



SENATE BILL No. 983

EXECUTIVE BUDGET

January 25, 1994, Introduced by Senators Gast and DeGrow
and referred to the Committee on Appropriations

A bill 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

1 Sec 101 There is appropriated for community colleges and
2 certain other state purposes relating to education subject to the
3 conditions set forth in this act for the fiscal year ending September
4 30 1995 from the funds identified as follows

5 SUMMARY UNIT FOR COMMUNITY COLLEGES

1	GROSS APPROPRIATION	\$ 247 200 000
2	Total interdepartmental grants and	
3	intradepartmental transfers	0
4	ADJUSTED GROSS APPROPRIATION	\$ 247 200 000
5	Total federal revenues	0
6	Total local revenue	0
7	Total private revenues	0
8	Special revenue funds	
9	Total other state restricted revenues	0
10	State general fund/general purpose	\$ 247 200 000
11	OPERATIONS	
12	Alpena Community College	\$ 3 785 500
13	Bay de Noc Community College	3 187 400
14	C S Mott Community College	12 043 900
15	Delta College	11 112 800
16	Glen Oaks Community College	1 576 000
17	Gogebic Community College	3 445 300
18	Grand Rapids Community College	15 384 100
19	Henry Ford Community College	17 100 300
20	Highland Park Community College	5 963 600
21	Jackson Community College	10 421 100
22	Kalamazoo Valley Community College	7 466 500
23	Kellogg Community College	6 717 300
24	Kirtland Community College	2 507 500
25	Lake Michigan College	3 670 000
26	Lansing Community College	24 603 600
27	Macomb Community College	26 603 600
28	Mid Michigan Community College	2 915 200

1	Monroe County Community College	2 724 200
2	Montcalm Community College	2 499 000
3	Muskegon Community College	7 023 000
4	North Central Michigan College	2 229 300
5	Northwestern Michigan College	6 543 700
6	Oakland Community College	17 820 400
7	St Clair County Community College	5 534 800
8	Schoolcraft College	8 994 300
9	Southwestern Michigan College	4 115 900
10	Washtenaw Community College	8 390 700
11	Wayne County Community College	14 561 100
12	West Shore Community College	<u>1,665,400</u>
13	GROSS APPROPRIATION	\$ 240 605 500
14	Appropriated from	
15	State general fund/general purpose	\$ 240 605 500
16	GRANTS	
17	Job training and retraining investment fund	\$ 3 213 600
18	At risk student success program	<u>3,380,900</u>
19	GROSS APPROPRIATION	\$ 6 594 500
20	Appropriated from	
21	State general fund/general purpose	\$ 6 594 500

22 GENERAL SECTIONS FOR FY 1995

23 Sec 201 In accordance with the provisions of section 30 of
 24 article IX of the state constitution of 1963 total state spending in
 25 this bill is \$247 200 000 and state spending to units of local
 26 government is as follows community colleges \$247 200 000

27 Sec 202 (1) For community colleges with fiscal years ending June
 28 30 1995 the sums appropriated in this act are appropriated for their

1 fiscal years ending June 30 1995 and shall be paid out of the state
2 treasury and distributed by the state treasurer to the respective
3 community colleges in 9 equal monthly installments for the period
4 October 1 1994 to June 30 1995 However if a community college
5 fails to submit all verified Michigan Community College Activity
6 Classification Structure data for school year 1993-94 to the
7 department of education by November 1 1994 the monthly installments
8 shall be withheld from that community college until those data are
9 submitted The department of education shall publish the activity
10 classification structure data book on or before March 1 1995 for use
11 by the legislature during budget development for the fiscal year
12 ending September 30 1996 The amount from the funds appropriated in
13 section 101 for special programs that is allocated under sections 401
14 and 403 for the job training and retraining investment fund and to
15 address the special needs of at-risk students shall be paid 50% in the
16 1st quarter and 50% in the second quarter of the state fiscal year
17 The amount distributed to a community college or department shall not
18 exceed the net state allocation authorized by this act

19 (2) Except as otherwise provided by law each of the amounts
20 appropriated shall be used solely for the respective purposes stated
21 in this act The funds appropriated by this act may be used to match
22 the cost of any available programs under the vocational education act
23 of 1963 Public Law 88-210 98 Stat 2435 including local
24 administration A community college shall not pay an employer's
25 contribution to more than 1 retirement fund providing benefits for an
26 employee

27 Sec 203 (1) The auditor general or an independent public
28 accounting firm appointed by the auditor general shall audit data for

1 the fiscal year ending on June 30 1994 as submitted on the department
2 of education request forms of 7 randomly selected community colleges
3 A community college shall maintain and provide those records necessary
4 for the auditor general or certified public accountant appointed by
5 the auditor general to determine the accuracy of the reported data
6 The audits shall be based upon the definitions and requirements
7 contained in the Michigan Public Community Colleges Manual for Uniform
8 Financial Reporting 1981 as revised and the Michigan Community
9 Colleges Activities Classification Structure 1981 as revised Before
10 the submission of a final audit report an appeals process shall be
11 established by which a community college may appeal the findings of
12 the preliminary report and by which the auditor general shall consult
13 legislative and executive authorities concerning an interpretation of
14 the manual if necessary The auditor general shall submit a report of
15 the findings to the house and senate appropriations committees the
16 department of education and the department of management and budget
17 before June 1 1995

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

22 (3) Not more than 60 days after an audit report is released by the
23 office of the auditor general the principal executive officer of the
24 community college that was audited shall submit to the house and
25 senate appropriations committees the house and senate fiscal
26 agencies the department of education the auditor general and the
27 department of management and budget a plan to comply with audit
28 recommendations The plan shall contain projected dates and resources

1 required if any to achieve compliance with the audit
2 recommendations or a documented explanation of the college's
3 noncompliance with the audit recommendations concerning the matters on
4 which the audited community college and office of the auditor general
5 disagree

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

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

16 Sec 205 (1) A community college shall retain certified class
17 summaries class lists registration documents and student
18 transcripts that are consistent with the taxonomy of courses For each
19 enrollment period during the fiscal year these certified documents
20 shall identify clearly by course the number of in-district and
21 out-of-district student credit and contact hours The class summaries
22 and class lists shall be consistent with each other and shall include
23 the course prefix and numbers course title course credit and contact
24 hours credit and contact hours generated by each student and
25 activity classifications consistent with the taxonomy An auditable
26 process shall be used by the community college to determine the
27 unduplicated head count for in-district students out-of-district
28 students and prisoners for each enrollment period during the fiscal

1 year

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

5 Sec 206 Each community college shall furnish the independent
6 auditor s management letter and an annual audited accounting of all
7 income and expenditures to the legislature the senate and house
8 fiscal agencies the auditor general the department of education and
9 the department of management and budget before December 1 1994 If a
10 community college fails to furnish the audit materials the monthly
11 state aid installments shall be withheld from that college until the
12 information is submitted All reporting shall conform to the
13 requirements set forth in the Michigan Public Community Colleges
14 Manual for Uniform Financial Reporting 1981 as revised

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

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

26 (3) A community college shall pay the employer s contributions to
27 the Michigan public school employees retirement system created by the
28 public school employees retirement act of 1979 Act No 300 of the

1 Public Acts of 1980 being sections 38 1301 to 38 1408 of the Michigan
2 Compiled Laws as a condition of receiving funds appropriated under
3 this act

4 (4) An appropriation contained in this act shall not be used for
5 the construction of buildings for or operations of a community college
6 not expressly authorized in section 101 Funds appropriated in section
7 101 shall not be used to pay for the construction or maintenance of
8 any self-liquidating project

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

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

22 Sec 208 (1) Each community college shall report the following
23 information to the house and senate fiscal agencies the department of
24 education and the department of management and budget

25 (2) A modification in credit hour tuition and mandatory non-course
26 student fees not later than 30 days after the modification is
27 established by the college governing board

28 (3) The numbers and type of associate degrees and other

1 certificates awarded during the previous fiscal year The report
2 shall be made not later than November 15 1994

3 Sec 209 The appropriations made and the expenditures authorized
4 under this act and the departments agencies commissions boards
5 offices and programs for which an appropriation is made under this
6 act are subject to the management and budget act Act No 431 of the
7 Pub-ic Acts of 1984 being sections 18 1101 to 18 1594 of the Michigan
8 Compiled Laws

9 Sec 210 The department of education shall submit the following
10 statistical data and reports relating to each community college to the
11 civil rights commission and the house and senate appropriations
12 subcommittees on community colleges in a format established by the
13 department of civil rights and the community colleges that
14 incorporates the requirements of state and federal law and that
15 includes all of the following

16 (a) A statistical report for minorities and women employees for
17 the 1994-95 school year as submitted to the federal government on the
18 EEO-6 form

19 (b) A statistical report for the 1994-95 school year that includes
20 enrollment statistics for minorities and women as submitted to the
21 department of education

22 Sec 211 The department of education shall annually collect and
23 compile as part of the activity classification structure report the
24 tax revenue losses to community colleges resulting from tax increment
25 financing authorities and tax abatements

26 Sec 212 (1) From the amount appropriated in section 101 for
27 community colleges the community colleges shall implement the plan to
28 systematically inform Michigan high schools regarding the academic

1 status of students from each high school in a manner prescribed by the
 2 Michigan Community College Association in cooperation with the
 3 Michigan association of secondary school principals

4 (2) The Michigan high schools shall systematically inform the
 5 community colleges about the use of information received under this
 6 section in a manner prescribed by the Michigan association of
 7 secondary school principals in cooperation with the community colleges
 8 of Michigan

9 Sec 213 (1) Guidelines and procedures developed by the Michigan
 10 department of education the Michigan commission on Indian affairs
 11 and state community colleges shall be used to ensure accurate and
 12 consistent reporting and auditing of North American Indian student
 13 enrollments Community college financial aid programs shall comply
 14 with all of the policies and procedures developed pursuant to this
 15 section

16 (2) As used in this section North American Indian means that
 17 term as defined in section 2 of Act No 174 of the Public Acts of
 18 1976 being section 390 1252 of the Michigan Compiled Laws or a
 19 person certified as a North American Indian by a tribal organization

20 **STATE AID - OPERATIONS**

21 Sec 301 Unless otherwise stated all data items used in
 22 determining state aid in this act are as defined in the Michigan
 23 Public Community Colleges Manual for Uniform Financial Reporting
 24 1981 as revised which shall be the basis for reporting data and the
 25 Michigan Community Colleges Activities Classification Structure 1981
 26 as revised which shall be used to document financial needs of the
 27 community colleges

28 Sec 302 A community college shall not include in the enrollment

1 report any student credit hours or student contact hours for a student
2 taking a college course to complete high school graduation
3 requirements or generated by a student incarcerated in Michigan penal
4 institutions Exclusion of these students is intended to avoid the
5 payment of state aid under this act for the same individuals for whom
6 a community college has already been reimbursed under the state school
7 aid act of 1979 Act No 94 of the Public Acts of 1979 being sections
8 388 1601 to 388 1772 of the Michigan Compiled Laws for completion of
9 high school requirements or for whom reimbursement is provided by the
10 state correctional system

11 Sec 303 It is legislative and executive intent to utilize a
12 formula approach in determining the state aid recommendations for each
13 community college for each state fiscal year in which it appears that
14 state aid increases will exceed the projected rate of inflation for
15 that fiscal year

16 **GRANTS**

17 Sec 401 The community college job training and retraining
18 investment fund is continued The funds will be distributed in a
19 manner determined by the Governor s Workforce Commission

20 Sec 402 (1) The community college at-risk student success
21 program is continued The funding shall be prorated among community
22 colleges based on the number of student contact hours for
23 developmental and preparatory instruction reported by each community
24 college to the department of education for use in the Michigan
25 Community Colleges Activities Classification Structure 1981 as
26 revised Of the amount appropriated in section 101 for the at-risk
27 student success program \$1 160 000 00 shall be allocated for base
28 grants of \$40 000 00 each to address the special needs of at-risk

1 students at community colleges The balance of the appropriated funds
 2 \$2 220 872 00 shall be allocated based on a proration

3 (2) Of the amount appropriated in section 101 for the at-risk
 4 student success program \$2 220 872 00 shall be distributed on a
 5 proration utilizing the sum of the most recent 3 years ACS reported
 6 developmental/preparatory contact hours divided by the sum of the
 7 3-year total contact hours at each college Each community college s
 8 percentage shall be divided by the sum of all such percentages
 9 systemwide to obtain each community college s prorated grant amount

10 (3) For the fiscal year ending September 30 1995 the at-risk
 11 student success program funds shall be allocated as follows

12	Alpena Community College	\$	90 900
13	Bay de Noc Community College		104 600
14	C S Mott Community College		97 600
15	Delta College		103 300
16	Glen Oaks Community College		136 100
17	Gogebic Community College		69 200
18	Grand Rapids Community College		65 300
19	Henry Ford Community College		117 800
20	Highland Park Community College		147 000
21	Jackson Community College		116 500
22	Kalamazoo Valley Community College		111 500
23	Kellogg Community College		119 300
24	Kirtland Community College		140 800
25	Lake Michigan College		178 000
26	Lansing Community College		109 100
27	Macomb Community College		80 700
28	Mid Michigan Community College		109 700

1	Monroe Community College	85 000
2	Montcalm Community College	76 400
3	Muskegon Community College	152 100
4	North Central Michigan College	97 300
5	Northwestern Michigan College	119 700
6	Oakland Community College	134 400
7	St Clair County Community College	74 100
8	Schoolcraft College	165 600
9	Southwestern Michigan College	151 300
10	Washtenaw Community College	136 000
11	Wayne County Community College	196 400
12	West Shore Community College	95 200

13 (4) For the purposes of this section at-risk students means
 14 students who meet 1 or more of the following criteria

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

18 (b) Are diagnosed as learning disabled

19 (c) Require English as a second language (ESL) assistance

20 (5) Grant funding under this section shall be used only for
 21 activities related to services provided to at-risk students This
 22 includes but is not limited to pretesting for academic ability
 23 counseling contacts and special programs

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

27 (7) Each community college shall report to the house and senate
 28 appropriations subcommittees on community colleges the house and

1 senate fiscal agencies and the director of the department of
2 management and budget a summary of all accomplishments under
3 expenditures for and compliance with the intent of this program
4 including the number of at-risk students served The report is
5 subject to audit by the auditor general as provided for in section
6 203(1) The report shall be submitted not later than 60 days after
7 the end of the state s fiscal year No second quarter At-Risk funds
8 shall be disbursed to a college that does not submit an at-risk
9 student success activities report

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