

SUBSTITUTE FOR
SENATE BILL NO. 273

A bill to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2006; 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:

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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, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

1 **HIGHER EDUCATION**

2 APPROPRIATION SUMMARY:

3 Full-time equated classified positions 1.0

4 GROSS APPROPRIATION \$ 1,706,938,100

5 Interdepartmental grant revenues:

6 Total interdepartmental grants and intradepartmental

7 transfers 0

8 ADJUSTED GROSS APPROPRIATION \$ 1,706,938,100

9 Federal revenues:

10 Total federal revenues 3,500,000

11 Special revenue funds:

12 Total local revenues 0

13 Total private revenues 0

14 Total other state restricted revenues 146,500,000

15 State general fund/general purpose \$ 1,556,938,100

16 **Sec. 102. CENTRAL MICHIGAN UNIVERSITY**

17 Operations \$ 80,645,400

18 GROSS APPROPRIATION \$ 80,645,400

19 Appropriated from:

20 Special revenue funds:

21 Michigan merit award trust fund 538,440

22 State general fund/general purpose \$ 80,106,960

23 **Sec. 103. EASTERN MICHIGAN UNIVERSITY**

24 Operations \$ 76,115,400

25 GROSS APPROPRIATION \$ 76,115,400

26 Appropriated from:

27 State general fund/general purpose \$ 76,115,400

1	Sec. 104. FERRIS STATE UNIVERSITY		
2	Operations	\$	<u>48,386,100</u>
3	GROSS APPROPRIATION	\$	48,386,100
4	Appropriated from:		
5	State general fund/general purpose	\$	48,386,100
6	Sec. 105. GRAND VALLEY STATE UNIVERSITY		
7	Operations	\$	<u>69,590,300</u>
8	GROSS APPROPRIATION	\$	69,590,300
9	Appropriated from:		
10	Special revenue funds:		
11	Michigan merit award trust fund		5,000,000
12	State general fund/general purpose	\$	64,590,300
13	Sec. 106. LAKE SUPERIOR STATE UNIVERSITY		
14	Operations	\$	<u>12,564,600</u>
15	GROSS APPROPRIATION	\$	12,564,600
16	Appropriated from:		
17	State general fund/general purpose	\$	12,564,600
18	Sec. 107. MICHIGAN STATE UNIVERSITY		
19	Operations	\$	284,108,500
20	Agricultural experiment station		33,163,800
21	Cooperative extension service		<u>28,604,300</u>
22	GROSS APPROPRIATION	\$	345,876,600
23	Appropriated from:		
24	State general fund/general purpose	\$	345,876,600
25	Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY		
26	Operations	\$	<u>48,292,500</u>
27	GROSS APPROPRIATION	\$	48,292,500

1	Appropriated from:	
2	State general fund/general purpose	\$ 48,292,500
3	Sec. 109. NORTHERN MICHIGAN UNIVERSITY	
4	Operations	\$ <u>40,474,300</u>
5	GROSS APPROPRIATION	\$ 40,474,300
6	Appropriated from:	
7	State general fund/general purpose	\$ 40,474,300
8	Sec. 110. OAKLAND UNIVERSITY	
9	Operations	\$ <u>51,429,200</u>
10	GROSS APPROPRIATION	\$ 51,429,200
11	Appropriated from:	
12	Special revenue funds:	
13	Michigan merit award trust fund	1,941,768
14	State general fund/general purpose	\$ 49,487,432
15	Sec. 111. SAGINAW VALLEY STATE UNIVERSITY	
16	Operations	\$ <u>27,892,200</u>
17	GROSS APPROPRIATION	\$ 27,892,200
18	Appropriated from:	
19	Special revenue funds:	
20	Michigan merit award trust fund	2,019,792
21	State general fund/general purpose	\$ 25,872,408
22	Sec. 112. UNIVERSITY OF MICHIGAN-ANN ARBOR	
23	Operations	\$ <u>320,327,500</u>
24	GROSS APPROPRIATION	\$ 320,327,500
25	Appropriated from:	
26	State general fund/general purpose	\$ 320,327,500
27	Sec. 113. UNIVERSITY OF MICHIGAN-DEARBORN	

1	Operations	\$.	<u>24,358,200</u>
2	GROSS APPROPRIATION	\$	24,358,200
3	Appropriated from:		
4	State general fund/general purpose	\$	24,358,200
5	Sec. 114. UNIVERSITY OF MICHIGAN-FLINT		
6	Operations	\$	<u>20,886,600</u>
7	GROSS APPROPRIATION	\$	20,886,600
8	Appropriated from:		
9	State general fund/general purpose	\$	20,886,600
10	Sec. 115. WAYNE STATE UNIVERSITY		
11	Operations	\$.	<u>203,570,400</u>
12	GROSS APPROPRIATION	\$	203,570,400
13	Appropriated from:		
14	State general fund/general purpose	\$	203,570,400
15	Sec. 116. WESTERN MICHIGAN UNIVERSITY		
16	Operations	\$	<u>109,203,500</u>
17	GROSS APPROPRIATION	\$	109,203,500
18	Appropriated from:		
19	State general fund/general purpose	\$	109,203,500
20	Sec. 117. STATE AND REGIONAL PROGRAMS		
21	Full-time equated positions	1.0	
22	Higher education database modernization and		
23	conversion--1.0 FTE positions	\$	200,000
24	Collegiate employment research institute		100,000
25	Midwestern higher education compact		<u>90,000</u>
26	GROSS APPROPRIATION	\$	390,000
27	Appropriated from:		

1	State general fund/general purpose	\$	390,000
2	Sec. 118. MARTIN LUTHER KING, JR.-CESAR CHAVEZ-ROSA		
3	PARKS PROGRAM		
4	Select student supportive services	\$	1,956,100
5	Michigan college/university partnership program		586,800
6	Morris Hood, Jr. educator development program		<u>148,600</u>
7	GROSS APPROPRIATION	\$	2,691,500
8	Appropriated from:		
9	State general fund/general purpose	\$	2,691,500
10	Sec. 119. GRANTS AND FINANCIAL AID		
11	State competitive scholarships	\$	34,630,500
12	Tuition grants		58,768,100
13	Michigan work-study program		7,326,300
14	Part-time independent student program		2,653,300
15	Michigan education opportunity grants		2,084,200
16	Robert C. Byrd honors scholarship program		1,500,000
17	Nursing scholarship program		4,000,000
18	Michigan merit award program		101,281,400
19	Tuition incentive program		<u>12,000,000</u>
20	GROSS APPROPRIATION	\$	224,243,800
21	Appropriated from:		
22	Federal revenues:		
23	Higher education act of 1965, title IV, 20 USC		2,000,000
24	Higher education act of 1965, title IV, part A		1,500,000
25	Special revenue funds:		
26	Michigan merit award trust fund		137,000,000
27	State general fund/general purpose	\$	83,743,800

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 2005-2006 is \$1,703,438,100.00 and state spending from state resources to be paid to local units of government for fiscal year 2005-2006 is \$3,759,100.00. The itemized statement below identifies the estimated appropriations from which spending to local units of government will occur:

Part-time independent student program	\$	1,255,700
Michigan education opportunity grant		932,900
Michigan work-study		<u>1,570,500</u>
TOTAL	\$	3,759,100

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 receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement 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

1 competitively priced and of comparable quality American goods and
2 services, or both, are available. Preference should be given to
3 goods or services, or both, manufactured or provided by Michigan
4 businesses if they are competitively priced and of comparable
5 value.

6 Sec. 212. (1) The funds appropriated in part 1 to state
7 institutions of higher education shall be paid out of the state
8 treasury and distributed by the state treasurer to the respective
9 institutions in 11 equal monthly installments on the sixteenth of
10 each month, or the next succeeding business day, beginning with
11 October 17, 2005. Except for Wayne State University, each
12 institution shall accrue its July and August 2006 payments to its
13 institutional fiscal year ending June 30, 2006.

14 (2) All universities shall submit higher education
15 institutional data inventory (HEIDI) data and associated financial
16 and program information requested by and in a manner prescribed by
17 the state budget director. For universities with fiscal years
18 ending June 30, 2005, these data shall be submitted to the state
19 budget director by October 15, 2005. Universities with a fiscal
20 year ending September 30, 2005 shall submit preliminary HEIDI data
21 by November 15, 2005 and final data by December 15, 2005. If a
22 university fails to submit HEIDI data and associated financial aid
23 program information in accordance with this reporting schedule, the
24 state treasurer shall withhold the monthly installments under
25 subsection (1) to the university until those data are submitted.

26 (3) A detailed description of procedures utilized to arrive at
27 the amounts appropriated in part 1 shall be submitted to each

1 institution by the senate and house fiscal agencies.

2 Sec. 213. Funds received by the state from the federal
3 government or private sources for the use of a college or
4 university are appropriated for the purposes for which they are
5 provided. The acceptance and use of federal or private funds do not
6 place an obligation upon the legislature to continue the purposes
7 for which the funds are made available.

8 Sec. 214. If section 274 of the income tax act of 1967, 1967
9 PA 281, MCL 206.274, is not repealed and if a state institution of
10 higher education that receives funds under this act notifies the
11 department of treasury regarding its tuition and fee rates in order
12 to qualify as an eligible institution for the Michigan tuition tax
13 credit under section 274 of the income tax act of 1967, 1967 PA
14 281, MCL 206.274, the institution shall also submit the
15 notification and applicable documentation of tuition and fee
16 changes to the house and senate fiscal agencies.

17 Sec. 215. A state institution of higher education that
18 receives funds under this act shall furnish all program and
19 financial information that is required by and in a manner
20 prescribed by the state budget director or the house or senate
21 appropriations committee.

22 **GRANTS AND FINANCIAL AID**

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

26 (2) The Michigan higher education assistance authority shall

1 implement a proportional competitive scholarship maximum award
2 level for recipients enrolled less than full-time in a given
3 semester or term.

4 (3) If a student who receives an award under this section has
5 his or her tuition and fees paid under the Michigan educational
6 trust program, pursuant to the Michigan education trust act, 1986
7 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the
8 funds awarded under this section may be used for educational
9 expenses other than tuition and fees.

10 (4) If the Michigan higher education assistance authority
11 increases the maximum award per eligible student from that provided
12 in the previous fiscal year, it shall not have the effect of
13 reducing the number of eligible students receiving awards in
14 relation to the total number of eligible applicants. Any increase
15 in the maximum grant shall be proportional for all eligible
16 students receiving awards.

17 Sec. 302. (1) The amounts appropriated in part 1 for the state
18 tuition grant program shall be distributed pursuant to 1966 PA 313,
19 MCL 390.991 to 390.997a.

20 (2) Tuition grant awards shall be made to all eligible
21 Michigan residents who apply before July 15, 2005 and who are
22 qualified. Tuition grant awards shall not be made to students newly
23 enrolled in a juris doctor law degree program after the 1995-96
24 academic year.

25 (3) The Michigan higher education assistance authority shall
26 determine an actual maximum tuition grant award per student that
27 ensures that the aggregate payments for the tuition grant program

1 do not exceed the appropriation contained in part 1 for the state
2 tuition grant program. By December 15, 2005, and again by February
3 1, 2006, the authority shall analyze the status of award
4 commitments, shall make any necessary adjustments, and shall
5 confirm that those award commitments will not exceed the
6 appropriation contained in part 1 for the tuition grant program.
7 The determination and actions shall be reported to the state budget
8 director and the house and senate fiscal agencies no later than
9 February 15, 2006. If award adjustments are necessary, the students
10 shall be notified of the adjustment by the third Monday in
11 February.

12 (4) Any unexpended and unencumbered funds remaining on
13 September 30, 2006 from the amounts appropriated in part 1 for the
14 tuition grant program shall not lapse on September 30, 2006, but
15 shall continue to be available for expenditure for tuition grants
16 provided in the 2006-2007 fiscal year. The use of these unexpended
17 fiscal year 2005-2006 funds shall terminate at the end of the 2006-
18 2007 fiscal year.

19 (5) The Michigan higher education assistance authority shall
20 continue a proportional tuition grant maximum award level for
21 recipients enrolled less than full-time in a given semester or
22 term.

23 (6) If the Michigan higher education assistance authority
24 increases the maximum award per eligible student from that provided
25 in the previous fiscal year, it shall not have the effect of
26 reducing the number of eligible students receiving awards in
27 relation to the total number of eligible applicants. Any increase

1 in the maximum grant shall be proportional for all eligible
2 students receiving awards for fiscal year 2005-2006.

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

9 Sec. 303. (1) Included in the appropriation in part 1 is
10 funding for the Michigan work-study program established under 1986
11 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to
12 390.1332. An effort should be made by each institution
13 participating in the Michigan work-study program to assure that not
14 less than 10% of those undergraduate, graduate, and professional
15 students eligible to participate in the program are placed with
16 for-profit employers no later than December 31 of each year for
17 which funding is provided under this act.

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

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

1 (2).

2 Sec. 307. The auditor general may audit selected enrollments,
3 degrees, and awards at selected independent colleges and
4 universities receiving awards administered by the department of
5 treasury. The audits shall be based upon definitions and
6 requirements established by the Michigan higher education
7 assistance authority, the state budget director, and the senate and
8 house fiscal agencies. The auditor general shall accept the Free
9 Application for Federal Student Aid (FAFSA) form as the standard of
10 residency documentation. The auditor general shall submit a report
11 of findings to the senate and house appropriations committees and
12 state budget director by May 1, 2006.

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

17 (a) For the state competitive scholarship, nursing
18 scholarship, tuition incentive, and tuition grant programs, 40%
19 shall be paid at the beginning of the state's first fiscal quarter,
20 40% at the beginning of the state's second fiscal quarter, 10% at
21 the beginning of the state's third fiscal quarter, and 10% at the
22 beginning of the state's fourth fiscal quarter.

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

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

1 beginning of the state's second fiscal quarter, and 25% at the
2 beginning of the state's third fiscal quarter.

3 (d) For the Robert C. Byrd honors scholarship program, 50%
4 shall be paid at the beginning of the state's first fiscal quarter
5 and 50% at the beginning of the state's second fiscal quarter.

6 (e) For the dental clinics grant program, 25% shall be paid at
7 the beginning of the state's first fiscal quarter, 25% at the
8 beginning of the state's second fiscal quarter, 25% at the
9 beginning of the state's third fiscal quarter, and 25% at the
10 beginning of the state's fourth fiscal quarter.

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

16 Sec. 310. (1) The funds appropriated in part 1 for the tuition
17 incentive program/high school completion program shall be
18 distributed as provided in this section and pursuant to the
19 administrative procedures for the tuition incentive program/high
20 school completion program of the department of treasury.

21 (2) As used in this section:

22 (a) "Phase I" means the first part of the tuition incentive
23 assistance program defined as the academic period of 80 semester or
24 120 term credits, or less, leading to an associate degree or
25 certificate.

26 (b) "Phase II" means the second part of the tuition incentive
27 assistance program which provides assistance in the third and

1 fourth year of 4-year degree programs.

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

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

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

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

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

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

14 (iv) Be at least a half-time student, earning less than 80
15 semester or 120 term credits at a participating educational
16 institution within 4 years of high school graduation or GED
17 certificate completion.

18 (b) To be eligible for phase II, a person shall meet either of
19 the following criteria in addition to the criteria in subdivision

20 (a):

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

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

25 (c) To be eligible for phase I or phase II, a person must be
26 financially eligible as determined by the department. A person is
27 financially eligible for the tuition incentive program if that

1 person was Medicaid eligible for 24 months within the 36 months
2 before application. Certification of eligibility may begin in the
3 sixth grade.

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

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

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

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

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

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

27 (6) A person participating in phase II may be eligible for

1 additional funds not to exceed \$500.00 per semester or \$400.00 per
2 term up to a maximum of \$2,000.00 subject to the following
3 conditions:

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

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

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

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

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

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

27 Sec. 311. To enable the legislature and the state budget

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

5 Sec. 312. From the funds appropriated in part 1, the Michigan
6 higher education assistance authority shall administer the nursing
7 scholarship program pursuant to the Michigan nursing scholarship
8 act, 2002 PA 591, MCL 390.1181 to 390.1189.

9 Sec. 313. It is the intent of the legislature that Michigan
10 public universities expand their current nursing education
11 programs, and increase nursing education program enrollments. This
12 expansion may include, but is not limited to, creating partnerships
13 with hospitals and other health care providers, expanding the focus
14 and utilization of the nursing scholarship program, and redirecting
15 existing institutional resources toward nursing education programs.

16 **STATE UNIVERSITIES**

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

25 Sec. 405. (1) The higher education institutional data
26 inventory advisory committee shall be appointed by the state budget

1 director and shall consist of the following members:

2 (a) One representative from the house fiscal agency.

3 (b) One representative from the senate fiscal agency.

4 (c) One representative from the state budget director's
5 office.

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

9 (2) The committee shall be responsible for maintaining and
10 enhancing the state higher education database for which funding is
11 included in part 1.

12 Sec. 406. (1) Included in part 1 is funding for the collegiate
13 employment research institute at Michigan State University. The
14 funding in part 1 shall be used by the collegiate employment
15 research institute to collect data from Michigan postsecondary
16 educational institutions and to provide a report on job placement
17 and first destination information for graduating students. The
18 report shall include, but not be limited to, the following
19 information for each Michigan public university for academic year
20 2003-2004:

21 (a) Total number of graduates, by degree level and major CIP
22 category.

23 (b) Data elements for each major CIP category shall include:

24 (i) Number of graduates.

25 (ii) Number of graduates who responded.

26 (iii) Number of respondents employed in Michigan.

27 (iv) Number of respondents employed outside of Michigan.

1 (v) Number of respondents employed full-time.

2 (vi) Number of respondents enrolled at Michigan postsecondary
3 institutions.

4 (vii) Number of respondents enrolled at postsecondary
5 institutions outside Michigan.

6 (viii) Number of respondents in volunteer positions, handling
7 family responsibilities, traveling, or not participating in the
8 paid workforce.

9 (ix) Number of respondents still looking for employment.

10 (x) Number of respondents reporting a starting salary.

11 (xi) Number of respondents reporting starting salaries in
12 Michigan and the amount of those Michigan starting salaries.

13 (xii) Number of respondents reporting starting salaries outside
14 Michigan and the amount of those starting salaries outside
15 Michigan.

16 (2) The report shall be submitted to the house and senate
17 appropriations subcommittees on higher education, the state budget
18 director, and the house and senate fiscal agencies by January 15,
19 2006. The report data shall also be submitted to the higher
20 education institutional data inventory (HEIDI) database.

21 (3) All 15 Michigan public universities shall submit data to
22 the collegiate employment research institute in a manner prescribed
23 by the HEIDI advisory committee and the state budget director.

24 Sec. 426. It is the legislative intent that private bookstores
25 that sell textbooks to university students and student governments
26 that provide a book swap for university students have accurate and
27 timely access to lists of universities' required textbooks in order

1 to provide prompt and efficient service for students. It is further
2 the legislative intent that each state university allow students
3 who are on financial aid or are receiving tuition grants to decide
4 where to purchase their textbooks.

5 Sec. 433. (1) Included in part 1 is \$2,953,400.00 for the
6 agricultural experiment station and \$2,619,000.00 for the
7 cooperative extension service for project GREEN. Project GREEN is
8 intended to address critical regulatory, food safety, economic, and
9 environmental problems faced by this state's plant-based
10 agriculture, forestry, and processing industries. "GREEN" is an
11 acronym for generating research and extension to meet environmental
12 and economic needs.

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

17 (3) Not later than September 30, 2006, a report shall be
18 submitted by Michigan State University to the state budget
19 director, the house and senate appropriations subcommittees on
20 agriculture and on higher education, and the house and senate
21 fiscal agencies for the preceding fiscal year regarding project
22 GREEN projects. The report shall include, but is not limited to,
23 the dollar amount of each project and a review of each project's
24 performance and accomplishments.

25 Sec. 436. It is the intent of the legislature that, if any
26 Michigan public university increases its resident undergraduate
27 tuition and required fees from academic year 2004-2005 to academic

1 year 2005-2006, then that university shall increase its fiscal year
2 2005-2006 general fund expenditures for student financial aid by at
3 least the same percentage as the percentage change in resident
4 undergraduate tuition and required fees. Each public university
5 shall report its proposed fiscal year 2005-2006 general fund
6 expenditures for student financial aid compared to its projected
7 fiscal year 2004-2005 general fund expenditures for student
8 financial aid, and its projected academic year 2005-2006 resident
9 undergraduate tuition and required fee changes from academic year
10 2004-2005, to the state budget director and the house and senate
11 appropriations subcommittees on higher education by November 15,
12 2005.

13 Sec. 437. It is the intent of the legislature that funds in a
14 Michigan public school employee retirement system (MPERS)
15 stabilization subaccount be used for fiscal year 2005-2006 to
16 provide at least a \$3,960,000.00 subsidy of the payroll
17 contribution rate for the 7 state universities that have employees
18 in the MPERS system.

19 Sec. 440. All universities shall submit the amount of tuition
20 and fees actually charged to a full-time resident undergraduate
21 student for academic year 2005-2006 as part of their higher
22 education institutional data inventory (HEIDI) data by August 31,
23 2005. A university shall report any revisions for any semester of
24 the reported academic year 2005-2006 tuition and fee charges to
25 HEIDI within 15 days of being adopted.

26 Sec. 450. The amount allocated under part 1 for per-student
27 floor funding is equal to \$3,750.00 per 2003-2004 fiscal-year-

1 equated student at each university. The number of 2003-2004 fiscal-
2 year-equated students at a university is determined by reference to
3 the higher education institutional data inventory (HEIDI).

4 Sec. 461. From the amount appropriated in part 1 to Lake
5 Superior State University for operations, \$100,000.00 shall be paid
6 to Bay Mills Community College for the costs of waiving tuition for
7 North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

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

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

17 (2) The program shall be administered by each university in a
18 manner prescribed by the Michigan department of labor and economic
19 growth. The Michigan department of labor and economic growth shall
20 use a good faith effort standard to evaluate whether a fellowship
21 is in default.

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

1 (2) Individual program plans of each university shall include
2 a budget of equal contributions from this program, the
3 participating public university, the participating school district,
4 and the participating independent degree granting college. College
5 day funds shall not be expended to cover indirect costs. Not more
6 than 20% of the university match shall be attributable to indirect
7 costs. Each university shall apply the percentage change applicable
8 to every university in the calculation of appropriations in part 1
9 to the amount of funds allocated to the college day program.

10 (3) The program shall be administered by each university in a
11 manner prescribed by the Michigan department of labor and economic
12 growth.

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

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

21 (3) The program shall be administered by the Michigan
22 department of labor and economic growth.

23 Sec. 504. (1) Included in part 1 is funding for the Martin
24 Luther King, Jr. - Cesar Chavez - Rosa Parks college/university
25 partnership program between 4-year public and independent colleges
26 and universities and public community colleges, which is intended
27 to increase the number of academically and economically

1 disadvantaged students who transfer from community colleges into
2 baccalaureate programs.

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

8 (3) The program shall be administered by the Michigan
9 department of labor and economic growth.

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

16 (2) The program shall be administered by the Michigan
17 department of labor and economic growth.

18 Sec. 506. (1) Included in the appropriation in part 1 is
19 funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa
20 Parks initiative for the Morris Hood, Jr. educator development
21 program which is intended to increase the number of minority
22 students, especially males, who enroll in and complete K-12 teacher
23 education programs at the baccalaureate level.

24 (2) The program shall be administered by each state-approved
25 teacher education institution in a manner prescribed by the
26 Michigan department of labor and economic growth.

27 (3) Approved teacher education institutions may and are

1 encouraged to use student support services funding in coordination
2 with the Morris Hood, Jr. funding to achieve the goals of the
3 program.

4 Sec. 507. Each state institution of higher education receiving
5 funds under section 503, 504, or 506 shall notify the Michigan
6 department of labor and economic growth by April 15, 2006 as to
7 whether it will expend by the end of its fiscal year the funds
8 received under section 503, 504, or 506. Notwithstanding the award
9 limitations in sections 503 and 504, the amount of funding reported
10 as not being expended will be reallocated to the institutions that
11 intend to expend all funding received under section 503, 504, or
12 506.

13 **STUDENT PERFORMANCE REPORTING**

14 Sec. 601. (1) From the amount appropriated in part 1 for state
15 universities, the state universities shall systematically inform
16 Michigan high schools regarding the academic status of students
17 from each high school in a manner prescribed by the presidents
18 council state universities of Michigan in cooperation with the
19 Michigan association of secondary school principals.

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

25 Sec. 602. From the amount appropriated in part 1 for state
26 universities, the state universities shall inform Michigan

1 community colleges regarding the academic status of community
2 college transfer students in a manner prescribed by the presidents
3 council state universities of Michigan in cooperation with the
4 Michigan community college association.

5 **GENERAL REPORTS AND AUDITS**

6 Sec. 701. (1) The auditor general shall review higher
7 education institutional data inventory (HEIDI) enrollment data
8 submitted by all public universities and may perform audits of
9 selected public universities if determined necessary. The review
10 and audits shall be based upon the definitions, requirements, and
11 uniform reporting categories established by the state budget
12 director and the senate and house fiscal agencies. The auditor
13 general shall submit a report of findings to the house and senate
14 appropriations committees and the state budget director no later
15 than July 1, 2006.

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

18 (a) Student credit hours generated through instructional
19 activity by faculty or staff in classrooms located outside
20 Michigan, with the exception of instructional activity related to
21 study-abroad programs or field programs.

22 (b) Student credit hours generated through distance learning
23 instruction for students not paying the institution's resident
24 tuition rate.

25 (c) Student credit hours generated through credit by
26 examination.

1 (d) Student credit hours generated through inmate prison
2 programs regardless of teaching location.

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

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

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

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

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

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

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

24 (4) "Distance learning instruction" as used in subsection (2)
25 means instruction that occurs in other than a traditional classroom
26 setting where the student and instructor are in the same physical
27 location and for which a student receives course credits and is

1 charged tuition and fees. Examples of distance learning instruction
2 are instruction delivered solely through the Internet, cable
3 television, teleconference, or mail.

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

6 (a) Bachelors

7 Eastern Michigan University Creative Writing, B.A./B.S.

8 Grand Valley State University Athletic Training Major, B.S.

9 Lake Superior State University Spanish, B.A.

10 Michigan Technological University Audio Production and
11 Technology, B.S.

12 Michigan Technological University Cheminformatics, B.S.

13 Michigan Technological University Communication & Culture
14 Studies w/concentrations in Communication in Contemporary Culture;
15 Communication in Human Interactions and Global Contexts;
16 Communication Media

17 Michigan Technological University Pharmaceutical Chemistry,
18 B.S.

19 Michigan Technological University Sound Design, B.A.

20 Michigan Technological University Theatre and Entertainment
21 Technology, B.A.

22 Michigan Technological University Theatre and Entertainment
23 Technology, B.S.

24 Michigan Technological University Wildlife Ecology and
25 Management, B.S.

26 University of Michigan-Ann Arbor Earth Systems Science and
27 Engineering, B.S.

1 University of Michigan-Ann Arbor Neuroscience Concentration,
2 B.S.

3 University of Michigan-Flint Music (Performance), B.S.

4 (b) Masters

5 Eastern Michigan University Earth Science Education, M.S.

6 Eastern Michigan University Orthotics and Prosthetics, M.S.

7 Saginaw Valley State University Occupational Therapy Program,
8 M.A.

9 University of Michigan-Ann Arbor Global Automotive and
10 Manufacturing Engineering, M.E.

11 University of Michigan-Ann Arbor Space Engineering, M. Eng.

12 University of Michigan-Dearborn Masters of Public Policy,
13 Masters

14 University of Michigan-Flint Computer and Information Systems,
15 M.S.

16 University of Michigan-Flint Master of Arts in Social
17 Sciences, M.A.

18 Western Michigan University Master of Science in Civil
19 Engineering, M.S.E.

20 Western Michigan University Nursing, M.S.N.

21 (c) Doctorate

22 Michigan Technological University Industrial Heritage and
23 Archeology, Ph.D.

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

27 (3) When submitting the listing of new degree programs for

1 future fiscal years, the presidents council shall also provide a
2 listing of degree programs that will no longer be offered in
3 subsequent academic years.

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

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

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

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

19 Sec. 708. The auditor general may conduct performance audits
20 of state universities during the fiscal year ending September 30,
21 2006 as the auditor general considers necessary.

22 Sec. 709. An institution receiving funds under this bill and
23 also subject to the student right-to-know and campus security act,
24 Public Law 101-542, 104 Stat. 2381, shall make a copy of all
25 material prepared pursuant to the public information reporting
26 requirements under the crime awareness and campus security act of
27 1990, title II of the student right-to-know and campus security

- 1 act, Public Law 101-542, 104 Stat. 2381, available in electronic
- 2 Internet format on their websites.