of  
19 Public Act 281 of 1967, as added by Public Act 7 of 1995, being section  
20 206.274 of the Michigan compiled laws, is repealed effective for the  
21 1996 tax year, an additional \$300,900.00 is appropriated from general  
22 fund-general purpose revenues to be allocated on a proportionate basis  
23 to independent colleges and universities for the fiscal year ending  
24 September 30, 1997 using the general degree reimbursement program.

25 Sec. 305. The reimbursement rate per eligible degree under the  
26 allied health degree reimbursement program established under Act No. 75  
27 of the Public Acts of 1974, being sections 390.1021 to 390.1027 of the  
28 Michigan Compiled Laws, shall be the equally prorated amount permitted  
29 by the appropriation included in section 101.

30 Sec. 306. Funds disbursed through the degree reimbursement

1 programs shall not be used by any recipient institution for theology or  
2 divinity programs.

3       Sec. 307. (1) Guidelines and procedures developed by the state  
4 universities, through the presidents council, and in cooperation with  
5 the Michigan commission on Indian affairs and the Michigan department  
6 of education, shall be used to ensure accurate and consistent reporting  
7 of North American Indian student enrollments. The distribution of  
8 federally supported campus-based financial aid awards that are  
9 designated for students on the basis of their North American Indian  
10 status shall comply with the guidelines and procedures developed  
11 pursuant to this section.

12       (2) As used in this section, "North American Indian" means a person  
13 who is not less than 1/4 quantum blood Indian as certified by the  
14 person's tribal association.

15       Sec. 308. The auditor general shall audit selected enrollments,  
16 degrees, and awards at selected independent colleges and universities  
17 receiving awards administered by the department of treasury. The  
18 audits shall be based upon definitions and requirements established by  
19 the department of management and budget and the senate and house fiscal  
20 agencies. The auditor general shall submit a report of findings to the  
21 senate and house appropriations committees not later than May 1, 1997.

22       Sec. 309. The sums appropriated in section 101 for the student  
23 financial aid and degree reimbursement programs shall be paid out of  
24 the state treasury and shall be distributed to the respective  
25 institutions in accordance with a quarterly payment system as follows:

26       (a) For the state competitive scholarships, tuition incentive, and  
27 tuition grants programs, 40% shall be paid at the beginning of the  
28 state's first fiscal quarter, 40% at the beginning of the state's  
29 second fiscal quarter, 10% at the beginning of the state's third fiscal  
30 quarter, and 10% at the beginning of the state's fourth fiscal quarter.

31       (b) For the work-study program, payments shall be made in 9 monthly

1 installments from October 1 to June 30 of any year.

2 (c) For the part-time independent student program and Michigan  
3 education opportunity grant program, 50% shall be paid at the beginning  
4 of the state's first fiscal quarter, 25% at the beginning of the  
5 state's second fiscal quarter, and 25% at the beginning of the state's  
6 third fiscal quarter.

7 (d) For the general degree reimbursement program, allied health  
8 degree reimbursement program, Michigan resident dental grant program,  
9 Robert C. Byrd honors scholarship program, and Paul Douglas teacher  
10 scholarship program, 50% shall be paid at the beginning of the state's  
11 first fiscal quarter after the number of earned degrees conferred and  
12 total amounts to be paid are certified.

13 Sec. 310. The Michigan higher education assistance authority shall  
14 determine the needs analysis criteria for students to qualify for the  
15 competitive scholarship program and tuition grant program. To be  
16 consistent with federal requirements, student wages may be taken into  
17 consideration when determining the amount of the award.

18 Sec. 311. (1) The funds appropriated in section 101 for the  
19 tuition incentive program/high school completion program shall be  
20 distributed as provided in this section and pursuant to the  
21 administrative procedures for the tuition incentive program/high school  
22 completion program of the family independence agency.

23 (2) As used in this section:

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

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

30 (c) "Department" means the family independence agency.

31 (3) A person shall meet the following basic criteria and financial

1 thresholds to be eligible for tuition incentive benefits:

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

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

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

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

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

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

16 (i) Complete at least 56 transferable semester or 84 transferable  
17 term credits.

18 (ii) Obtain an associate degree or certificate at a participating  
19 institution.

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

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

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

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

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

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

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

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

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

23 (7) Program payments shall not be used by any recipient for  
24 theology or divinity courses.

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

29 (9) Applications for the tuition incentive program may be approved  
30 at any time after the student begins the sixth grade. If a  
31 determination of financial eligibility is made, that determination is

1 valid as long as the student meets all other program requirements and  
2 conditions.

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

7 (11) The department shall ensure that the tuition incentive program  
8 is well publicized and that potentially eligible medicaid clients are  
9 provided information on the program.

10 Sec. 312. To enable the legislature to evaluate the appropriation  
11 needs of higher education, each independent college and university  
12 shall make available to the legislature, upon request, data regarding  
13 grants for the preceding, current, and ensuing fiscal years.

14 Sec. 313. The funds appropriated in section 101 for the center for  
15 advanced technologies-engineering tuition reimbursement are designated  
16 to focus:hope to pay tuition for engineering program courses provided  
17 in conjunction with the coalition for new manufacturing education at  
18 colleges and universities.

19 **STATE UNIVERSITIES**

20 Sec. 401. (1) Included in section 101 is \$5,479,166.00 to Wayne  
21 State University for the Joseph F. Young, Sr. psychiatric research and  
22 training program. Wayne State University shall use these funds for  
23 psychiatric laboratory and clinical research, training, and treatment  
24 services. Within the available appropriation, services shall not be  
25 denied to any patient who meets established research guidelines for  
26 treatment on the basis of personal financial circumstances, age,  
27 geographic residence, or projected/actual length of treatment as  
28 medically warranted.

29 (2) Wayne State University shall report the following information  
30 to the department of community health by November 1, 1997:

31 (a) The number and type of psychiatric research projects to be

1 funded by the appropriation described in subsection (1).

2 (b) The number and type of students to be trained and the location  
3 of training funded by the appropriation.

4 (c) Demographic data regarding the number and profile of patients  
5 to receive psychiatric services funded by the appropriation and a  
6 profile of the services provided.

7 (d) A summary budget outlining major expenditure categories and any  
8 first and third party reimbursements.

9 (3) Copies of these reports shall also be provided to the house and  
10 senate appropriations higher education subcommittees, the house and  
11 senate appropriations community health subcommittees, the house and  
12 senate fiscal agencies, and the department of management and budget.

13 Sec. 402. The University of Michigan biological station at Douglas  
14 Lake in Cheboygan County is regarded as a unique resource and is  
15 designated as a special research reserve.

16 Sec. 403. (1) An institution receiving funding under this act and  
17 also subject to the student right-to-know and campus security act,  
18 Public Law 101-522, 104 Stat. 2381 shall furnish by September 1, 1997  
19 to the chairpersons of the house and senate appropriations  
20 subcommittees on higher education, the department of management and  
21 budget, and the house and senate fiscal agencies, a copy of all  
22 material prepared pursuant to the public information reporting  
23 requirements under the crime awareness and campus security act of 1990,  
24 Title II of the student right-to-know and campus security act, Public  
25 Law 101-542, 104 Stat. 2381.

26 (2) Institutions will similarly report on initiatives to address  
27 substance abuse issues on their respective campuses.

28 Sec. 404. Included in section 101 is funding to support  
29 modernization and conversion of the state's higher education databases.  
30 The department of management and budget, in consultation with the house  
31 fiscal agency and senate fiscal agency, shall have the responsibility

1 of effecting the conversion and modernization.

2 Sec. 405. (1) If the Michigan college tuition and fees credit,  
3 section 274 of Act No. 281 of the Public Acts of 1967, as added by Act  
4 No. 7 of the Public Acts of 1995, being section 206.274 of the Michigan  
5 compiled laws, is repealed effective for the 1996 tax year, an  
6 additional \$6,702,052.00 is appropriated from general fund-general  
7 purpose revenues to be allocated to state universities for the fiscal  
8 year ending September 30, 1997, as follows:

9	Central Michigan University . . . . .	\$	256,861
10	Eastern Michigan University . . . . .		280,506
11	Ferris State University . . . . .		177,664
12	Grand Valley State University . . . . .		374,029
13	Lake Superior State University . . . . .		117,408
14	Michigan State University . . . . .		1,994,909
15	Michigan Technological University . . . . .		172,843
16	Northern Michigan University . . . . .		168,853
17	Oakland University . . . . .		153,417
18	Saginaw Valley State University . . . . .		74,127
19	University of Michigan - Ann Arbor . . . . .		1,157,610
20	University of Michigan - Dearborn . . . . .		79,486
21	University of Michigan - Flint . . . . .		71,831
22	Wayne State University . . . . .		822,575
23	Western Michigan University . . . . .		799,933
24	Total . . . . .	\$	6,702,052

25 (2) The distribution of the allocations contained in subsection (1)  
26 is determined as follows:

27 (a) 25% of the total is distributed to Grand Valley State  
28 University, Lake Superior State University, Michigan State University,  
29 and Western Michigan University in amounts equal to 25% of the 1995 tax  
30 year estimated credit attributable to each institution.

31 (b) The remaining 75% is distributed across-the-board to all

1 universities proportionate to fiscal year 1996 appropriations.

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

3 Sec. 501. (1) Included in section 101 is funding for the Martin  
4 Luther King, Jr.-Cesar Chavez-Rosa Parks select student support  
5 services program for developing academically and economically  
6 disadvantaged student retention programs for 4-year public and  
7 independent educational institutions in this state.

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

11 (3) The program shall be administered by the office of equity in  
12 the Michigan department of education.

13 Sec. 502. (1) Included in section 101 is funding for the Martin  
14 Luther King, Jr.-Cesar Chavez-Rosa Parks linkage program between 4-year  
15 universities and public community colleges, which is intended to  
16 increase the number of under-represented minority students who transfer  
17 from community colleges into baccalaureate programs.

18 (2) The grants shall be made under this program to Michigan public  
19 universities. An award to any 1 institution shall not be greater than  
20 \$150,000.00, and the amount awarded shall be matched on a 70% state,  
21 30% university basis.

22 (3) The program shall be administered by the office of equity in  
23 the Michigan department of education.

24 Sec. 503. (1) Included in the appropriation in section 101 is  
25 funding for the Martin Luther King, Jr.-Cesar Chavez-Rosa Parks  
26 visiting professors program which is intended to increase the number of  
27 minority instructors in the classroom and provide role models for  
28 under-represented minority students.

29 (2) The program shall be administered by the office of equity in  
30 the Michigan department of education.

31 **UNIVERSITY SERVICE TO K-12 EDUCATION**

1       Sec. 601. (1) From the amount appropriated in section 101 for  
2 state universities, the state universities shall systematically inform  
3 Michigan high schools regarding the academic status of students from  
4 each high school in a manner prescribed by the presidents council,  
5 state universities of Michigan in cooperation with the Michigan  
6 association of secondary school principals.

7       (2) The Michigan high schools shall systematically inform the state  
8 universities about the use of information received under this section  
9 in a manner prescribed by the Michigan association of secondary school  
10 principals in cooperation with the presidents council, state  
11 universities of Michigan.

#### 12 **GENERAL REPORTS AND AUDITS**

13       Sec. 701. (1) The auditor general shall audit enrollments at 5  
14 randomly selected public universities. The audits shall be based upon  
15 the definitions and requirements established by the department of  
16 management and budget and the senate and house fiscal agencies. The  
17 audits shall be based on uniform reporting categories and shall include  
18 higher education institutional data inventory (HEIDI) data. The  
19 auditor general shall submit a report of findings to the house and  
20 senate appropriations committees no later than March 1, 1997.

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

22       (a) Student credit hours generated through correspondence courses,  
23 credit by examination, or inmate prison programs regardless of teaching  
24 location.

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

29       (i) Represent new options, fields, or concentrations within  
30 existing programs.

31       (ii) Are consistent with the current institutional role and

1 mission.

2 (iii) Are accommodated within the continuing funding base of the  
3 institution.

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

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

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

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

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

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

25 Sec. 703. A state university that has not reported project  
26 completion and total expenditure of oil overcharge revenues shall  
27 submit an annual report by October 1, 1997, to the public service  
28 commission in the department of commerce.

29 Sec. 704. (1) Each state university shall annually submit a report  
30 to the department of management and budget, chairpersons of the house  
31 and senate appropriations committees, chairpersons of the house and

1 senate appropriations subcommittees on higher education, and house and  
2 senate fiscal agencies, on efforts to ensure the English language oral  
3 proficiency of teaching faculty.

4 (2) The next reporting date for the report under subsection (1) is  
5 November 1, 1996.

6 Sec. 705. (1) Each state university shall report the following  
7 information for the 1995-96 academic year to the house and senate  
8 fiscal agencies and the department of management and budget:

9 (a) Separately, the number of ranked faculty, unranked faculty, and  
10 graduate assistants who taught an undergraduate class section.

11 (b) The total number of undergraduate credit hours and section  
12 credits taught by each of the following:

13 (i) Ranked faculty.

14 (ii) Unranked faculty.

15 (iii) Graduate assistants.

16 (2) For the purposes of this section, "ranked faculty", "unranked  
17 faculty", and "graduate assistants," mean those terms as defined in the  
18 higher education institutional data inventory (HEIDI).

19 (3) This information shall be provided on or before October 31, 1996.

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