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COMMUNITY COLLEGES

EXECUTIVE BUDGET BILL

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:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, 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.....	\$	302,228,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	302,228,800
Total federal revenues.....		0

1	Total local revenues.....		0
2	Total private revenues.....		0
3	Total other state restricted revenues.....		0
4	State general fund/general purpose.....	\$	302,228,800
5	Sec. 102. OPERATIONS		
6	Alpena Community College.....	\$	5,171,900
7	Bay de Noc Community College.....		5,225,400
8	Delta College.....		13,898,200
9	Glen Oaks Community College.....		2,327,600
10	Gogebic Community College.....		4,308,900
11	Grand Rapids Community College.....		17,390,300
12	Henry Ford Community College.....		21,086,400
13	Jackson Community College.....		11,644,000
14	Kalamazoo Valley Community College.....		12,011,300
15	Kellogg Community College.....		9,402,800
16	Kirtland Community College.....		2,873,700
17	Lake Michigan College.....		5,058,200
18	Lansing Community College.....		30,051,900
19	Macomb Community College.....		32,081,400
20	Mid Michigan Community College.....		4,332,800
21	Monroe County Community College.....		4,187,100
22	Montcalm Community College.....		3,012,600
23	C.S. Mott Community College.....		15,159,600
24	Muskegon Community College.....		8,593,400
25	North Central Michigan College.....		2,921,400

1 itemized statement below identifies appropriations from which
2 spending to local units of government will occur:

3	Operations.....	\$	295,426,100
4	At-risk student success program.....		3,322,700
5	Renaissance zone tax reimbursement program.....		<u>3,480,000</u>
6	TOTAL.....	\$	302,228,800

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

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

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

1 businesses owned and operated by veterans, if they are
2 competitively priced and of comparable quality.

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

11 Sec. 211. (1) The money appropriated in this bill is
12 appropriated for community colleges with fiscal years ending June
13 30, 2009, and shall be paid out of the state treasury and
14 distributed by the state treasurer to the respective community
15 colleges in 11 monthly installments on the sixteenth of each month,
16 or the next succeeding business day, beginning with October 16,
17 2008. Each community college shall accrue its July and August 2009
18 payments to its institutional fiscal year ending June 30, 2009.
19 However, if a community college fails to submit all verified
20 Michigan community colleges activities classification structure
21 data for school year 2007-2008 to the department of labor and
22 economic growth by November 1, 2008, the monthly installments shall
23 be withheld from that community college until those data are
24 submitted.

1 (2) Except as otherwise provided by law, each of the amounts
2 appropriated shall be used solely for the respective purposes
3 stated in this bill. The money appropriated in this bill may be
4 used to match the cost of any available programs under the Carl D.
5 Perkins career and technical education improvement act of 2006,
6 public law 109-2701.

7 Sec. 216. (1) A community college shall pay the employer's
8 contributions to the Michigan public school employees' retirement
9 system created by the public school employees retirement act of
10 1979, 1980 PA 300, MCL 38.1301 to 38.1408, as a condition of
11 receiving money appropriated under this bill.

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

15 Sec. 217. Money appropriated in part 1 shall not be used to
16 pay for the construction or maintenance of a self-liquidating
17 project.

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

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

1 administration among all people including, but not limited to,
2 women, minorities, seniors, veterans, and people with disabilities.

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

5 Sec. 241. Community colleges are encouraged to expand their
6 current nursing education programs and increase nursing education
7 program enrollments. This expansion may include, but is not limited
8 to, creating partnerships with hospitals and other health care
9 providers, expanding the focus and utilization of the nursing
10 scholarship program, and redirecting existing institutional
11 resources toward nursing education programs.

12 **STATE AID - OPERATIONS**

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

20 Sec. 302. A community college shall not include in the
21 enrollment data reported for determining state aid under this bill
22 any student credit hours or student contact hours for a student
23 incarcerated in a Michigan penal institution. Exclusion of these
24 students is intended to avoid the payment of state aid under this

1 bill for the same individuals for whom reimbursement is provided by
2 the state correctional system.

3 Sec. 304. (1) The appropriations in part 1 for community
4 college operations include an aggregate three percent increase
5 distributed pursuant to the funding formula developed by the
6 performance indicators task force formed pursuant to section 242 of
7 2005 PA 154.

8 (2) The recommendations and performance measures developed by
9 the performance indicators task force pursuant to section 242 of
10 2005 PA 154 shall be reviewed and more fully implemented for
11 distribution of state funding to community colleges in future
12 years.

13 **GRANTS**

14 Sec. 401. (1) The community college at-risk student success
15 program is continued. The funding shall be prorated among community
16 colleges based on the number of student contact hours for
17 developmental and preparatory instruction reported by each
18 community college to the department of labor and economic growth
19 pursuant to the Activities Classification Structure Manual for
20 Michigan Community Colleges, as amended. Of the amount appropriated
21 in part 1 for the at-risk student success program, \$1,120,000.00 is
22 allocated for base grants of \$40,000.00 each, to address the
23 special needs of at-risk students at community colleges.

24 (2) Of the amount appropriated in part 1 for the at-risk
25 student success program, the balance of the appropriated money

1 shall be distributed on a proration utilizing the sum of the most
 2 recent 3 years developmental/preparatory contact hours divided by
 3 the sum of the 3-year total contact hours at each college. Each
 4 community college's percentage shall be divided by the sum of all
 5 the percentages systemwide to obtain each community college's
 6 prorated grant amount.

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

9	Alpena Community College.....	\$	80,200
10	Bay de Noc Community College.....		62,800
11	Delta College.....		104,500
12	Glen Oaks Community College.....		112,500
13	Gogebic Community College.....		58,600
14	Grand Rapids Community College.....		132,300
15	Henry Ford Community College.....		161,900
16	Jackson Community College.....		120,900
17	Kalamazoo Valley Community College.....		92,000
18	Kellogg Community College.....		163,600
19	Kirtland Community College.....		125,400
20	Lake Michigan College.....		157,200
21	Lansing Community College.....		153,500
22	Macomb Community College.....		84,400
23	Mid Michigan Community College.....		141,400
24	Monroe County Community College.....		105,400
25	Montcalm Community College.....		75,000

1	C.S. Mott Community College.....	106,300
2	Muskegon Community College.....	78,700
3	North Central Michigan College.....	111,100
4	Northwestern Michigan College.....	122,400
5	Oakland Community College.....	148,900
6	St. Clair Community College.....	124,800
7	Schoolcraft College.....	127,300
8	Southwestern Michigan College.....	150,700
9	Washtenaw Community College.....	140,300
10	Wayne County Community College.....	132,600
11	West Shore Community College.....	148,000

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

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

17 (b) Are diagnosed as learning disabled.

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

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

1 the operation of a program designed to address the needs of at-risk
2 students.

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

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

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

20 Sec. 405. Community college nursing programs are part of a
21 comprehensive solution to Michigan's nursing shortage. Community
22 college students are eligible to apply for financial assistance
23 through the Michigan nursing scholarship program administered by
24 the department of treasury. The Michigan nursing corps grants
25 administered by the department of labor and economic growth provide

1 funding to address the shortage of qualified nursing faculty.
2 Community colleges are encouraged to coordinate with the chief
3 nurse executive in the department of community health, and with 4-
4 year universities, to improve access to nursing programs and to
5 assist students to successfully enter the nursing workforce.

6 **REPORTS AND AUDITS**

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

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

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

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

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

18 Sec. 505. Each community college shall have an annual audit of
19 all income and expenditures performed by an independent auditor and
20 shall furnish the independent auditor's management letter and an
21 annual audited accounting of all general and current funds income
22 and expenditures including audits of college foundations to the
23 members of the senate and house appropriations subcommittees on
24 community colleges, the senate and house fiscal agencies, the
25 auditor general, the department of labor and economic growth, and

1 the state budget director before November 15, 2008. If a community
2 college fails to furnish the audit materials, the monthly state aid
3 installments shall be withheld from that college until the
4 information is submitted. All reporting shall conform to the
5 requirements set forth in the 2001 Manual for Uniform Financial
6 Reporting, Michigan Public Community Colleges.

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

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

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

16 (2) Colleges shall use the criteria cited in 1976 PA 174, MCL
17 390.1251 to 390.1253, to determine eligibility for tuition waivers,
18 and shall grant those waivers to individuals who meet the criteria
19 and request tuition waivers.

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

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

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

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

22 Sec. 509. (1) Each community college shall report to the
23 department of labor and economic growth the numbers and type of
24 associate degrees and other certificates awarded during the

1 previous fiscal year. The report shall be made not later than
2 November 15, 2008.

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

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

17