SUBSTITUTE FOR

HOUSE BILL NO. 4103

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 236, 236a, 236b, 236c, 241, 244, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, 284, and 286 (MCL 388.1836, 388.1836a, 388.1836b, 388.1836c, 388.1841, 388.1844, 388.1846, 388.1852, 388.1856, 388.1863, 388.1863a, 388.1864, 388.1865, 388.1865a, 388.1867, 388.1868, 388.1869, 388.1870, 388.1874, 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, 388.1882, 388.1883, 388.1884, and 388.1886), section 236 as amended by 2015 PA 5, sections 236a, 236b, 236c, 241, 246, 252, 256, 263, 263a, 264, 265, 265a, 267, 268, 269, 270, 274, 276, 277, 278, 279, 280, 281, 282, 283, and 284 as amended by 2014 PA 196, section 244 as amended by 2013 PA 60, and section 286 as amended by 2012 PA

201, and by adding section 274c; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, ~~2015,~~ **2016,** from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~$1,516,496,300.00.~~ **$1,534,724,400.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of $0.00, the adjusted gross appropriation is ~~$1,516,496,300.00.~~ **$1,534,724,400.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(*i*) Total federal revenues, $97,026,400.00.

(*ii*) Total local revenues, $0.00.

(*iii*) Total private revenues, $0.00.

(*iv*) Total other state restricted revenues, ~~$206,567,900.00.~~**$205,279,500.00.**

(*v*) State general fund/general purpose money, ~~$1,212,902,000.00.~~**$1,232,418,500.00.**

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is ~~$79,115,000.00, $73,540,100.00 for operations and $5,574,900.00 for performance funding.~~**$80,904,400.00, $79,164,800.00 FOR OPERATIONS**

AND $1,739,600.00 FOR PERFORMANCE FUNDING.

(b) The appropriation for Eastern Michigan University is ~~$71,771,100.00, $67,275,400.00 for operations and $4,495,700.00 for performance funding.~~**$72,835,300.00, $71,782,500.00 FOR OPERATIONS AND $1,052,800.00 FOR PERFORMANCE FUNDING.**

(c) The appropriation for Ferris State University is ~~$49,087,000.00, $45,636,500.00 for operations and $3,450,500.00 for performance funding.~~**$50,227,800.00, $49,119,100.00 FOR OPERATIONS AND $1,108,700.00 FOR PERFORMANCE FUNDING.**

(d) The appropriation for Grand Valley State University is ~~$63,136,000.00, $57,823,500.00 for operations and $5,312,500.00 for performance funding.~~**$65,035,200.00, $63,156,500.00 FOR OPERATIONS AND $1,878,700.00 FOR PERFORMANCE FUNDING.**

(e) The appropriation for Lake Superior State University is ~~$12,782,500.00, $12,231,000.00 for operations and $551,500.00 for performance funding.~~**$13,183,600.00, $12,997,500.00 FOR OPERATIONS AND $186,100.00 FOR PERFORMANCE FUNDING.**

(f) The appropriation for Michigan State University is ~~$324,038,100.00, $249,597,800.00 for operations, $14,831,300.00 for performance funding, $32,027,900.00 for MSU [AgBioResearch,] and $27,581,100.00 for MSU extension.~~**$328,782,000.00, $264,437,900.00 FOR OPERATIONS, $3,841,000.00 FOR PERFORMANCE FUNDING, $32,508,300.00 FOR MSU AGBIORESEARCH, AND $27,994,800.00 FOR MSU EXTENSION.**

(g) The appropriation for Michigan Technological University is ~~$45,923,100.00, $43,473,800.00 for operations and $2,449,300.00 for performance funding.~~**$46,662,000.00, $45,938,000.00 FOR OPERATIONS**

AND $724,000.00 FOR PERFORMANCE FUNDING.

(h) The appropriation for Northern Michigan University is ~~$44,277,200.00, $41,741,400.00 for operations and $2,535,800.00 for performance funding.~~**$45,020,400.00, $44,338,300.00 FOR OPERATIONS AND $682,100.00 FOR PERFORMANCE FUNDING.**

(i) The appropriation for Oakland University is ~~$48,364,100.00, $45,651,600.00 for operations and $2,712,500.00 for performance funding.~~**$49,600,300.00, $48,371,900.00 FOR OPERATIONS AND $1,228,400.00 FOR PERFORMANCE FUNDING.**

(j) The appropriation for Saginaw Valley State University is ~~$27,610,200.00, $25,991,000.00 for operations and $1,619,200.00 for performance funding.~~**$28,117,700.00, $27,621,600.00 FOR OPERATIONS AND $496,100.00 FOR PERFORMANCE FUNDING.**

(k) The appropriation for University of Michigan - Ann Arbor is ~~$295,174,100.00, $279,232,700.00 for operations and $15,941,400.00 for performance funding.~~**$299,430,600.00, $295,178,500.00 FOR OPERATIONS AND $4,252,100.00 FOR PERFORMANCE FUNDING.**

(*l*) The appropriation for University of Michigan - Dearborn is ~~$23,689,300.00, $22,510,400.00 for operations and $1,178,900.00 for performance funding.~~**$23,995,400.00, $23,701,000.00 FOR OPERATIONS AND $294,400.00 FOR PERFORMANCE FUNDING.**

(m) The appropriation for University of Michigan - Flint is ~~$21,337,700.00, $19,938,200.00 for operations and $1,399,500.00 for performance funding.~~**$21,763,700.00, $21,359,600.00 FOR OPERATIONS AND $404,100.00 FOR PERFORMANCE FUNDING.**

(n) The appropriation for Wayne State University is

~~$190,519,800.00, $183,398,300.00 for operations and $7,121,500.00 for performance funding.~~**$191,346,700.00, $190,529,900.00 FOR OPERATIONS AND $816,800.00 FOR PERFORMANCE FUNDING.**

(o) The appropriation for Western Michigan University is ~~$102,742,000.00, $97,279,000.00 for operations and $5,463,000.00 for performance funding.~~**$104,155,600.00, $102,761,100.00 FOR OPERATIONS AND $1,394,500.00 FOR PERFORMANCE FUNDING.**

(3) The amount appropriated in subsection (2) for public universities is appropriated from the following:

(a) State school aid fund, $200,019,500.00.

(b) State general fund/general purpose money, ~~$1,199,547,700.00.~~**$1,221,041,200.00.**

(4) The amount appropriated for Michigan public school employees' retirement system reimbursement is ~~$2,446,200.00,~~ **$5,160,000.00,** appropriated from the state school aid fund.

~~(5) For fiscal year 2014-2015 only, in addition to the amount appropriated under subsection (4), $4,002,200.00 is appropriated for Michigan public school employees' retirement system reimbursement, appropriated from the state school aid fund.~~

(5) ~~(6)~~ The amount appropriated for state and regional programs is ~~$2,295,000.00~~ **$315,000.00,** appropriated from general fund/general purpose money and allocated as follows:

~~(a) College access program, $2,000,000.00.~~

(A) ~~(b)~~ Higher education database modernization and conversion, $200,000.00.

(B) ~~(c)~~ Midwestern ~~higher education compact, $95,000.00.~~ **HIGHER EDUCATION COMPACT, $115,000.00.**

(6) ~~(7)~~ The amount appropriated for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks program is $2,691,500.00, appropriated from general fund/general purpose money and allocated as follows:

(a) Select student support services, $1,956,100.00.

(b) Michigan college/university partnership program, $586,800.00.

(c) Morris Hood, Jr. educator development program, $148,600.00.

(7) ~~(8)~~ Subject to subsection ~~(9),~~ **(8),** the amount appropriated for grants and financial aid is ~~$105,494,200.00,~~ **$105,497,200.00,** allocated as follows:

(a) State competitive scholarships, $18,361,700.00.

(b) Tuition grants, ~~$33,532,500.00.~~**$34,035,500.00.**

(c) Tuition incentive program, $48,500,000.00.

(d) Children of veterans and officer's survivor tuition grant programs, $1,400,000.00.

(e) Project GEAR-UP, $3,200,000.00.

~~(f) North American Indian tuition waivers, $500,000.00.~~

(8) ~~(9)~~ The money appropriated in subsection ~~(8)~~ **(7)** for grants and financial aid is appropriated from the following:

(a) Federal revenues under the United States ~~department of education, office of elementary and secondary education,~~ **DEPARTMENT OF EDUCATION, OFFICE OF ELEMENTARY AND SECONDARY EDUCATION,** GEAR-UP program, $3,200,000.00.

(b) Federal revenues under the social security act, temporary assistance for needy families, $93,826,400.00.

(c) Contributions to children of veterans tuition grant program, $100,000.00.

(d) State general fund/general purpose money, ~~$8,367,800.00.~~**$8,370,800.00.**

Sec. 236a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, ~~2016~~ **2017** for the items listed in section 236. The fiscal year ~~2015-2016~~ **2016-2017** appropriations are anticipated to be the same as those for fiscal year ~~2014-2015,~~ **2015-2016,** except that the amounts will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January ~~2015~~ **2016** consensus revenue estimating conference.

Sec. 236b. In addition to the funds appropriated in section 236, there is appropriated for grants and financial aid in fiscal year ~~2014-2015~~ **2015-2016** an amount not to exceed $6,000,000.00 for federal contingency funds. These funds are not available for expenditure until they have been transferred under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393, for another purpose under this article.

Sec. 236c. In addition to the funds appropriated for fiscal year ~~2014-2015~~ **2015-2016** in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year ~~2014-2015~~ **2015-2016** for state building authority rent, totaling an estimated ~~$124,825,300.00,~~ **$135,995,300.00,** provide funding for the state share of costs for previously constructed capital projects for

state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to each university:

(a) Central Michigan University, ~~$9,103,200.00.~~**$9,551,800.00.**

(b) Eastern Michigan University, ~~$4,861,700.00.~~**$4,860,900.00.**

(c) Ferris State University, ~~$6,252,200.00.~~**$6,251,200.00.**

(d) Grand Valley State University, ~~$4,252,500.00.~~**$6,952,300.00.**

(e) Lake Superior State University, ~~$1,112,900.00.~~**$1,720,300.00.**

(f) Michigan State University, ~~$16,101,200.00.~~**$16,549,200.00.**

(g) Michigan Technological University, ~~$7,444,600.00.~~**$7,443,400.00.**

(h) Northern Michigan University, ~~$8,016,400.00.~~**$9,706,200.00.**

(i) Oakland University, ~~$10,969,800.00.~~**$12,993,400.00.**

(j) Saginaw Valley State University, ~~$9,777,400.00.~~**$9,865,800.00.**

(k) University of Michigan - Ann Arbor, ~~$9,159,200.00.~~**$9,607,800.00.**

(*l*) University of Michigan - Dearborn, ~~$6,296,200.00.~~**$6,745,200.00.**

(m) University of Michigan - Flint, ~~$2,855,000.00.~~**$3,104,000.00.**

(n) Wayne State University, ~~$13,679,800.00.~~**$15,703,000.00.**

(o) Western Michigan University, ~~$14,943,200.00.~~**$14,940,800.00.**

Sec. 241. (1) Subject to ~~section~~ **SECTIONS 244 AND** 265a, the funds appropriated in section 236 to public universities shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2014.~~ **2015.** Except for Wayne State University, each institution shall accrue its July and August ~~2015~~ **2016** payments to its institutional fiscal year ending June 30, ~~2015.~~ **2016.**

(2) All public universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For public universities with fiscal years ending June 30, ~~2014,~~ **2015,** these data shall be submitted to the state budget director by October 15, ~~2014.~~ **2015.** Public universities with a fiscal year ending September 30, ~~2014~~ **2015** shall submit preliminary HEIDI data by November 15, ~~2014~~ **2015** and final data by December 15, ~~2014.~~ **2015.** If a public university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer may withhold the monthly installments under subsection (1) to the public university until those data are submitted.

Sec. 244. A public university receiving funds in section 236 shall cooperate with all measures taken by the state to develop, operate, and maintain the statewide P-20 longitudinal data system described in section 94a. If the state budget director finds that a university has not complied with this section, the state budget

director is authorized to withhold the monthly installments provided to that university under section ~~236~~ **241** until he or she finds the university has complied with this section.

Sec. 246. (1) **ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE FISCAL YEAR 2015-2016 APPROPRIATIONS DESCRIBED IN SECTION 236(4) FOR PAYMENTS TO UNIVERSITIES THAT ARE PARTICIPATING ENTITIES OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM:**

(A) The funds appropriated in section ~~236~~ **236(4)** for Michigan public school employees' retirement system reimbursement shall be allocated to each participating public university under this section based on each participating public university's percentage of the total combined payrolls of the universities' employees who are members of the retirement system and who were hired before January 1, 1996 and the universities' employees who would have been members of the retirement system on or after January 1, 1996, but for the enactment of 1995 PA 272 for all public universities that are participating public universities for the immediately preceding state fiscal year.

(B) THE AMOUNT OF A PAYMENT UNDER SECTION 236(4) SHALL BE EQUAL TO THE DIFFERENCE BETWEEN THE UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE FOR UNIVERSITY REPORTING UNITS AS CALCULATED UNDER SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AS CALCULATED WITHOUT TAKING INTO ACCOUNT THE MAXIMUM EMPLOYER RATE OF 25.73% INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341, AND THE MAXIMUM EMPLOYER RATE FOR UNIVERSITY REPORTING UNITS OF 25.73% UNDER SECTION 41 OF

THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341. Payments shall be made in a form and manner determined by the office of retirement services.

(C) A public university that receives money under ~~this~~ section **236(4)** shall use that money solely for the purpose of ~~offsetting a portion of the~~ retirement contributions. ~~owed by the university.~~ **EACH PARTICIPATING UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION 236(4) SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT RECEIVED UNDER SECTION 236(4) TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM IN A FORM AND MANNER DETERMINED BY THE OFFICE OF RETIREMENT SERVICES.**

(2) As used in this section, "participating public university" means a public university that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to ~~38.1408,~~ **38.1437,** and that pays contributions to the Michigan public school employees' retirement system for the state fiscal year.

Sec. 252. (1) The amounts appropriated in section 236 for the state tuition grant program shall be distributed pursuant to 1966 PA 313, MCL 390.991 to 390.997a.

(2) Tuition grant awards shall be made to all eligible Michigan residents enrolled in undergraduate degree programs who are qualified and who apply before July 1 of each year for the next academic year.

(3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and subject to subsections (7) and (8), the department of treasury

shall determine an actual maximum tuition grant award per student, which shall be no less than $1,512.00, that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in section 236 for the state tuition grant program. If the department determines that insufficient funds are available to establish a maximum award amount equal to at least $1,512.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the estimated amount of additional funds necessary to establish a $1,512.00 maximum award amount. If the department determines that sufficient funds are available to establish a maximum award amount equal to at least $1,512.00, the department shall immediately report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director regarding the maximum award amount established and the projected amount of any projected year-end appropriation balance based on that maximum award amount. By ~~December 15, and again by~~ February 18 of each fiscal year, the department shall analyze the status of award commitments, shall make any necessary adjustments, and shall confirm that those award commitments will not exceed the appropriation contained in section 236 for the tuition grant program. The determination and actions shall be reported to the state budget director and the house and senate fiscal agencies no later than the final day of February of each year. If award adjustments are necessary, the students shall be notified of the adjustment by March 4 of each year.

(4) Any unexpended and unencumbered funds remaining on September 30, ~~2015~~ **2016** from the amounts appropriated in section 236 for the tuition grant program for fiscal year ~~2014-2015~~ **2015-2016** shall not lapse on September 30, ~~2015,~~ **2016,** but shall continue to be available for expenditure for tuition grants provided in the ~~2015-2016~~ **2016-2017** fiscal year under a work project account. The use of these unexpended fiscal year ~~2014-2015~~ **2015-2016** funds shall terminate at the end of the ~~2015-2016~~ **2016-2017** fiscal year.

(5) The department of treasury shall continue a proportional tuition grant maximum award level for recipients enrolled less than full-time in a given semester or term.

(6) If the department of treasury increases the maximum award per eligible student from that provided in the previous fiscal year, it shall not have the effect of reducing the number of eligible students receiving awards in relation to the total number of eligible applicants. Any increase in the maximum grant shall be proportional for all eligible students receiving awards for that fiscal year.

(7) Except as provided in subsection (4), the department of treasury shall not award more than $3,200,000.00 in tuition grants to eligible students enrolled in the same independent nonprofit college or university in this state. Any decrease in the maximum grant shall be proportional for all eligible students enrolled in that college or university, as determined by the department.

(8) The department of treasury shall not award tuition grants to otherwise eligible students enrolled in an independent college

or university that does not report, in a form and manner directed by and satisfactory to the department of treasury, by ~~August 31~~ **SEPTEMBER 30** of each year, ~~beginning with August 31, 2015,~~ all of the following:

(a) The number of students in the most recently completed academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state tuition grant **AT THE REPORTING INSTITUTION** and successfully completed a program or graduated.

(b) The number of students in the most recently completed academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a state tuition grant **AT THE REPORTING INSTITUTION** and took a remedial education class.

(c) The number of students in the most recently completed academic year ~~that~~ **WHO IN ANY ACADEMIC YEAR** received a Pell grant **AT THE REPORTING INSTITUTION** and successfully completed a program or graduated.

(9) BY FEBRUARY 1, 2016, EACH INDEPENDENT COLLEGE AND UNIVERSITY PARTICIPATING IN THE TUITION GRANT PROGRAM SHALL REPORT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON ITS EFFORTS TO DEVELOP AND IMPLEMENT SEXUAL ASSAULT RESPONSE TRAINING FOR THE INSTITUTION'S TITLE IX COORDINATOR, CAMPUS LAW ENFORCEMENT PERSONNEL, CAMPUS PUBLIC SAFETY PERSONNEL, AND ANY OTHER CAMPUS PERSONNEL CHARGED WITH RESPONDING TO ON-CAMPUS INCIDENTS, INCLUDING INFORMATION ON SEXUAL ASSAULT RESPONSE TRAINING MATERIALS AND THE STATUS OF IMPLEMENTING SEXUAL ASSAULT RESPONSE TRAINING FOR INSTITUTIONAL PERSONNEL.

Sec. 256. (1) The funds appropriated in section 236 for the tuition incentive program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program of the department of treasury.

(2) As used in this section:

(a) "Phase I" means the first part of the tuition incentive assistance program defined as the academic period of 80 semester or 120 term credits, or less, leading to an associate degree or certificate.

(b) "Phase II" means the second part of the tuition incentive assistance program which provides assistance in the third and fourth year of 4-year degree programs.

(c) "Department" means the department of treasury.

(3) An individual shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive benefits:

(a) To be eligible for phase I, an individual shall meet all of the following criteria:

(*i*) Apply for certification to the department any time after he or she begins the sixth grade but before August 31 of the school year in which he or she graduates from high school or before completing a general education development certificate.

(*ii*) Be less than 20 years of age at the time he or she graduates from high school with a diploma or certificate of completion or completes a general education development certificate.

(*iii*) Be a United States citizen and a resident of Michigan according to institutional criteria.

(*iv*) Be at least a half-time student, earning less than 80 semester or 120 term credits at a participating educational institution within 4 years of high school graduation or completion of a general education development certificate.

(*v*) Request information on filing a FAFSA.

(*vi*) Must meet the satisfactory academic progress policy of the educational institution he or she attends.

(b) To be eligible for phase II, an individual shall meet either of the following criteria in addition to the criteria in subdivision (a):

(*i*) Complete at least 56 transferable semester or 84 transferable term credits.

(*ii*) Obtain an associate degree or certificate at a participating institution.

(c) To be eligible for phase I or phase II, an individual must not be incarcerated and must be financially eligible as determined by the department. An individual is financially eligible for the tuition incentive program if he or she was eligible for Medicaid from the state of Michigan for 24 months within the 36 months before application. The department shall accept certification of Medicaid eligibility only from the department of human services for the purposes of verifying if a person is Medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade. As used in this subdivision, "incarcerated" does not include detention of a juvenile in a state-operated or privately operated juvenile detention facility.

(4) For phase I, the department shall provide payment on behalf of a person eligible under subsection (3). The department shall reject billings that are excessive or outside the guidelines for the type of educational institution.

(5) For phase I, all of the following apply:

(a) Payments for associate degree or certificate programs shall not be made for more than 80 semester or 120 term credits for any individual student at any participating institution.

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) For persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year.

(d) For persons enrolled at a Michigan independent, nonprofit degree-granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year.

(6) A person participating in phase II may be eligible for additional funds not to exceed $500.00 per semester or $400.00 per term up to a maximum of $2,000.00 subject to the following conditions:

(a) Credits are earned in a 4-year program at a Michigan degree-granting 4-year college or university.

(b) The tuition reimbursement is for coursework completed within 30 months of completion of the phase I requirements.

(7) The department shall work closely with participating institutions to develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(8) Applications for the tuition incentive program may be approved at any time after the student begins the sixth grade. If a determination of financial eligibility is made, that determination is valid as long as the student meets all other program requirements and conditions.

(9) Each institution shall ensure that all known available restricted grants for tuition and fees are used prior to billing the tuition incentive program for any portion of a student's tuition and fees.

(10) The department shall ensure that the tuition incentive program is well publicized and that eligible Medicaid clients are provided information on the program. The department shall provide the necessary funding and staff to fully operate the program.

Sec. 263. (1) Included in the appropriation in section 236 for fiscal year ~~2014-2015~~ **2015-2016** for MSU AgBioResearch is $2,982,900.00 and included in the appropriation in section 236 for MSU ~~extension~~ **EXTENSION** is $2,645,200.00 for ~~project~~ **PROJECT** GREEEN. Project GREEEN is intended to address critical regulatory,

food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEEN" is an acronym for ~~generating research and extension to meet environmental and economic needs.~~**GENERATING RESEARCH AND EXTENSION TO MEET ENVIRONMENTAL AND ECONOMIC NEEDS.**

(2) The department of agriculture and rural development and Michigan State University, in consultation with agricultural commodity groups and other interested parties, shall develop ~~project~~ **PROJECT** GREEEN and its program priorities.

Sec. 263a. (1) Not later than September 30 of each year, Michigan State University shall submit a report on MSU AgBioResearch and MSU ~~extension~~ **EXTENSION** to the house and senate appropriations subcommittees on agriculture and on higher education, the house and senate standing committees on agriculture, the house and senate fiscal agencies, and the state budget director for the preceding academic fiscal year.

(2) The report required under subsection (1) shall include all of the following:

(a) Total funds expended by MSU AgBioResearch and by MSU ~~extension service~~ **EXTENSION** identified by state, local, private, federal, and university fund sources.

(b) The metric goals that were used to evaluate the impacts of programs operated by MSU ~~extension~~ **EXTENSION** and MSU AgBioResearch. It is the intent of the legislature that the following metric goals will be used to evaluate the impacts of those programs:

(*i*) Increasing the number of agriculture and food-related firms collaborating with and using services of research and

extension faculty and staff by 3% per year.

(*ii*) Increasing the number of individuals utilizing MSU ~~extension's~~ **EXTENSION'S** educational services by 5% per year.

(*iii*) Increasing external funds generated in support of research and extension, beyond state appropriations, by 10% over the amounts generated in the past 3 state fiscal years.

(*iv*) Increasing the sector's total economic impact ~~from today's $71,000,000,000.00~~ to **AT LEAST** $100,000,000,000.00.

(*v*) ~~Doubling~~ **INCREASING** Michigan's agricultural exports ~~from $1,750,000,000.00~~ to **AT LEAST** $3,500,000,000.00.

(*vi*) Increasing jobs in the food and agriculture sector by 10%.

(*vii*) Improving access by Michigan consumers to healthy foods by 20%.

(c) A review of major programs within both MSU AgBioResearch and MSU ~~extension~~ **EXTENSION** with specific reference to accomplishments, impacts, and the metrics described in subdivision (b), including a specific accounting of Project GREEEN expenditures and the impact of those expenditures.

Sec. 264. Included in the appropriation in section 236 for fiscal year ~~2014-2015~~ **2015-2016** for Michigan State University is $80,000.00 for the Michigan ~~future farmers of America association.~~ **FUTURE FARMERS OF AMERICA ASSOCIATION.** This $80,000.00 allocation shall not supplant any existing support that Michigan State University provides to the Michigan ~~future farmers of America association.~~**FUTURE FARMERS OF AMERICA ASSOCIATION.**

Sec. 265. (1) Payments under section 265a for performance

funding shall only be made to a public university that certifies to the state budget director by August 31, ~~2014~~ **2015** that its board did not adopt an increase in tuition and fee rates for resident undergraduate students after September 1, ~~2013~~ **2014** for the ~~2013-2014~~ **2014-2015** academic year and that its board will not adopt an increase in tuition and fee rates for resident undergraduate students for the ~~2014-2015~~ **2015-2016** academic year that is greater than 3.2%. As used in this subsection:

(a) ~~Subject to subdivision (c), "fee"~~ **"FEE"** means any board-authorized fee that will be paid by more than 1/2 of all resident undergraduate students at least once during their enrollment at a public university. A university increasing a fee that applies to a specific subset of students or courses shall provide sufficient information to prove that the increase applied to that subset will not cause the increase in the average amount of board-authorized total tuition and fees paid by resident undergraduate students in the ~~2014-2015~~ **2015-2016** academic year to exceed the limit established in this subsection.

(b) "Tuition and fee rate" means the average of full-time rates for all undergraduate classes, based on an average of the rates authorized by the university board and actually charged to students, deducting any ~~uniformly rebated~~ **UNIFORMLY REBATED** or refunded amounts, for the 2 semesters with the highest levels of full-time equated resident undergraduate enrollment during the academic year.

(c) For purposes of subdivision (a), for a public university that compels resident undergraduate students to be covered by

health insurance as a condition to enroll at the university, "fee" includes the annual amount a student is charged for coverage by the university-affiliated group health insurance policy if he or she does not provide proof that he or she is otherwise covered by health insurance. This subdivision does not apply to limited subsets of resident undergraduate students to be covered by health insurance for specific reasons other than general enrollment at the university.

(2) The state budget director shall implement uniform reporting requirements to ensure that a public university receiving a payment under section 265a for performance funding has satisfied the tuition restraint requirements of this section. The state budget director shall have the sole authority to determine if a public university has met the requirements of this section. Information reported by a public university to the state budget director under this subsection shall also be reported to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies.

Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal year ~~2014-2015~~ **2015-2016** for performance funding shall be paid only to a public university that complies with section 265 and certifies to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies by August 31, ~~2014~~ **2015** that it complies with all of the following requirements:

(a) The university participates in reverse transfer agreements described in section 286 with at least 3 Michigan community

colleges or has made a good-faith effort to enter into reverse transfer agreements.

(b) The university does not and will not consider whether dual enrollment credits earned by an incoming student were utilized towards his or her high school graduation requirements when making a determination as to whether those credits may be used by the student toward completion of a university degree or certificate program.

(c) The university participates in the Michigan ~~transfer network~~ **TRANSFER NETWORK** created as part of the Michigan ~~association of collegiate registrars and admissions officers~~ **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS** transfer agreement.

(2) Any performance funding amounts under section 236 that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) are unappropriated and reappropriated for performance funding to those public universities that meet the requirements under subsection (1), distributed in proportion to their performance funding appropriation amounts under section 236.

(3) The state budget director shall report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies by September ~~17, 2014,~~ **30, 2015,** regarding any performance funding amounts that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) and any reappropriation of funds under subsection (2).

(4) Performance funding amounts described in section 236 are distributed based on the following formula:

~~(a) Proportional to each university's share of total operations funding appropriated in fiscal year 2010-2011, 50.0%.~~

(A) ~~(b)~~ Based on weighted undergraduate completions in critical skills areas, ~~11.1%.~~**22.2%.**

(B) ~~(c)~~ Based on research and development expenditures, for universities classified in Carnegie classifications as doctoral/research universities, research universities (high research activity), or research universities (very high research activity) only, ~~5.6%.~~**11.1%.**

(C) ~~(d)~~ Based on 6-year graduation rate, total degree completions, and institutional support as a percentage of core expenditures, and **THE PERCENTAGE OF** students receiving Pell grants, scored against national Carnegie classification peers and weighted by total undergraduate fiscal year equated students, ~~33.3%.~~**66.7%.**

(5) For purposes of determining the score of a university under subsection ~~(4)(d),~~ **(4)(C),** each university is assigned 1 of the following scores:

(a) A university classified as in the top 20%, a score of 3.

(b) A university classified as above national median, a score of 2.

(c) A university classified as improving, a score of 2. It is the intent of the legislature that, beginning in the ~~2015-2016~~ **2016-2017** state fiscal year, a university classified as improving is assigned a score of 1.

(d) A university that is not included in subdivision (a), (b),

or (c), a score of 0.

(6) For purposes of this section, "Carnegie classification" shall mean the basic classification of the university according to the most recent version of the Carnegie classification of institutions of higher education, published by the Carnegie ~~foundation for the advancement of teaching.~~**FOUNDATION FOR THE ADVANCEMENT OF TEACHING.**

Sec. 267. All public universities shall submit the amount of tuition and fees actually charged to a full-time resident undergraduate student for academic year ~~2014-2015~~ **2015-2016** as part of their higher education institutional data inventory (HEIDI) data by August 31 of each year. A public university shall report any revisions for any semester of the reported academic year ~~2014-2015~~ **2015-2016** tuition and fee charges to HEIDI within 15 days of being adopted.

Sec. 268. (1) For the fiscal year ending September 30, ~~2014,~~ **2016,** it is the intent of the legislature that funds be allocated for unfunded North American Indian tuition waiver costs incurred by public universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the general fund.

~~(2) Appropriations in section 236(8)(f) for North American Indian tuition waivers shall be paid to universities under section 2a of 1976 PA 174, MCL 390.1252a. Allocations shall be adjusted for amounts included in university operations appropriations. If funds are insufficient to support the entire cost of waivers, amounts shall be prorated.~~

(2) ~~(3)~~ By February 15 of each year, the department of civil

rights shall annually submit to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies a report on North American Indian tuition waivers for the preceding fiscal year that includes, but is not limited to, all of the following information for each postsecondary institution:

(a) The total number of waiver applications.

(b) The total number of waivers granted and the monetary value of each waiver.

(c) The number of students who withdraw from classes.

(d) The number of students who successfully complete a degree or certificate program and the 6-year graduation rate.

(3) A PUBLIC UNIVERSITY THAT RECEIVES FUNDS UNDER SECTION 236 SHALL PROVIDE TO THE DEPARTMENT OF CIVIL RIGHTS ANY INFORMATION NECESSARY FOR PREPARING THE REPORT DETAILED IN SUBSECTION (2).

Sec. 269. For fiscal year ~~2014-2015,~~ **2015-2016,** from the amount appropriated in section 236 to Central Michigan University for operations, $29,700.00 shall be paid to Saginaw Chippewa Tribal College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

Sec. 270. For fiscal year ~~2014-2015~~ **2015-2016,** from the amount appropriated in section 236 to Lake Superior State University for operations, $100,000.00 shall be paid to Bay Mills Community College for the costs of waiving tuition for North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

Sec. 274. It is the intent of the legislature that public and private organizations that conduct human embryonic stem cell

derivation subject to section 27 of article I of the state constitution of 1963 will provide information to the director of the department of ~~community~~ health **AND HUMAN SERVICES** by December 1, ~~2014~~ **2015** that includes all of the following:

(a) Documentation that the organization conducting human embryonic stem cell derivation is conducting its activities in compliance with the requirements of section 27 of article I of the state constitution of 1963 and all relevant ~~national institutes of health~~ **NATIONAL INSTITUTES OF HEALTH** guidelines pertaining to embryonic stem cell derivation.

(b) A list of all human embryonic stem cell lines submitted by the organization to the ~~national institutes of health~~ **NATIONAL INSTITUTES OF HEALTH** for inclusion in the ~~human embryonic stem cell registry~~ **HUMAN EMBRYONIC STEM CELL REGISTRY** before and during fiscal year ~~2013-2014,~~ **2014-2015,** and the status of each submission as approved, pending approval, or review completed but not yet accepted.

(c) Number of human embryonic stem cell lines derived and not submitted for inclusion in the ~~human embryonic stem cell registry,~~ **HUMAN EMBRYONIC STEM CELL REGISTRY,** before and during fiscal year ~~2013-2014.~~**2014-2015.**

SEC. 274C. BY FEBRUARY 1, 2016, EACH UNIVERSITY RECEIVING FUNDS UNDER SECTION 236 SHALL REPORT TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON HIGHER EDUCATION, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON ITS EFFORTS TO DEVELOP AND IMPLEMENT SEXUAL ASSAULT RESPONSE TRAINING FOR THE UNIVERSITY'S TITLE IX COORDINATOR, CAMPUS LAW ENFORCEMENT

PERSONNEL, CAMPUS PUBLIC SAFETY PERSONNEL, AND ANY OTHER CAMPUS PERSONNEL CHARGED WITH RESPONDING TO ON-CAMPUS INCIDENTS, INCLUDING INFORMATION ON SEXUAL ASSAULT RESPONSE TRAINING MATERIALS AND THE STATUS OF IMPLEMENTING SEXUAL ASSAULT RESPONSE TRAINING FOR CAMPUS PERSONNEL.

Sec. 276. (1) Included in the appropriation for fiscal year ~~2014-2015~~ **2015-2016** for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program that is intended to increase the pool of academically or economically disadvantaged candidates pursuing faculty teaching careers in postsecondary education. Preference may not be given to applicants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage applications from applicants who would otherwise not adequately be represented in the graduate student and faculty populations. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the future faculty program.

(2) The program shall be administered by each public university in a manner prescribed by the workforce development agency. The workforce development agency shall use a good faith effort standard to evaluate whether a fellowship is in default.

Sec. 277. (1) Included in the appropriation for fiscal year ~~2014-2015~~ **2015-2016** for each public university in section 236 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce academically or

economically disadvantaged schoolchildren to the potential of a college education. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) Individual program plans of each public university shall include a budget of equal contributions from this program, the participating public university, the participating school district, and the participating independent degree-granting college. College day funds shall not be expended to cover indirect costs. Not more than 20% of the university match shall be attributable to indirect costs. Each public university shall apply the percentage change applicable to every public university in the calculation of appropriations in section 236 to the amount of funds allocated to the college day program.

(3) The program described in this section shall be administered by each public university in a manner prescribed by the workforce development agency.

Sec. 278. (1) Included in section 236 for fiscal year ~~2014-2015~~ **2015-2016** is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically or economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from

1 those who would otherwise not adequately be represented in the
2 student population.
3 (2) An award made under this program to any 1 institution
4 shall not be greater than $150,000.00, and the amount awarded shall
5 be matched on a 70% state, 30% college or university basis.
6 (3) The program described in this section shall be
7 administered by the workforce development agency.
8 Sec. 279. (1) Included in section 236 for fiscal year ~~2014-~~
9 ~~2015~~ **2015-2016** is funding for the Martin Luther King, Jr. - Cesar
10 Chavez - Rosa Parks college/university partnership program between
11 4-year public and independent colleges and universities and public
12 community colleges, which is intended to increase the number of
13 academically or economically disadvantaged students who transfer
14 from community colleges into baccalaureate programs. Preference may
15 not be given to participants on the basis of race, color,
16 ethnicity, gender, or national origin. Institutions should
17 encourage participation from those who would otherwise not
18 adequately be represented in the transfer student population.
19 (2) The grants shall be made under the program described in
20 this section to Michigan public and independent colleges and
21 universities. An award to any 1 institution shall not be greater
22 than $150,000.00, and the amount awarded shall be matched on a 70%
23 state, 30% college or university basis.
24 (3) The program described in this section shall be
25 administered by the workforce development agency.
26 Sec. 280. (1) Included in the appropriation for fiscal year
27 ~~2014-2015~~ **2015-2016** for each public university in section 236 is

funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of instructors in the classroom to provide role models for academically or economically disadvantaged students. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Public universities should encourage participation from those who would otherwise not adequately be represented in the student population.

(2) The program described in this section shall be administered by the workforce development agency.

Sec. 281. (1) Included in the appropriation for fiscal year ~~2014-2015~~ **2015-2016** in section 236 is funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks initiative for the Morris Hood, Jr. educator development program which is intended to increase the number of academically or economically disadvantaged students who enroll in and complete K-12 teacher education programs at the baccalaureate level. Preference may not be given to participants on the basis of race, color, ethnicity, gender, or national origin. Institutions should encourage participation from those who would otherwise not adequately be represented in the teacher education student population.

(2) The program described in this section shall be administered by each state-approved teacher education institution in a manner prescribed by the workforce development agency.

(3) Approved teacher education institutions may and are encouraged to use student support services funding in coordination with the Morris Hood, Jr. funding to achieve the goals of the

program described in this section.

Sec. 282. Each institution receiving funds **FOR FISCAL YEAR 2015-2016** under section 278, 279, or 281 shall notify the workforce development agency by April 15, ~~of each year~~ **2016** as to whether it will expend by the end of its fiscal year the funds received under section 278, 279, or 281. Notwithstanding the award limitations in sections 278 and 279, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 278, 279, or 281.

Sec. 283. (1) From the amount appropriated in section 236, the public universities shall systematically inform Michigan high schools regarding the academic status of students from each high school in a manner prescribed by the ~~presidents council, state universities~~ **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan in cooperation with the Michigan ~~association of secondary school principals.~~ **ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS.** Public universities shall also work with the center for educational performance and information to maintain a systematic approach for accomplishing this task.

(2) Michigan high schools shall systematically inform the public universities about the use of information received under this section in a manner prescribed by the Michigan ~~association of secondary school principals~~ **ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS** in cooperation with the ~~presidents council, state universities~~ **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan.

Sec. 284. From the amount appropriated in section 236, the public universities shall inform Michigan community colleges

regarding the academic status of community college transfer students in a manner prescribed by the ~~presidents council, state universities~~ **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan in cooperation with the Michigan ~~community college association.~~ **COMMUNITY COLLEGE ASSOCIATION.** Public universities shall also work with the center for educational performance and information to maintain a systematic approach for accomplishing this task.

Sec. 286. ~~It is the intent of the legislature that public~~ **PUBLIC** universities **SHALL** work with community colleges in the state to implement statewide reverse transfer agreements to increase the number of students that are awarded credentials of value upon completion of the necessary credits. ~~It is the intent of the legislature that these~~ **THESE** statewide agreements shall enable students who have earned a significant number of credits at a community college and transfer to a baccalaureate granting institution before completing a degree to transfer the credits earned at the baccalaureate institution back to the community college in order to be awarded a credential of value.

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for higher education for fiscal year 2015-2016 under article III of the state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1893, as amended by this amendatory act, is estimated at $1,437,698,000.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2015-2016 is estimated at $0.00.

Enacting section 2. Sections 259, 262a, 272a, 273, and 274a,

1 of the state school aid act of 1979, 1979 PA 94, MCL 388.1859,
2 388.1862a, 388,1872a, 388.1873, and 388.1874a, are repealed
3 effective October 1, 2015.
4 Enacting section 3. This amendatory act takes effect October
5 1, 2015.