

Act No. 144
Public Acts of 2002
Approved by the Governor
April 1, 2002
Filed with the Secretary of State
April 1, 2002
EFFECTIVE DATE: April 1, 2002

*Item Vetoes

Sec. 117. STATE AND REGIONAL PROGRAMS

Michigan molecular institute	\$ 236,900	(Page 3)
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Sec. 304.

(3) From the general degree reimbursement program, \$135,300.00 shall be provided to Spring Arbor University for the southern Michigan state prison program. (Page 6)

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Senators Schwarz, McManus and Smith

ENROLLED SENATE BILL No. 1105

AN ACT to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2003; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for higher education for the fiscal year ending September 30, 2003, from the funds indicated in this part. The following is a summary of the appropriations in this part:

HIGHER EDUCATION

APPROPRIATION SUMMARY:

Full-time equated classified position.....1.0	
GROSS APPROPRIATION.....	\$ 1,943,717,366
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 1,943,717,366
Federal revenues:	
Total federal revenues	5,500,000
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues	125,573,850
State general fund/general purpose	\$ 1,812,643,516

Sec. 102. CENTRAL MICHIGAN UNIVERSITY

Operations	\$ 90,003,800
GROSS APPROPRIATION.....	\$ 90,003,800
Appropriated from:	
State general fund/general purpose	\$ 90,003,800

For Fiscal Year
Ending Sept. 30,
2003

Sec. 103. EASTERN MICHIGAN UNIVERSITY

Operations	\$ 87,637,200
GROSS APPROPRIATION	\$ 87,637,200
Appropriated from:	
State general fund/general purpose	\$ 87,637,200

Sec. 104. FERRIS STATE UNIVERSITY

Operations	\$ 55,520,300
GROSS APPROPRIATION	\$ 55,520,300
Appropriated from:	
State general fund/general purpose	\$ 55,520,300

Sec. 105. GRAND VALLEY STATE UNIVERSITY

Operations	\$ 60,095,400
GROSS APPROPRIATION	\$ 60,095,400
Appropriated from:	
State general fund/general purpose	\$ 60,095,400

Sec. 106. LAKE SUPERIOR STATE UNIVERSITY

Operations	\$ 14,268,700
GROSS APPROPRIATION	\$ 14,268,700
Appropriated from:	
State general fund/general purpose	\$ 14,268,700

Sec. 107. MICHIGAN STATE UNIVERSITY

Operations	\$ 325,982,300
GROSS APPROPRIATION	\$ 325,982,300
Appropriated from:	
State general fund/general purpose	\$ 325,982,300

Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY

Operations	\$ 55,241,600
GROSS APPROPRIATION	\$ 55,241,600
Appropriated from:	
State general fund/general purpose	\$ 55,241,600

Sec. 109. NORTHERN MICHIGAN UNIVERSITY

Operations	\$ 52,012,900
GROSS APPROPRIATION	\$ 52,012,900
Appropriated from:	
State general fund/general purpose	\$ 52,012,900

Sec. 110. OAKLAND UNIVERSITY

Operations	\$ 52,384,700
GROSS APPROPRIATION	\$ 52,384,700
Appropriated from:	
State general fund/general purpose	\$ 52,384,700

Sec. 111. SAGINAW VALLEY STATE UNIVERSITY

Operations	\$ 27,393,300
GROSS APPROPRIATION	\$ 27,393,300
Appropriated from:	
State general fund/general purpose	\$ 27,393,300

Sec. 112. UNIVERSITY OF MICHIGAN - ANN ARBOR

Operations	\$ 363,562,700
GROSS APPROPRIATION	\$ 363,562,700
Appropriated from:	
State general fund/general purpose	\$ 363,562,700

Sec. 113. UNIVERSITY OF MICHIGAN - DEARBORN

Operations	\$	27,993,300
GROSS APPROPRIATION	\$	27,993,300
Appropriated from:		
State general fund/general purpose	\$	27,993,300

Sec. 114. UNIVERSITY OF MICHIGAN - FLINT

Operations	\$	24,068,100
GROSS APPROPRIATION	\$	24,068,100
Appropriated from:		
State general fund/general purpose	\$	24,068,100

Sec. 115. WAYNE STATE UNIVERSITY

Operations	\$	253,644,700
GROSS APPROPRIATION	\$	253,644,700
Appropriated from:		
State general fund/general purpose	\$	253,644,700

Sec. 116. WESTERN MICHIGAN UNIVERSITY

Operations	\$	125,677,200
GROSS APPROPRIATION	\$	125,677,200
Appropriated from:		
State general fund/general purpose	\$	125,677,200

Sec. 117. STATE AND REGIONAL PROGRAMS

Full-time equated position	1.0	
Agricultural experiment station	\$	36,848,700
Cooperative extension service		31,782,600
Rare isotope accelerator		2,000,000
Michigan molecular institute		236,900
Japan center for Michigan universities		305,300
Higher education database modernization and conversion—1.0 FTE position		250,000
Midwestern higher education compact		82,500
GROSS APPROPRIATION	\$	71,506,000
Appropriated from:		
Special revenue funds:		
Michigan tobacco settlement trust fund		2,000,000
State general fund/general purpose	\$	69,506,000

Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAM

Select student supportive services	\$	2,173,450
Michigan college/university partnership program		652,050
Morris Hood, Jr. educator development program		165,100
GROSS APPROPRIATION	\$	2,990,600
Appropriated from:		
State general fund/general purpose	\$	2,990,600

Sec. 119. GRANTS AND FINANCIAL AID

State competitive scholarships	\$	36,654,616
Tuition grants		66,100,200
Michigan work-study program		8,015,800
Part-time independent student program		2,903,000
Grant for Michigan resident dental graduates		5,052,300
Grant for general degree graduates		6,319,400
Grant for allied health graduates		935,100
Michigan education opportunity grants		2,280,300
Robert C. Byrd honors scholarship program		1,900,000
Nursing scholarship program		4,000,000

		For Fiscal Year Ending Sept. 30, 2003
Michigan merit award program	\$	114,323,850
Tuition incentive program.....		5,250,000
GROSS APPROPRIATION.....	\$	253,734,566
Appropriated from:		
Federal revenues:		
Higher education act of 1965, title IV, 20 U.S.C.		3,600,000
Higher education act of 1965, title IV, part A		1,900,000
Special revenue funds:		
Michigan merit award trust fund.....		123,573,850
State general fund/general purpose	\$	124,660,716

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2002-2003 is \$1,938,217,366.00 and state spending from state resources to be paid to local units of government for fiscal year 2002-2003 is \$4,029,061.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

Part-time independent student program.....	\$	1,345,831
Michigan education opportunity grant.....		999,912
Michigan work-study.....		1,683,318
TOTAL	\$	4,029,061

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

Sec. 208. Unless otherwise specified, the institutions of higher education shall use the internet to fulfill the reporting requirements of this act. This may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an internet or intranet site.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods and services, or both, are available. Not later than May 1, 2003, each university shall have available upon request information on efforts to comply with this section.

Sec. 210. (1) The funds appropriated in part 1 to state institutions of higher education 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, 2002. Except for Wayne State University, each institution shall accrue its July and August 2003 payments to its institutional fiscal year ending June 30, 2003.

(2) All 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 universities with fiscal years ending June 30, 2002, these data shall be submitted to the state budget director by October 15, 2002. Universities with a fiscal year ending September 30, 2002 shall submit preliminary HEIDI data by November 15, 2002 and final data by December 15, 2002. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

(3) A detailed description of procedures utilized to arrive at the amounts appropriated in part 1 shall be submitted to each institution by the senate and house fiscal agencies.

Sec. 211. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds does not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Sec. 213. A state institution of higher education that receives funds under this act shall furnish all program and financial information that is required by and in a manner prescribed by the state budget director or the house or senate appropriations committee.

Sec. 214. If section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, is not repealed and if a state institution of higher education that receives funds under this act notifies the department of treasury regarding its tuition and fee rates in order to qualify as an eligible institution for the Michigan tuition tax credit under section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, the institution shall also submit the notification and applicable documentation of tuition and fee changes to the house and senate fiscal agencies.

Sec. 216. By February 15, 2003, the department of treasury shall provide the state budget director, the subcommittees on higher education of the house and senate appropriations committees, and the senate and house fiscal agencies with an annual report on restricted fund balances, projected revenues, and expenditures for the fiscal year ending September 30, 2002 and projected restricted fund balances, revenues, and expenditures for the fiscal year ending September 30, 2003.

Sec. 218. It is the intent of the legislature that capital outlay projects for which any state funds are used be competitively bid. As used in this section, "capital outlay projects" means capital outlay as defined in section 113 of the management and budget act, 1984 PA 431, MCL 18.1113.

GRANTS AND FINANCIAL AID

Sec. 301. (1) Payments of the amounts included in part 1 for the state competitive scholarship program shall be distributed pursuant to 1964 PA 208, MCL 390.971 to 390.981.

(2) The Michigan higher education assistance authority shall implement a proportional competitive scholarship maximum award level for recipients enrolled less than full-time in a given semester or term.

(3) If a student who receives an award under this section has his or her tuition and fees paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1444, and still has financial need, the funds awarded under this section may be used for educational expenses other than tuition and fees.

(4) If the Michigan higher education assistance authority 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.

Sec. 302. (1) The amounts appropriated in part 1 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 who apply before September 1, 2002 and who are qualified. Tuition grant awards shall not be made to students newly enrolled in a juris doctor law degree program after the 1995-96 academic year.

(3) The Michigan higher education assistance authority shall determine an actual maximum tuition grant award per student that ensures that the aggregate payments for the tuition grant program do not exceed the appropriation contained in part 1 for the state tuition grant program. By December 15, 2002, and again by February 1, 2003, the authority 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 part 1 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 February 15, 2003. If award adjustments are necessary, the students shall be notified of the adjustment by the third Monday in February.

(4) Any unexpended and unencumbered funds remaining on September 30, 2003 from the amounts appropriated in part 1 for the tuition grant program shall not lapse on September 30, 2003, but shall continue to be available for expenditure for tuition grants provided in the 2003-2004 fiscal year. The use of these unexpended fiscal year 2002-2003 funds shall terminate at the end of the 2003-2004 fiscal year.

(5) The Michigan higher education assistance authority 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 Michigan higher education assistance authority 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 fiscal year 2002-2003.

(7) All Ferris State University students enrolled at Kendall College of Art and Design prior to January 1, 2001 who were qualified for the state tuition grant shall continue to receive the dollar amount of the state tuition grant for which they were eligible until they graduate or are no longer enrolled in the Kendall College of Art and Design at Ferris State University.

Sec. 303. (1) Included in the appropriation in part 1 is funding for the Michigan work-study program established under 1986 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to 390.1332. An effort should be made by each institution participating in the Michigan work-study program to assure that not less than 10% of those undergraduate, graduate, and professional students eligible to participate in the program are placed with for-profit employers no later than December 31 of each year for which funding is provided under this act.

(2) The Michigan higher education assistance authority shall allocate funds to institutions eligible for work-study money based upon each institution's specific Pell grant index and each institution's utilization rate of work-study funds for the 3 most recent years for which statistics are available.

(3) The Michigan higher education assistance authority shall set aside not more than 5% of the total work-study appropriation to process requests from participating institutions for allocation adjustments. Allocation adjustments shall be based on criteria set by the authority prior to making the allocations under subsection (2).

Sec. 304. (1) Payments of the amounts included in part 1 for the general degree reimbursement program established under 1974 PA 75, MCL 390.1021 to 390.1027, shall be made for all degrees identified in section 1(1) of 1974 PA 75, MCL 390.1021, except doctor of dental surgery, doctor of dental medicine, juris doctor law, and allied health degrees.

(2) The reimbursement rate per eligible degree shall be the equally prorated amount permitted by the appropriation, except that the amount of the reimbursement for each associate degree shall be 1/2 of the rate of reimbursement for the other degrees eligible under subsection (1) for the general degree reimbursement program.

(3) From the general degree reimbursement program, \$135,300.00 shall be provided to Spring Arbor University for the southern Michigan state prison program.

(4) From the general degree reimbursement program, \$200,500.00 shall be provided to the University of Detroit - Mercy for graduate research aid.

(5) From the general degree reimbursement program, \$30,100.00 shall be provided to Marygrove College for learning clinics.

(6) From the general degree reimbursement program, \$50,000.00 shall be provided to Finlandia University for career education programs.

Sec. 305. The reimbursement rate per eligible degree under the allied health degree reimbursement program established under 1974 PA 75, MCL 390.1021 to 390.1027, shall be the equally prorated amount permitted by the appropriation included in part 1.

Sec. 306. Funds disbursed through the degree reimbursement programs shall not be used by any recipient institution for theology or divinity programs.

Sec. 307. The auditor general may audit selected enrollments, degrees, and awards at selected independent colleges and universities receiving awards administered by the department of treasury. The audits shall be based upon definitions and requirements established by the Michigan higher education assistance authority, the state budget director, and the senate and house fiscal agencies. The auditor general shall accept the Free Application for Federal Student Aid (FAFSA) form as the standard of residency documentation. The auditor general shall submit a report of findings to the senate and house appropriations committees and state budget director by May 1, 2003.

Sec. 308. The sums appropriated in part 1 for the student financial aid and degree reimbursement programs shall be paid out of the state treasury and shall be distributed to the respective institutions under a quarterly payment system as follows:

(a) For the state competitive scholarship, tuition incentive, and tuition grant programs, 40% shall be paid at the beginning of the state's first fiscal quarter, 40% at the beginning of the state's second fiscal quarter, 10% at the beginning of the state's third fiscal quarter, and 10% at the beginning of the state's fourth fiscal quarter.

(b) For the work-study program, payments shall be made in 11 monthly installments from October 1 to August 31 of any year.

(c) For the part-time independent student program and Michigan education opportunity grant program, 50% shall be paid at the beginning of the state's first fiscal quarter, 25% at the beginning of the state's second fiscal quarter, and 25% at the beginning of the state's third fiscal quarter.

(d) For the general degree reimbursement program, allied health degree reimbursement program, Michigan resident dental grant program, and Robert C. Byrd honors scholarship program, 50% shall be paid at the beginning of the state's first fiscal quarter and 50% at the beginning of the state's second fiscal quarter after the number of earned degrees conferred and total amounts to be paid are certified.

Sec. 309. The Michigan higher education assistance authority shall determine the needs analysis criteria for students to qualify for the competitive scholarship program and tuition grant program. To be consistent with federal requirements, student wages may be taken into consideration when determining the amount of the award.

Sec. 310. (1) The funds appropriated in part 1 for the tuition incentive program/high school completion program shall be distributed as provided in this section and pursuant to the administrative procedures for the tuition incentive program/high school completion 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) A person shall meet the following basic criteria and financial thresholds to be eligible for tuition incentive benefits:

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

(i) Apply for certification to the department before graduating from high school or completing the general education development (GED) certificate.

(ii) Be less than 20 years of age at the time of high school graduation or GED completion.

(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 GED certificate completion.

(b) To be eligible for phase II, a person 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, a person must be financially eligible as determined by the department. A person is financially eligible for the tuition incentive program if that person was Medicaid eligible for 24 months within the 36 months before application. Certification of eligibility may begin in the sixth grade and continue until the time of enrollment in a participating institution.

(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 level 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) Program payments shall not be used by any recipient for theology or divinity courses.

(8) 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.

(9) 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.

(10) 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.

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

(12) Any unexpended and unencumbered funds remaining on September 30, 2003 from the amounts appropriated in part 1 for the tuition incentive program shall not lapse on September 30, 2003, but shall continue to be available for expenditure for the tuition incentive program in the fiscal year ending September 30, 2004.

Sec. 311. To enable the legislature and the state budget director to evaluate the appropriation needs of higher education, each independent college and university shall make available to the legislature or state budget director, upon request, data regarding grants for the preceding, current, and ensuing fiscal years.

Sec. 312. (1) From the funds appropriated in part 1, the Michigan higher education assistance authority shall establish and administer the nursing scholarship program. The department of treasury shall disburse the amount of the scholarship awards determined under subsection (2) to recipients.

(2) The authority shall review applications for and determine recipients of the scholarships, which are intended for tuition, fees, and associated costs of a nursing education program.

(3) The scholarships may be used by enrollees in a licensed practical nurse (LPN), associate degree of nursing (ADN), or bachelor's of science nursing (BSN) program approved by the Michigan department of education.

(4) The authority shall develop and adopt rules regarding the required commitment by graduates of a program described in subsection (3) who received scholarships under the nursing scholarship program to employment in a direct patient care setting. It shall also determine the amount of the scholarship for each of the educational tracks identified in subsection (3).

(5) Any unexpended and unencumbered funds remaining on September 30, 2003 from the amounts appropriated in part 1 for the nursing scholarship program shall not lapse on September 30, 2003, but shall continue to be available for expenditure for nursing scholarships provided in the 2003-2004 fiscal year. The use of these unexpended fiscal year 2002-2003 funds shall terminate at the end of the 2003-2004 fiscal year.

(6) When statutory provisions are enacted to provide for a nursing scholarship program, the provisions of subsections (2) through (5) are superseded.

STATE UNIVERSITIES

Sec. 401. (1) Included in part 1 is \$6,356,023.00 to Wayne State University for the Joseph F. Young, Sr. psychiatric research and training program. Wayne State University shall use these funds for psychiatric laboratory and clinical research, training, and treatment services. Within the available appropriation, services shall not be denied to any patient who meets established research guidelines for treatment on the basis of personal financial circumstances, age, geographic residence, or projected/actual length of treatment as medically warranted.

(2) Wayne State University shall report the following information to the department of community health by November 1, 2003:

(a) The number and type of psychiatric research projects funded by the appropriation described in subsection (1).

(b) The number and type of students trained and the location of training funded by the appropriation.

(c) Demographic data regarding the number and profile of patients to receive psychiatric services funded by the appropriation and a profile of the services provided.

(d) A summary budget outlining major expenditure categories and any first- and third-party reimbursements.

(3) Copies of these reports shall also be provided to the house and senate fiscal agencies and the state budget director.

Sec. 402. The University of Michigan biological station at Douglas Lake in Cheboygan County is regarded as a unique resource and is designated as a special research reserve. It is the intent of the legislature to protect and preserve the unique long-term research value and capabilities of the biological station area and Douglas Lake. The legislature further intends that no state programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake.

Sec. 405. (1) There is created the higher education institutional data inventory advisory committee. The committee shall be appointed by the state budget director and shall consist of the following members:

- (a) One representative from the house fiscal agency.
- (b) One representative from the senate fiscal agency.
- (c) One representative from the state budget director's office.

(d) Three representatives of the presidents council of state universities. The presidents council shall appoint 1 representative each from a masters, a doctoral, and a research university.

(2) The committee shall provide for the general scope and direction for implementing the conversion and modernization of the state's higher education databases, for which funding is provided in part 1.

(3) The committee shall prepare a plan for the conversion and modernization effort. The plan shall include, but is not limited to, all of the following:

- (a) The development of a data dictionary/glossary.
- (b) The integration of appropriate federal, national, regional, and state databases.
- (c) The assurance of the accuracy of the data.

Sec. 408. The legislature recognizes that the first and foremost obligation of the public universities is undergraduate instruction. The public universities are therefore encouraged to increase their commitment of tenured and tenure track faculty to undergraduate instruction.

Sec. 409. The amounts included in part 1 for public universities recognize 4 separate university groupings. Funding floors for the 4 groupings are established as follows:

(a) Funding floor of \$4,600.00 per fiscal-year-equated student for Eastern Michigan University, Ferris State University, Grand Valley State University, Lake Superior State University, Northern Michigan University, Saginaw Valley State University, and the University of Michigan-Flint.

(b) Funding floor of \$4,800.00 per fiscal-year-equated student for Central Michigan University, Oakland University, and the University of Michigan-Dearborn.

(c) Funding floor of \$5,800.00 per fiscal-year-equated student for Michigan Technological University and Western Michigan University.

(d) Funding floor of \$9,100.00 per fiscal-year-equated student for Michigan State University, the University of Michigan-Ann Arbor, and Wayne State University.

Sec. 418. No state funds shall be used by any state university to undertake a collaborative effort with any other university that would have the effect of increasing its enrollment of first-time professional law degree seeking students.

Sec. 421. (1) Central Michigan University shall report by September 30, 2003 to the state budget director, house and senate appropriations committees, and the house and senate fiscal agencies information on the activities and effectiveness of the charter schools development and performance institute for which an appropriation is provided in part 1. Included in the report shall be an accounting of all revenues and expenditures of the institute, the names of the public school academies served, and the type of assistance provided to each public school academy.

(2) All funds received under part 1 for the charter schools development and performance institute are intended to be expended on activities of that institute.

Sec. 426. It is the legislative intent that private bookstores that sell textbooks to university students and student governments that provide a book swap for university students have accurate and timely access to lists of universities' required textbooks in order to provide prompt and efficient service for students. It is further the legislative intent that each state university allow students who are on financial aid or are receiving tuition grants to decide where to purchase their textbooks.

Sec. 433. (1) Included in part 1 is \$3,281,500.00 for the agricultural experiment station and \$2,910,000.00 for the cooperative extension service for project GREEN. Project GREEN is intended to address critical regulatory, food safety, economic, and environmental problems faced by this state's plant-based agriculture, forestry, and processing industries. "GREEN" is an acronym for generating research and extension to meet environmental and economic needs.

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

(3) Not later than September 30, 2003, a report shall be submitted by Michigan State University to the state budget director, the house and senate appropriations subcommittees on agriculture and on higher education, and the house and senate fiscal agencies for the preceding fiscal year regarding project GREEN projects. The report shall include, but is not limited to, the dollar amount of each project and a review of each project's performance and accomplishments.

Sec. 434. All state universities shall work with the Michigan economic development corporation (MEDC) to foster the state's economic development. The presidents council shall meet quarterly with the MEDC or its representative to discuss potential cooperative efforts and examine any strategies or issues of concern related to advancement of Michigan's economic development. The state universities, through its presidents council, shall submit a report that summarizes the discussion and identifies any conclusions or recommendations of the participants at each quarterly meeting. The quarterly report shall be submitted to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies no later than 30 days after each quarterly meeting.

Sec. 435. Each institution of higher education shall conduct a study on the installation of automatic sprinkler and other fire safety systems in dormitories, and shall report to the legislature on or before January 1, 2003 the existence or nonexistence of such systems and the estimated cost of installing automatic sprinkler systems where they do not exist.

Sec. 436. (1) It is the intent of the legislature to recognize and maintain the quality of Michigan's colleges and universities by allowing the higher education appropriations for the 2002-2003 fiscal year to remain at the same level as the appropriations for fiscal year 2001-2002, with no reductions. It is also the intent of the legislature to recognize the need for tuition restraint on the part of Michigan's public universities, in order to maintain access and affordability at Michigan's colleges and universities for students and parents. It is further the intent of the legislature to reduce appropriations for any college or university that does not exercise tuition restraint for the 2002-2003 academic year, as outlined in subsection (2).

(2) The appropriation for any university in part 1 of this act shall not be reduced if that university adopts a tuition and fee rate increase for resident undergraduate students that is 8.5% or less over the prior year, or a total increase of \$425.00 or less over the prior year, whichever is greater, and if a university reports to the state budget director and the appropriations committees of the house and senate any cost increases in excess of the increase over the prior year in the Detroit consumer price index, for utilities, retirement, health care, or technology.

(3) It is the intent of the legislature that the presidents and chancellors of Michigan's 15 public universities voluntarily agree to the conditions outlined in subsection (2), and that a letter signed by the presidents and chancellors confirming this agreement would be transmitted to the legislature by February 28, 2002.

(4) If a university does not exercise the tuition restraint as outlined in subsections (2) and (3) above, the legislature authorizes the state budget director to withhold funds appropriated for that university by an amount equal to the amount in excess of the desired restraint and to notify the appropriations committees of the house and senate. It is the intent of the legislature to redistribute these funds, based on each university's percentage share of the fiscal year 2001-2002 base appropriations, to those universities that honor the tuition restraint commitment.

Sec. 437. Included in part 1 is \$2,000,000.00 for design and architectural studies related to the rare isotope accelerator facilities to be located at Michigan State University. This appropriation is for the development of a program statement and preliminary design documents for the rare isotope accelerator office building and for evaluation and prototyping of the rare isotope accelerator design elements. It is the intent of the legislature that Michigan State University will collaborate with the Michigan economic development corporation to develop the program statement and preliminary design documents.

Sec. 438. It is the intent of the legislature that if the May 2002 consensus revenue estimating conference determines that additional state general fund/general purpose revenue is available for expenditure in fiscal year 2002-2003, funds shall be appropriated to the state universities that have a per fiscal-year-equated student appropriation less than the per fiscal-year-equated student funding floor amount specified in section 409.

Sec. 439. It is the intent of the legislature that a workgroup be formed to evaluate, discuss, and make recommendations for future action regarding state university admission and enrollment policies that specifically address the acceptance and application of college credits earned by students through the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524. The workgroup shall be bipartisan and shall include the chairpersons of the house and senate appropriations subcommittees on higher education, community colleges, and school aid.

MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS

Sec. 501. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks future faculty program, that is intended to increase the pool of minority candidates pursuing faculty teaching careers in postsecondary education. Each university shall apply the percentage increase applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the future faculty program.

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

Sec. 502. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college day program that is intended to introduce schoolchildren underrepresented in postsecondary education to the potential of a college education.

(2) Individual program plans of each 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 university shall apply the percentage increase applicable to every university in the calculation of appropriations in part 1 to the amount of funds allocated to the college day program.

(3) The program shall be administered by each university in a manner prescribed by the Michigan department of career development.

Sec. 503. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks select student support services program for developing academically and economically disadvantaged student retention programs for 4-year public and independent educational institutions in this state.

(2) An award made under this program to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of career development.

Sec. 504. (1) Included in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks college/university partnership program between 4-year public and independent colleges and universities and public community colleges, which is intended to increase the number of academically and economically disadvantaged students who transfer from community colleges into baccalaureate programs.

(2) The grants shall be made under this program to Michigan public and independent colleges and universities. An award to any 1 institution shall not be greater than \$150,000.00, and the amount awarded shall be matched on a 70% state, 30% college or university basis.

(3) The program shall be administered by the Michigan department of career development.

Sec. 505. (1) Included in the appropriation for each public university in part 1 is funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks visiting professors program which is intended to increase the number of underrepresented minority instructors in the classroom and provide role models for underrepresented minority students.

(2) The program shall be administered by the Michigan department of career development.

Sec. 506. (1) Included in the appropriation in part 1 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 minority students, especially males, who enroll in and complete K-12 teacher education programs at the baccalaureate level.

(2) The program shall be administered by each state-approved teacher education institution in a manner prescribed by the Michigan department of career development.

(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.

Sec. 507. Each state institution of higher education receiving funds under section 503, 504, or 506 shall notify the Michigan department of career development by April 15, 2003 as to whether it will expend by the end of its fiscal year the funds received under section 503, 504, or 506. Notwithstanding the award limitations in sections 503 and 504, the amount of funding reported as not being expended will be reallocated to the institutions that intend to expend all funding received under section 503, 504, or 506.

STUDENT PERFORMANCE REPORTING

Sec. 601. (1) From the amount appropriated in part 1 for state universities, the state 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 of Michigan in cooperation with the Michigan association of secondary school principals.

(2) The Michigan high schools shall systematically inform the state universities about the use of information received under this section in a manner prescribed by the Michigan association of secondary school principals in cooperation with the presidents council, state universities of Michigan.

Sec. 602. From the amount appropriated in part 1 for state universities, the state 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 of Michigan in cooperation with the Michigan community college association.

GENERAL REPORTS AND AUDITS

Sec. 701. (1) The auditor general shall review higher education institutional data inventory (HEIDI) enrollment data submitted by all public universities and may perform audits of selected public universities if determined necessary. The review and audits shall be based upon the definitions, requirements, and uniform reporting categories established by the state budget director and the senate and house fiscal agencies. The auditor general shall submit a report of findings to the house and senate appropriations committees and the state budget director no later than July 1, 2003.

(2) Student credit hours reports shall not include the following:

(a) Student credit hours generated through correspondence courses, credit by examination, or inmate prison programs regardless of teaching location.

(b) Student credit hours generated in new degree programs after January 1, 1975, that have not been specifically authorized for funding by the legislature, except spin-off programs converted from existing core programs that do all of the following:

(i) Represent new options, fields, or concentrations within existing programs.

(ii) Are consistent with the current institutional role and mission.

(iii) Are accommodated within the continuing funding base of the institution.

(iv) Do not require a new degree level beyond that which the institution is currently authorized to grant within that discipline or field.

(v) Do not require funding from the state other than that provided by the student credit hours generated within the program, either before program initiation or within the first 3 years of program operation.

(3) The auditor general shall periodically audit higher education institutional data inventory (HEIDI) data as submitted by the state universities for compliance with the definitions approved by the HEIDI advisory committee for the HEIDI database.

Sec. 701a. (1) Pursuant to section 701(2)(b), the following degree programs may be established:

(a) Bachelors

Eastern Michigan University
Ferris State University
Ferris State University
Ferris State University
Ferris State University

Technology Management, B.S.
Communication Major, B.A.
Mathematics Major, B.A.
Biology Major, B.A.
E-Commerce Marketing, B.S.

Ferris State University	Industrial Technology and Management Concentration, B.A.S.
Lake Superior State University	Liberal Studies, B.A./B.S.
Michigan State University	Music Education, B.Mus.
Michigan Technological University	Bioinformatics, B.S.
University of Michigan	Joint Literature, Science and Arts/School of Natural Resources and Environment Degree in the Environment, B.A./B.S.
	Bachelor of Fine Arts (replaces existing curriculum), B.F.A.
(b) <u>Masters</u>	
Central Michigan University	Geographic Information Sciences, M.S.
Michigan State University	Applied Spanish Linguistics, M.A.
Michigan State University	Education, M.A.
Michigan State University	Zoo and Aquarium Management, M.S.
Michigan State University	Comparative Medicine and Integrative Biology, M.S.
Michigan State University	Logistics, M.S.
Michigan State University	Professional Applications in Anthropology, M.A.
Oakland University	Information Technology Management, M.S.
Oakland University	Embedded Systems, M.S.
Oakland University	Information Systems Engineering, M.S.
Oakland University	Liberal Studies, M.A.
University of Michigan	Interdisciplinary Program in Survey Methodology, M.S.
University of Michigan	Judaic Studies, M.A.
University of Michigan	Integrated Microsystems, M. Engineering
Western Michigan University	Performing Arts Administration, M.F.A.
Western Michigan University	Educational Technology, M.A.
(c) <u>Doctorate/Other</u>	
Central Michigan University	Doctor of Health Administration, D.H.A.
Oakland University	Doctorate in Physical Therapy (combined with DScPT proposal), D.P.T.
Oakland University	Doctorate of Science in Physical Therapy (combined with DPT proposal), D.S.P.T.
Michigan State University	Comparative Medicine & Integrative Biology, Ph.D.
University of Michigan	Interdisciplinary Program in Survey Methodology, Ph.D.
University of Michigan	Interdepartmental Program in Greek and Roman History, Ph.D.
University of Michigan-Flint	Doctor of Physical Therapy, D.P.T.
Wayne State University	Doctor of Audiology, Au.D.
Western Michigan University	Doctor of Audiology, Au.D.
Western Michigan University	Electrical and Computer Engineering, Ph.D.

(2) The listing of degree programs in subsection (1) does not constitute legislative intent to provide additional dollars for those programs.

Sec. 702. The principal executive officer of each institution of higher education receiving an appropriation under this act shall expend a portion of the funds appropriated to that institution to make a report to the auditor general, the house and senate fiscal agencies, and the state budget director within 60 days after the auditor general issues his or her report on the operation of the institution. The institution's report shall specify all of the following:

(a) The recommendations of the auditor general implemented by the institution, including projected dates and resources required, if any, to achieve compliance.

(b) The recommendations of the auditor general not implemented by the institution or implemented by the institution as modified.

(c) The rationale for not implementing a recommendation of the auditor general or of implementing a recommendation as modified.

Sec. 705. (1) As part of the higher education data inventory (HEIDI) submission, each state university shall report the following information for the 2001-2002 academic year on or before October 31, 2002:

(a) Separately, the number of full-time equated tenured faculty, tenure-track faculty, nontenure-track faculty, and instruction/research assistants who taught an undergraduate class section.

(b) The total number of undergraduate credit hours taught by each of the following:

(i) Tenured faculty.

(ii) Tenure-track faculty.

(iii) Nontenure-track faculty.

(iv) Instruction/research assistants.

(2) For the purposes of subsection (1), the following definitions apply:

(a) "Tenured faculty" means a faculty member who has earned tenure.

(b) "Tenure-track faculty" means a faculty member who has not yet earned tenure but is eligible to earn tenure.

(c) "Nontenure-track faculty" means a faculty member who is not eligible to earn tenure.

(d) "Instruction/research assistant" means an individual who is a master's or doctoral degree candidate.

(3) Each state university shall also report the following information for the 2001-2002 academic year, as part of the higher education data inventory (HEIDI) submission, on or before October 31, 2002:

(a) Separately, the fall term number (head count) of part-time faculty and full-time faculty.

(b) Separately, the fall term number (head count) of tenured faculty and nontenured faculty.

(4) For the purposes of subsection (3), the following definitions apply:

(a) "Part-time faculty" means an individual who does not have a full-time appointment as a faculty member.

(b) "Full-time faculty" means an individual who has a full-time appointment as a faculty member.

(c) "Tenured faculty" means an individual who has earned tenure and who does not hold an administrative post.

(d) "Nontenured faculty" means an individual who has not earned tenure.

Sec. 708. The auditor general shall conduct performance audits of not fewer than 3 state universities during the fiscal year ending September 30, 2003.

Sec. 709. (1) An institution receiving funds under this act and also subject to the student right-to-know and campus security act, Public Law 101-522, 104 Stat. 2381, shall furnish by October 15, 2002 to the Michigan department of education, a copy of all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat. 2381.

(2) Each institution shall make this information available in electronic internet format on their websites.

Sec. 710. By February 15, 2003, each public university that receives funds under this act shall report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies the aggregate dollar amount and the number and percentages of undergraduate students who receive need-based grants, merit-based scholarships and grants, loans, and work-study financial aid for the academic year 2001-2002.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Ray E. Randall

Clerk of the House of Representatives.

Approved _____

Governor.