

Act No. 163
Public Acts of 1993
Approved by the Governor
September 15, 1993
Filed with the Secretary of State
September 16, 1993

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993**

Introduced by Reps. O'Neill, Sikkema, Bankes, Bender, McBryde, Gilmer, Allen, Dolan, Stille, Johnson,
Middleton and Oxender

ENROLLED HOUSE BILL No. 4538

AN ACT to make appropriations for community colleges for the fiscal year ending September 30, 1994; to provide for the expenditure of the appropriations; to establish or continue certain funds, programs, and categories; to prescribe the powers and duties of certain state departments, officers, and employees; and to adjust capital outlay authorizations.

The People of the State of Michigan enact:

Sec. 101. There is appropriated for community colleges and certain other state purposes relating to education, subject to the conditions set forth in this act, for the fiscal year ending September 30, 1994, the following amounts:

SUMMARY UNIT FOR COMMUNITY COLLEGES

GROSS APPROPRIATION.....	\$	240,000,000
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	240,000,000
State general fund/general purpose	\$	240,000,000

OPERATIONS

Alpena Community College	\$	3,675,200
Bay de Noc Community College.....		3,094,600
C. S. Mott Community College		11,693,100
Delta College		10,789,100
Glen Oaks Community College		1,530,100
Gogebic Community College.....		3,345,000

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Grand Rapids Community College	\$	14,936,000
Henry Ford Community College		16,602,200
Highland Park Community College		5,789,900
Jackson Community College		10,117,600
Kalamazoo Valley Community College		7,249,000
Kellogg Community College		6,521,700
Kirtland Community College		2,434,500
Lake Michigan College		3,563,100
Lansing Community College		23,887,000
Macomb Community College		25,828,700
Mid Michigan Community College		2,830,300
Monroe County Community College		2,644,900
Montcalm Community College		2,426,200
Muskegon Community College		6,818,400
North Central Michigan College		2,164,400
Northwestern Michigan College		6,353,100
Oakland Community College		17,301,400
St. Clair County Community College		5,373,600
Schoolcraft College		8,732,300
Southwestern Michigan College		3,996,000
Washtenaw Community College		8,146,300
Wayne County Community College		14,137,000
West Shore Community College		1,616,900
GROSS APPROPRIATION	\$	233,597,600
State general fund/general purpose	\$	233,597,600

GRANTS

Job training and retraining investment fund	\$	3,120,000
At risk student success program		3,282,400
GROSS APPROPRIATION	\$	6,402,400
State general fund/general purpose	\$	6,402,400

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending in this act is \$240,000,000.00, and state appropriations to be paid to local units of government in section 101 total \$240,000,000.00.

Sec. 202. (1) For community colleges with fiscal years ending June 30, 1994, the sums appropriated in this act are appropriated for their fiscal years ending June 30, 1994 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 9 equal monthly installments for the period October 1, 1993 to June 30, 1994. However, if a community college fails to submit all verified Michigan Community College Activity Classification Structure data for school year 1992-93 to the department of education by November 1, 1993, the monthly installments shall be withheld from that community college until those data are submitted. The department of education shall publish the activity classification structure data book on or before March 1, 1994 for use by the legislature during budget development for the fiscal year ending September 30, 1995. The amount from the funds appropriated in section 101 for special programs that is allocated under sections 401 and 403 for the job training and retraining investment fund and to address the special needs of at-risk students shall be paid in full by the state treasurer within 30 days after the house and senate appropriations subcommittees on community colleges recommend allocation of the funding. 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 funds appropriated by this act may be used to match the cost of any available programs under the vocational education act of 1963, Public Law 88-210, 98 Stat. 2435, including local administration. A community college shall not pay an employer's contribution to more than 1 retirement fund providing benefits for an employee.

(3) Notwithstanding the provisions of subsection (1), the monthly installments for Wayne County Community College shall be adjusted for the fiscal year ending September 30, 1994 only. The state aid operating installments shall be increased to \$2,250,000.00 for October 1993 through January 1994 and the remainder shall be equally distributed from February 1994 to June 1994 to accommodate the discontinuance of the Wayne County Community College tax subsidy.

Sec. 203. (1) The auditor general or an independent public accounting firm appointed by the auditor general shall audit data for the fiscal year ending on June 30, 1993 as submitted on the department of education request forms of 7 randomly selected community colleges. A community college shall maintain and provide those records necessary for the auditor general or certified public accountant appointed by the auditor general to determine the accuracy of the reported data. The audits shall be based upon the definitions and requirements contained in the Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised, and the Michigan Community Colleges Activities Classification Structure, 1981, as revised. Before the submission of a final audit report, an appeals process shall be established by which a community college may appeal the findings of the preliminary report, and by which the auditor general shall consult legislative and executive authorities concerning an interpretation of the manual if necessary. The auditor general shall submit a report of the findings to the house and senate appropriations committees, the department of education, and the department of management and budget before June 1, 1994.

(2) The auditor general or a certified public accountant appointed by the auditor general shall conduct not less than 3 performance audits of community colleges but may conduct more if the auditor general considers it necessary.

(3) 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 education, the auditor general, and the department of management and budget 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.

(4) Any community college whose audited activities classification structure data is significantly different than the data used to determine state aid under this act shall return any overappropriated funds upon notification by the chairs of the senate and house appropriations subcommittees on community colleges. The returned funds shall be redistributed to all 29 community colleges, prorated on the base appropriations contained in section 101.

Sec. 204. The department of education shall periodically revise and update the taxonomy pursuant to the Michigan Community Colleges Activities Classification Structure, 1981, as revised.

Sec. 205. (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. 206. Each community college shall furnish the independent auditor's management letter and an annual audited accounting of all income and expenditures to the legislature, the senate and house fiscal agencies, the auditor general, the department of education, and the department of management and budget before December 1, 1993. 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 Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised.

Sec. 207. (1) Appropriations under this act shall not be expended in contemplation of federal or other matching funds until federal or other matching funds are available. The acceptance of federal or other matching funds does not obligate this state to continue programs after those funds are no longer available.

(2) A community college shall not establish special programs or expand existing programs beyond the scope of the programs of the community college already established and recognized by the legislature, including programs that may develop as a result of gifts or money received or available from the federal government, if that acceptance will require an obligation or expenditure of state funds.

(3) 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, Act No. 300 of the Public Acts of 1980, being sections 38.1301 to 38.1408 of the Michigan Compiled Laws, as a condition of receiving funds appropriated under this act.

(4) An appropriation contained in this act shall not be used for the construction of buildings for or operations of a community college not expressly authorized in section 101. Funds appropriated in section 101 shall not be used to pay for the construction or maintenance of any self-liquidating project.

(5) The governing body of a community college shall reduce expenditures authorized by appropriations when it appears that actual revenues for a fiscal period will fall below the revenue estimates on which appropriations for that period were based.

(6) Except as otherwise provided in this subsection, funds appropriated in section 101 shall not be used for travel outside the United States. This subsection does not apply to expenses of students, administrators, faculty, or college trustees necessarily incurred for involvement in a foreign study program offered by a community college, for travel to fulfill a reciprocal education program with a postsecondary educational institution, or for program-specific curriculum, educational, or exchange policy discussions with a foreign postsecondary institution or government.

Sec. 208. Each community college shall report to the house and senate fiscal agencies, the department of education, and the department of management and budget a modification in tuition and student fees not later than 30 days after the modification is established by the college governing board.

Sec. 209. The appropriations in this act are subject to section 391 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1391 of the Michigan Compiled Laws.

Sec. 210. A community college shall develop a plan to increase the number of minority students in meeting the continuing educational needs of all Michigan citizens. Individual plans will be submitted by the colleges to the department of education to be included with the activity classification data published by the department.

Sec. 211. Each community college shall report to the department of education, the house and senate appropriations committees, and the house and senate fiscal agencies 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, 1993.

Sec. 212. The department of education shall submit the following statistical data and reports relating to each community college to the civil rights commission and the house and senate appropriations subcommittees on community colleges in a format established by the department of civil rights and the community colleges that incorporates the requirements of state and federal law, and that includes all of the following:

(a) An affirmative action plan for employment of minorities, women, and handicappers, including the plan requirements set forth in executive directive 1979-4.

(b) A statistical report for minorities and women employees for the 1993-94 school year as submitted to the federal government on the EEO-6 form.

(c) A statistical report for the 1993-94 school year that includes enrollment statistics for minorities and women as submitted to the department of education.

Sec. 213. The department of education shall annually collect and compile as part of the activity classification structure report the tax revenue losses to community colleges resulting from tax increment financing authorities and tax abatements.

Sec. 214. Community colleges, in cooperation with the Michigan community college association and the Michigan association for secondary school principals, shall develop a plan to systematically inform Michigan high schools regarding the academic status of students attending community colleges. The community colleges shall report on the status of the plan to the chairs of the house and senate appropriations subcommittees on community colleges by November 1, 1993, and shall report on the final plan by March 1, 1994.

Sec. 215. (1) The Michigan department of education, the Michigan commission on Indian affairs, and each community college shall cooperate to develop policies and procedures to ensure accurate and consistent reporting and auditing of North American Indian student enrollments. Community college financial aid programs shall comply with all of the policies and procedures developed pursuant to this section.

(2) As used in this section, "North American Indian" means that term as defined in section 2 of Act No. 174 of the Public Acts of 1976, being section 390.1252 of the Michigan Compiled Laws, or a person certified as a North American Indian by a tribal organization.

Sec. 216. In conjunction with the Michigan Community Colleges Activity Classification Structure data collection process, the department of education shall compile information detailing the cost of full-time equated administrative personnel salaries as a percent of the total operating budget of each community college. The department of education shall report this information to the house and senate subcommittees on community colleges by April 1, 1994.

Sec. 217. Funds appropriated in section 101 shall not be used for the purchase of foreign goods and/or services when competitively priced American goods and/or services of comparative quality 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 Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised, which shall be the basis for reporting data, and the Michigan Community Colleges Activities Classification Structure, 1981, as revised, which shall be used to document financial needs of the community colleges.

Sec. 302. A community college shall not include in the enrollment report any student credit hours or student contact hours for a student taking a college course to complete high school graduation requirements or generated by a student incarcerated in Michigan penal institutions. Exclusion of these students is intended to avoid the payment of state aid under this act for the same individuals for whom a community college has already been reimbursed under the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections 388.1601 to 388.1772 of the Michigan Compiled Laws, for completion of high school requirements or for whom reimbursement is provided by the state correctional system.

Sec. 303. It is legislative and executive intent to utilize a formula approach in determining the state aid recommendations for each community college for each state fiscal year in which it appears that state aid increases will exceed the projected rate of inflation for that fiscal year. The projected rate of inflation shall be determined by the senate and house fiscal agencies.

GRANTS

Sec. 401. (1) The community college job training and retraining investment fund is continued. The department of management and budget shall make grants to the community colleges for specific projects aimed at economic development and job training or retraining.

(2) Of the amount appropriated in section 101 for the job training and retraining investment fund, \$1,450,000.00 is provided for minimum grants of \$50,000.00 for each community college.

(3) Of the amount appropriated in section 101 for the job training and retraining investment fund, \$1,670,000.00 is available for community colleges. This amount shall be distributed by means of a formula equally weighted upon the number of student contact hours in the areas of business, trade, and health, as reported by the community colleges in the Michigan Community Colleges Activities Classification Structure, 1981, as revised, and the unemployment rate for the colleges' districts, as nearly as those districts may be determined by the house and senate fiscal agencies. The unemployment rate shall be the most current rate reported by the Michigan employment security commission available as appropriations are deliberated by the legislature.

(4) Grant funds distributed through the above formula shall not supplant existing financial support for a project and shall not be transferred to other parts of a community college's operation.

(5) Each community college receiving grant funds under this section shall, not more than 12 months after receipt of those funds, certify to the state treasurer, the department of management and budget, the house and senate fiscal agencies, and the auditor general whether all the grant funds are expended or encumbered. Those funds not expended or encumbered will lapse to the general fund.

(6) The department of education, in cooperation with this state's public community colleges, shall submit a report not more than 60 days after the end of the fiscal year ending September 30, 1994, to the chairs of the senate and house appropriations committees of each grant released under the community college job training and retraining investment fund, and the accomplishments of the projects, including the number of students or businesses served, or both, the job skills acquired, and whether each student served was placed in new employment or was able to retain existing employment utilizing the job skills acquired. Each community college shall maintain documentation substantiating accomplishments. The documentation is subject to review by the auditor general.

(7) For the fiscal year ending September 30, 1994, the job training and retraining investment fund shall be allocated as follows:

Alpena Community College	\$	100,500
Bay de Noc Community College.....		100,400
C. S. Mott Community College		127,200
Delta College		116,200
Glen Oaks Community College		85,400
Gogebic Community College.....		87,800
Grand Rapids Community College.....		123,600
Henry Ford Community College.....		114,800
Highland Park Community College		98,900
Jackson Community College.....		98,400
Kalamazoo Valley Community College.....		105,100
Kellogg Community College.....		93,300
Kirtland Community College.....		84,500
Lake Michigan College		91,500
Lansing Community College		165,100
Macomb Community College.....		183,200
Mid Michigan Community College		95,800
Monroe Community College		91,600
Montcalm Community College		93,200
Muskegon Community College.....		104,200
North Central Michigan College.....		92,400
Northwestern Michigan College		92,700
Oakland Community College		167,100
St. Clair County Community College		104,200
Schoolcraft College.....		98,200
Southwestern Michigan College.....		88,900
Washtenaw Community College.....		104,800
Wayne County Community College.....		112,900
West Shore Community College.....		98,100

Sec. 402. A community college that has not reported project completion and total expenditure of oil overcharge revenues shall submit an annual report by October 1, 1994, to the public service commission, department of commerce. The report shall include a description of each energy conservation project and the actual expenditures and energy savings estimates.

Sec. 403. (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 education for use in the Michigan Community Colleges Activities Classification Structure, 1981, as revised. Of the amount appropriated in section 101 for the at-risk student success program, \$1,160,000.00 shall be allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges. The balance of the appropriated funds, \$2,122,400.00, shall be allocated based on a proration.

(2) Of the amount appropriated in section 101 for the at-risk student success program, \$2,122,400.00 shall be distributed on a proration utilizing the sum of the most recent 3 years ACS reported 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 such percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 1994, the at-risk student success program funds shall be allocated as follows:

Alpena Community College	\$	90,000
Bay de Noc Community College.....		107,300
C. S. Mott Community College		96,400
Delta College		90,900
Glen Oaks Community College		155,100
Gogebic Community College.....		62,500
Grand Rapids Community College.....		64,600
Henry Ford Community College.....		91,500
Highland Park Community College		147,300
Jackson Community College.....		114,600
Kalamazoo Valley Community College.....		112,800

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Kellogg Community College.....	\$ 120,600
Kirtland Community College.....	137,400
Lake Michigan College	174,900
Lansing Community College	115,700
Macomb Community College	80,600
Mid Michigan Community College	103,900
Monroe Community College	72,900
Montcalm Community College	80,200
Muskegon Community College.....	140,300
North Central Michigan College.....	78,300
Northwestern Michigan College	118,500
Oakland Community College	123,700
St. Clair County Community College	75,200
Schoolcraft College.....	159,700
Southwestern Michigan College.....	152,200
Washtenaw Community College.....	149,000
Wayne County Community College.....	181,000
West Shore Community College.....	85,300

(4) For the purposes of this section, "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 used only for activities related to services provided to at-risk students. This includes, but is not limited to, pretesting for academic ability, counseling contacts, and special programs.

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

(7) Each community college shall report to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the director of the department of management and budget 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 by the auditor general as provided for in section 203(1). The report shall be submitted not later than 90 days after the end of the state's fiscal year.

(8) Each community college receiving grant funds under this section shall, not more than 12 months after receipt of those funds, certify to the state treasurer, the department of management and budget, the house and senate fiscal agencies, and the auditor general whether all the grant funds are expended or encumbered. Those funds not expended or encumbered shall lapse to the general fund.

CAPITAL OUTLAY

Sec. 501. Section 1435 of Act No. 19 of the Public Acts of 1993 is repealed. The appropriation line item, authorized costs and sources of financing for the Bay de Noc Community College Business/Advanced Technology Facility referenced in section 1435 of Act No. 19 of the Public Acts of 1993 are hereby reauthorized and financed as indicated in section 1101 of Act No. 19 of the Public Acts of 1993.

Sec. 502. It is not the policy of the joint capital outlay subcommittee to alter or revise an authorization in legislation not designed specifically to address capital outlay issues. However, due to unforeseen critical program requirements, the authorization in section 101 of Act No. 149 of the Public Acts of 1992 for the Mid-Michigan Community College student community services building (total estimated cost \$6,500,000 - state building authority share, \$3,249,000 - state general fund share, \$1,000 - Mid-Michigan Community College share - \$3,250,000) is changed to reflect the revised priorities of the college. The authorization is revised as follows:

Mid-Michigan Community College - instructional classrooms, laboratories, and student services facilities - Harrison campus - (total authorized cost - \$3,500,000 - state building authority share - \$1,749,500 - state general fund/general purpose share \$500 - Mid-Michigan Community College share \$1,750,000).....\$ 500

Mid-Michigan Community College - satellite campus - Mt. Pleasant (total authorized
cost \$3,000,000, state building authority share \$1,499,500 - state general fund/general
purpose share \$500 - Mid-Michigan Community College share \$1,500,000)\$ 500

This act is ordered to take immediate effect.

Co-Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.