

# SENATE BILL No. 253

## EXECUTIVE BUDGET BILL

February 21, 2007, Introduced by Senators SWITALSKI and SCHAUER and referred to the Committee on Appropriations.

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, 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:

#### PART 1

#### LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, the amounts listed in this part are appropriated for higher education for the fiscal year ending September 30, 2008, from the funds indicated in this part. The following is a summary of the

1 appropriations in this part:

2 **HIGHER EDUCATION**

3 APPROPRIATION SUMMARY:

4 Full-time equated classified positions..... 1.0

5 GROSS APPROPRIATION..... \$ 852,644,400

6 Interdepartmental grant revenues:

7 Total interdepartmental grants and intradepartmental

8 transfers ..... 0

9 ADJUSTED GROSS APPROPRIATION..... \$ 852,644,400

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..... \$ 720,844,400

17 **Sec. 102. CENTRAL MICHIGAN UNIVERSITY**

18 Operations..... \$ 84,443,300

19 GROSS APPROPRIATION..... \$ 84,443,300

20 Appropriated from:

21 Special revenue funds:

22 Michigan merit award trust fund..... 538,400

23 State general fund/general purpose..... \$ 83,904,900

24 **Sec. 103. EASTERN MICHIGAN UNIVERSITY**

25 Operations..... \$ 80,122,900

26 GROSS APPROPRIATION..... \$ 80,122,900

27 Appropriated from:

1	Special revenue funds:		
2	State general fund/general purpose .....	\$	80,122,900
3	<b>Sec. 104. FERRIS STATE UNIVERSITY</b>		
4	Operations .....	\$	<u>51,296,200</u>
5	GROSS APPROPRIATION .....	\$	51,296,200
6	Appropriated from:		
7	Special revenue funds:		
8	State general fund/general purpose .....	\$	51,296,200
9	<b>Sec. 105. GRAND VALLEY STATE UNIVERSITY</b>		
10	Operations .....	\$	<u>66,417,600</u>
11	GROSS APPROPRIATION .....	\$	66,417,600
12	Appropriated from:		
13	Special revenue funds:		
14	Michigan merit award trust fund .....		5,000,000
15	State general fund/general purpose .....	\$	61,417,600
16	<b>Sec. 106. LAKE SUPERIOR STATE UNIVERSITY</b>		
17	Operations .....	\$	<u>13,251,600</u>
18	GROSS APPROPRIATION .....	\$	13,251,600
19	Appropriated from:		
20	Special revenue funds:		
21	State general fund/general purpose .....	\$	13,251,600
22	<b>Sec. 107. MICHIGAN TECHNOLOGICAL UNIVERSITY</b>		
23	Operations .....	\$	<u>50,449,800</u>
24	GROSS APPROPRIATION .....	\$	50,449,800
25	Appropriated from:		
26	Special revenue funds:		
27	State general fund/general purpose .....	\$	50,449,800

1	<b>Sec. 108. NORTHERN MICHIGAN UNIVERSITY</b>	
2	Operations.....	\$ 47,559,400
3	GROSS APPROPRIATION.....	\$ 47,559,400
4	Appropriated from:	
5	Special revenue funds:	
6	State general fund/general purpose.....	\$ 47,559,400
7	<b>Sec. 109. OAKLAND UNIVERSITY</b>	
8	Operations.....	\$ 53,719,200
9	GROSS APPROPRIATION.....	\$ 53,719,200
10	Appropriated from:	
11	Special revenue funds:	
12	Michigan merit award trust fund.....	1,941,800
13	State general fund/general purpose.....	\$ 51,777,400
14	<b>Sec. 110. SAGINAW VALLEY STATE UNIVERSITY</b>	
15	Operations.....	\$ 29,596,400
16	GROSS APPROPRIATION.....	\$ 29,596,400
17	Appropriated from:	
18	Special revenue funds:	
19	Michigan merit award trust fund.....	2,019,800
20	State general fund/general purpose.....	\$ 27,576,600
21	<b>Sec. 111. UNIVERSITY OF MICHIGAN - DEARBORN</b>	
22	Operations.....	\$ 26,093,000
23	GROSS APPROPRIATION.....	\$ 26,093,000
24	Appropriated from:	
25	Special revenue funds:	
26	State general fund/general purpose.....	\$ 26,093,000
27	<b>Sec. 112. UNIVERSITY OF MICHIGAN - FLINT</b>	

1	Operations.....	\$	<u>22,058,300</u>
2	GROSS APPROPRIATION.....	\$	22,058,300
3	Appropriated from:		
4	Special revenue funds:		
5	State general fund/general purpose.....	\$	22,058,300
6	<b>Sec. 113. WESTERN MICHIGAN UNIVERSITY</b>		
7	Operations.....	\$	<u>115,698,300</u>
8	GROSS APPROPRIATION.....	\$	115,698,300
9	Appropriated from:		
10	Special revenue funds:		
11	State general fund/general purpose.....	\$	115,698,300
12	<b>Sec. 114. SUPPLEMENTAL PAYMENT</b>		
13	One-time supplemental payment .....	\$	<u>28,412,600</u>
14	GROSS APPROPRIATION.....	\$	28,412,600
15	Appropriated from:		
16	Special revenue funds:		
17	State general fund/general purpose.....	\$	28,412,600
18	<b>Sec. 115. STATE AND REGIONAL PROGRAMS</b>		
19	Full-time equated positions .....		1.0
20	Higher education database modernization and		
21	conversion--1.0 FTE position .....	\$	200,000
22	Midwestern higher education compact.....		<u>90,000</u>
23	GROSS APPROPRIATION.....	\$	290,000
24	Appropriated from:		
25	Special revenue funds:		
26	State general fund/general purpose.....	\$	290,000
27	<b>Sec. 116. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA</b>		

1	<b>PARKS PROGRAM</b>		
2	Select student supportive services .....	\$	1,956,100
3	Michigan college/university partnership program .....		586,800
4	Morris Hood, Jr. educator development program .....		<u>148,600</u>
5	GROSS APPROPRIATION .....	\$	2,691,500
6	Appropriated from:		
7	Special revenue funds:		
8	State general fund/general purpose .....	\$	2,691,500
9	<b>Sec. 117. GRANTS AND FINANCIAL AID</b>		
10	State competitive scholarships .....	\$	34,130,500
11	Michigan work-study program .....		7,326,300
12	Part-time independent student program .....		2,653,300
13	Michigan education opportunity grants .....		2,084,200
14	Robert C. Byrd honors scholarship program .....		1,500,000
15	Nursing scholarship and grant programs .....		4,250,000
16	Michigan merit award program .....		60,000,000
17	Michigan promise grant program .....		43,500,000
18	Tuition incentive program .....		21,100,000
19	Children of veterans tuition grant program .....		1,000,000
20	Project gear-up .....		<u>3,000,000</u>
21	GROSS APPROPRIATION .....	\$	180,544,300
22	Appropriated from:		
23	Federal revenues:		
24	Higher education act of 1965, title IV, 20 USC .....		1,500,000
25	Higher education act of 1965, title IV, part A .....		1,500,000
26	United States department of education, office of		
27	elementary and secondary education, gear-up .....		3,000,000

1 Special revenue funds:

2	Michigan merit award trust fund.....	114,100,000
3	Michigan higher education assistance authority	
4	operating fund .....	1,200,000
5	Contributions to children of veterans tuition grant	
6	program .....	1,000,000
7	State general fund/general purpose.....	\$ 58,244,300

8 PART 2

9 PROVISIONS CONCERNING APPROPRIATIONS

10 GENERAL SECTIONS

11 Sec. 201. Pursuant to section 30 of article IX of the state  
 12 constitution of 1963, total state spending from state resources  
 13 under part 1 for fiscal year 2007-2008 is \$846,644,400.00 and state  
 14 spending from state resources to be paid to local units of  
 15 government for fiscal year 2007-2008 is \$3,759,100.00. The  
 16 itemized statement below identifies the estimated appropriations  
 17 from which spending to local units of government will occur:

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

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

25 Sec. 208. Unless otherwise specified, the institutions of

1 higher education receiving appropriations in part 1 shall use the  
2 Internet to fulfill the reporting requirements of this bill. This  
3 requirement may include transmission of reports via electronic mail  
4 to the recipients identified for each reporting requirement, or it  
5 may include placement of reports on an Internet or Intranet site.

6       Sec. 209. Funds appropriated in part 1 shall not be used for  
7 the purchase of foreign goods or services, or both, if  
8 competitively priced and of comparable quality American goods and  
9 services, or both, are available. Preference should be given to  
10 goods or services, or both, manufactured or provided by Michigan  
11 businesses if they are competitively priced and of comparable  
12 value.

13       Sec. 212. (1) The funds appropriated in part 1 to state  
14 institutions of higher education, except for the one-time  
15 supplemental payment, shall be paid out of the state treasury and  
16 distributed by the state treasurer to the respective institutions  
17 in 11 monthly installments on the sixteenth of each month, or the  
18 next succeeding business day, beginning with October 16, 2007.  
19 Each institution shall accrue its July and August 2008 payments to  
20 its institutional fiscal year ending June 30, 2008.

21       (2) The funds appropriated in part 1 to state institutions of  
22 higher education for the one-time supplemental payment shall be  
23 paid out of the state treasury and distributed by the state  
24 treasurer to the respective institutions on October 16, 2007. Each  
25 state institution of higher education shall accrue this payment to  
26 its institutional fiscal year ending June 30, 2007.

27       (3) All universities receiving appropriation in part 1 shall



1 submit higher education institutional data inventory (HEIDI) data  
2 and associated financial and program information requested by and  
3 in a manner prescribed by the state budget director by October 15,  
4 2007. If a university fails to submit HEIDI data and associated  
5 financial aid program information in accordance with this reporting  
6 schedule, the state treasurer shall withhold the monthly  
7 installments under subsection (1) to the university until those  
8 data are submitted.

9       Sec. 213. Funds received by the state from the federal  
10 government or private sources for the use of a college or  
11 university are appropriated for the purposes for which they are  
12 provided. The acceptance and use of federal or private funds do  
13 not place an obligation upon the legislature to continue the  
14 purposes for which the funds are made available.

15       Sec. 214. If section 274 of the income tax act of 1967, 1967  
16 PA 281, MCL 206.274, is not repealed and if a state institution of  
17 higher education that receives funds under this bill notifies the  
18 department of treasury regarding its tuition and fee rates in order  
19 to qualify as an eligible institution for the Michigan tuition tax  
20 credit under section 274 of the income tax act of 1967, 1967 PA  
21 281, MCL 206.274, the institution shall also submit the  
22 notification and applicable documentation of tuition and fee  
23 changes to the house and senate fiscal agencies.

24       Sec. 215. A state institution of higher education that  
25 receives funds under this bill shall furnish all program and  
26 financial information that is required by and in a manner  
27 prescribed by the state budget director or the house or senate

1 appropriations committee.

2 **GRANTS AND FINANCIAL AID**

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

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

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

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

23 (5) Students who receive aid under 1964 PA 208, MCL 390.971 to  
24 390.981, shall be awarded scholarships on the basis of merit and  
25 financial need. Veterans administration benefits shall not be  
26 considered in determining eligibility under 1964 PA 208, MCL

1 390.971 to 390.981.

2       Sec. 303. (1) Included in the appropriation in part 1 is  
3 funding for the Michigan work-study program established under 1986  
4 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to  
5 390.1332. An effort should be made by each institution  
6 participating in the Michigan work-study program to assure that not  
7 less than 10 percent of those undergraduate, graduate, and  
8 professional students eligible to participate in the program are  
9 placed with for-profit employers no later than December 31 of each  
10 year for which funding is provided under this bill.

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

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

22       Sec. 307. The auditor general may audit selected enrollments,  
23 degrees, and awards at selected independent colleges and  
24 universities receiving awards administered by the department of  
25 treasury. The audits shall be based upon definitions and  
26 requirements established by the Michigan higher education  
27 assistance authority, the state budget director, and the senate and

1 house fiscal agencies. The auditor general shall accept the Free  
2 Application for Federal Student Aid (FAFSA) form as the standard of  
3 residency documentation. The auditor general shall submit a report  
4 of findings to the senate and house appropriations committees and  
5 state budget director by May 1, 2008.

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

10 (a) For the state competitive scholarship, nursing  
11 scholarship, and tuition incentive programs, 40 percent shall be  
12 paid at the beginning of the state's first fiscal quarter, 40  
13 percent at the beginning of the state's second fiscal quarter, 10  
14 percent at the beginning of the state's third fiscal quarter, and  
15 10 percent at the beginning of the state's fourth fiscal quarter.

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

18 (c) For the part-time independent student program and the  
19 Michigan education opportunity grant program, 50 percent shall be  
20 paid at the beginning of the state's first fiscal quarter, 25  
21 percent at the beginning of the state's second fiscal quarter, and  
22 25 percent at the beginning of the state's third fiscal quarter.

23 (d) For the Robert C. Byrd honors scholarship program, 50  
24 percent shall be paid at the beginning of the state's first fiscal  
25 quarter and 50 percent at the beginning of the state's second  
26 fiscal quarter.

27 Sec. 309. The Michigan higher education assistance authority

1 shall determine the needs analysis criteria for students to qualify  
2 for the state competitive scholarship program. To be consistent  
3 with federal requirements, student wages may be taken into  
4 consideration when determining the amount of the award.

5 Sec. 310. (1) The funds appropriated in part 1 for the tuition  
6 incentive program shall be distributed as provided in this section  
7 and pursuant to the administrative procedures for the tuition  
8 incentive program of the department of treasury.

9 (2) As used in this section:

10 (a) "Phase I" means the first part of the tuition incentive  
11 assistance program defined as the academic period of 80 semester or  
12 120 term credits, or less, leading to an associate degree or  
13 certificate.

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

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

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

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

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

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

27 (iii) Be a United States citizen and a resident of Michigan

1 according to institutional criteria.

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

6 (v) Request information on filing a FAFSA.

7 (b) To be eligible for phase II, a person shall meet either of  
8 the following criteria in addition to the criteria in subdivision  
9 (a):

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

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

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

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

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

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

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

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

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

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

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

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

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

1 met.

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

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

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

16 (11) A person eligible for the tuition incentive program must  
17 not be enrolled in an institution whose primary purpose is to  
18 prepare students for ordination or appointment as a member of the  
19 clergy of a church, denomination, or religious association, order,  
20 or sect.

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

26 Sec. 312. From the funds appropriated in part 1 for nursing  
27 scholarship and grant programs, the Michigan higher education



1 assistance authority shall administer any nursing scholarship or  
2 nursing school grant programs authorized under the Michigan nursing  
3 scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

4 Sec. 314. By December 1 of each year, the Michigan higher  
5 education assistance authority shall submit a report to the state  
6 budget director, the house and senate appropriations subcommittees  
7 on higher education, and the house and senate fiscal agencies for  
8 the preceding fiscal year on the children of veterans tuition grant  
9 program. The report shall include, but is not limited to, the total  
10 number of tuition grants paid by the authority in the preceding  
11 fiscal year, the total dollar amount of those tuition grants, and  
12 the number of students receiving tuition grants and the total  
13 amount of those tuition grants at each eligible institution.

#### 14 **STATE UNIVERSITIES**

15 Sec. 405. The funds appropriated in part 1 for higher  
16 education database modernization and conversion shall be expended  
17 to maintain, coordinate, and improve the higher education  
18 institutional data inventory (HEIDI) established under section 1299  
19 of the management and budget act, 1984 PA 431, MCL 18.1299. The  
20 advisory committee established under that section shall meet  
21 regularly to review data definitions and requirements in order to  
22 advise the state budget director regarding changes to those  
23 definitions and requirements that would result in more useful and  
24 reliable data being provided to state policymakers and university  
25 officials.

26 Sec. 436. If any Michigan public university increases its

1 resident undergraduate tuition and required fees from academic year  
2 2006-2007 to academic year 2007-2008, that university shall  
3 increase its fiscal year 2007-2008 general fund expenditures for  
4 student financial aid by at least the same percentage as the  
5 percentage change in resident undergraduate tuition and required  
6 fees. Each public university shall report its proposed fiscal year  
7 2007-2008 general fund expenditures for student financial aid  
8 compared to its projected fiscal year 2006-2007 general fund  
9 expenditures for student financial aid, and its projected academic  
10 year 2007-2008 resident undergraduate tuition and required fee  
11 changes from academic year 2006-2007, to the state budget director  
12 and the house and senate appropriations subcommittees on higher  
13 education by November 15, 2007.

14 Sec. 440. All universities shall submit the amount of tuition  
15 and fees actually charged to a full-time resident undergraduate  
16 student for academic year 2007-2008 as part of their higher  
17 education institutional data inventory (HEIDI) data by August 31,  
18 2007. A university shall report any revisions for any semester of  
19 the reported academic year 2007-2008 tuition and fee charges to  
20 HEIDI within 15 days of being adopted.

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

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

26 Sec. 501. (1) Included in the appropriation for each public

1 university in part 1 is funding for the Martin Luther King, Jr. -  
2 Cesar Chavez - Rosa Parks future faculty program, that is intended  
3 to increase the pool of minority candidates pursuing faculty  
4 teaching careers in postsecondary education. Each university shall  
5 apply the percentage change applicable to every university in the  
6 calculation of appropriations in part 1 to the amount of funds  
7 allocated to the future faculty program.

8 (2) The program shall be administered by each university in a  
9 manner prescribed by the Michigan department of labor and economic  
10 growth. The Michigan department of labor and economic growth shall  
11 use a good faith effort standard to evaluate whether a fellowship  
12 is in default.

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

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

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

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

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

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

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

22           (2) The grants shall be made under this program to Michigan  
23 public and independent colleges and universities. An award to any  
24 1 institution shall not be greater than \$150,000.00, and the amount  
25 awarded shall be matched on a 70 percent state, 30 percent college  
26 or university basis.

27           (3) The program shall be administered by the Michigan

1 department of labor and economic growth.

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

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

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

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

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

23       Sec. 507. Each state institution of higher education receiving  
24 funds under section 503, 504, or 506 shall notify the Michigan  
25 department of labor and economic growth by April 15, 2008 as to  
26 whether it will expend by the end of its fiscal year the funds  
27 received under section 503, 504, or 506. Notwithstanding the award

1 limitations in sections 503 and 504, the amount of funding reported  
2 as not being expended will be reallocated to the institutions that  
3 intend to expend all funding received under section 503, 504, or  
4 506.

#### 5 **STUDENT PERFORMANCE REPORTING**

6 Sec. 601. (1) From the amount appropriated in part 1 for state  
7 universities, the state universities shall systematically inform  
8 Michigan high schools regarding the academic status of students  
9 from each high school in a manner prescribed by the presidents  
10 council, state universities of Michigan in cooperation with the  
11 Michigan association of secondary school principals.

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

17 Sec. 602. From the amount appropriated in part 1 for state  
18 universities, the state universities shall inform Michigan  
19 community colleges regarding the academic status of community  
20 college transfer students in a manner prescribed by the presidents  
21 council, state universities of Michigan in cooperation with the  
22 Michigan community college association.

#### 23 **GENERAL REPORTS AND AUDITS**

24 Sec. 701. (1) The auditor general shall review higher  
25 education institutional data inventory (HEIDI) enrollment data

1 submitted by all public universities and may perform audits of  
2 selected public universities if determined necessary. The review  
3 and audits shall be based upon the definitions, requirements, and  
4 uniform reporting categories established by the state budget  
5 director and the senate and house fiscal agencies. The auditor  
6 general shall submit a report of findings to the house and senate  
7 appropriations committees and the state budget director no later  
8 than July 1, 2008.

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

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

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

18 (c) Student credit hours generated through credit by  
19 examination.

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

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

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

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

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

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

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

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

16           (4) "Distance learning instruction" as used in subsection (2)  
17 means instruction that occurs solely in other than a traditional  
18 classroom setting where the student and instructor are in the same  
19 physical location and for which a student receives course credits  
20 and is charged tuition and fees. Examples of distance learning  
21 instruction are instruction delivered solely through the Internet,  
22 cable television, teleconference, or mail.

23           Sec. 702. The principal executive officer of each institution  
24 of higher education receiving an appropriation under this bill  
25 shall expend a portion of the funds appropriated to that  
26 institution to make a report to the auditor general, the house and  
27 senate fiscal agencies, and the state budget director within 60



1 days after the auditor general issues his or her report on the  
2 operation of the institution. The institution's report shall  
3 specify all of the following:

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

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

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

11 Sec. 708. The auditor general may conduct performance audits  
12 of state universities during the fiscal year ending September 30,  
13 2008 as the auditor general considers necessary.

14 Sec. 709. An institution receiving funds under this bill and  
15 also subject to the student right-to-know and campus security act,  
16 Public Law 101-522, 104 Stat. 2381, shall make a copy of all  
17 material prepared pursuant to the public information reporting  
18 requirements under the crime awareness and campus security act of  
19 1990, title II of the student right-to-know and campus security  
20 act, Public Law 101-542, 104 Stat. 2381, available in electronic  
21 Internet format on their websites.