

SUBSTITUTE FOR
HOUSE BILL NO. 4441

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 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 PART 1

2 LINE-ITEM APPROPRIATIONS

3 Sec. 101. Subject to the conditions set forth in this act, the
4 amounts listed in this part are appropriated for higher education
5 for the fiscal year ending September 30, 2010, from the funds
6 indicated in this part.

7 HIGHER EDUCATION

1	APPROPRIATION SUMMARY		
2	Full-time equated classified positions.....	1.0	
3	GROSS APPROPRIATION.....		\$ 1,826,084,700
4	Interdepartmental grant revenues:		
5	Total interdepartmental grants and intradepartmental		
6	transfers		0
7	ADJUSTED GROSS APPROPRIATION.....		\$ 1,826,084,700
8	Federal revenues:		
9	Total federal revenues.....		59,607,400
10	Special revenue funds:		
11	Total local revenues.....		0
12	Total private revenues.....		0
13	Total other state restricted revenues.....		166,400,100
14	State general fund/general purpose.....		\$ 1,600,077,200
15	SUBPART A - RESEARCH UNIVERSITIES		
16	Sec. 102. MICHIGAN STATE UNIVERSITY		
17	Operations.....		\$ 284,250,000
18	Operations (ARRA).....		8,791,200
19	Indian tuition waiver costs (ARRA)		235,200
20	Agricultural experiment station.....		35,656,100
21	Agricultural experiment station (ARRA)		1,030,100
22	Cooperative extension service.....		29,877,000
23	Cooperative extension service (ARRA)		<u>888,500</u>
24	GROSS APPROPRIATION.....		\$ 360,728,100
25	Appropriated from:		

1	Federal revenues:		
2	DED - state fiscal stabilization fund - education		
3	(ARRA)		10,709,800
4	DED - state fiscal stabilization fund - general		
5	government services (ARRA)		235,200
6	State general fund/general purpose	\$	349,783,100
7	Sec. 103. UNIVERSITY OF MICHIGAN - ANN ARBOR		
8	Operations	\$	316,874,100
9	Operations (ARRA)		9,800,200
10	Indian tuition waiver costs (ARRA)		<u>336,300</u>
11	GROSS APPROPRIATION	\$	327,010,600
12	Appropriated from:		
13	Federal revenues:		
14	DED - state fiscal stabilization fund - education		
15	(ARRA)		9,800,200
16	DED - state fiscal stabilization fund - general		
17	government services (ARRA)		336,300
18	State general fund/general purpose	\$	316,874,100
19	Sec. 104. WAYNE STATE UNIVERSITY		
20	Operations	\$	214,599,900
21	Operations (ARRA)		6,637,100
22	Indian tuition waiver costs (ARRA)		<u>242,400</u>
23	GROSS APPROPRIATION	\$	221,479,400
24	Appropriated from:		
25	Federal revenues:		

1	DED - state fiscal stabilization fund - education	
2	(ARRA)	6,637,100
3	DED - state fiscal stabilization fund - general	
4	government services (ARRA)	242,400
5	State general fund/general purpose	\$ 214,599,900

6 **SUBPART B - STATE UNIVERSITIES**

7 **Sec. 105. CENTRAL MICHIGAN UNIVERSITY**

8	Operations.....	\$ 80,307,400
9	Operations (ARRA)	2,482,800
10	Indian tuition waiver costs (ARRA)	<u>453,800</u>
11	GROSS APPROPRIATION.....	\$ 83,244,000

12 Appropriated from:

13 Federal revenues:

14	DED - state fiscal stabilization fund - education	
15	(ARRA)	2,482,800
16	DED - state fiscal stabilization fund - general	
17	government services (ARRA)	453,800
18	State general fund/general purpose	\$ 80,307,400

19 **Sec. 106. EASTERN MICHIGAN UNIVERSITY**

20	Operations.....	\$ 76,195,200
21	Operations (ARRA)	2,356,600
22	Indian tuition waiver costs (ARRA)	<u>198,300</u>
23	GROSS APPROPRIATION.....	\$ 78,750,100

24 Appropriated from:

1	Federal revenues:		
2	DED - state fiscal stabilization fund - education		
3	(ARRA)		2,356,600
4	DED - state fiscal stabilization fund - general		
5	government services (ARRA)		198,300
6	State general fund/general purpose	\$	76,195,200
7	Sec. 107. FERRIS STATE UNIVERSITY		
8	Operations	\$	48,721,300
9	Operations (ARRA)		1,506,800
10	Indian tuition waiver costs (ARRA)		<u>185,800</u>
11	GROSS APPROPRIATION	\$	50,413,900
12	Appropriated from:		
13	Federal revenues:		
14	DED - state fiscal stabilization fund - education		
15	(ARRA)		1,506,800
16	DED - state fiscal stabilization fund - general		
17	government services (ARRA)		185,800
18	State general fund/general purpose	\$	48,721,300
19	Sec. 108. GRAND VALLEY STATE UNIVERSITY		
20	Operations	\$	62,100,800
21	Operations (ARRA)		1,920,600
22	Indian tuition waiver costs (ARRA)		<u>350,300</u>
23	GROSS APPROPRIATION	\$	64,371,700
24	Appropriated from:		
25	Federal revenues:		

1	DED - state fiscal stabilization fund - education	
2	(ARRA)	1,920,600
3	DED - state fiscal stabilization fund - general	
4	government services (ARRA)	350,300
5	State general fund/general purpose	\$ 62,100,800
6	Sec. 109. LAKE SUPERIOR STATE UNIVERSITY	
7	Operations.....	\$ 12,718,300
8	Operations (ARRA).....	393,400
9	Indian tuition waiver costs (ARRA)	<u>199,600</u>
10	GROSS APPROPRIATION.....	\$ 13,311,300
11	Appropriated from:	
12	Federal revenues:	
13	DED - state fiscal stabilization fund - education	
14	(ARRA)	393,400
15	DED - state fiscal stabilization fund - general	
16	government services (ARRA)	199,600
17	State general fund/general purpose	\$ 12,718,300
18	Sec. 110. MICHIGAN TECHNOLOGICAL UNIVERSITY	
19	Operations.....	\$ 48,032,900
20	Operations (ARRA).....	1,485,600
21	Indian tuition waiver costs (ARRA)	<u>160,600</u>
22	GROSS APPROPRIATION.....	\$ 49,679,100
23	Appropriated from:	
24	Federal revenues:	
25	DED - state fiscal stabilization fund - education	

1	(ARRA)	1,485,600
2	DED - state fiscal stabilization fund - general	
3	government services (ARRA)	160,600
4	State general fund/general purpose	\$ 48,032,900
5	Sec. 111. NORTHERN MICHIGAN UNIVERSITY	
6	Operations	\$ 45,234,200
7	Operations (ARRA)	1,399,000
8	Indian tuition waiver costs (ARRA)	<u>231,500</u>
9	GROSS APPROPRIATION	\$ 46,864,700
10	Appropriated from:	
11	Federal revenues:	
12	DED - state fiscal stabilization fund - education	
13	(ARRA)	1,399,000
14	DED - state fiscal stabilization fund - general	
15	government services (ARRA)	231,500
16	State general fund/general purpose	\$ 45,234,200
17	Sec. 112. OAKLAND UNIVERSITY	
18	Operations	\$ 50,878,600
19	Operations (ARRA)	1,573,600
20	Indian tuition waiver costs (ARRA)	<u>217,900</u>
21	GROSS APPROPRIATION	\$ 52,670,100
22	Appropriated from:	
23	Federal revenues:	
24	DED - state fiscal stabilization fund - education	
25	(ARRA)	1,573,600

1	DED - state fiscal stabilization fund - general		
2	government services (ARRA)		217,900
3	State general fund/general purpose	\$	50,878,600
4	Sec. 113. SAGINAW VALLEY STATE UNIVERSITY		
5	Operations	\$	27,780,600
6	Operations (ARRA)		859,200
7	Indian tuition waiver costs (ARRA)		<u>25,800</u>
8	GROSS APPROPRIATION	\$	28,665,600
9	Appropriated from:		
10	Federal revenues:		
11	DED - state fiscal stabilization fund - education		
12	(ARRA)		859,200
13	DED - state fiscal stabilization fund - general		
14	government services (ARRA)		25,800
15	State general fund/general purpose	\$	27,780,600
16	Sec. 114. UNIVERSITY OF MICHIGAN - DEARBORN		
17	Operations	\$	24,781,600
18	Operations (ARRA)		766,400
19	Indian tuition waiver costs (ARRA)		<u>66,400</u>
20	GROSS APPROPRIATION	\$	25,614,400
21	Appropriated from:		
22	Federal revenues:		
23	DED - state fiscal stabilization fund - education		
24	(ARRA)		766,400
25	DED - state fiscal stabilization fund - general		

1	government services (ARRA)	66,400
2	State general fund/general purpose	\$ 24,781,600
3	Sec. 115. UNIVERSITY OF MICHIGAN - FLINT	
4	Operations.....	\$ 20,945,900
5	Operations (ARRA)	647,800
6	Indian tuition waiver costs (ARRA)	<u>41,400</u>
7	GROSS APPROPRIATION.....	\$ 21,635,100
8	Appropriated from:	
9	Federal revenues:	
10	DED - state fiscal stabilization fund - education	
11	(ARRA)	647,800
12	DED - state fiscal stabilization fund - general	
13	government services (ARRA)	41,400
14	State general fund/general purpose	\$ 20,945,900
15	Sec. 116. WESTERN MICHIGAN UNIVERSITY	
16	Operations.....	\$ 109,845,900
17	Operations (ARRA)	3,397,300
18	Indian tuition waiver costs (ARRA)	<u>204,400</u>
19	GROSS APPROPRIATION.....	\$ 113,447,600
20	Appropriated from:	
21	Federal revenues:	
22	DED - state fiscal stabilization fund - education	
23	(ARRA)	3,397,300
24	DED - state fiscal stabilization fund - general	
25	government services (ARRA)	204,400

1	State general fund/general purpose	\$	109,845,900
2	SUBPART C - STATE AND REGIONAL PROGRAMS, GRANTS, AND FINANCIAL AID		
3	Sec. 117. STATE AND REGIONAL PROGRAMS		
4	Full-time equated positions	1.0	
5	Higher education database modernization and		
6	conversion--1.0 FTE position	\$	200,000
7	Midwestern higher education compact		<u>95,000</u>
8	GROSS APPROPRIATION	\$	295,000
9	Appropriated from:		
10	State general fund/general purpose	\$	295,000
11	Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ -		
12	ROSA PARKS PROGRAM		
13	Select student supportive services	\$	1,897,400
14	Select student supportive services (ARRA)		58,700
15	Michigan college/university partnership program		569,200
16	Michigan college/university partnership program (ARRA)		17,600
17	Morris Hood, Jr. educator development program		144,200
18	Morris Hood, Jr. educator development program (ARRA) .		<u>4,400</u>
19	GROSS APPROPRIATION	\$	2,691,500
20	Appropriated from:		
21	Federal revenues:		
22	DED - state fiscal stabilization fund - general		
23	government services (ARRA)		80,700
24	State general fund/general purpose	\$	2,610,800

1	Sec. 119. GRANTS AND FINANCIAL AID		
2	State competitive scholarships.....	\$	34,551,600
3	State competitive scholarships (ARRA)		978,900
4	Tuition grants.....		54,968,100
5	Tuition grants (ARRA)		1,700,000
6	Michigan work-study program.....		7,106,500
7	Michigan work-study program (ARRA)		219,800
8	Part-time independent student program.....		2,573,700
9	Part-time independent student program (ARRA)		79,600
10	Michigan education opportunity grants.....		2,021,700
11	Michigan education opportunity grants (ARRA)		62,500
12	Robert C. Byrd honors scholarship program.....		1,500,000
13	Nursing scholarship and grant programs.....		4,250,000
14	Michigan merit award program.....		100
15	Michigan promise grant program.....		140,000,000
16	Tuition incentive program.....		31,200,000
17	Children of veterans tuition grant program.....		1,000,000
18	Project gear-up.....		<u>3,000,000</u>
19	GROSS APPROPRIATION.....	\$	285,212,500
20	Appropriated from:		
21	Federal revenues:		
22	Higher education act of 1965, title IV, 20 USC		2,900,000
23	Higher education act of 1965, title IV, part A		1,500,000
24	United States department of education, office of		
25	elementary and secondary education, gear-up.....		3,000,000
26	DED - state fiscal stabilization fund - general		

1	government services (ARRA)	3,040,800
2	Special revenue funds:	
3	Michigan merit award trust fund.....	166,100,100
4	Contributions to children of veterans tuition grant	
5	program	300,000
6	State general fund/general purpose.....	\$ 108,371,600

7 PART 2

8 PROVISIONS CONCERNING APPROPRIATIONS

9 **GENERAL SECTIONS**

10 Sec. 201. Pursuant to section 30 of article IX of the state
 11 constitution of 1963, total state spending from state resources
 12 under this act for fiscal year 2009-2010 is \$1,766,477,300.00 and
 13 state spending from state resources to be paid to local units of
 14 government for fiscal year 2009-2010 is \$3,646,300.00. The itemized
 15 statement below identifies the estimated appropriations from which
 16 spending to local units of government will occur:

17	Part-time independent student program.....	\$ 1,218,000
18	Michigan education opportunity grants.....	904,900
19	Michigan work-study.....	<u>1,523,400</u>
20	TOTAL.....	\$ 3,646,300

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

24 Sec. 203. As used in this act, "research university" means a
 25 public university classified as a "research university (very high

1 research activity)" under the 2005 classification of institutions
2 of higher education conducted by the Carnegie foundation for the
3 advancement of teaching.

4 Sec. 208. Unless otherwise specified, public universities
5 receiving appropriations in part 1 shall use the Internet to
6 fulfill the reporting requirements of this act. This requirement
7 may include transmission of reports via electronic mail to the
8 recipients identified for each reporting requirement, or it may
9 include placement of reports on an Internet or Intranet site.

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

20 Sec. 210. It is the intent of the legislature that the funds
21 appropriated in part 1 to state institutions of higher education
22 shall not be used to enter into a lease or to purchase a vehicle
23 assembled or manufactured outside of the United States, and that
24 preference be given to vehicles assembled or manufactured in
25 Michigan.

26 Sec. 212. (1) The funds appropriated in part 1 to public
27 universities shall be paid out of the state treasury and

1 distributed by the state treasurer to the respective institutions
2 in 11 equal monthly installments on the sixteenth of each month, or
3 the next succeeding business day, beginning with October 16, 2009.
4 Except for Wayne State University, each institution shall accrue
5 its July and August 2010 payments to its institutional fiscal year
6 ending June 30, 2010.

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

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

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

1 for which the funds are made available.

2 Sec. 214. If section 274 of the income tax act of 1967, 1967
3 PA 281, MCL 206.274, is not repealed and if a public university
4 that receives funds under this act notifies the department of
5 treasury regarding its tuition and fee rates in order to qualify as
6 an eligible institution for the Michigan tuition tax credit under
7 section 274 of the income tax act of 1967, 1967 PA 281, MCL
8 206.274, the public university shall also submit the notification
9 and applicable documentation of tuition and fee changes to the
10 house and senate fiscal agencies.

11 Sec. 215. A public university that receives funds under this
12 act shall furnish all program and financial information that is
13 required by and in a manner prescribed by the state budget director
14 or the house or senate appropriations committee.

15 Sec. 216. A public university receiving funds in part 1 shall
16 cooperate with all measures taken by the state to comply with the
17 state fiscal stabilization fund provisions of the American recovery
18 and reinvestment act of 2009, Public Law 111-5, requiring the
19 establishment of a statewide P-16 education longitudinal data
20 system.

21 Sec. 217. It is the intent of the legislature that the
22 governing board of each public university examine university
23 operations for potential conflicts of interest.

24 **GRANTS AND FINANCIAL AID**

25 Sec. 301. (1) Payments of the amounts included in part 1 for
26 the state competitive scholarship program shall be distributed

1 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

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

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

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

19 (5) Students who receive aid under 1964 PA 208, MCL 390.971 to
20 390.981, shall be awarded scholarships on the basis of merit and
21 financial need. Veterans administration benefits shall not be
22 considered in determining eligibility under 1964 PA 208, MCL
23 390.971 to 390.981.

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

27 (2) Tuition grant awards shall be made to all eligible

1 Michigan residents who apply before July 1, 2009 and who are
2 qualified. Tuition grant awards shall not be made to students newly
3 enrolled in a juris doctor law degree program after the 1995-1996
4 academic year.

5 (3) The Michigan higher education assistance authority shall
6 determine an actual maximum tuition grant award per student, which
7 shall be no less than \$2,100.00, that ensures that the aggregate
8 payments for the tuition grant program do not exceed the
9 appropriation contained in part 1 for the state tuition grant
10 program. If the authority determines that insufficient funds are
11 available to establish a maximum award amount of \$2,100.00, the
12 authority shall immediately report to the house and senate
13 appropriations subcommittees on higher education, the house and
14 senate fiscal agencies, and the state budget director, regarding
15 the estimated amount of additional funds necessary to establish a
16 \$2,100.00 maximum award amount. By December 15, 2009, and again by
17 February 1, 2010, the authority shall analyze the status of award
18 commitments, shall make any necessary adjustments, and shall
19 confirm that those award commitments will not exceed the
20 appropriation contained in part 1 for the tuition grant program.
21 The determination and actions shall be reported to the state budget
22 director and the house and senate fiscal agencies no later than
23 February 15, 2010. If award adjustments are necessary, the students
24 shall be notified of the adjustment by the third Monday in
25 February.

26 (4) Any unexpended and unencumbered funds remaining on
27 September 30, 2010 from the amounts appropriated in part 1 for the

1 tuition grant program shall not lapse on September 30, 2010, but
2 shall continue to be available for expenditure for tuition grants
3 provided in the 2010-2011 fiscal year under a work project account.
4 The use of these unexpended fiscal year 2009-2010 funds shall
5 terminate at the end of the 2010-2011 fiscal year.

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

10 (6) If the Michigan higher education assistance authority
11 increases the maximum award per eligible student from that provided
12 in the previous fiscal year, it shall not have the effect of
13 reducing the number of eligible students receiving awards in
14 relation to the total number of eligible applicants. Any increase
15 in the maximum grant shall be proportional for all eligible
16 students receiving awards for fiscal year 2009-2010.

17 Sec. 303. (1) Included in the appropriation in part 1 is
18 funding for the Michigan work-study program established under 1986
19 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to
20 390.1332. An effort should be made by each institution
21 participating in the Michigan work-study program to assure that not
22 less than 10% of those undergraduate, graduate, and professional
23 students eligible to participate in the program are placed with
24 for-profit employers no later than December 31 of each year for
25 which funding is provided under this act.

26 (2) The Michigan higher education assistance authority shall
27 allocate funds to institutions eligible for work-study money based

1 upon each institution's specific Pell grant index and each
2 institution's utilization rate of work-study funds for the 3 most
3 recent years for which statistics are available.

4 (3) The Michigan higher education assistance authority shall
5 set aside not more than 5% of the total work-study appropriation to
6 process requests from participating institutions for allocation
7 adjustments. Allocation adjustments shall be based on criteria set
8 by the authority prior to making the allocations under subsection
9 (2).

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

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

25 (a) For the state competitive scholarship, nursing
26 scholarship, tuition incentive, and tuition grant programs, 40%
27 shall be paid at the beginning of the state's first fiscal quarter,

1 40% at the beginning of the state's second fiscal quarter, 10% at
2 the beginning of the state's third fiscal quarter, and 10% at the
3 beginning of the state's fourth fiscal quarter.

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

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

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

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

20 Sec. 310. (1) The funds appropriated in part 1 for the tuition
21 incentive program shall be distributed as provided in this section
22 and pursuant to the administrative procedures for the tuition
23 incentive program of the department of treasury.

24 (2) As used in this section:

25 (a) "Phase I" means the first part of the tuition incentive
26 assistance program defined as the academic period of 80 semester or
27 120 term credits, or less, leading to an associate degree or

1 certificate.

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

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

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

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

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

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

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

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

21 (v) Request information on filing a FAFSA.

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

24 (a):

25 (i) Complete at least 56 transferable semester or 84
26 transferable term credits.

27 (ii) Obtain an associate degree or certificate at a

1 participating institution.

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

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

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

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

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

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

24 (d) For persons enrolled at a Michigan independent, nonprofit
25 degree-granting college or university, or a Michigan federal
26 tribally controlled community college, or Focus: HOPE, the
27 department shall pay mandatory fees for the current year and a per-

1 credit payment that does not exceed the average community college
2 in-district per-credit tuition rate as reported on August 1, for
3 the immediately preceding academic year.

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

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

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

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

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

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

26 (10) The department shall ensure that the tuition incentive
27 program is well publicized and that potentially eligible Medicaid

1 clients are provided information on the program. The department
2 shall provide the necessary funding and staff to fully operate the
3 program.

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

9 Sec. 312. From the funds appropriated in part 1 for nursing
10 scholarship and grant programs, the Michigan higher education
11 assistance authority shall administer any nursing scholarship or
12 nursing school grant programs authorized under the Michigan nursing
13 scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

14 Sec. 315. By February 15 of each year, the department of
15 treasury shall submit a report to the state budget director, the
16 house and senate appropriations subcommittees on higher education,
17 and the house and senate fiscal agencies for the preceding fiscal
18 year on all student financial aid programs for which funds are
19 appropriated in part 1. For each student financial aid program, the
20 report shall include, but is not limited to, the total number of
21 awards paid in the preceding fiscal year, the total dollar amount
22 of those awards, and the number of students receiving awards and
23 the total amount of those awards at each eligible postsecondary
24 institution. To the extent information is available, the report
25 shall also include information on the average exam performance,
26 household income, and other demographic characteristics of students
27 receiving awards under each program and historical information on

1 the number of awards and total award amounts for each program.

2 Sec. 316. It is the intent of the legislature that a workgroup
3 be formed to examine current state financial aid programs and make
4 recommendations regarding any changes to, additions to, or
5 consolidation of those programs to improve the overall efficacy of
6 state financial aid funding. The workgroup shall, at minimum,
7 contain members of the house and senate appropriations
8 subcommittees on higher education and representatives of the major
9 associations representing not-for-profit, degree-granting
10 postsecondary institutions in this state.

11 UNIVERSITY OPERATIONS

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

20 Sec. 426. (1) It is the legislative intent that private
21 bookstores that sell textbooks to university students and student
22 governments that provide a book swap for university students have
23 accurate and timely access to lists of universities' required
24 textbooks in order to provide prompt and efficient service for
25 students. It is further the legislative intent that each public
26 university allow students who are on financial aid or are receiving

1 tuition grants to decide where to purchase their textbooks.

2 (2) It is the intent of the legislature that each public
3 university that provides for the use of funds in a university-
4 administered account or financial aid for the purchase of required
5 textbooks and supplies at bookstores operated by or affiliated with
6 the university shall also provide for the use of funds in a
7 university-administered account or financial aid at bookstores
8 providing required textbooks or supplies that are not operated by
9 or affiliated with the university. A public university may require
10 bookstores not operated by or affiliated with the university to
11 reimburse the university for any reasonable costs attributable to
12 these transactions and to pay a reasonable rate or commission to
13 the university or a fixed fee agreed to by both parties.

14 Sec. 433. (1) Included in part 1 is \$2,982,900.00 for the
15 agricultural experiment station and \$2,645,200.00 for the
16 cooperative extension service for project GREEN. Project GREEN is
17 intended to address critical regulatory, food safety, economic, and
18 environmental problems faced by this state's plant-based
19 agriculture, forestry, and processing industries. "GREEN" is an
20 acronym for generating research and extension to meet environmental
21 and economic needs.

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

26 (3) Included in part 1 is \$2,350,000.00 for the agricultural
27 experiment station and \$1,150,000.00 for the cooperative extension

1 service for bioeconomy research and development, focused on
2 understanding forest biomass availability, determining which
3 preprocessing technologies are best suited to convert Michigan
4 biomass into renewable fuels, and understanding biomass supply
5 chains.

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

14 (a) Total funds expended by the agricultural experiment
15 station and cooperative extension service identified by state,
16 local, private, federal, and university fund sources.

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

19 (c) The dollar amount of each bioeconomy research and
20 development project and a review of each project's performance and
21 accomplishments.

22 (d) The dollar amount and description of all other individual
23 programs and services provided by the agricultural experiment
24 station and cooperative extension service and a review of each
25 project's performance and accomplishments.

26 (e) The number of businesses created or that had increased
27 employment and the number of patents generated as a result of work

1 conducted by the agricultural experiment station and cooperative
2 extension service.

3 Sec. 436. (1) The funds appropriated to public universities in
4 part 1 from the education portion of the state fiscal stabilization
5 funds received under the American recovery and reinvestment act of
6 2009, Public Law 111-5, shall be used by the public universities,
7 consistent with the provisions of that act, to mitigate the need to
8 raise tuition and fees for in-state students or for modernization,
9 renovation, or repair of facilities that are primarily used for
10 instruction, research, or student housing.

11 (2) By November 1, 2009, each public university shall submit a
12 report to the house and senate appropriations subcommittees on
13 higher education, the house and senate fiscal agencies, and the
14 state budget director specifically describing how the funds
15 appropriated from state fiscal stabilization funds will be used
16 under subsection (1). That description shall include 1, or both, of
17 the following:

18 (a) A detailed estimate of the amount by which increases in
19 in-state tuition and fee rates were mitigated using the funds
20 appropriated.

21 (b) A listing of facilities being modernized, renovated, or
22 repaired with the funds appropriated, including project dollar
23 amounts and descriptions.

24 Sec. 440. All public universities shall submit the amount of
25 tuition and fees actually charged to a full-time resident
26 undergraduate student for academic year 2009-2010 as part of their
27 higher education institutional data inventory (HEIDI) data by

1 August 31, 2009. A public university shall report any revisions for
2 any semester of the reported academic year 2009-2010 tuition and
3 fee charges to HEIDI within 15 days of being adopted.

4 Sec. 451. For the fiscal year ending September 30, 2010, it is
5 the intent of the legislature that funds be allocated for unfunded
6 North American Indian tuition waiver costs incurred by public
7 universities under 1976 PA 174, MCL 390.1251 to 390.1253, from the
8 general fund/general purpose unreserved balances at the close of
9 the 2008-2009 fiscal year.

10 Sec. 460. From the amount appropriated in part 1 to Central
11 Michigan University for operations, \$29,700.00 shall be paid to
12 Saginaw Chippewa Tribal College for the costs of waiving tuition
13 for North American Indians under 1976 PA 174, MCL 390.1251 to
14 390.1253.

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

19 Sec. 463. Not later than February 1, 2010, each of the public
20 universities receiving appropriations in part 1 shall submit to the
21 state budget director, members of the house of representatives and
22 the senate, and the house and senate fiscal agencies a report on
23 the number of residents from an eligible county enrolled at the
24 university and the quantifiable increase from the 2008-2009
25 academic year to the 2009-2010 academic year in outreach efforts to
26 enroll students at the university from an eligible county. As used
27 in this section, "eligible county" means a county in this state

1 that meets both of the following:

2 (a) Has a population of not less than 700,000 and not more
3 than 1,000,000 according to the most recent federal decennial
4 census.

5 (b) Does not contain the main campus of a 4-year public
6 university within its boundaries.

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

13 Sec. 466. Public universities shall coordinate their purchases
14 of goods and services whenever possible. This may include, but is
15 not limited to, group purchases for vehicles, utilities, supplies,
16 electronic equipment, maintenance equipment, books, and contractual
17 services. To the extent possible, the public universities shall use
18 both the "Michigan delivering extended agreements locally" (MiDEAL)
19 purchasing services of the state department of management and
20 budget that makes state contracts available to local units of
21 government, colleges, and universities and the purchasing services
22 available through the state's membership in the Midwestern Higher
23 Education Compact (MHEC). Not later than January 1 of each year,
24 the presidents council, state universities of Michigan shall submit
25 to the members of the house and senate appropriations subcommittees
26 on higher education, the house and senate fiscal agencies, and the
27 state budget director a report on group or pooled purchases and the

1 savings achieved by the public universities in the previous
2 fiscal year.

3 Sec. 469. By November 14, 2009, each public university
4 receiving an appropriation in part 1 shall report the number of
5 undergraduate students who graduated in academic year 2008-2009 and
6 received a Pell grant at any time during their enrollment at that
7 university to the members of the house and senate appropriations
8 subcommittees on higher education, the house and senate fiscal
9 agencies, and the state budget director.

10 Sec. 471. (1) It is the intent of the legislature that each
11 public university receiving an appropriation in part 1 limit any
12 changes to the general requirements or credits needed for a student
13 to graduate from a degree program while that student is enrolled in
14 that program.

15 (2) It is the intent of the legislature that each public
16 university receiving an appropriation in part 1, to the extent
17 possible, provide sufficient counseling to students to facilitate
18 the timely graduation of those students.

19 **STATE AND REGIONAL PROGRAMS**

20 Sec. 480. The funds appropriated in part 1 for higher
21 education database modernization and conversion shall be expended
22 to maintain, coordinate, and improve the higher education
23 institutional data inventory (HEIDI) established under section 1299
24 of the management and budget act, 1984 PA 431, MCL 18.1299. The
25 advisory committee established under that section shall meet
26 regularly to review data definitions and requirements in order to

1 advise the state budget director regarding changes to those
2 definitions and requirements that would result in more useful and
3 reliable data being provided to state policymakers and university
4 officials.

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

6 Sec. 501. (1) Included in the appropriation for each public
7 university in part 1 is funding for the Martin Luther King, Jr. -
8 Cesar Chavez - Rosa Parks future faculty program that is intended
9 to increase the pool of academically or economically disadvantaged
10 candidates pursuing faculty teaching careers in postsecondary
11 education. Preference may not be given to applicants on the basis
12 of race, color, ethnicity, gender, or national origin. Institutions
13 should encourage applications from applicants who would otherwise
14 not adequately be represented in the graduate student and faculty
15 populations. Each public university shall apply the percentage
16 change applicable to every public university in the calculation of
17 appropriations in part 1 to the amount of funds allocated to the
18 future faculty program.

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

24 Sec. 502. (1) Included in the appropriation for each public
25 university in part 1 is funding for the Martin Luther King, Jr. -
26 Cesar Chavez - Rosa Parks college day program that is intended to

1 introduce academically or economically disadvantaged schoolchildren
2 to the potential of a college education. Preference may not be
3 given to participants on the basis of race, color, ethnicity,
4 gender, or national origin. Public universities should encourage
5 participation from those who would otherwise not adequately be
6 represented in the student population.

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

17 (3) The program described in this section shall be
18 administered by each public university in a manner prescribed by
19 the Michigan department of energy, labor, and economic growth.

20 Sec. 503. (1) Included in part 1 is funding for the Martin
21 Luther King, Jr. - Cesar Chavez - Rosa Parks select student support
22 services program for developing academically or economically
23 disadvantaged student retention programs for 4-year public and
24 independent educational institutions in this state. Preference may
25 not be given to participants on the basis of race, color,
26 ethnicity, gender, or national origin. Institutions should
27 encourage participation from those who would otherwise not

1 adequately be represented in the student population.

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

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

8 Sec. 504. (1) Included in part 1 is funding for the Martin
9 Luther King, Jr. - Cesar Chavez - Rosa Parks college/university
10 partnership program between 4-year public and independent colleges
11 and universities and public community colleges, which is intended
12 to increase the number of academically or economically
13 disadvantaged students who transfer from community colleges into
14 baccalaureate programs. Preference may not be given to participants
15 on the basis of race, color, ethnicity, gender, or national origin.
16 Institutions should encourage participation from those who would
17 otherwise not adequately be represented in the transfer student
18 population.

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

24 (3) The program described in this section shall be
25 administered by the Michigan department of energy, labor, and
26 economic growth.

27 Sec. 505. (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 visiting professors program which is
3 intended to increase the number of instructors in the classroom to
4 provide role models for academically or economically disadvantaged
5 students. Preference may not be given to participants on the basis
6 of race, color, ethnicity, gender, or national origin. Public
7 universities should encourage participation from those who would
8 otherwise not adequately be represented in the student population.

9 (2) The program described in this section shall be
10 administered by the Michigan department of energy, labor, and
11 economic growth.

12 Sec. 506. (1) Included in the appropriation in part 1 is
13 funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa
14 Parks initiative for the Morris Hood, Jr. educator development
15 program which is intended to increase the number of academically or
16 economically disadvantaged students who enroll in and complete K-12
17 teacher education programs at the baccalaureate level. Preference
18 may not be given to participants on the basis of race, color,
19 ethnicity, gender, or national origin. Institutions should
20 encourage participation from those who would otherwise not
21 adequately be represented in the teacher education student
22 population.

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

27 (3) Approved teacher education institutions may and are

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

4 Sec. 507. Each institution receiving funds under section 503,
5 504, or 506 shall notify the Michigan department of energy, labor,
6 and economic growth by April 15, 2010 as to whether it will expend
7 by the end of its fiscal year the funds received under section 503,
8 504, or 506. Notwithstanding the award limitations in sections 503
9 and 504, the amount of funding reported as not being expended will
10 be reallocated to the institutions that intend to expend all
11 funding received under section 503, 504, or 506.

12 STUDENT PERFORMANCE REPORTING

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

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

24 Sec. 602. From the amount appropriated in part 1, the public
25 universities shall inform Michigan community colleges regarding the
26 academic status of community college transfer students in a manner

1 prescribed by the presidents council, state universities of
2 Michigan in cooperation with the Michigan community college
3 association.

4 Sec. 603. Public universities shall work with the state
5 community colleges to encourage the transfer of students from the
6 community colleges to the state universities and to facilitate the
7 transfer of credits from the community colleges to the public
8 universities.

9 GENERAL REPORTS AND AUDITS

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

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

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

26 (b) Student credit hours generated through distance learning

1 instruction for students not eligible for the public university's
2 in-state main campus resident tuition rate. However, in instances
3 where a student is enrolled in distance education and non-distance
4 education credit hours in a given term and the student's non-
5 distance education enrollment is at a campus or site located within
6 Michigan, student credit hours per the student's eligibility for
7 in-state or out-of-state tuition rates may be reported.

8 (c) Student credit hours generated through credit by
9 examination.

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

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

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

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

20 (iii) Are accommodated within the continuing funding base of the
21 public university.

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

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

1 program operation.

2 (3) The auditor general shall periodically audit higher
3 education institutional data inventory (HEIDI) data as submitted by
4 the public universities for compliance with the definitions
5 established by the state budget director in consultation with the
6 HEIDI advisory committee for the HEIDI database.

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

14 Sec. 702. The principal executive officer of each public
15 university receiving an appropriation under part 1 shall expend a
16 portion of the funds appropriated to that public university to make
17 a report to the auditor general, the house and senate fiscal
18 agencies, and the state budget director within 60 days after the
19 auditor general issues his or her report on the operation of the
20 institution. The public university's report shall specify all of
21 the following:

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

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

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

3 Sec. 708. The auditor general may conduct performance audits
4 of public universities receiving funds in part 1 during the fiscal
5 year ending September 30, 2010 as the auditor general considers
6 necessary.

7 Sec. 709. A public university receiving funds under part 1 and
8 also subject to the student right-to-know and campus security act,
9 Public Law 101-542, 104 Stat. 2381, shall make a copy of all
10 material prepared pursuant to the public information reporting
11 requirements under the crime awareness and campus security act of
12 1990, title II of the student right-to-know and campus security
13 act, Public Law 101-542, 104 Stat. 2381, available in electronic
14 Internet format on their websites.

15 Sec. 714. A public university receiving funds under this act
16 and also subject to the family educational rights and privacy act
17 (FERPA), 20 USC 1232g, 34 CFR part 99, shall, when requested,
18 provide information from the records of a student to any person or
19 persons to whom the student has authorized disclosure on a written
20 consent form pursuant to 34 CFR 99.30.