

**SUBSTITUTE FOR  
SENATE BILL NO. 266**

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2006; to provide for the expenditure of those appropriations; to establish or continue certain funds, programs, and categories; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for community colleges and certain other state purposes relating to education for the

fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

#### **COMMUNITY COLLEGES**

##### **APPROPRIATION SUMMARY:**

|                           |    |             |
|---------------------------|----|-------------|
| GROSS APPROPRIATION ..... | \$ | 278,772,600 |
|---------------------------|----|-------------|

Interdepartmental grant revenues:

|  |  |   |
|--|--|---|
| Total interdepartmental grants and intradepartmental transfers ..... |  | 0 |
|--|--|---|

|                                    |    |             |
|------------------------------------|----|-------------|
| ADJUSTED GROSS APPROPRIATION ..... | \$ | 278,772,600 |
|------------------------------------|----|-------------|

|                              |  |   |
|------------------------------|--|---|
| Total federal revenues ..... |  | 0 |
|------------------------------|--|---|

|                            |  |   |
|----------------------------|--|---|
| Total local revenues ..... |  | 0 |
|----------------------------|--|---|

|                              |  |   |
|------------------------------|--|---|
| Total private revenues ..... |  | 0 |
|------------------------------|--|---|

|                                       |  |            |
|---------------------------------------|--|------------|
| Total state restricted revenues ..... |  | 18,282,200 |
|---------------------------------------|--|------------|

|  |    |             |
|--|----|-------------|
| State general fund/general purpose ..... | \$ | 260,490,400 |
|--|----|-------------|

#### **Sec. 102. OPERATIONS**

|                                |    |           |
|--------------------------------|----|-----------|
| Alpena Community College ..... | \$ | 4,732,700 |
|--------------------------------|----|-----------|

|                                    |  |           |
|------------------------------------|--|-----------|
| Bay de Noc Community College ..... |  | 4,575,600 |
|------------------------------------|--|-----------|

|                     |  |            |
|---------------------|--|------------|
| Delta College ..... |  | 12,797,100 |
|---------------------|--|------------|

|                                   |  |           |
|-----------------------------------|--|-----------|
| Glen Oaks Community College ..... |  | 2,147,000 |
|-----------------------------------|--|-----------|

|                                 |  |           |
|---------------------------------|--|-----------|
| Gogebic Community College ..... |  | 3,914,800 |
|---------------------------------|--|-----------|

|                                      |  |            |
|--------------------------------------|--|------------|
| Grand Rapids Community College ..... |  | 16,096,600 |
|--------------------------------------|--|------------|

|                                    |  |            |
|------------------------------------|--|------------|
| Henry Ford Community College ..... |  | 19,616,800 |
|------------------------------------|--|------------|

|                                 |  |            |
|---------------------------------|--|------------|
| Jackson Community College ..... |  | 10,859,000 |
|---------------------------------|--|------------|

|  |  |            |
|--|--|------------|
| Kalamazoo Valley Community College ..... |  | 11,079,700 |
|--|--|------------|

|                                 |  |           |
|---------------------------------|--|-----------|
| Kellogg Community College ..... |  | 8,705,100 |
|---------------------------------|--|-----------|

|                                  |  |           |
|----------------------------------|--|-----------|
| Kirtland Community College ..... |  | 2,642,000 |
|----------------------------------|--|-----------|

|    |  |                  |
|----|--|------------------|
| 1  | Lake Michigan College .....                      | 4,685,000        |
| 2  | Lansing Community College .....                  | 27,836,200       |
| 3  | Macomb Community College .....                   | 29,700,200       |
| 4  | Mid Michigan Community College .....             | 3,962,000        |
| 5  | Monroe County Community College .....            | 3,854,700        |
| 6  | Montcalm Community College .....                 | 2,788,200        |
| 7  | C.S. Mott Community College .....                | 14,073,500       |
| 8  | Muskegon Community College .....                 | 8,008,800        |
| 9  | North Central Michigan College .....             | 2,712,700        |
| 10 | Northwestern Michigan College .....              | 8,172,300        |
| 11 | Oakland Community College .....                  | 18,735,300       |
| 12 | St. Clair County Community College .....         | 6,275,500        |
| 13 | Schoolcraft College .....                        | 10,995,800       |
| 14 | Southwestern Michigan College .....              | 5,902,700        |
| 15 | Washtenaw Community College .....                | 11,175,800       |
| 16 | Wayne County Community College .....             | 14,446,800       |
| 17 | West Shore Community College .....               | <u>2,058,000</u> |
| 18 | GROSS APPROPRIATION .....                        | \$ 272,549,900   |
| 19 | Appropriated from:                               |                  |
| 20 | Special revenue funds: .....                     |                  |
| 21 | State school aid fund .....                      | 18,282,200       |
| 22 | State general fund/general purpose .....         | \$ 254,267,700   |
| 23 | <b>Sec. 103. GRANTS</b>                          |                  |
| 24 | At-risk student success program .....            | \$ 3,322,700     |
| 25 | Renaissance zone tax reimbursement funding ..... | <u>2,900,000</u> |
| 26 | GROSS APPROPRIATION .....                        | \$ 6,222,700     |
| 27 | Appropriated from:                               |                  |

1 State general fund/general purpose ..... \$ 6,222,700

2 PART 2

3 PROVISIONS CONCERNING APPROPRIATIONS

4 GENERAL SECTIONS

5 Sec. 201. Pursuant to section 30 of article IX of the state  
6 constitution of 1963, total state spending from state resources  
7 under part 1 for fiscal year 2005-2006 is \$278,772,600.00 and state  
8 spending from state resources to be paid to local units of  
9 government for fiscal year 2005-2006 is \$278,772,600.00. The  
10 itemized statement below identifies appropriations from which  
11 spending to local units of government will occur:

|    |   |    |                  |
|----|---|----|------------------|
| 12 | Operations.....                                 | \$ | 272,549,900      |
| 13 | At-risk student success program.....            |    | 3,322,700        |
| 14 | Renaissance zone tax reimbursement program..... |    | <u>2,900,000</u> |
| 15 | TOTAL.....                                      | \$ | 278,772,600      |

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

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

1       Sec. 208. The department of labor and economic growth shall  
2 work collaboratively with community colleges to develop an  
3 accelerated entrepreneurship curriculum, including an associate  
4 degree, to provide students with the skills and knowledge needed  
5 for creating their own businesses. The department shall annually  
6 submit a report on the results of its work with the community  
7 colleges under this section to the house and senate appropriations  
8 subcommittees on community colleges, the house and senate fiscal  
9 agencies, and the state budget director.

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

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

25       Sec. 211. (1) The money appropriated in this act is  
26 appropriated for community colleges with fiscal years ending June  
27 30, 2006 and shall be paid out of the state treasury and

1 distributed by the state treasurer to the respective community  
2 colleges in 11 monthly installments on the sixteenth of each month,  
3 or the next succeeding business day, beginning with October 16,  
4 2005. Each community college shall accrue its July and August 2006  
5 payments to its institutional fiscal year ending June 30, 2006.  
6 However, if a community college fails to submit all verified  
7 Michigan community colleges activities classification structure  
8 data for school year 2004-2005 to the department of labor and  
9 economic growth by November 1, 2005, the monthly installments shall  
10 be withheld from that community college until those data are  
11 submitted. The amount from the money appropriated in part 1 that is  
12 allocated to address the special needs of at-risk students shall be  
13 paid in full by the state treasurer by November 1, 2005. The amount  
14 distributed to a community college or department shall not exceed  
15 the net state allocation authorized by this act.

16 (2) Except as otherwise provided by law, each of the amounts  
17 appropriated shall be used solely for the respective purposes  
18 stated in this act. The money appropriated by this act may be used  
19 to match the cost of any available programs under the Carl D.  
20 Perkins vocational and applied technology education act, 20 USC  
21 2301 to 2415, including local administration.

22 Sec. 216. (1) A community college shall pay the employer's  
23 contributions to the Michigan public school employees' retirement  
24 system created by the public school employees retirement act of  
25 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of  
26 receiving money appropriated under this act.

27 (2) A community college shall not pay an employer's

1 contribution to more than 1 retirement fund providing benefits for  
2 an employee.

3       Sec. 217. Money appropriated in part 1 shall not be used to  
4 pay for the construction or maintenance of a self-liquidating  
5 project. Any construction, renovation, or other capital outlay  
6 project that exceeds \$1,000,000.00 requires the approval of a use  
7 and finance statement by the joint capital outlay subcommittee  
8 (JCOS) pursuant to JCOS policy.

9       Sec. 220. It is the intent of the legislature that the  
10 legislature restore the infrastructure, technology, equipment, and  
11 maintenance (ITEM) funding provided in previous fiscal years. In  
12 addition, it is the intent of the legislature that the legislature,  
13 in cooperation with the Michigan community college association,  
14 develop proposals and financing alternatives for special  
15 maintenance projects at community colleges that otherwise would not  
16 qualify for financing under the state building authority.

17       Sec. 224. Recognizing the critical importance of education in  
18 strengthening Michigan's workforce, the legislature encourages the  
19 state's public community colleges to explore ways of increasing  
20 collaboration and cooperation with 4-year universities,  
21 particularly in the areas related to training, instruction, and  
22 program articulation.

23       Sec. 230. (1) A community college shall not expend money  
24 appropriated under this act to provide health care coverage for  
25 community college employees or their dependents for abortion  
26 services, other than for spontaneous abortion or to prevent the  
27 death of the woman upon whom the abortion is performed. A community

1 college shall not approve a collective bargaining agreement or  
2 enter into any other employment contract that includes health care  
3 coverage for abortion services other than spontaneous abortion or  
4 to prevent the death of the woman upon whom the abortion is  
5 performed.

6 (2) If a community college expends money appropriated under  
7 this act in violation of subsection (1), the community college  
8 shall repay to this state an amount equal to the amount of money  
9 spent in violation of subsection (1).

10 Sec. 231. In light of sections 1, 3, and 4 of 1846 RS 83, MCL  
11 551.1, 551.3, and 551.4, and section 1 of 1939 PA 168, MCL 551.271,  
12 the legislature intends that a community college receiving funding  
13 under this act shall not use part 1 money to extend employee  
14 benefits to the unmarried partners of the community college's  
15 employees except for pre- and post-natal costs.

16 Sec. 234. Community colleges shall do the following:

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

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

23 Sec. 235. It is the intent of the legislature that a workgroup  
24 be formed to evaluate, discuss, and make recommendations for future  
25 action regarding state university admission and enrollment policies  
26 that specifically address the acceptance and application of college  
27 credits earned by students through the postsecondary enrollment



1 options act, 1996 PA 160, MCL 388.511 to 388.524. The Michigan  
2 community college association may create and administer the  
3 workgroup and is encouraged to include members representing  
4 university and K-12 school organizations. The workgroup shall  
5 submit a report containing its findings and recommendations to the  
6 house and senate appropriations subcommittees on community  
7 colleges, the house and senate fiscal agencies, and the state  
8 budget director by March 1, 2006.

9       Sec. 236. (1) It is the intent of the legislature that any  
10 existing or new reciprocal tuition agreements entered into under  
11 1972 PA 251, MCL 390.501 to 390.506, be submitted for review and  
12 approval by the house and senate appropriations committees at least  
13 once every 3 years.

14       (2) It is the intent of the legislature that, under any  
15 reciprocal tuition agreement approved by the house and senate  
16 appropriations committees, out-of-state students pay the in-state,  
17 out-of-district tuition and fee rate at any Michigan community  
18 college participating in the agreement.

19       Sec. 237. It is the intent of the legislature that a workgroup  
20 that includes members of the legislature and the Michigan community  
21 colleges association be formed to evaluate, discuss, and make  
22 recommendations regarding the possibility of state payments in lieu  
23 of taxes to community colleges whose districts contain land owned  
24 by the state or by federal or local governments or land that is  
25 otherwise nontaxable. The workgroup shall submit a report  
26 containing its findings and recommendations to the house and senate  
27 appropriations subcommittees on community colleges, the house and

1 senate fiscal agencies, and the state budget director by March 1,  
2 2006.

3       Sec. 238. It is the intent of the legislature that a workgroup  
4 that includes members of the legislature and the Michigan community  
5 colleges association be formed to evaluate, discuss, and make  
6 recommendations regarding the impact of expanding eligibility for  
7 the optional retirement plan established in section 3 of the  
8 optional retirement act of 1967, 1967 PA 156, MCL 38.383, to  
9 include faculty employed by community colleges on a part-time  
10 basis. The workgroup shall submit a report containing its findings  
11 and recommendations to the house and senate appropriations  
12 subcommittees on community colleges, the house and senate fiscal  
13 agencies, and the state budget director by March 1, 2006.

14       Sec. 239. The legislature intends that any executive or  
15 legislative proposal or action, subsequent to the adoption of a  
16 recommendation for appropriations for community colleges for the  
17 fiscal year ending September 30, 2006, to increase appropriations  
18 to state-supported 4-year universities in excess of the governor's  
19 original recommendation for the fiscal year ending September 30,  
20 2006, will be accompanied by a similar action or proposal for  
21 state-supported community colleges.

22       Sec. 240. The legislature intends that not less than 70% of  
23 the economic development job training grant money be awarded to  
24 community colleges or a consortium of community colleges and other  
25 eligible applicants as provided in the budget that appropriated the  
26 economic development job training grant money. Further, the  
27 legislature intends that at least a portion of the total

1 appropriation for economic development job training grants be  
2 awarded to community colleges that offer certified programs that  
3 are bureau of apprenticeship training certified. The Michigan  
4 economic development corporation shall report by November 1 of each  
5 year to the house and senate appropriations subcommittees on  
6 community colleges and the senate and house fiscal agencies the  
7 names of the community colleges awarded grant money under this  
8 section, the amount of the grants awarded, and the percentage  
9 awarded to bureau of apprenticeship training certified programs.

10       Sec. 241. It is the intent of the legislature that community  
11 colleges expand their current nursing education programs and  
12 increase nursing education program enrollments. This expansion may  
13 include, but is not limited to, creating partnerships with  
14 hospitals and other health care providers, expanding the focus and  
15 utilization of the nursing scholarship program, and redirecting  
16 existing institutional resources toward nursing education programs.

17       **STATE AID - OPERATIONS**

18       Sec. 301. Unless otherwise stated, all data items used in  
19 determining state aid in this act are as defined in the 2001 Manual  
20 for Uniform Financial Reporting, Michigan Public Community  
21 Colleges, which shall be the basis for reporting data, and the 2003  
22 Activities Classification Structure Manual for Michigan Community  
23 Colleges, which shall be used to document financial needs of the  
24 community colleges.

25       Sec. 302. A community college shall not include in the  
26 enrollment data reported for determining state aid under this act

1 any student credit hours or student contact hours for a student  
2 incarcerated in a Michigan penal institution. Exclusion of these  
3 students is intended to avoid the payment of state aid under this  
4 act for the same individuals for whom reimbursement is provided by  
5 the state correctional system.

6 Sec. 303. A community college selected for audit under section  
7 502 whose audited activities classification structure data is  
8 significantly different than the data used to determine state aid  
9 under this act shall return any overappropriated money as provided  
10 in this subsection. The department of labor and economic growth  
11 shall compare formula computations for the audited colleges using  
12 pre- and post-audit data. If the state allocation is 2% or more  
13 than the post-audit allocation amount, the college shall return the  
14 excess money. The returned money shall be redistributed to all 28  
15 community colleges, prorated on the base appropriations contained  
16 in part 1.

17 Sec. 304. It is the intent of the legislature to achieve full  
18 funding of the Gast-Mathieu fairness in funding formula.

#### 19 GRANTS

20 Sec. 401. (1) The community college at-risk student success  
21 program is continued. The funding shall be prorated among community  
22 colleges based on the number of student contact hours for  
23 developmental and preparatory instruction reported by each  
24 community college to the department of labor and economic growth  
25 pursuant to the 2003 Activities Classification Structure Manual for  
26 Michigan Community Colleges. Of the amount appropriated in part 1

for the at-risk student success program, \$1,120,000.00 is allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges or the acquisition or upgrade of technology-related equipment and software.

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

(3) For the fiscal year ending September 30, 2006, the at-risk student success program money is allocated as follows:

|  |    |         |
|--|----|---------|
| Alpena Community College .....           | \$ | 76,300  |
| Bay de Noc Community College .....       |    | 91,300  |
| Delta College .....                      |    | 97,100  |
| Glen Oaks Community College .....        |    | 123,600 |
| Gogebic Community College .....          |    | 66,200  |
| Grand Rapids Community College .....     |    | 117,200 |
| Henry Ford Community College .....       |    | 146,300 |
| Jackson Community College .....          |    | 102,000 |
| Kalamazoo Valley Community College ..... |    | 89,700  |
| Kellogg Community College .....          |    | 155,100 |
| Kirtland Community College .....         |    | 125,800 |
| Lake Michigan College .....              |    | 154,900 |
| Lansing Community College .....          |    | 139,800 |

|    |                                       |         |
|----|---------------------------------------|---------|
| 1  | Macomb Community College .....        | 83,600  |
| 2  | Mid Michigan Community College .....  | 134,400 |
| 3  | Monroe County Community College ..... | 94,000  |
| 4  | Montcalm Community College .....      | 66,700  |
| 5  | C.S. Mott Community College .....     | 102,600 |
| 6  | Muskegon Community College .....      | 149,700 |
| 7  | North Central Michigan College .....  | 115,900 |
| 8  | Northwestern Michigan College .....   | 123,100 |
| 9  | Oakland Community College .....       | 144,600 |
| 10 | St. Clair Community College .....     | 93,400  |
| 11 | Schoolcraft College .....             | 129,000 |
| 12 | Southwestern Michigan College .....   | 134,800 |
| 13 | Washtenaw Community College .....     | 161,700 |
| 14 | Wayne County Community College .....  | 174,900 |
| 15 | West Shore Community College .....    | 129,000 |

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

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

21       (b) Are diagnosed as learning disabled.

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

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

1 contacts, and special programs. Equipment or information technology  
2 hardware or software purchased under this section need not be  
3 associated with the operation of a program designed to address the  
4 needs of at-risk students.

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

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

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

## 22 **REPORTS AND AUDITS**

23 Sec. 501. The department of labor and economic growth shall  
24 publish the activities classification structure data book for  
25 Michigan community colleges on or before March 1, 2006, for use by  
26 the legislature during budget development for the fiscal year

1 ending September 30, 2007.

2       Sec. 502. (1) The auditor general or an independent public  
3 accounting firm appointed by the auditor general shall audit data  
4 for the fiscal year ending on June 30, 2005, as submitted to the  
5 department of labor and economic growth by 7 randomly selected  
6 community colleges. A community college shall maintain and provide  
7 those records necessary for the auditor general or certified public  
8 accountant appointed by the auditor general to determine the  
9 accuracy of the reported data. The audits shall be based upon the  
10 definitions and requirements contained in the 2001 Manual for  
11 Uniform Financial Reporting, Michigan Public Community Colleges and  
12 the 2003 Activities Classification Structure Manual for Michigan  
13 Community Colleges. Before the submission of a final audit report,  
14 a community college may appeal the findings of the preliminary  
15 report under an appeal process to be established by the auditor  
16 general. The auditor general shall submit a report of the findings  
17 to the house and senate appropriations committees, the department  
18 of labor and economic growth, and the state budget director before  
19 June 1, 2006.

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

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



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

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

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

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

1 be retained for audit purposes.

2       Sec. 505. Each community college shall have an annual audit of  
3 all income and expenditures performed by an independent auditor and  
4 shall furnish the independent auditor's management letter and an  
5 annual audited accounting of all general and current funds income  
6 and expenditures including audits of college foundations to the  
7 members of the senate and house appropriations subcommittees on  
8 community colleges, the senate and house fiscal agencies, the  
9 auditor general, the department of labor and economic growth, and  
10 the state budget director before November 15, 2005. If a community  
11 college fails to furnish the audit materials, the monthly state aid  
12 installments shall be withheld from that college until the  
13 information is submitted. All reporting shall conform to the  
14 requirements set forth in the 2001 Manual for Uniform Financial  
15 Reporting, Michigan Public Community Colleges.

16       Sec. 506. (1) Each community college shall report the  
17 following to the department of labor and economic growth no later  
18 than November 1, 2005:

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

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

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

1 and request tuition waivers.

2 (3) The department of labor and economic growth shall compile  
3 the information received under subsection (1) and shall submit this  
4 compilation to the house and senate appropriations subcommittees on  
5 community colleges, the senate and house fiscal agencies, and the  
6 state budget director by January 7, 2006.

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

12 Sec. 508. (1) Each community college shall report to the house  
13 and senate fiscal agencies, the state budget director, and the  
14 department of labor and economic growth by August 31, 2005, the  
15 tuition and mandatory fees paid by a full-time in-district student  
16 and a full-time out-of-district student as established by the  
17 college governing board for the 2005-2006 academic year. This  
18 report should also include the annual cost of attendance based on a  
19 full-time course load of 30 credits. Each community college shall  
20 also report any revisions to the reported 2005-2006 academic year  
21 tuition and mandatory fees adopted by the college governing board  
22 to the house and senate fiscal agencies, the state budget director,  
23 and the department of labor and economic growth within 15 days of  
24 being adopted.

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

1       Sec. 509. (1) Each community college shall report to the  
2 department of labor and economic growth the numbers and type of  
3 associate degrees and other certificates awarded during the  
4 previous fiscal year. The report shall be made not later than  
5 November 15, 2005.

6       (2) The department of labor and economic growth shall compile  
7 the information received under subsection (1) and shall submit this  
8 compilation to the house and senate appropriations subcommittees on  
9 community colleges, the senate and house fiscal agencies, and the  
10 state budget director by January 7, 2006.

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

20       Sec. 511. (1) It is the intent of the legislature that the  
21 frequency and scope of on-site visits, evaluations, audits, and  
22 similar activities be limited to that which is reasonably necessary  
23 to monitor the performance of community colleges and confirm the  
24 accuracy of reported data. On-site visits, evaluations, audits, and  
25 similar activities conducted to comply with the state plan approved  
26 by the United States department of education under the Perkins act  
27 shall be limited to those necessary to meet the requirements of the

1 state plan.

2 (2) In developing and implementing audit and reporting  
3 requirements, including those included in current and proposed  
4 state plans under the Perkins act, the department of labor and  
5 economic growth shall consult with community colleges, the  
6 legislative auditor general, and independent auditors in an effort  
7 to coordinate activities and minimize duplication of audit and  
8 reporting requirements imposed on community colleges.

9 (3) At least 30 days before submission of a new state plan to  
10 the United States department of education for approval under the  
11 Perkins act, the department of labor and economic growth shall  
12 provide copies of the proposed plan to the members of the senate  
13 and house appropriations subcommittees on community colleges for  
14 their review and comment. Copies of the proposed plan shall be  
15 provided to the senate and house fiscal agencies and the state  
16 budget director at the same time that they are provided to the  
17 senate and house subcommittees.

18 (4) The Perkins grant application process and content shall be  
19 streamlined to the extent possible.

20 (5) As used in this section, "Perkins act" means the Carl D.  
21 Perkins vocational and applied technology education act, 20 USC  
22 2301 to 2415.

23 Sec. 513. The department of treasury shall annually collect  
24 and compile data on the tax revenue losses to community colleges  
25 resulting from tax increment financing authorities (TIFA) and tax  
26 abatements. The department of treasury shall produce a report  
27 detailing the data. The report shall be completed and presented to

1 the house and senate appropriations subcommittees on community  
2 colleges, the department of career development, and the department  
3 of management and budget not later than March 1, 2006. The report  
4 shall include, but is not limited to, the following:

5 (a) Estimated revenue losses for each community college for  
6 the calendar year 2005.

7 (b) Confirmed revenue losses for each community college for  
8 the calendar years 2003 and 2004.

9 (c) Other requirements requested by the house and senate  
10 appropriations subcommittees on community colleges.