

Act No. 255  
Public Acts of 2008  
Approved by the Governor  
July 17, 2008  
Filed with the Secretary of State  
July 18, 2008  
EFFECTIVE DATE: July 18, 2008

**STATE OF MICHIGAN  
94TH LEGISLATURE  
REGULAR SESSION OF 2008**

Introduced by Senator Hardiman

# ENROLLED SENATE BILL No. 1093

AN ACT 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:*

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

#### COMMUNITY COLLEGES

##### APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	299,360,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION.....	\$	299,360,500
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues .....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	299,360,500

#### Sec. 102. OPERATIONS

Alpena Community College .....	\$	5,126,100
Bay de Noc Community College.....		5,178,400
Delta College .....		13,751,600
Glen Oaks Community College .....		2,304,800

		For Fiscal Year Ending Sept. 30, 2009
Gogebic Community College.....	\$	4,275,200
Grand Rapids Community College .....		17,219,800
Henry Ford Community College .....		20,898,900
Jackson Community College.....		11,542,300
Kalamazoo Valley Community College.....		11,888,600
Kellogg Community College .....		9,311,800
Kirtland Community College.....		2,842,800
Lake Michigan College .....		5,012,100
Lansing Community College .....		29,762,500
Macomb Community College.....		31,773,900
Mid Michigan Community College .....		4,289,200
Monroe County Community College.....		4,142,800
Montcalm Community College .....		2,981,600
C.S. Mott Community College.....		15,016,400
Muskegon Community College.....		8,518,600
North Central Michigan College.....		2,893,600
Northwestern Michigan College.....		8,682,000
Oakland Community College .....		20,133,700
St. Clair County Community College .....		6,729,800
Schoolcraft College .....		11,767,000
Southwestern Michigan College.....		6,276,900
Washtenaw Community College.....		12,149,000
Wayne County Community College.....		15,889,900
West Shore Community College.....		2,198,500
GROSS APPROPRIATION.....	\$	292,557,800
Appropriated from:		
State general fund/general purpose .....	\$	292,557,800
<b>Sec. 103. GRANTS</b>		
At-risk student success program.....	\$	3,322,700
Renaissance zone tax reimbursement funding.....		3,480,000
GROSS APPROPRIATION.....	\$	6,802,700
Appropriated from:		
State general fund/general purpose .....	\$	6,802,700

## 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 \$299,360,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$299,360,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

Operations .....	\$	292,557,800
At-risk student success program.....		3,322,700
Renaissance zone tax reimbursement program .....		3,480,000
TOTAL .....	\$	299,360,500

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 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, 2009 and 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, 2008. Each community college shall accrue its July and August 2009 payments to its institutional fiscal year ending June 30, 2009. However, if a community college fails to submit all verified Michigan community colleges activities classification structure data for school year 2007-2008 to the department of labor and economic growth by November 1, 2008, 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, 2008. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

(2) Except as otherwise provided by law, each of the amounts appropriated shall be used solely for the respective purposes stated in this act. The 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. 224. (1) 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.

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

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

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

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. 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, 2009, to increase appropriations to state-supported 4-year universities in excess of the governor's original recommendation for the fiscal year ending September 30, 2009, will be accompanied by a similar action or proposal for state-supported community colleges.

Sec. 241. (1) 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.

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

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.

Sec. 243. It is the intent of the legislature to develop and enact legislation that would authorize community colleges to issue debt to fund customized workforce development training. This program would be known as the Michigan new jobs training program. The principal and interest payments on any debt issued under the program would be paid by capturing the incremental increase in the state income tax associated with the wages of new employees and redirecting it to the community college instead of the state. The program would offer an incentive for employers creating new jobs or expanding operations in Michigan. This program has the potential to be a cornerstone of Michigan's workforce and economic development efforts, with the state's community colleges collaboratively partnering with state and local economic development, the Michigan works agencies, and the private sector to implement unified strategies for regional growth.

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

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

## **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) The appropriations in part 1 for community college operations include an aggregate 2% increase distributed pursuant to the funding formula developed by the performance indicators task force formed pursuant to section 242 of 2005 PA 154.

(2) It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force formed 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. Specifically, it is the intent of the legislature that the performance indicators task force review and implement 1 or more measurable data items for the local strategic value indicator and review and implement 1 or more measurable data items for an administrative cost formula component.

## **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, 2009, the at-risk student success program money is allocated as follows:

Alpena Community College .....	\$ 80,200
Bay de Noc Community College.....	62,800
Delta College .....	104,500
Glen Oaks Community College .....	112,500
Gogebic Community College.....	58,600
Grand Rapids Community College .....	132,300
Henry Ford Community College .....	161,900
Jackson Community College.....	120,900
Kalamazoo Valley Community College.....	92,000
Kellogg Community College .....	163,600
Kirtland Community College.....	125,400
Lake Michigan College .....	157,200
Lansing Community College .....	153,500
Macomb Community College .....	84,400
Mid Michigan Community College .....	141,400
Monroe County Community College .....	105,400
Montcalm Community College .....	75,000
C.S. Mott Community College.....	106,300
Muskegon Community College.....	78,700
North Central Michigan College.....	111,100
Northwestern Michigan College.....	122,400
Oakland Community College .....	148,900
St. Clair County Community College .....	124,800
Schoolcraft College .....	127,300
Southwestern Michigan College.....	150,700
Washtenaw Community College.....	140,300
Wayne County Community College .....	132,600
West Shore Community College.....	148,000

(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.

## **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, 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, 2008. 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, 2008:

(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 North American 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, 2009.

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, 2008, 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 2008-2009 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 2008-2009 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, 2008.

(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, 2009.

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.

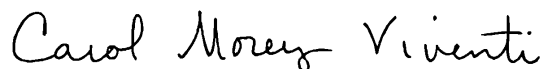
Sec. 513. The department of treasury shall annually collect and compile data on the tax revenue losses to community colleges resulting from tax increment financing authorities (TIFA) and tax abatements. The department of treasury shall produce a report detailing the data. The report shall be completed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

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

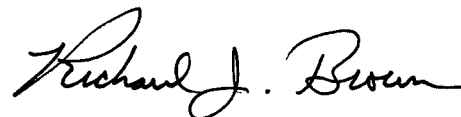
(b) Confirmed revenue losses for each community college for the calendar years 2006 and 2007.

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

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved \_\_\_\_\_

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Governor