

**SUBSTITUTE FOR
HOUSE BILL NO. 4350**

A bill to make appropriations for certain state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2008; 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:

1
2
3
4
5
6

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 certain state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2008, from

1 the funds indicated in this part. The following is a summary of the
 2 appropriations in this part:

3 APPROPRIATION SUMMARY:

| | | | |
|----|--|-----|----------------------|
| 4 | Full-time equated classified positions..... | 1.0 | |
| 5 | GROSS APPROPRIATION..... | | \$ 957,965,100 |
| 6 | Interdepartmental grant revenues: | | |
| 7 | Total interdepartmental grants and intradepartmental | | |
| 8 | transfers | | 0 |
| 9 | ADJUSTED GROSS APPROPRIATION..... | | \$ 957,965,100 |
| 10 | Federal revenues: | | |
| 11 | Total federal revenues..... | | 6,000,000 |
| 12 | Special revenue funds: | | |
| 13 | Total local revenues..... | | 0 |
| 14 | Total private revenues..... | | 0 |
| 15 | Total other state restricted revenues..... | | 125,800,000 |
| 16 | State general fund/general purpose..... | | \$ 826,165,100 |
| 17 | Sec. 102. CENTRAL MICHIGAN UNIVERSITY | | |
| 18 | Operations..... | | \$ <u>86,455,500</u> |
| 19 | GROSS APPROPRIATION..... | | \$ 86,455,500 |
| 20 | Appropriated from: | | |
| 21 | State general fund/general purpose..... | | \$ 86,455,500 |
| 22 | Sec. 103. EASTERN MICHIGAN UNIVERSITY | | |
| 23 | Operations..... | | \$ <u>81,782,300</u> |
| 24 | GROSS APPROPRIATION..... | | \$ 81,782,300 |
| 25 | Appropriated from: | | |
| 26 | State general fund/general purpose..... | | \$ 81,782,300 |
| 27 | Sec. 104. FERRIS STATE UNIVERSITY | | |

| | | | |
|----|---|----|-------------------|
| 1 | Operations..... | \$ | <u>52,738,900</u> |
| 2 | GROSS APPROPRIATION..... | \$ | 52,738,900 |
| 3 | Appropriated from: | | |
| 4 | State general fund/general purpose..... | \$ | 52,738,900 |
| 5 | Sec. 105. GRAND VALLEY STATE UNIVERSITY | | |
| 6 | Operations..... | \$ | <u>68,126,000</u> |
| 7 | GROSS APPROPRIATION..... | \$ | 68,126,000 |
| 8 | Appropriated from: | | |
| 9 | State general fund/general purpose..... | \$ | 68,126,000 |
| 10 | Sec. 106. LAKE SUPERIOR STATE UNIVERSITY | | |
| 11 | Operations..... | \$ | <u>14,359,000</u> |
| 12 | GROSS APPROPRIATION..... | \$ | 14,359,000 |
| 13 | Appropriated from: | | |
| 14 | State general fund/general purpose..... | \$ | 14,359,000 |
| 15 | Sec. 107. MICHIGAN TECHNOLOGICAL UNIVERSITY | | |
| 16 | Operations..... | \$ | <u>52,449,800</u> |
| 17 | GROSS APPROPRIATION..... | \$ | 52,449,800 |
| 18 | Appropriated from: | | |
| 19 | State general fund/general purpose..... | \$ | 52,449,800 |
| 20 | Sec. 108. NORTHERN MICHIGAN UNIVERSITY | | |
| 21 | Operations..... | \$ | <u>48,767,900</u> |
| 22 | GROSS APPROPRIATION..... | \$ | 48,767,900 |
| 23 | Appropriated from: | | |
| 24 | State general fund/general purpose..... | \$ | 48,767,900 |
| 25 | Sec. 109. OAKLAND UNIVERSITY | | |
| 26 | Operations..... | \$ | <u>55,116,800</u> |
| 27 | GROSS APPROPRIATION..... | \$ | 55,116,800 |

| | | | |
|----|---|----|--------------------|
| 1 | Appropriated from: | | |
| 2 | State general fund/general purpose | \$ | 55,116,800 |
| 3 | Sec. 110. SAGINAW VALLEY STATE UNIVERSITY | | |
| 4 | Operations..... | \$ | <u>30,491,000</u> |
| 5 | GROSS APPROPRIATION..... | \$ | 30,491,000 |
| 6 | Appropriated from: | | |
| 7 | State general fund/general purpose | \$ | 30,491,000 |
| 8 | Sec. 111. UNIVERSITY OF MICHIGAN - DEARBORN | | |
| 9 | Operations..... | \$ | <u>27,312,300</u> |
| 10 | GROSS APPROPRIATION..... | \$ | 27,312,300 |
| 11 | Appropriated from: | | |
| 12 | State general fund/general purpose | \$ | 27,312,300 |
| 13 | Sec. 112. UNIVERSITY OF MICHIGAN - FLINT | | |
| 14 | Operations..... | \$ | <u>23,081,800</u> |
| 15 | GROSS APPROPRIATION..... | \$ | 23,081,800 |
| 16 | Appropriated from: | | |
| 17 | State general fund/general purpose | \$ | 23,081,800 |
| 18 | Sec. 113. WESTERN MICHIGAN UNIVERSITY | | |
| 19 | Operations..... | \$ | <u>118,164,700</u> |
| 20 | GROSS APPROPRIATION..... | \$ | 118,164,700 |
| 21 | Appropriated from: | | |
| 22 | State general fund/general purpose | \$ | 118,164,700 |
| 23 | Sec. 114. SUPPLEMENTAL PAYMENT | | |
| 24 | One-time supplemental payment..... | \$ | <u>56,825,200</u> |
| 25 | GROSS APPROPRIATION..... | \$ | 56,825,200 |
| 26 | Appropriated from: | | |
| 27 | State general fund/general purpose | \$ | 56,825,200 |

| | | | |
|----|--|-----|----------------|
| 1 | Sec. 115. STATE AND REGIONAL PROGRAMS | | |
| 2 | Full-time equated position | 1.0 | |
| 3 | Higher education database modernization and | | |
| 4 | conversion--1.0 FTE positions..... | | \$ 200,000 |
| 5 | Midwestern higher education compact..... | | <u>90,000</u> |
| 6 | GROSS APPROPRIATION..... | | \$ 290,000 |
| 7 | Appropriated from: | | |
| 8 | State general fund/general purpose..... | | \$ 290,000 |
| 9 | Sec. 116. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - | | |
| 10 | ROSA PARKS PROGRAM | | |
| 11 | Select student supportive services..... | | \$ 1,956,100 |
| 12 | Michigan college/university partnership program..... | | 586,800 |
| 13 | Morris Hood, Jr. educator development program..... | | <u>148,600</u> |
| 14 | GROSS APPROPRIATION..... | | \$ 2,691,500 |
| 15 | Appropriated from: | | |
| 16 | State general fund/general purpose..... | | \$ 2,691,500 |
| 17 | Sec. 117. GRANTS AND FINANCIAL AID | | |
| 18 | State competitive scholarships..... | | \$ 34,130,500 |
| 19 | Tuition grants..... | | 58,768,100 |
| 20 | Michigan work-study program..... | | 7,326,300 |
| 21 | Part-time independent student program..... | | 2,653,300 |
| 22 | Michigan education opportunity grants..... | | 2,084,200 |
| 23 | Robert C. Byrd honors scholarship program..... | | 1,500,000 |
| 24 | Nursing scholarship and grant programs..... | | 4,250,000 |
| 25 | Michigan merit award program..... | | 60,000,000 |
| 26 | Michigan promise grant program..... | | 43,500,000 |
| 27 | Tuition incentive program..... | | 21,100,000 |

| | | |
|----|---|------------------|
| 1 | Children of veterans tuition grant program..... | 1,000,000 |
| 2 | Project gear-up..... | <u>3,000,000</u> |
| 3 | GROSS APPROPRIATION..... | \$ 239,312,400 |
| 4 | Appropriated from: | |
| 5 | Federal revenues: | |
| 6 | Higher education act of 1965, title IV, 20 USC..... | 1,500,000 |
| 7 | Higher education act of 1965, title IV, part A..... | 1,500,000 |
| 8 | United States department of education, office of | |
| 9 | elementary and secondary education, gear-up..... | 3,000,000 |
| 10 | Special revenue funds: | |
| 11 | Michigan merit award trust fund..... | 123,600,000 |
| 12 | Michigan higher education assistance authority | |
| 13 | operating fund | 1,200,000 |
| 14 | Contributions to children of veterans tuition grant | |
| 15 | program | 1,000,000 |
| 16 | State general fund/general purpose..... | \$ 107,512,400 |

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

19 Sec. 201. Pursuant to section 30 of article IX of the state
20 constitution of 1963, total state spending from state resources
21 under part 1 for fiscal year 2007-2008 is \$951,965,100.00 and state
22 spending from state resources to be paid to local units of
23 government for fiscal year 2007-2008 is \$3,759,100.00. The itemized
24 statement below identifies the estimated appropriations from which
25 spending to local units of government will occur:

| | | |
|----|--|--------------|
| 26 | Part-time independent student program..... | \$ 1,255,700 |
|----|--|--------------|

| | | |
|---|---|------------------|
| 1 | Michigan education opportunity grants | 932,900 |
| 2 | Michigan work-study..... | <u>1,570,500</u> |
| 3 | TOTAL..... | \$ 3,759,100 |

4 Sec. 202. The appropriations authorized under this part and
5 part 1 are subject to the management and budget act, 1984 PA 431,
6 MCL 18.1101 to 18.1594.

7 Sec. 211. (1) The auditor general shall review higher
8 education institutional data inventory (HEIDI) enrollment data
9 submitted by all state universities and may perform audits of
10 selected state universities if determined necessary. The review and
11 audits shall be based upon the definitions, requirements, and
12 uniform reporting categories established by the state budget
13 director and the senate and house fiscal agencies. The auditor
14 general shall submit a report of findings to the house and senate
15 appropriations committees and the state budget director no later
16 than July 1, 2008.

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

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

23 (b) Student credit hours generated through distance learning
24 instruction for students not eligible for the institution's in-
25 state main campus resident tuition rate.

26 (c) Student credit hours generated through credit by
27 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 solely in other than a traditional
26 classroom setting where the student and instructor are in the same
27 physical location and for which a student receives course credits

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

4 Sec. 212. (1) Pursuant to section 211(2)(e), state
5 universities may establish the following degree programs:

6 (a) Bachelor's degree programs:

7 Central Michigan University, Integrated Science, B.S. in Ed.

8 Central Michigan University, Law and Economics, B.A., B.S.,

9 B.S. in B.A.

10 Central Michigan University, Meteorology, B.S.

11 Eastern Michigan University, Cross Disciplinary Studies,

12 B.A./B.S.

13 Eastern Michigan University, Information Assurance, B.A./B.S.

14 Eastern Michigan University, Supply Chain Management, B.B.A.

15 Grand Valley State University, Chinese Studies Major, B.A.

16 Lake Superior State University, Physical Science: Teaching,

17 B.S.

18 Lake Superior State University, School of Education, B. Ed.

19 University of Michigan - Flint, Biochemistry, B.S.

20 University of Michigan - Flint, Theatre Design and

21 Technology, B.S.

22 University of Michigan - Flint, Visual Communication, B.F.A.

23 (b) Master's degree programs:

24 Eastern Michigan University, Integrated Marketing

25 Communications, M.S.

26 Oakland University, Safety Management, M.S.

27 University of Michigan - Dearborn, Master of Science in

1 Management Information Systems, M.S.

2 University of Michigan - Flint, English, M.A.

3 (c) Doctoral degree programs:

4 Michigan Technological University, Atmospheric Sciences, Ph.D.

5 Oakland University, Doctor of Nursing Practice, D.N.P.

6 Oakland University, Music Education, Ph.D.

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

10 (3) When submitting the listing of new degree programs for
11 purposes of section 211(2)(e) in fiscal years after 2007-2008, the
12 presidents council of state universities shall also provide a
13 listing of degree programs that institutions of higher education
14 will no longer offer in subsequent academic years.

15 Sec. 213. The principal executive officer of each institution
16 of higher education receiving an appropriation under this act shall
17 expend a portion of the funds appropriated to that institution to
18 make a report to the auditor general, the house and senate fiscal
19 agencies, and the state budget director within 60 days after the
20 auditor general issues his or her report on the operation of the
21 institution. The institution's report shall specify all of the
22 following:

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

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

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

3 Sec. 214. The auditor general may conduct performance audits
4 of state universities during the fiscal year ending September 30,
5 2008 as the auditor general considers necessary.

6 Sec. 215. An institution of higher education receiving funds
7 under this act and also subject to the student right-to-know and
8 campus security act, Public Law 101-522, 104 Stat. 2381, shall make
9 a copy of all material prepared pursuant to the public information
10 reporting requirements under the crime awareness and campus
11 security act of 1990, title II of the student right-to-know and
12 campus security act, Public Law 101-542, 104 Stat. 2381, available
13 in electronic Internet format on their websites.

14 Sec. 221. Unless otherwise specified, the institutions of
15 higher education receiving appropriations in part 1 shall use the
16 Internet to fulfill the reporting requirements of this part. This
17 requirement may include transmission of reports via electronic mail
18 to the recipients identified for each reporting requirement, or it
19 may include placement of reports on an Internet or Intranet site.

20 Sec. 222. Funds appropriated in part 1 shall not be used for
21 the purchase of foreign goods or services, or both, if
22 competitively priced and of comparable quality American goods and
23 services, or both, are available. Preference should be given to
24 goods or services, or both, manufactured or provided by Michigan
25 businesses if they are competitively priced and of comparable
26 value.

27 Sec. 223. The funds appropriated in part 1 to state

1 institutions of higher education shall not be used to enter into a
2 lease or to purchase a vehicle produced by a foreign auto
3 manufacturer.

4 Sec. 224. (1) The funds appropriated in part 1 to state
5 institutions of higher education, except for the 1-time
6 supplemental payment described in subsection (2), shall be paid out
7 of the state treasury and distributed by the state treasurer to the
8 respective institutions in 11 equal monthly installments on the
9 sixteenth of each month, or the next succeeding business day,
10 beginning with October 16, 2007. Each institution shall accrue its
11 July and August 2008 payments to its institutional fiscal year
12 ending June 30, 2008.

13 (2) The funds appropriated in part 1 to state institutions of
14 higher education for the 1-time supplemental payment shall be paid
15 out of the state treasury and distributed by the state treasurer to
16 the respective institutions on October 16, 2007. The payment made
17 to each institution shall be equal to the sum of the delayed
18 payment reduction contained in Executive Order 2007-3 and the
19 payment delay reduction contained in section 112 of 2007 PA 17.
20 Each state institution of higher education shall accrue this
21 payment to its institutional fiscal year ending June 30, 2007.

22 (3) All universities shall submit higher education
23 institutional data inventory (HEIDI) data and associated financial
24 and program information requested by and in a manner prescribed by
25 the state budget director by October 15, 2007. If a university
26 fails to submit HEIDI data and associated financial aid program
27 information in accordance with this reporting schedule, the state

1 treasurer shall withhold the monthly installments under subsection
2 (1) to the university until those data are submitted.

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

6 Sec. 225. Funds received by the state from the federal
7 government or private sources for the use of a college or
8 university are appropriated for the purposes for which they are
9 provided. The acceptance and use of federal or private funds do not
10 place an obligation upon the legislature to continue the purposes
11 for which the funds are made available.

12 Sec. 226. If section 274 of the income tax act of 1967, 1967
13 PA 281, MCL 206.274, is not repealed and if a state institution of
14 higher education that receives funds under this act notifies the
15 department of treasury regarding its tuition and fee rates in order
16 to qualify as an eligible institution for the Michigan tuition tax
17 credit under section 274 of the income tax act of 1967, 1967 PA
18 281, MCL 206.274, the institution shall also submit the
19 notification and applicable documentation of tuition and fee
20 changes to the house and senate fiscal agencies.

21 Sec. 227. A state institution of higher education that
22 receives funds under this act shall furnish all program and
23 financial information that is required by and in a manner
24 prescribed by the state budget director or the house or senate
25 appropriations committee.

26 Sec. 301. (1) From the amount appropriated in part 1 for state
27 universities, the state universities shall systematically inform

1 Michigan high schools regarding the academic status of students
2 from each high school in a manner prescribed by the presidents
3 council, state universities of Michigan in cooperation with the
4 Michigan association of secondary school principals.

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

10 Sec. 302. From the amount appropriated in part 1 for state
11 universities, the state universities shall inform Michigan
12 community colleges regarding the academic status of community
13 college transfer students in a manner prescribed by the presidents
14 council, state universities of Michigan in cooperation with the
15 Michigan community college association.

16 Sec. 401. (1) Included in the appropriation for each state
17 university in part 1 is funding for the Martin Luther King, Jr. -
18 Cesar Chavez - Rosa Parks future faculty program, that is intended
19 to increase the pool of academically or economically disadvantaged
20 candidates pursuing faculty teaching careers in postsecondary
21 education. Preference may not be given to applicants on the basis
22 of race, color, ethnicity, gender, or national origin. Institutions
23 should encourage applications from applicants who would otherwise
24 not adequately be represented in the graduate student and faculty
25 populations. Each state university shall apply the percentage
26 change applicable to every state university in the calculation of
27 appropriations in part 1 to the amount of funds allocated to the

1 future faculty program.

2 (2) The program shall be administered by each state university
3 in a manner prescribed by the Michigan department of labor and
4 economic growth. The Michigan department of labor and economic
5 growth shall use a good faith effort standard to evaluate whether a
6 fellowship is in default.

7 Sec. 402. (1) Included in the appropriation for each state
8 university in part 1 is funding for the Martin Luther King, Jr. -
9 Cesar Chavez - Rosa Parks college day program that is intended to
10 introduce academically or economically disadvantaged schoolchildren
11 to the potential of a college education. Preference may not be
12 given to participants on the basis of race, color, ethnicity,
13 gender, or national origin. Institutions should encourage
14 participation from those who would otherwise not adequately be
15 represented in the student population.

16 (2) Individual program plans of each state university shall
17 include a budget of equal contributions from this program, the
18 participating state university, the participating school district,
19 and the participating independent degree-granting college. College
20 day funds shall not be expended to cover indirect costs. Not more
21 than 20% of the university match shall be attributable to indirect
22 costs. Each state university shall apply the percentage change
23 applicable to every state university in the calculation of
24 appropriations in part 1 to the amount of funds allocated to the
25 college day program.

26 (3) The program described in this section shall be
27 administered by each state university in a manner prescribed by the

1 Michigan department of labor and economic growth.

2 Sec. 403. (1) Included in part 1 is funding for the Martin
3 Luther King, Jr. - Cesar Chavez - Rosa Parks select student support
4 services program for developing academically or economically
5 disadvantaged student retention programs for 4-year state and
6 independent educational institutions in this state. Preference may
7 not be given to participants on the basis of race, color,
8 ethnicity, gender, or national origin. Institutions should
9 encourage participation from those who would otherwise not
10 adequately be represented in the student population.

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

14 (3) The program described in this section shall be
15 administered by the Michigan department of labor and economic
16 growth.

17 Sec. 404. (1) Included in part 1 is funding for the Martin
18 Luther King, Jr. - Cesar Chavez - Rosa Parks college/university
19 partnership program between 4-year state and independent colleges
20 and universities and public community colleges, which is intended
21 to increase the number of academically or economically
22 disadvantaged students who transfer from community colleges into
23 baccalaureate programs. Preference may not be given to participants
24 on the basis of race, color, ethnicity, gender, or national origin.
25 Institutions should encourage participation from those who would
26 otherwise not adequately be represented in the transfer student
27 population.

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

6 (3) The program described in this section shall be
7 administered by the Michigan department of labor and economic
8 growth.

9 Sec. 405. (1) Included in the appropriation for each state
10 university in part 1 is funding for the Martin Luther King, Jr. -
11 Cesar Chavez - Rosa Parks visiting professors program which is
12 intended to increase the number of instructors in the classroom to
13 provide role models for academically or economically disadvantaged
14 students. Preference may not be given to participants on the basis
15 of race, color, ethnicity, gender, or national origin. Institutions
16 should encourage participation from those who would otherwise not
17 adequately be represented in the student population.

18 (2) The program described in this section shall be
19 administered by the Michigan department of labor and economic
20 growth.

21 Sec. 406. (1) Included in the appropriation in part 1 is
22 funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa
23 Parks initiative for the Morris Hood, Jr. educator development
24 program which is intended to increase the number of academically or
25 economically disadvantaged students who enroll in and complete K-12
26 teacher education programs at the baccalaureate level. Preference
27 may not be given to participants on the basis of race, color,

1 ethnicity, gender, or national origin. Institutions should
2 encourage participation from those who would otherwise not
3 adequately be represented in the teacher education student
4 population.

5 (2) The program described in this section shall be
6 administered by each state-approved teacher education institution
7 in a manner prescribed by the Michigan department of labor and
8 economic growth.

9 (3) Approved teacher education institutions may and are
10 encouraged to use student support services funding in coordination
11 with the Morris Hood, Jr. funding to achieve the goals of the
12 program described in this section.

13 Sec. 407. Each state institution of higher education receiving
14 funds under section 403, 404, or 406 shall notify the Michigan
15 department of labor and economic growth by April 15, 2008 as to
16 whether it will expend by the end of its fiscal year the funds
17 received under section 403, 404, or 406. Notwithstanding the award
18 limitations in sections 403 and 404, the amount of funding reported
19 as not being expended will be reallocated to the institutions that
20 intend to expend all funding received under section 403, 404, or
21 406.

22 Sec. 501. (1) Payments of the amounts included in part 1 for
23 the state competitive scholarship program shall be distributed
24 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

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

1 semester or term.

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

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

15 (5) Students who receive aid under 1964 PA 208, MCL 390.971 to
16 390.981, shall be awarded scholarships on the basis of merit and
17 financial need. Veterans administration benefits shall not be
18 considered in determining eligibility under 1964 PA 208, MCL
19 390.971 to 390.981.

20 Sec. 502. (1) The amounts appropriated in part 1 for the state
21 tuition grant program shall be distributed pursuant to 1966 PA 313,
22 MCL 390.991 to 390.997a.

23 (2) Tuition grant awards shall be made to all eligible
24 Michigan residents who apply before July 1, 2007 and who are
25 qualified. Tuition grant awards shall not be made to students newly
26 enrolled in a juris doctor law degree program after the 1995-1996
27 academic year.

1 (3) The Michigan higher education assistance authority shall
2 determine an actual maximum tuition grant award per student, which
3 shall be no less than \$2,000.00, that ensures that the aggregate
4 payments for the tuition grant program do not exceed the
5 appropriation contained in part 1 for the state tuition grant
6 program. If the authority determines that insufficient funds are
7 available to establish a maximum award amount of \$2,000.00, the
8 authority shall immediately report to the house and senate
9 appropriations subcommittees on higher education, the house and
10 senate fiscal agencies, and the state budget director, regarding
11 the estimated amount of additional funds necessary to establish a
12 \$2,000.00 maximum award amount. By December 15, 2007, and again by
13 February 1, 2008, the authority shall analyze the status of award
14 commitments, shall make any necessary adjustments, and shall
15 confirm that those award commitments will not exceed the
16 appropriation contained in part 1 for the tuition grant program.
17 The determination and actions shall be reported to the state budget
18 director and the house and senate fiscal agencies no later than
19 February 15, 2008. If award adjustments are necessary, the students
20 shall be notified of the adjustment by the third Monday in
21 February.

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

26 (5) If the Michigan higher education assistance authority
27 increases the maximum award per eligible student from that provided

1 in the previous fiscal year, it shall not have the effect of
2 reducing the number of eligible students receiving awards in
3 relation to the total number of eligible applicants. Any increase
4 in the maximum grant shall be proportional for all eligible
5 students receiving awards for fiscal year 2007-2008.

6 Sec. 503. (1) Included in the appropriation in part 1 is
7 funding for the Michigan work-study program established under 1986
8 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to
9 390.1332. An effort should be made by each institution
10 participating in the Michigan work-study program to assure that not
11 less than 10% of those undergraduate, graduate, and professional
12 students eligible to participate in the program are placed with
13 for-profit employers no later than December 31 of each year for
14 which funding is provided under this act.

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

20 (3) The Michigan higher education assistance authority shall
21 set aside not more than 5% of the total work-study appropriation to
22 process requests from participating institutions for allocation
23 adjustments. Allocation adjustments shall be based on criteria set
24 by the authority prior to making the allocations under subsection
25 (2).

26 Sec. 504. The auditor general may audit selected enrollments,
27 degrees, and awards at selected independent colleges and

1 universities receiving awards administered by the department of
2 treasury. The audits shall be based upon definitions and
3 requirements established by the Michigan higher education
4 assistance authority, the state budget director, and the senate and
5 house fiscal agencies. The auditor general shall accept the Free
6 Application for Federal Student Aid (FAFSA) form as the standard of
7 residency documentation. The auditor general shall submit a report
8 of findings to the senate and house appropriations committees and
9 state budget director by May 1, 2008.

10 Sec. 505. The sums appropriated in part 1 for the student
11 financial aid programs shall be paid out of the state treasury and
12 shall be distributed to the respective institutions under a
13 quarterly payment system as follows:

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

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

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

27 (d) For the Robert C. Byrd honors scholarship program, 50%

1 shall be paid at the beginning of the state's first fiscal quarter
2 and 50% at the beginning of the state's second fiscal quarter.

3 Sec. 506. The Michigan higher education assistance authority
4 shall determine the needs analysis criteria for students to qualify
5 for the state competitive scholarship program and tuition grant
6 program. To be consistent with federal requirements, student wages
7 may be taken into consideration when determining the amount of the
8 award.

9 Sec. 507. (1) The funds appropriated in part 1 for the tuition
10 incentive program shall be distributed as provided in this section
11 and pursuant to the administrative procedures for the tuition
12 incentive program of the department of treasury.

13 (2) As used in this section:

14 (a) "Phase I" means the first part of the tuition incentive
15 assistance program defined as the academic period of 80 semester or
16 120 term credits, or less, leading to an associate degree or
17 certificate.

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

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

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

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

26 (i) Apply for certification to the department before graduating
27 from high school or completing the general education development

1 (GED) certificate.

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

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

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

10 (v) Request information on filing a FAFSA.

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

13 (a):

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

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

18 (c) To be eligible for phase I or phase II, a person must be
19 financially eligible as determined by the department. A person is
20 financially eligible for the tuition incentive program if that
21 person was Medicaid eligible for 24 months within the 36 months
22 before application. Certification of eligibility may begin in the
23 sixth grade.

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (11) A person enrolled in an institution whose primary purpose
21 is to prepare students for ordination or appointment as a member of
22 the clergy of a church, denomination, or religious association,
23 order, or sect is not eligible for an award under the tuition
24 incentive program described in this section.

25 Sec. 508. To enable the legislature and the state budget
26 director to evaluate the appropriation needs of higher education,
27 each independent college and university shall make available to the

1 legislature or state budget director, upon request, data regarding
2 grants for the preceding, current, and ensuing fiscal years.

3 Sec. 509. From the funds appropriated in part 1 for nursing
4 scholarship and grant programs, the Michigan higher education
5 assistance authority shall administer any nursing scholarship or
6 nursing school grant programs authorized under the Michigan nursing
7 scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

8 Sec. 510. By December 1 of each year, the Michigan higher
9 education assistance authority shall submit a report to the state
10 budget director, the house and senate appropriations subcommittees
11 on higher education, and the house and senate fiscal agencies for
12 the preceding fiscal year on the children of veterans tuition grant
13 program. The report shall include, but is not limited to, the total
14 number of tuition grants paid by the authority in the preceding
15 fiscal year, the total dollar amount of those tuition grants, and
16 the number of students receiving tuition grants and the total
17 amount of those tuition grants at each eligible institution.

18 Sec. 601. The funds appropriated in part 1 for higher
19 education database modernization and conversion shall be expended
20 to maintain, coordinate, and improve the higher education
21 institutional data inventory (HEIDI) established under section 1299
22 of the management and budget act, 1984 PA 431, MCL 18.1299. The
23 advisory committee established under that section shall meet
24 regularly to review data definitions and requirements in order to
25 advise the state budget director regarding changes to those
26 definitions and requirements that would result in more useful and
27 reliable data being provided to state policymakers and university

1 officials.

2 Sec. 602. (1) It is the legislative intent that private
3 bookstores that sell textbooks to university students and student
4 governments that provide a book swap for university students have
5 accurate and timely access to lists of universities' required
6 textbooks in order to provide prompt and efficient service for
7 students. It is further the legislative intent that each state
8 university allow students who are on financial aid or are receiving
9 tuition grants to decide where to purchase their textbooks.

10 (2) It is the intent of the legislature that each state
11 university that provides for the use of funds in a university-
12 administered account or financial aid for the purchase of required
13 textbooks and supplies at bookstores operated by or affiliated with
14 the university also provide for the use of funds in a university-
15 administered account or financial aid at bookstores providing
16 required textbooks or supplies that are not operated by or
17 affiliated with the university. A state university may require
18 bookstores not operated by or affiliated with the university to
19 reimburse the university for any reasonable costs attributable to
20 these transactions and to pay a reasonable rate or commission to
21 the university.

22 Sec. 603. (1) It is the intent of the legislature that if any
23 state university increases its resident undergraduate tuition and
24 required fees from academic year 2006-2007 to academic year 2007-
25 2008, then that university shall increase its fiscal year 2007-2008
26 general fund expenditures for student financial aid by at least the
27 same percentage as the percentage change in resident undergraduate

1 tuition and required fees. Each state university shall report its
2 proposed fiscal year 2007-2008 general fund expenditures for
3 student financial aid compared to its projected fiscal year 2006-
4 2007 general fund expenditures for student financial aid, and its
5 projected academic year 2007-2008 resident undergraduate tuition
6 and required fee changes from academic year 2006-2007, to the state
7 budget director and the house and senate appropriations
8 subcommittees on higher education by November 15, 2007.

9 (2) It is the intent of the legislature that, from the
10 increase in university operations appropriations from fiscal year
11 2006-2007 to fiscal year 2007-2008, each state university utilize a
12 portion of the increase to provide savings to students through
13 rebates, reductions in tuition and fee charges, or financial aid
14 awards. Each state university shall report on the amount and method
15 of student savings under this subsection to the house and senate
16 appropriations committees, house and senate fiscal agencies, and
17 state budget director by December 1, 2007.

18 Sec. 604. All universities shall submit the amount of tuition
19 and fees actually charged to a full-time resident undergraduate
20 student for academic year 2007-2008 as part of their higher
21 education institutional data inventory (HEIDI) data by August 31,
22 2007. A university shall report any revisions for any semester of
23 the reported academic year 2007-2008 tuition and fee charges to
24 HEIDI within 15 days of being adopted.

25 Sec. 605. From the amount appropriated in part 1 to Lake
26 Superior State University for operations, \$100,000.00 shall be paid
27 to Bay Mills Community College for the costs of waiving tuition for

1 North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

2 Sec. 606. It is the intent of the legislature that each state
3 university receiving an appropriation in part 1 consider developing
4 an education program on recognizing depression and mental health
5 disorders and preventing suicide and violence and providing that
6 program annually to students, beginning with any freshman
7 orientation.

8 Sec. 607. (1) From the funds appropriated to state
9 universities in part 1, the amounts below shall be expended for
10 efforts to commercialize technology developed through university
11 research:

| | | |
|----|--|--------------|
| 12 | Central Michigan University..... | \$148,000.00 |
| 13 | Eastern Michigan University | 199,300.00 |
| 14 | Grand Valley State University..... | 25,600.00 |
| 15 | Michigan Technological University..... | 947,400.00 |
| 16 | Oakland University..... | 268,400.00 |
| 17 | University of Michigan - Dearborn..... | 139,900.00 |
| 18 | University of Michigan - Flint..... | 40,800.00 |
| 19 | Western Michigan University..... | 574,700.00 |

20 (2) Each university receiving funds designated under
21 subsection (1) shall report to the house and senate appropriations
22 subcommittees on higher education, the house and senate fiscal
23 agencies, and the state budget director by May 1, 2007, regarding
24 efforts and expenditures under subsection (1).

25 (3) It is the intent of the legislature that, in future budget
26 years, a portion of state university appropriation amounts will be
27 based on uniform statewide data on research commercialization

1 efforts and outcomes, rather than federal research funding data.

2 Sec. 608. Beginning with the fall semester 2008, a state
3 university receiving appropriations in part 1 shall have its
4 appropriation reduced by 15% if it does not admit a student as an
5 undergraduate who meets all of the following conditions:

6 (a) The student graduates from a Michigan high school with a
7 grade point average in the top 10% of his or her high school
8 graduating class.

9 (b) The student applies for admission to the university.

10 (c) The student meets the minimum admissions standards of that
11 university.