

HOUSE BILL No. 4441

EXECUTIVE BUDGET BILL

February 24, 2009, Introduced by Rep. Bauer 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, 2010; to provide for the expenditure 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 bill are appropriated for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2010, from

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

3 **HIGHER EDUCATION**

4 APPROPRIATION SUMMARY:

5	Full-time equated classified positions.....	1.0	
6	GROSS APPROPRIATION.....		\$ 1,719,405,300
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and intradepartmental		
9	transfers		0
10	ADJUSTED GROSS APPROPRIATION.....		\$ 1,719,405,300
11	Federal revenues:		
12	Total federal revenues.....		7,400,000
13	Special revenue funds:		
14	Total local revenues.....		0
15	Total private revenues.....		0
16	Total other state restricted revenues.....		166,400,100
17	State general fund/general purpose.....		\$ 1,545,605,200
18	SUBPART A - RESEARCH UNIVERSITIES		
19	Sec. 102. MICHIGAN STATE UNIVERSITY		
20	Operations.....		\$ 283,909,000
21	Cooperative state agricultural research and extension		
22	service.....		<u>32,000,000</u>
23	GROSS APPROPRIATION.....		\$ 315,909,000
24	Appropriated from:		
25	State general fund/general purpose.....		\$ 315,909,000
26	Sec. 103. UNIVERSITY OF MICHIGAN - ANN ARBOR		
27	Operations.....		\$ <u>316,572,000</u>

1	GROSS APPROPRIATION.....	\$	316,572,000
2	Appropriated from:		
3	State general fund/general purpose.....	\$	316,572,000
4	Sec. 104. WAYNE STATE UNIVERSITY		
5	Operations.....	\$	<u>214,325,400</u>
6	GROSS APPROPRIATION.....	\$	214,325,400
7	Appropriated from:		
8	State general fund/general purpose.....	\$	214,325,400
9	SUBPART B - STATE UNIVERSITIES		
10	Sec. 105. CENTRAL MICHIGAN UNIVERSITY		
11	Operations.....	\$	<u>80,064,200</u>
12	GROSS APPROPRIATION.....	\$	80,064,200
13	Appropriated from:		
14	State general fund/general purpose.....	\$	80,064,200
15	Sec. 106. EASTERN MICHIGAN UNIVERSITY		
16	Operations.....	\$	<u>75,965,600</u>
17	GROSS APPROPRIATION.....	\$	75,965,600
18	Appropriated from:		
19	State general fund/general purpose.....	\$	75,965,600
20	Sec. 107. FERRIS STATE UNIVERSITY		
21	Operations.....	\$	<u>48,621,800</u>
22	GROSS APPROPRIATION.....	\$	48,621,800
23	Appropriated from:		
24	State general fund/general purpose.....	\$	48,621,800
25	Sec. 108. GRAND VALLEY STATE UNIVERSITY		
26	Operations.....	\$	<u>62,018,400</u>
27	GROSS APPROPRIATION.....	\$	62,018,400

1	Appropriated from:	
2	State general fund/general purpose	\$ 62,018,400
3	Sec. 109. LAKE SUPERIOR STATE UNIVERSITY	
4	Operations	\$ <u>12,561,900</u>
5	GROSS APPROPRIATION	\$ 12,561,900
6	Appropriated from:	
7	State general fund/general purpose	\$ 12,561,900
8	Sec. 110. MICHIGAN TECHNOLOGICAL UNIVERSITY	
9	Operations	\$ <u>47,870,800</u>
10	GROSS APPROPRIATION	\$ 47,870,800
11	Appropriated from:	
12	State general fund/general purpose	\$ 47,870,800
13	Sec. 111. NORTHERN MICHIGAN UNIVERSITY	
14	Operations	\$ <u>45,148,900</u>
15	GROSS APPROPRIATION	\$ 45,148,900
16	Appropriated from:	
17	State general fund/general purpose	\$ 45,148,900
18	Sec. 112. OAKLAND UNIVERSITY	
19	Operations	\$ <u>50,690,700</u>
20	GROSS APPROPRIATION	\$ 50,690,700
21	Appropriated from:	
22	State general fund/general purpose	\$ 50,690,700
23	Sec. 113. SAGINAW VALLEY STATE UNIVERSITY	
24	Operations	\$ <u>27,710,100</u>
25	GROSS APPROPRIATION	\$ 27,710,100
26	Appropriated from:	
27	State general fund/general purpose	\$ 27,710,100

1	Sec. 114. UNIVERSITY OF MICHIGAN - DEARBORN	
2	Operations.....	\$ <u>24,703,600</u>
3	GROSS APPROPRIATION.....	\$ 24,703,600
4	Appropriated from:	
5	State general fund/general purpose.....	\$ 24,703,600
6	Sec. 115. UNIVERSITY OF MICHIGAN - FLINT	
7	Operations.....	\$ <u>20,871,700</u>
8	GROSS APPROPRIATION.....	\$ 20,871,700
9	Appropriated from:	
10	State general fund/general purpose.....	\$ 20,871,700
11	Sec. 116. WESTERN MICHIGAN UNIVERSITY	
12	Operations.....	\$ <u>109,616,000</u>
13	GROSS APPROPRIATION.....	\$ 109,616,000
14	Appropriated from:	
15	State general fund/general purpose.....	\$ 109,616,000
16	SUBPART C - STATE AND REGIONAL PROGRAMS, GRANTS, AND FINANCIAL AID	
17	Sec. 117. STATE AND REGIONAL PROGRAMS	
18	Full-time equated positions	1.0
19	Higher education database modernization and	
20	conversion--1.0 FTE position	\$ 200,000
21	Midwestern higher education compact.....	<u>95,000</u>
22	GROSS APPROPRIATION.....	\$ 295,000
23	Appropriated from:	
24	State general fund/general purpose.....	\$ 295,000
25	Sec. 118. GRANTS AND FINANCIAL AID	
26	Michigan college access grants.....	\$ 89,760,100
27	Robert C. Byrd honors scholarship program.....	1,500,000

1	Michigan merit award program.....	100
2	Michigan promise grant program.....	140,000,000
3	Tuition incentive program.....	31,200,000
4	Children of veterans tuition grant program.....	1,000,000
5	Project gear-up.....	<u>3,000,000</u>
6	GROSS APPROPRIATION.....	\$ 266,460,200
7	Appropriated from:	
8	Federal revenues:	
9	Higher education act of 1965, title IV, 20 USC.....	2,900,000
10	Higher education act of 1965, title IV, part A.....	1,500,000
11	United States department of education, office of	
12	elementary and secondary education, gear-up.....	3,000,000
13	Special revenue funds:	
14	Michigan merit award trust fund.....	166,100,100
15	Contributions to children of veterans tuition grant	
16	program	300,000
17	State general fund/general purpose.....	\$ 92,660,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

21 Sec. 201. Pursuant to section 30 of article IX of the state
22 constitution of 1963, total state spending from state resources
23 under this bill for fiscal year 2009-2010 is \$1,712,005,300 and
24 state spending from state resources to be paid to local units of
25 government for fiscal year 2009-2010 is \$0.00.

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

4 Sec. 203. As used in this bill, "research university" means a
5 public university classified as a "research university (very high
6 research activity)" under the 2005 classification of institutions
7 of higher education conducted by the Carnegie foundation for the
8 advancement of teaching.

9 Sec. 208. Unless otherwise specified, the institutions of
10 higher education receiving appropriations in part 1 shall use the
11 Internet to fulfill the reporting requirements of this bill. This
12 requirement may include transmission of reports via electronic mail
13 to the recipients identified for each reporting requirement, or it
14 may include placement of reports on an Internet or Intranet site.

15 Sec. 209. Funds appropriated in part 1 shall not be used for
16 the purchase of foreign goods or services, or both, if
17 competitively priced and of comparable quality American goods and
18 services, or both, are available. Preference should be given to
19 goods or services, or both, manufactured or provided by Michigan
20 businesses if they are competitively priced and of comparable
21 value. In addition, preference should be given to goods or
22 services, or both, that are manufactured or provided by Michigan
23 businesses owned and operated by veterans, if they are
24 competitively priced and of comparable quality.

25 Sec. 210. Funds appropriated in part 1 to state institutions
26 of higher education shall not be used to enter into a lease for, or
27 to purchase, a vehicle assembled or manufactured outside of the

1 United States if competitively priced and comparable quality
2 vehicles made in the state of Michigan or elsewhere in the United
3 States of America are available.

4 Sec. 212. (1) The funds appropriated in part 1 to state
5 institutions of higher education shall be paid out of the state
6 treasury and distributed by the state treasurer to the respective
7 institutions in 11 equal monthly installments on the sixteenth of
8 each month, or the next succeeding business day, beginning with
9 October 16, 2009. Except for Wayne State University, each
10 institution shall accrue its July and August 2010 payments to its
11 institutional fiscal year ending June 30, 2010.

12 (2) All universities shall submit higher education
13 institutional data inventory (HEIDI) data and associated financial
14 and program information requested by and in a manner prescribed by
15 the state budget director. For universities with fiscal years
16 ending June 30, 2009, these data shall be submitted to the state
17 budget director by October 15, 2009. Universities with a fiscal
18 year ending September 30, 2009 shall submit preliminary HEIDI data
19 by November 15, 2009 and final data by December 15, 2009. If a
20 university fails to submit HEIDI data and associated financial aid
21 program information in accordance with this reporting schedule, the
22 state treasurer may withhold the monthly installments under
23 subsection (1) to the university until those data are submitted.

24 Sec. 213. Funds received by the state from the federal
25 government or private sources for the use of a college or
26 university are appropriated for the purposes for which they are
27 provided. The acceptance and use of federal or private funds do not

1 place an obligation upon the legislature to continue the purposes
2 for which the funds are made available.

3 Sec. 215. A state institution of higher education that
4 receives funds under this bill shall furnish all program and
5 financial information that is required by and in a manner
6 prescribed by the state budget director or the house or senate
7 appropriations committee.

8 GRANTS AND FINANCIAL AID

9 Sec. 304. (1) Included in the appropriation in part 1 is
10 funding for the Michigan college access grants which shall be
11 administered by the Michigan higher education assistance authority
12 (MHEAA).

13 (2) The Michigan college access grants shall be paid to
14 financially needy Michigan undergraduate students attending a
15 Michigan public or independent college or university. The
16 department of treasury shall annually establish financial need
17 based upon the federal methodology for determining the expected
18 family contribution (EFC) toward education costs using information
19 provided in the student's free application for federal student aid
20 (FAFSA). For academic year 2009-2010 an EFC of \$7,750 or less
21 shall qualify an otherwise eligible student for a Michigan college
22 access grant. The EFC shall be adjusted annually by the department
23 of treasury to ensure eligibility of students is based on
24 comparable adjusted gross income reported on FAFSA submissions.

25 (3) In addition to the financial need determination made under
26 subsection (2), to receive a Michigan college access grant the

1 student must meet the following additional requirements:

2 (a) Is a citizen of the United States as defined on the FAFSA
3 and is a Michigan resident.

4 (b) Is not incarcerated in a correctional institution.

5 (c) Has graduated from high school or passed the general
6 educational development (GED) test or any other high school
7 graduate equivalency examination approved by the state board of
8 education.

9 (d) Has taken the Michigan merit examination if graduated from
10 high school after the 2006-2007 academic year.

11 (e) Is enrolled at least half-time in a degree or certificate
12 granting program at a Michigan postsecondary institution that is an
13 accredited institution as defined by 2005 PA 100, MCL 390.1601 to
14 390.1605.

15 (f) Has not yet received a baccalaureate degree.

16 (g) Has a qualifying FAFSA that was received before March 1
17 preceding the start of the academic year.

18 (h) Maintains satisfactory academic progress as determined by
19 the postsecondary institution.

20 (i) Is not enrolled in an institution whose primary purpose is
21 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.

24 (j) Meets any additional eligibility requirements established
25 by the MHEEA.

26 (4) Awards shall be made to students who apply and qualify
27 after March 1 as funds permit.

1 (5) A student who remains eligible must apply annually by
2 submitting a FAFSA and may receive a Michigan college access grant
3 for no more than 10 semesters or its equivalent in trimesters or
4 quarters of undergraduate education, or the equivalent as
5 determined by the MHEEA for less than full-time students.

6 (6) The MHEEA shall determine the annual maximum amount of a
7 Michigan college access grant and shall establish a proportional
8 award amount for recipients enrolled less than full-time in a given
9 semester or term that ensures that the aggregate Michigan college
10 access grants payments do not exceed the appropriation contained in
11 part 1 for the program. If the funds are insufficient to pay all
12 awards, the MHEEA shall prorate the awards and notify the house and
13 senate fiscal agencies and the state budget director of this
14 proration.

15 Sec. 307. The auditor general may audit selected enrollments,
16 degrees, and awards at selected independent colleges and
17 universities receiving awards administered by the department of
18 treasury. The audits shall be based upon definitions and
19 requirements established by the Michigan higher education
20 assistance authority, the state budget director, and the senate and
21 house fiscal agencies. The auditor general shall accept the Free
22 Application for Federal Student Aid (FAFSA) form as the standard of
23 residency documentation. The auditor general shall submit a report
24 of findings to the senate and house appropriations committees and
25 state budget director by May 1, 2010.

26 Sec. 308. The sums appropriated in part 1 for the student
27 financial aid programs shall be paid out of the state treasury and

1 shall be distributed to the respective institutions under a
2 quarterly payment system as follows:

3 (a) For the Michigan college access grants and tuition
4 incentive programs, 40% shall be paid at the beginning of the
5 state's first fiscal quarter, 40% at the beginning of the state's
6 second fiscal quarter, 10% at the beginning of the state's third
7 fiscal quarter, and 10% at the beginning of the state's fourth
8 fiscal quarter.

9 (b) For the Robert C. Byrd honors scholarship program, 50%
10 shall be paid at the beginning of the state's first fiscal quarter
11 and 50% at the beginning of the state's second fiscal quarter.

12 Sec. 310. (1) The funds appropriated in part 1 for the tuition
13 incentive program shall be distributed as provided in this section
14 and pursuant to the administrative procedures for the tuition
15 incentive program of the department of treasury.

16 (2) As used in this section:

17 (a) "Phase I" means the first part of the tuition incentive
18 assistance program defined as the academic period of 80 semester or
19 120 term credits, or less, leading to an associate degree or
20 certificate.

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

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

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

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

1 following criteria:

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

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

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

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

13 (v) Request information on filing a FAFSA.

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

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

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

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

27 (4) For phase I, the department shall provide payment on

1 behalf of a person eligible under subsection (3). The department
2 shall reject billings that are excessive or outside the guidelines
3 for the type of educational institution.

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

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

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

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

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

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

27 (a) Credits are earned in a 4-year program at a Michigan

1 degree-granting 4-year college or university.

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

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

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

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

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

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

1 Sec. 315. By March 31 of each year, the department of treasury
2 shall submit a report to the state budget director, the house and
3 senate appropriations subcommittees on higher education, and the
4 house and senate fiscal agencies for the preceding fiscal year on
5 all student financial aid programs for which funds are appropriated
6 in part 1. For each student financial aid program, the report shall
7 include, but is not limited to, the total number of awards paid in
8 the preceding fiscal year, the total dollar amount of those awards,
9 and the number of students receiving awards and the total amount of
10 those awards at each eligible postsecondary institution. To the
11 extent information is available, the report shall also include
12 information on the average exam performance, household income, and
13 other demographic characteristics of students receiving awards
14 under each program and historical information on the number of
15 awards and total award amounts for each program.

16 **UNIVERSITY OPERATIONS**

17 Sec. 433. (1) From the funds appropriated in part 1 for the
18 cooperative state agricultural research and extension service,
19 there is appropriated a minimum of \$8,000,000.00 for project GREEN
20 and a minimum of \$8,000,000.00 for the animal agriculture
21 initiative.

22 (a) Project GREEN is intended to address critical regulatory,
23 food safety, economic, and environmental problems faced by this
24 state's plant-based agriculture, bioeconomy, forestry, and
25 processing industries. "GREEN" is an acronym for generating
26 research and extension to meet environmental and economic needs.

1 (b) The animal agricultural initiative is intended to address
2 critical regulatory, food safety, economic, and environmental
3 problems faced by this state's animal-based agriculture,
4 bioeconomy, and processing industries.

5 (2) The department of agriculture and Michigan State
6 University, in consultation with agricultural commodity groups and
7 other interested parties, shall develop project GREEN and the
8 animal agricultural initiative and each of the programs'
9 priorities.

10 (3) Not later than September 30, 2010, a report shall be
11 submitted by Michigan State University to the state budget
12 director, the house and senate appropriations subcommittees on
13 agriculture and on higher education, and the house and senate
14 fiscal agencies for the preceding school fiscal year regarding
15 expenditures and programmatic outcomes of the cooperative state
16 agricultural research and extension service. The report shall
17 include, but is not limited to:

18 (a) Total funds expended by the cooperative state
19 agricultural research and extension service identified by state,
20 local, private, federal and university fund sources.

21 (b) The dollar amount of each project GREEN project and a
22 review of each project's performance and accomplishments.

23 (c) The dollar amount of each animal agricultural initiative
24 project and a review of each project's performance and
25 accomplishments.

26 (d) The dollar amount and description of all other individual
27 programs and services provided by the cooperative state

1 agricultural research and extension service and a review of each
2 project's performance and accomplishments.

3 (e) The number of businesses created or that had increased
4 employment and the number of patents generated as a result of work
5 conducted by the cooperative state agricultural research and
6 extension service.

7 Sec. 436. It is expected that a public university or community
8 college receiving federal stimulus funds will not raise tuition and
9 fees charged to Michigan residents for the remainder of 2008-2009
10 and for 2009-2010.

11 Sec. 440. All universities shall submit the amount of tuition
12 and fees actually charged to a full-time resident undergraduate
13 student for academic year 2009-2010 as part of their higher
14 education institutional data inventory (HEIDI) data by August 31,
15 2009. A university shall report any revisions for any semester of
16 the reported academic year 2009-2010 tuition and fee charges to
17 HEIDI within 15 days of being adopted.

18 Sec. 464. Each university receiving an appropriation in part 1
19 shall submit a plan by January 15, 2010 to the state budget
20 director, the house and senate appropriations subcommittees on
21 higher education, and the house and senate fiscal agencies on its
22 process to inform both the private and public sectors regarding
23 research and technology that could be developed commercially.

24 Sec. 466. Universities shall coordinate their purchases of
25 goods and services whenever possible. This may include, but is not
26 limited to, group purchases for vehicles, utilities, supplies,
27 electronic equipment, maintenance equipment, books, and contractual

1 services. To the extent possible, the state universities shall use
2 both the "Michigan delivering extended agreements locally" (MiDEAL)
3 purchasing services of the state department of management and
4 budget that makes state contracts available to local units of
5 government, colleges, and universities and the purchasing services
6 available through the state's membership in the Midwestern Higher
7 Education Compact (MHEC). Not later than January 1 of each year,
8 the presidents council, state universities of Michigan shall submit
9 to the members of the house and senate appropriations subcommittees
10 on higher education, the house and senate fiscal agencies, and the
11 state budget director a report on group or pooled purchases and the
12 savings achieved by the state universities in the previous fiscal
13 year.

14 Sec. 469. By November 14, 2009, each university receiving an
15 appropriation in part 1 shall report the number of undergraduate
16 students who graduated in academic year 2008-2009 and received a
17 Pell grant at any time during their enrollment at that university
18 to the members of the house and senate appropriations subcommittees
19 on higher education, the house and senate fiscal agencies, and the
20 state budget director.

21 STATE AND REGIONAL PROGRAMS

22 Sec. 501. The funds appropriated in part 1 for higher
23 education database modernization and conversion shall be expended
24 to maintain, coordinate, and improve the higher education
25 institutional data inventory (HEIDI) established under section 1299
26 of the management and budget act, 1984 PA 431, MCL 18.1299. The

1 advisory committee established under that section shall meet
2 regularly to review data definitions and requirements in order to
3 advise the state budget director regarding changes to those
4 definitions and requirements that would result in more useful and
5 reliable data being provided to state policymakers and university
6 officials.

7 **STUDENT PERFORMANCE REPORTING**

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

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

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

25 Sec. 603. State universities shall work with the state
26 community colleges to encourage the transfer of students from the

1 community colleges to the state universities and to facilitate the
2 transfer of credits from the community colleges to the state
3 universities.

4 **GENERAL REPORTS AND AUDITS**

5 Sec. 701. (1) The auditor general shall review higher
6 education institutional data inventory (HEIDI) enrollment data
7 submitted by all state universities and may perform audits of
8 selected state universities if determined necessary. The review and
9 audits shall be based upon the definitions, requirements, and
10 uniform reporting categories established by the state budget
11 director in consultation with the HEIDI advisory committee. The
12 auditor general shall submit a report of findings to the house and
13 senate appropriations committees and the state budget director no
14 later than July 1, 2010.

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

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

21 (b) Student credit hours generated through distance learning
22 instruction for students not eligible for the institution's in-
23 state main campus resident tuition rate. However, in instances
24 where a student is enrolled in distance education and non-distance
25 education credit hours in a given term and the student's non-
26 distance education enrollment is at a campus or site located within

1 Michigan, student credit hours per the student's eligibility for
2 in-state or out-of-state tuition rates may be reported.

3 (c) Student credit hours generated through credit by
4 examination.

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

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

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

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

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

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

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

24 (3) The auditor general shall periodically audit higher
25 education institutional data inventory (HEIDI) data as submitted by
26 the state universities for compliance with the definitions for the
27 HEIDI database established by the state budget director in

1 consultation with the HEIDI advisory committee.

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

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

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

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

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

24 Sec. 708. The auditor general may conduct performance audits
25 of state universities during the fiscal year ending September 30,
26 2010 as the auditor general considers necessary.

27 Sec. 709. An institution of higher education receiving funds

1 under this bill and also subject to the student right-to-know and
2 campus security act, Public Law 101-522, 104 Stat. 2381, shall make
3 a copy of all material prepared pursuant to the public information
4 reporting requirements under the crime awareness and campus
5 security act of 1990, title II of the student right-to-know and
6 campus security act, Public Law 101-542, 104 Stat. 2381, available
7 in electronic Internet format on their websites.

8 Sec. 714. An institution receiving funds under this bill and
9 also subject to the family educational rights and privacy act
10 (FERPA), 20 USC section 1232g, 34 CFR part 99, shall, when
11 requested, provide information from the records of a student to any
12 person or persons to whom the student has authorized disclosure on
13 a written consent form pursuant to 34 CFR 99.30.