

Act No. 285
Public Acts of 1994
Approved by the Governor
July 13, 1994
Filed with the Secretary of State
July 13, 1994

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994**

Introduced by Senators Gast and DeGrow

ENROLLED SENATE BILL No. 983

AN ACT to make appropriations for community colleges for the fiscal year ending September 30 1995 to provide for the expenditure of the appropriations to establish or continue certain funds programs and categories and to prescribe the powers and duties of certain state departments officers and employees

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 1995 the following amounts

SUMMARY UNIT FOR COMMUNITY COLLEGES

GROSS APPROPRIATION	\$	247 800 000
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION	\$	247 800 000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total local and private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	\$	247 800 000

OPERATIONS

Alpena Community College	\$	3 794 900
Bay de Noc Community College		3 195 400
C S Mott Community College		12 073 900
Delta College		11 140 500
Glen Oaks Community College		1 580 000
Gogebic Community College		3 453 900
Grand Rapids Community College		15 422 400
Henry Ford Community College		17 142 900
Highland Park Community College		5 978 500
Jackson Community College		10 447 100
Kalamazoo Valley Community College		7 485 100
Kellogg Community College		6 734 100
Kirtland Community College		2 513 800
Lake Michigan College		3 679 100

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Lansing Community College	\$ 24 665 000
Macomb Community College	26 669 900
Mid Michigan Community College	2 922 500
Monroe County Community College	2 731 000
Montcalm Community College	2 505 200
Muskegon Community College	7 040 500
North Central Michigan College	2 234 900
Northwestern Michigan College	6 560 000
Oakland Community College	17 864 900
St Clair County Community College	5 548 600
Schoolcraft College	9 016 700
Southwestern Michigan College	4 126 100
Washtenaw Community College	8 411 600
Wayne County Community College	14 597 400
West Shore Community College	1 669 600
GROSS APPROPRIATION	\$ 241 205 500
State general fund/general purpose	\$ 241 205 500
GRANTS	
Job training and retraining investment fund	\$ 3 213 600
At risk student success program	3 380 900

GENERAL SECTIONS

Sec 201 Pursuant to section 30 of article IX of the state constitution of 1963 total state spending in this act is \$247 800 000 00 and state appropriations to be paid to local units of government in section 101 total \$247 800 000 00

Sec 202 (1) For community colleges with fiscal years ending June 30 1995 the sums appropriated in this act are appropriated for their fiscal years ending June 30 1995 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 1994 to June 30 1995 However if a community college fails to submit all verified Michigan Community College Activity Classification Structure data for school year 1993 94 to the department of education by November 1 1994 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 1995 for use by the legislature during budget development for the fiscal year ending September 30 1996 The amount from the funds appropriated in section 101 for special programs that is allocated under sections 401 and 402 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 by November 1 1994 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

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 1994 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 a community college may appeal the findings of the preliminary report and the auditor general shall consult legislative and executive authorities concerning an interpretation of the manual if necessary pursuant to an appeal process to be established by the auditor general 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 1995

(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 1994 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 credit or contact hour tuition or mandatory noncourse related student fees not later than 30 days after the modification is established by the college governing board

Sec 209 The appropriations made and the expenditures authorized under this act and the departments agencies commissions boards offices and programs for which an appropriation is made under this act are subject to the management and budget act Act No 431 of the Public Acts of 1984 being sections 18 1101 to 18 1594 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 1994

Sec 212 Each community college shall submit the following statistical data and reports relating to the 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 1994 95 school year as submitted to the federal government on the EEO 6 form

(c) A statistical report for the 1994 95 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 (1) Guidelines and procedures developed by the Michigan department of education the Michigan commission on Indian affairs and each state supported community college shall be used 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 guidelines 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 215 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 1995

Sec 216 Funds appropriated in section 101 shall not be used for the purchase of foreign goods and/or services when competitively priced and of comparable quality American goods and/or services are available

Sec 217 For the fiscal year beginning October 1 1994 community colleges shall systematically inform Michigan high schools of the aggregate academic status of students in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals

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 (1) The senate and house fiscal agencies with the input of state agencies and community colleges shall conduct a study of the Gast Mathieu fairness in funding formula and make recommendations concerning the formula to the house and senate appropriations subcommittees on community colleges by November 15 1994

(2) The senate and house fiscal agencies shall conduct a study of the at risk student success program grant and the job training retraining investment fund grant Special consideration shall be given to formula recognition of fixed costs incurred by colleges in the provision of services The senate and house fiscal agencies shall make a report on the study to the house and senate appropriations subcommittees on community colleges by November 15 1994

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 \$1 763 600 00 is available for job training and retraining investment fund formula distribution 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) Not more than 60 days after the end of the fiscal year ending September 30 1995 the department of education in cooperation with this state's public community colleges shall submit to the chairs of the senate and house appropriations committees a report 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 1995 the job training and retraining investment fund shall be allocated as follows

Alpena Community College	\$	105 600
Bay de Noc Community College		101 900
C S Mott Community College		135 000
Delta College		121 200
Glen Oaks Community College		82 300
Gogebic Community College		93 700
Grand Rapids Community College		128 100
Henry Ford Community College		112 300
Highland Park Community College		111 300
Jackson Community College		103 500
Kalamazoo Valley Community College		108 100
Kellogg Community College		97 800

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Kirtland Community College	\$ 88 800
Lake Michigan College	94 800
Lansing Community College	175 100
Macomb Community College	184 600
Mid Michigan Community College	97 900
Monroe Community College	92 200
Montcalm Community College	95 100
Muskegon Community College	107 900
North Central Michigan College	96 900
Northwestern Michigan College	92 300
Oakland Community College	172 300
St Clair Community College	104 400
Schoolcraft College	101 300
Southwestern Michigan College	87 700
Washtenaw Community College	105 600
Wayne County Community College	115 100
West Shore Community College	100 800

Sec 402 (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

(2) Of the amount appropriated in section 101 for the at risk student success program the balance of the appropriated funds \$2 220 900 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 1995 the at risk student success program funds shall be allocated as follows

Alpena Community College	\$ 90 900
Bay de Noc Community College	104 600
C S Mott Community College	97 600
Delta College	103 300
Glen Oaks Community College	136 100
Gogebic Community College	69 200
Grand Rapids Community College	65 300
Henry Ford Community College	117 900
Highland Park Community College	147 000
Jackson Community College	116 500
Kalamazoo Valley Community College	111 500
Kellogg Community College	119 300
Kirtland Community College	140 800
Lake Michigan College	178 000
Lansing Community College	109 100
Macomb Community College	80 700
Mid Michigan Community College	109 700
Monroe Community College	85 000
Montcalm Community College	76 400
Muskegon Community College	152 000
North Central Michigan College	97 300
Northwestern Michigan College	119 700
Oakland Community College	134 400
St Clair Community College	74 100
Schoolcraft College	165 600
Southwestern Michigan College	151 300

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Washtenaw Community College	\$	135 900
Wayne County Community College		196 200
West Shore Community College		95 500

(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

Sec 403 It is the intent of the legislature that any executive or legislative proposal or action subsequent to the senate appropriations subcommittees on community colleges adoption of a recommendation for appropriations for the fiscal year ending September 30 1995 to increase appropriations to state supported 4 year universities in excess of the governor s original recommendation of 3 0% for the fiscal year ending September 30 1995 will be accompanied by a similar action or proposal for state supported community colleges

This act is ordered to take immediate effect

Secretary of the Senate

Co Clerk of the House of Representatives

Approved

Governor