

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1093

A bill to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2009; 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, 2009, from the funds indicated in

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

3 **COMMUNITY COLLEGES**

4 APPROPRIATION SUMMARY:

5	GROSS APPROPRIATION.....	\$	310,617,000
6	Interdepartmental grant revenues:		
7	Total interdepartmental grants and intradepartmental		
8	transfers		0
9	ADJUSTED GROSS APPROPRIATION.....	\$	310,617,000
10	Total federal revenues.....		0
11	Total local revenues.....		0
12	Total private revenues.....		0
13	Total other state restricted revenues.....		0
14	State general fund/general purpose.....	\$	310,617,000
15	Sec. 102. OPERATIONS		
16	Alpena Community College.....	\$	5,299,000
17	Bay de Noc Community College.....		5,364,300
18	Delta College.....		13,898,200
19	Glen Oaks Community College.....		2,327,600
20	Gogebic Community College.....		4,582,800
21	Grand Rapids Community College.....		17,516,200
22	Henry Ford Community College.....		21,086,400
23	Jackson Community College.....		11,657,100
24	Kalamazoo Valley Community College.....		12,024,500
25	Kellogg Community College.....		9,402,800
26	Kirtland Community College.....		2,886,200
27	Lake Michigan College.....		5,065,400

1	Lansing Community College.....	30,119,000
2	Macomb Community College.....	32,081,400
3	Mid Michigan Community College.....	4,496,400
4	Monroe County Community College.....	4,201,300
5	Montcalm Community College.....	3,021,100
6	C.S. Mott Community College.....	15,181,100
7	Muskegon Community College.....	8,621,900
8	North Central Michigan College.....	3,030,700
9	Northwestern Michigan College.....	8,895,600
10	Oakland Community College.....	20,361,100
11	St. Clair County Community College.....	6,809,300
12	Schoolcraft College.....	11,928,600
13	Southwestern Michigan College.....	6,328,500
14	Washtenaw Community College.....	12,337,100
15	Wayne County Community College.....	16,044,600
16	West Shore Community College.....	<u>2,246,100</u>
17	GROSS APPROPRIATION.....	\$ 296,814,300
18	Appropriated from:	
19	State general fund/general purpose.....	\$ 296,814,300
20	Sec. 103. GRANTS	
21	At-risk student success program.....	\$ 3,322,700
22	Renaissance zone tax reimbursement funding.....	3,480,000
23	Nursing programs.....	<u>7,000,000</u>
24	GROSS APPROPRIATION.....	\$ 13,802,700
25	Appropriated from:	
26	State general fund/general purpose.....	\$ 13,802,700

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2008-2009 is \$310,617,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$310,617,000.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations.....	\$	296,814,300
At-risk student success program.....		3,322,700
Renaissance zone tax reimbursement program.....		3,480,000
Nursing programs.....		<u>7,000,000</u>
TOTAL.....	\$	310,617,000

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

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

Sec. 209. Funds appropriated in part 1 shall not be used for

1 the purchase of foreign goods or services, or both, if
2 competitively priced and of comparable quality American goods or
3 services, or both, are available. Preference should be given to
4 goods or services, or both, manufactured or provided by Michigan
5 businesses, if they are competitively priced and of comparable
6 quality. In addition, preference should be given to goods or
7 services, or both, that are manufactured or provided by Michigan
8 businesses owned and operated by veterans, if they are
9 competitively priced and of comparable quality.

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

18 Sec. 211. (1) The money appropriated in this act is
19 appropriated for community colleges with fiscal years ending June
20 30, 2009 and shall be paid out of the state treasury and
21 distributed by the state treasurer to the respective community
22 colleges in 11 monthly installments on the sixteenth of each month,
23 or the next succeeding business day, beginning with October 16,
24 2008. Each community college shall accrue its July and August 2009
25 payments to its institutional fiscal year ending June 30, 2009.
26 However, if a community college fails to submit all verified
27 Michigan community colleges activities classification structure

1 data for school year 2007-2008 to the department of labor and
2 economic growth by November 1, 2008, the monthly installments shall
3 be withheld from that community college until those data are
4 submitted. The amount from the money appropriated in part 1 that is
5 allocated to address the special needs of at-risk students shall be
6 paid in full by the state treasurer by November 1, 2008. The amount
7 distributed to a community college or department shall not exceed
8 the net state allocation authorized by this act.

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

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

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

23 Sec. 217. Money appropriated in part 1 shall not be used to
24 pay for the construction or maintenance of a self-liquidating
25 project. A community college shall comply with the current use and
26 finance requirements of the joint capital outlay subcommittee
27 (JCOS) for any construction, renovation, or other capital outlay

1 projects pursuant to JCOS policy.

2 Sec. 220. It is the intent of the legislature that the
3 legislature restore the infrastructure, technology, equipment, and
4 maintenance (ITEM) funding provided in previous fiscal years.

5 Sec. 224. (1) Recognizing the critical importance of education
6 in strengthening Michigan's workforce, the legislature encourages
7 the state's public community colleges to explore ways of increasing
8 collaboration and cooperation with 4-year universities,
9 particularly in the areas related to training, instruction, and
10 program articulation.

11 (2) Recognizing the central role of community colleges in
12 responding to local employment needs and challenges, community
13 colleges shall develop and continue efforts to collaborate with
14 local employers and students to identify local employment needs and
15 strategies to meet them.

16 (3) Community colleges are encouraged to collaborate with each
17 other on innovations to identify and meet local employment needs.

18 (4) Community colleges are encouraged to organize and
19 participate in a legislative summit on a strategy for meeting the
20 employment needs of the entire state. The community colleges shall
21 report the results of the summit to the senate and house
22 appropriations subcommittees on community colleges.

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

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

1 (b) Review, analyze, and eradicate activities that may tend to
2 discriminate.

3 Sec. 239. The legislature intends that any executive or
4 legislative proposal or action, subsequent to the adoption of a
5 recommendation for appropriations for community colleges for the
6 fiscal year ending September 30, 2009, to increase appropriations
7 to state-supported 4-year universities in excess of the governor's
8 original recommendation for the fiscal year ending September 30,
9 2009, will be accompanied by a similar action or proposal for
10 state-supported community colleges.

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

18 Sec. 242. It is the intent of the legislature that the
19 Michigan community college association, the legislature, and other
20 interested parties continue the discussion regarding payments in
21 lieu of taxes, especially for those community college districts
22 that contain significant portions of nontaxable land.

23 Sec. 243. It is the intent of the legislature to develop and
24 pass enact legislation that would authorize community colleges to
25 issue debt to fund customized workforce development training. This
26 program would be known as the Michigan new jobs training program.
27 The principal and interest payments on any debt issued under the

1 program would be paid by capturing the incremental increase in the
2 state income tax associated with the wages of new employees and
3 redirecting it to the community college instead of the state. The
4 program would offer an incentive for employers creating new jobs or
5 expanding operations in Michigan. This program has the potential to
6 be a cornerstone of Michigan's workforce and economic development
7 efforts, with the state's community colleges collaboratively
8 partnering with state and local economic development, the Michigan
9 works agencies, and the private sector to implement unified
10 strategies for regional growth.

11 Sec. 246. It is the intent of the legislature that a workgroup
12 be formed including representatives of community colleges, state
13 universities, and the health care community to address and resolve
14 the nursing shortage in the state of Michigan. The workgroup shall
15 submit a report to the house and senate appropriations
16 subcommittees on community colleges, the house and senate fiscal
17 agencies, and the department of management and budget no later than
18 December 31, 2008.

19 Sec. 247. Funds appropriated in part 1 shall not be used for
20 the purchase of foreign automobiles if competitively priced and of
21 comparable quality automobiles made in the state of Michigan or
22 elsewhere in the United States of America are available.

23 STATE AID - OPERATIONS

24 Sec. 301. Unless otherwise stated, all data items used in
25 determining state aid in this act are as defined in the 2001 Manual
26 for Uniform Financial Reporting, Michigan Public Community

1 Colleges, which shall be the basis for reporting data, and the
2 Activities Classification Structure Manual for Michigan Community
3 Colleges, as amended, which shall be used to document financial
4 needs of the community colleges.

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

12 Sec. 304. (1) The appropriations in part 1 for community
13 college operations include an aggregate 3% increase distributed
14 pursuant to the funding formula developed by the performance
15 indicators task force formed pursuant to section 242 of 2005 PA
16 154.

17 (2) It is the intent of the legislature that the
18 recommendations and performance measures developed by the
19 performance indicators task force formed pursuant to section 242 of
20 2005 PA 154 be reviewed and more fully implemented for distribution
21 of state funding to community colleges in future years.

22 Specifically, it is the intent of the legislature that the
23 performance indicators task force review and implement 1 or more
24 measurable data items for the local strategic value indicator and
25 review and implement 1 or more measurable data items for an
26 administrative cost formula component.

1 GRANTS

2 Sec. 401. (1) The community college at-risk student success
3 program is continued. The funding shall be prorated among community
4 colleges based on the number of student contact hours for
5 developmental and preparatory instruction reported by each
6 community college to the department of labor and economic growth
7 pursuant to the Activities Classification Structure Manual for
8 Michigan Community Colleges, as amended. Of the amount appropriated
9 in part 1 for the at-risk student success program, \$1,120,000.00 is
10 allocated for base grants of \$40,000.00 each, to address the
11 special needs of at-risk students at community colleges.

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

20 (3) For the fiscal year ending September 30, 2009, the at-risk
21 student success program money is allocated as follows:

22	Alpena Community College.....	\$	80,200
23	Bay de Noc Community College.....		62,800
24	Delta College.....		104,500
25	Glen Oaks Community College.....		112,500
26	Gogebic Community College.....		58,600
27	Grand Rapids Community College.....		132,300

1	Henry Ford Community College.....	161,900
2	Jackson Community College.....	120,900
3	Kalamazoo Valley Community College.....	92,000
4	Kellogg Community College.....	163,600
5	Kirtland Community College.....	125,400
6	Lake Michigan College.....	157,200
7	Lansing Community College.....	153,500
8	Macomb Community College.....	84,400
9	Mid Michigan Community College.....	141,400
10	Monroe County Community College.....	105,400
11	Montcalm Community College.....	75,000
12	C.S. Mott Community College.....	106,300
13	Muskegon Community College.....	78,700
14	North Central Michigan College.....	111,100
15	Northwestern Michigan College.....	122,400
16	Oakland Community College.....	148,900
17	St. Clair Community College.....	124,800
18	Schoolcraft College.....	127,300
19	Southwestern Michigan College.....	150,700
20	Washtenaw Community College.....	140,300
21	Wayne County Community College.....	132,600
22	West Shore Community College.....	148,000

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

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

1 (b) Are diagnosed as learning disabled.

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

3 (5) Grant funding under this section shall be utilized to
4 address the special needs of at-risk students. Activities related
5 to services provided to at-risk students include, but are not
6 limited to, pretesting for academic ability, counseling contacts,
7 and special programs. Equipment or information technology hardware
8 or software purchased under this section must be associated with
9 the operation of a program designed to address the needs of at-risk
10 students.

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

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

21 Sec. 404. The appropriation in part 1 for renaissance zone
22 reimbursements shall be made to each eligible recipient no later
23 than 60 days after the department of treasury certifies to the
24 state budget director that it has received all necessary
25 information to properly determine the amounts due each eligible
26 recipient under section 12 of the Michigan renaissance zone act,
27 1996 PA 376, MCL 125.2692.

1 Sec. 405. Community college nursing programs are part of a
2 comprehensive solution to Michigan's nursing shortage. Community
3 college students are eligible to apply for financial assistance
4 through the Michigan nursing scholarship program established in the
5 Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to
6 390.1189. The Michigan nursing corps grants described in section
7 431 of 2007 PA 118 and administered by the department of labor and
8 economic growth provide funding to address the shortage of
9 qualified nursing faculty. Community colleges are encouraged to
10 coordinate with the chief nurse executive in the department of
11 community health and with 4-year universities to improve access to
12 nursing programs and to assist students to successfully enter the
13 nursing workforce.

14 Sec. 406. (1) The funds appropriated in part 1 for nursing
15 programs shall be allocated to each community college on a
16 proportional basis based on the number of 2006-2007 ADN/RN nursing
17 program awards reported by the community college to the office of
18 postsecondary services in the department of labor and economic
19 growth.

20 (2) It is the intent of the legislature that community
21 colleges use the funds allocated under subsection (1) to increase
22 nursing program completions and expand existing nursing program
23 capacity. These funds may be used for any of the following:

24 (a) Maintaining sustainability of existing programs in order
25 to ensure that current programs are not reduced or eliminated due
26 to high operational costs.

27 (b) Reducing attrition by utilizing counselors, mentors,

1 better assessment and screening tools, and other student support
2 services to ensure that students who enter a nursing program
3 complete that program.

4 (c) Purchasing equipment and technology to increase efficiency
5 and program capacity through the use of simulators, software,
6 online curriculum development, and other program technology.

7 (d) Retaining and acquiring qualified faculty in an
8 increasingly competitive recruiting market.

9 (3) By January 1, 2009, each community college receiving funds
10 under this section shall report to the house and senate
11 appropriations subcommittees on community colleges, the house and
12 senate fiscal agencies, and the department of management and budget
13 on the impact of these funds on nursing program completions at that
14 college. In addition, each community college shall include in its
15 report its plans for future nursing program enrollment expansion
16 and indicate any barriers to that expansion.

17 REPORTS AND AUDITS

18 Sec. 501. The department of labor and economic growth shall
19 publish the activities classification structure data book for
20 Michigan community colleges on or before March 1, 2009.

21 Sec. 502. (1) The auditor general or a certified public
22 accountant appointed by the auditor general may conduct performance
23 audits of community colleges as the auditor general considers
24 necessary.

25 (2) Not more than 60 days after an audit report is released by
26 the office of the auditor general, the principal executive officer

1 of the community college that was audited shall submit to the house
2 and senate appropriations committees, the house and senate fiscal
3 agencies, the department of labor and economic growth, the auditor
4 general, and the state budget director a plan to comply with audit
5 recommendations. The plan shall contain projected dates and
6 resources required, if any, to achieve compliance with the audit
7 recommendations, or a documented explanation of the college's
8 noncompliance with the audit recommendations concerning the matters
9 on which the audited community college and office of the auditor
10 general disagree.

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

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

1 Sec. 505. Each community college shall have an annual audit of
2 all income and expenditures performed by an independent auditor and
3 shall furnish the independent auditor's management letter and an
4 annual audited accounting of all general and current funds income
5 and expenditures including audits of college foundations to the
6 members of the senate and house appropriations subcommittees on
7 community colleges, the senate and house fiscal agencies, the
8 auditor general, the department of labor and economic growth, and
9 the state budget director before November 15, 2008. If a community
10 college fails to furnish the audit materials, the monthly state aid
11 installments shall be withheld from that college until the
12 information is submitted. All reporting shall conform to the
13 requirements set forth in the 2001 Manual for Uniform Financial
14 Reporting, Michigan Public Community Colleges.

15 Sec. 506. (1) Each community college shall report the
16 following to the department of labor and economic growth no later
17 than November 1, 2008:

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

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

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

1 (3) The department of labor and economic growth shall compile
2 the information received under subsection (1) and shall submit this
3 compilation to the house and senate appropriations subcommittees on
4 community colleges, the senate and house fiscal agencies, and the
5 state budget director by January 7, 2009.

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

11 Sec. 508. (1) Each community college shall report to the house
12 and senate fiscal agencies, the state budget director, and the
13 department of labor and economic growth by August 31, 2008, the
14 tuition and mandatory fees paid by a full-time in-district student
15 and a full-time out-of-district student as established by the
16 college governing board for the 2008-2009 academic year. This
17 report should also include the annual cost of attendance based on a
18 full-time course load of 30 credits. Each community college shall
19 also report any revisions to the reported 2008-2009 academic year
20 tuition and mandatory fees adopted by the college governing board
21 to the house and senate fiscal agencies, the state budget director,
22 and the department of labor and economic growth within 15 days of
23 being adopted.

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

27 Sec. 509. (1) Each community college shall report to the

1 department of labor and economic growth the numbers and type of
2 associate degrees and other certificates awarded during the
3 previous fiscal year. The report shall be made not later than
4 November 15, 2008.

5 (2) The department of labor and economic growth shall compile
6 the information received under subsection (1) and shall submit this
7 compilation to the house and senate appropriations subcommittees on
8 community colleges, the senate and house fiscal agencies, and the
9 state budget director by January 7, 2009.

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

19 Sec. 511. (1) At least 30 days before submission of a new
20 state plan to the United States department of education for
21 approval under the Perkins act, the department of labor and
22 economic growth shall provide copies of the proposed plan to the
23 members of the senate and house appropriations subcommittees on
24 community colleges for their review and comment. Copies of the
25 proposed plan shall be provided to the senate and house fiscal
26 agencies and the state budget director at the same time that they
27 are provided to the senate and house subcommittees.

1 (2) The Perkins grant application process and content shall be
2 streamlined to the extent possible.

3 (3) As used in this section, "Perkins act" means the Carl D.
4 Perkins vocational and applied technology education act of 1998, 20
5 USC 2301 to 2415.

6 Sec. 513. The department of treasury shall annually collect
7 and compile data on the tax revenue losses to community colleges
8 resulting from tax increment financing authorities (TIFA) and tax
9 abatements. The department of treasury shall produce a report
10 detailing the data. The report shall be completed and presented to
11 the house and senate appropriations subcommittees on community
12 colleges, the department of labor and economic growth, and the
13 department of management and budget not later than March 1, 2009.
14 The report shall include, but is not limited to, the following:

15 (a) Estimated revenue losses for each community college for
16 the calendar year 2008.

17 (b) Confirmed revenue losses for each community college for
18 the calendar years 2006 and 2007.

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