

Act No. 120
Public Acts of 2007
Approved by the Governor
October 31, 2007
Filed with the Secretary of State
October 31, 2007
EFFECTIVE DATE: October 31, 2007

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2007**

Introduced by Rep. Sak

ENROLLED HOUSE BILL No. 4360

AN ACT to make appropriations for community colleges and certain state purposes related to education for the fiscal year ending September 30, 2008; 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:

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, 2008, from the funds indicated in this part. The following is a summary of the appropriations in this part:

COMMUNITY COLLEGES

APPROPRIATION SUMMARY:

GROSS APPROPRIATION	\$	318,928,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	\$	318,928,800
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	318,928,800

Sec. 102. OPERATIONS

Alpena Community College	\$	5,034,800
Bay de Noc Community College		5,084,400
Delta College		13,458,400
Glen Oaks Community College		2,259,100
Gogebic Community College		4,207,700
Grand Rapids Community College		16,879,000
Henry Ford Community College		20,524,100
Jackson Community College		11,338,500

	For Fiscal Year Ending Sept. 30, 2008
Kalamazoo Valley Community College.....	11,643,300
Kellogg Community College	9,129,600
Kirtland Community College.....	2,781,000
Lake Michigan College	4,919,800
Lansing Community College	29,183,800
Macomb Community College.....	31,158,600
Mid Michigan Community College	4,202,200
Monroe County Community College.....	4,054,300
Montcalm Community College	2,919,500
C.S. Mott Community College.....	14,730,200
Muskegon Community College.....	8,369,000
North Central Michigan College.....	2,838,000
Northwestern Michigan College	8,531,900
Oakland Community College	19,698,200
St. Clair County Community College	6,600,400
Schoolcraft College	11,516,300
Southwestern Michigan College.....	6,174,000
Washtenaw Community College.....	11,841,800
Wayne County Community College.....	15,586,500
West Shore Community College.....	2,156,900
One-time supplemental payment	25,759,800
GROSS APPROPRIATION.....	\$ 312,581,100
Appropriated from:	
State general fund/general purpose	\$ 312,581,100
 Sec. 103. GRANTS	
At-risk student success program.....	\$ 3,322,700
Renaissance zone tax reimbursement funding.....	3,025,000
GROSS APPROPRIATION.....	\$ 6,347,700
Appropriated from:	
State general fund/general purpose	\$ 6,347,700

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 2007-2008 is \$318,928,800.00 and state spending from state resources to be paid to local units of government for fiscal year 2007-2008 is \$318,928,800.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations.....	\$ 312,581,100
At-risk student success program.....	3,322,700
Renaissance zone tax reimbursement program	3,025,000
TOTAL	\$ 318,928,800

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. 208. The department of labor and economic growth shall continue to work collaboratively with community colleges to implement an accelerated entrepreneurship curriculum, including an associate degree, to provide students with the skills and knowledge needed for creating their own businesses.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

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

Sec. 211. (1) The money appropriated in this act is appropriated for community colleges with fiscal years ending June 30, 2008, and, except for the 1-time supplemental payment described in subsection (2), shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2007. Each community college shall accrue its July and August 2008 payments to its institutional fiscal year ending June 30, 2008. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2006-2007 to the department of labor and economic growth by November 1, 2007, the monthly installments shall be withheld from that community college until those data are submitted. The amount from the money appropriated in part 1 that is allocated to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 2007. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

(2) The funds appropriated in part 1 to community colleges for the 1-time supplemental payment shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges on October 16, 2007. The payment made to each community college shall be equal to the sum of the delayed payment reduction contained in Executive Order No. 2007-3 and the payment delay reduction contained in section 106 of 2007 PA 17. Each community college shall accrue this payment to its institutional fiscal year ending June 30, 2007.

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

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

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

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

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

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

Sec. 234. Community colleges shall do the following:

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

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

Sec. 235. It is the intent of the legislature that a workgroup be formed to evaluate, discuss, and make recommendations for future action regarding state university admission and enrollment policies that specifically address the acceptance and application of college credits earned by students through the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524. The Michigan community college association may create and administer the workgroup and is encouraged to include members representing university and K-12 school organizations. The workgroup shall submit a report containing its findings and recommendations to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by March 1, 2008.

Sec. 239. The legislature intends that any executive or legislative proposal or action, subsequent to the adoption of a recommendation for appropriations for community colleges for the fiscal year ending September 30, 2008, to increase appropriations to state-supported 4-year universities in excess of the governor's original recommendation for the fiscal year ending September 30, 2008, will be accompanied by a similar action or proposal for state-supported community colleges.

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

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

STATE AID - OPERATIONS

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

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

Sec. 304. (1) It is the intent of the legislature that the funding formula developed by the performance indicators task force formed pursuant to section 242 of 2005 PA 154 be used for funding distribution in future years and that the data collected and used to generate the activities classification structure data book continue to be collected and maintained.

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

GRANTS

Sec. 401. (1) The community college at-risk student success program is continued. The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of labor and economic growth pursuant to the Activities Classification Structure Manual for Michigan Community Colleges, as amended. 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.

(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, 2008, the at-risk student success program money is allocated as follows:

Alpena Community College	\$	80,500
Bay de Noc Community College.....		76,600
Delta College		99,400

Glen Oaks Community College	115,100
Gogebic Community College.....	58,200
Grand Rapids Community College	128,700
Henry Ford Community College	159,200
Jackson Community College.....	113,800
Kalamazoo Valley Community College.....	91,100
Kellogg Community College	167,400
Kirtland Community College.....	129,000
Lake Michigan College	155,100
Lansing Community College	143,800
Macomb Community College.....	84,300
Mid Michigan Community College	147,900
Monroe County Community College.....	103,900
Montcalm Community College	66,000
C.S. Mott Community College.....	105,700
Muskegon Community College.....	81,800
North Central Michigan College.....	116,200
Northwestern Michigan College	122,600
Oakland Community College	147,500
St. Clair Community College.....	110,500
Schoolcraft College	128,500
Southwestern Michigan College.....	145,100
Washtenaw Community College.....	153,700
Wayne County Community College.....	147,400
West Shore Community College.....	143,700

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

- (a) Are initially placed in 1 or more developmental courses as a result of standardized testing or as a result of failure to make satisfactory academic progress.
- (b) Are diagnosed as learning disabled.
- (c) Require English as a second language (ESL) assistance.

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

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

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

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

Sec. 405. (1) It is the intent of the legislature that the legislature appropriate funding for nursing grants to encourage the expansion of nursing programs at community colleges. Any funds appropriated shall be allocated to each community college on a proportional basis based on the number of 2005-2006 ADN/RN nursing program awards reported by the community colleges to the office of postsecondary services in the department of labor and economic growth.

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

- (a) Maintaining sustainability of existing programs in order to ensure that current programs are not reduced or eliminated due to high operational costs.
- (b) Reducing attrition by utilizing counselors, mentors, better assessment and screening tools, and other student support services to ensure that students who enter a nursing program complete that program.
- (c) Purchasing equipment and technology to increase efficiency and program capacity through the use of simulators, software, online curriculum development, and other program technology.
- (d) Retaining and acquiring qualified faculty in an increasingly competitive recruiting market.

(3) By January 1, 2008, each community college receiving funds under this section shall report to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the department of management and budget on the impact of these funds on nursing program completions at that college. In addition, each community college shall include in its report its plans for future nursing program enrollment expansion and indicate any barriers to that expansion.

REPORTS AND AUDITS

Sec. 501. The department of labor and economic growth shall publish the activities classification structure data book for Michigan community colleges on or before March 1, 2008, for use by the legislature during budget development for the fiscal year ending September 30, 2009.

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

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

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

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

Sec. 505. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the department of labor and economic growth, and the state budget director before November 15, 2007. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the 2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges.

Sec. 506. (1) Each community college shall report the following to the department of labor and economic growth no later than November 1, 2007:

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

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

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

(3) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2008.

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

Sec. 508. (1) Each community college shall report to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth by August 31, 2007, the tuition and mandatory fees paid by a

full-time in-district student and a full-time out-of-district student as established by the college governing board for the 2007-2008 academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported 2007-2008 academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the department of labor and economic growth within 15 days of being adopted.

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

Sec. 509. (1) Each community college shall report to the department of labor and economic growth the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 2007.

(2) The department of labor and economic growth shall compile the information received under subsection (1) and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director by January 7, 2008.

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

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

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

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

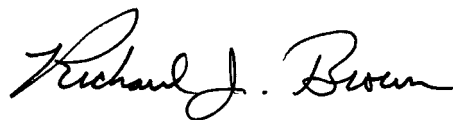
Sec. 513. The department of treasury shall annually collect and compile data on the tax revenue losses to community colleges resulting from tax increment financing authorities (TIFA) and tax abatements. The department of treasury shall produce a report detailing the data. The report shall be completed and presented to the house and senate appropriations subcommittees on community colleges, the department of career development, and the department of management and budget not later than March 1, 2008. The report shall include, but is not limited to, the following:

(a) Estimated revenue losses for each community college for the calendar year 2007.

(b) Confirmed revenue losses for each community college for the calendar years 2005 and 2006.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

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Governor