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**HIGHER EDUCATION**

**EXECUTIVE BUDGET BILL**

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

**HIGHER EDUCATION**

**APPROPRIATION SUMMARY:**

Full-time equated classified positions .....	1.0	
GROSS APPROPRIATION.....		\$ 1,719,405,300
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental		
transfers .....		0

1	ADJUSTED GROSS APPROPRIATION.....	\$ 1,719,405,300
2	Federal revenues:	
3	Total federal revenues.....	7,400,000
4	Special revenue funds:	
5	Total local revenues.....	0
6	Total private revenues.....	0
7	Total other state restricted revenues.....	166,400,100
8	State general fund/general purpose.....	\$ 1,545,605,200
9	SUBPART A - RESEARCH UNIVERSITIES	
10	<b>Sec. 102. MICHIGAN STATE UNIVERSITY</b>	
11	Operations.....	\$ 283,909,000
12	Cooperative state agricultural research and extension	
13	service.....	<u>32,000,000</u>
14	GROSS APPROPRIATION.....	\$ 315,909,000
15	Appropriated from:	
16	State general fund/general purpose.....	\$ 315,909,000
17	<b>Sec. 103. UNIVERSITY OF MICHIGAN - ANN ARBOR</b>	
18	Operations.....	\$ <u>316,572,000</u>
19	GROSS APPROPRIATION.....	\$ 316,572,000
20	Appropriated from:	
21	State general fund/general purpose.....	\$ 316,572,000
22	<b>Sec. 104. WAYNE STATE UNIVERSITY</b>	
23	Operations.....	\$ <u>214,325,400</u>
24	GROSS APPROPRIATION.....	\$ 214,325,400
25	Appropriated from:	

1	State general fund/general purpose.....	\$	214,325,400
2	SUBPART B - STATE UNIVERSITIES		
3	<b>Sec. 105. CENTRAL MICHIGAN UNIVERSITY</b>		
4	Operations.....	\$	<u>80,064,200</u>
5	GROSS APPROPRIATION.....	\$	80,064,200
6	Appropriated from:		
7	State general fund/general purpose.....	\$	80,064,200
8	<b>Sec. 106. EASTERN MICHIGAN UNIVERSITY</b>		
9	Operations.....	\$	<u>75,965,600</u>
10	GROSS APPROPRIATION.....	\$	75,965,600
11	Appropriated from:		
12	State general fund/general purpose.....	\$	75,965,600
13	<b>Sec. 107. FERRIS STATE UNIVERSITY</b>		
14	Operations.....	\$	<u>48,621,800</u>
15	GROSS APPROPRIATION.....	\$	48,621,800
16	Appropriated from:		
17	State general fund/general purpose.....	\$	48,621,800
18	<b>Sec. 108. GRAND VALLEY STATE UNIVERSITY</b>		
19	Operations.....	\$	<u>62,018,400</u>
20	GROSS APPROPRIATION.....	\$	62,018,400
21	Appropriated from:		
22	State general fund/general purpose.....	\$	62,018,400
23	<b>Sec. 109. LAKE SUPERIOR STATE UNIVERSITY</b>		
24	Operations.....	\$	<u>12,561,900</u>
25	GROSS APPROPRIATION.....	\$	12,561,900

1	Appropriated from:		
2	State general fund/general purpose.....	\$	12,561,900
3	<b>Sec. 110. MICHIGAN TECHNOLOGICAL UNIVERSITY</b>		
4	Operations.....	\$	<u>47,870,800</u>
5	GROSS APPROPRIATION.....	\$	47,870,800
6	Appropriated from:		
7	State general fund/general purpose.....	\$	47,870,800
8	<b>Sec. 111. NORTHERN MICHIGAN UNIVERSITY</b>		
9	Operations.....	\$	<u>45,148,900</u>
10	GROSS APPROPRIATION.....	\$	45,148,900
11	Appropriated from:		
12	State general fund/general purpose.....	\$	45,148,900
13	<b>Sec. 112. OAKLAND UNIVERSITY</b>		
14	Operations.....	\$	<u>50,690,700</u>
15	GROSS APPROPRIATION.....	\$	50,690,700
16	Appropriated from:		
17	State general fund/general purpose.....	\$	50,690,700
18	<b>Sec. 113. SAGINAW VALLEY STATE UNIVERSITY</b>		
19	Operations.....	\$	<u>27,710,100</u>
20	GROSS APPROPRIATION.....	\$	27,710,100
21	Appropriated from:		
22	State general fund/general purpose.....	\$	27,710,100
23	<b>Sec. 114. UNIVERSITY OF MICHIGAN - DEARBORN</b>		
24	Operations.....	\$	<u>24,703,600</u>
25	GROSS APPROPRIATION.....	\$	24,703,600

1       Appropriated from:

2       State general fund/general purpose..... \$       24,703,600

3       **Sec. 115. UNIVERSITY OF MICHIGAN - FLINT**

4       Operations..... \$ 20,871,700

5       GROSS APPROPRIATION..... \$       20,871,700

6       Appropriated from:

7       State general fund/general purpose..... \$       20,871,700

8       **Sec. 116. WESTERN MICHIGAN UNIVERSITY**

9       Operations..... \$ 109,616,000

10      GROSS APPROPRIATION..... \$       109,616,000

11      Appropriated from:

12      State general fund/general purpose..... \$       109,616,000

13      SUBPART C - STATE AND REGIONAL PROGRAMS, GRANTS, AND FINANCIAL AID

14      **Sec. 117. STATE AND REGIONAL PROGRAMS**

15      Full-time equated positions .....1.0

16      Higher education database modernization and

17      conversion--1.0 FTE position ..... \$       200,000

18      Midwestern higher education compact..... 95,000

19      GROSS APPROPRIATION..... \$       295,000

20      Appropriated from:

21      State general fund/general purpose..... \$       295,000

22      **Sec. 118. GRANTS AND FINANCIAL AID**

23      Michigan college access grants..... \$       89,760,100

24      Robert C. Byrd honors scholarship program..... 1,500,000

25      Michigan merit award program..... 100

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

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19 PART 2

20 PROVISIONS CONCERNING APPROPRIATIONS

21 GENERAL SECTIONS

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

1 state spending from state resources to be paid to local units of  
2 government for fiscal year 2009-2010 is \$0.00.

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

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

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

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

1 businesses owned and operated by veterans, if they are  
2 competitively priced and of comparable quality.

3       Sec. 210. Funds appropriated in part 1 to state institutions  
4 of higher education shall not be used to enter into a lease for, or  
5 to purchase, a vehicle assembled or manufactured outside of the  
6 United States if competitively priced and comparable quality  
7 vehicles made in the state of Michigan or elsewhere in the United  
8 States of America are available.

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

17       (2) All universities shall submit higher education  
18 institutional data inventory (HEIDI) data and associated financial  
19 and program information requested by and in a manner prescribed by  
20 the state budget director. For universities with fiscal years  
21 ending June 30, 2009, these data shall be submitted to the state  
22 budget director by October 15, 2009. Universities with a fiscal  
23 year ending September 30, 2009 shall submit preliminary HEIDI data  
24 by November 15, 2009 and final data by December 15, 2009. If a  
25 university fails to submit HEIDI data and associated financial aid

1 program information in accordance with this reporting schedule, the  
2 state treasurer may withhold the monthly installments under  
3 subsection (1) to the university until those data are submitted.

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

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

15

16 **GRANTS AND FINANCIAL AID**

17       Sec. 304. (1) Included in the appropriation in part 1 is  
18 funding for the Michigan college access grants which shall be  
19 administered by the Michigan higher education assistance authority  
20 (MHEAA).

21       (2) The Michigan college access grants shall be paid to  
22 financially needy Michigan undergraduate students attending a  
23 Michigan public or independent college or university. The  
24 department of treasury shall annually establish financial need  
25 based upon the federal methodology for determining the expected

1 family contribution (EFC) toward education costs using information  
2 provided in the student's free application for federal student aid  
3 (FAFSA). For academic year 2009-2010 an EFC of \$7,750 or less  
4 shall qualify an otherwise eligible student for a Michigan college  
5 access grant. The EFC shall be adjusted annually by the department  
6 of treasury to ensure eligibility of students is based on  
7 comparable adjusted gross income reported on FAFSA submissions.

8 (3) In addition to the financial need determination made under  
9 subsection (2), to receive a Michigan college access grant the  
10 student must meet the following additional requirements:

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

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

14 (c) Has graduated from high school or passed the general  
15 educational development (GED) test or any other high school  
16 graduate equivalency examination approved by the state board of  
17 education.

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

20 (e) Is enrolled at least half-time in a degree or certificate  
21 granting program at a Michigan postsecondary institution that is an  
22 accredited institution as defined by 2005 PA 100, MCL 390.1601 to  
23 390.1605.

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

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

3 (h) Maintains satisfactory academic progress as determined by  
4 the postsecondary institution.

5 (i) Is not enrolled in an institution whose primary purpose is  
6 to prepare students for ordination or appointment as a member of  
7 the clergy of a church, denomination, or religious association,  
8 order, or sect.

9 (j) Meets any additional eligibility requirements established  
10 by the MHEEA.

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

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

18 (6) The MHEEA shall determine the annual maximum amount of a  
19 Michigan college access grant and shall establish a proportional  
20 award amount for recipients enrolled less than full-time in a given  
21 semester or term that ensures that the aggregate Michigan college  
22 access grants payments do not exceed the appropriation contained in  
23 part 1 for the program. If the funds are insufficient to pay all  
24 awards, the MHEEA shall prorate the awards and notify the house and

1 senate fiscal agencies and the state budget director of this  
2 proration.

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

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

18       (a) For the Michigan college access grants and tuition  
19 incentive programs, 40% shall be paid at the beginning of the  
20 state's first fiscal quarter, 40% at the beginning of the state's  
21 second fiscal quarter, 10% at the beginning of the state's third  
22 fiscal quarter, and 10% at the beginning of the state's fourth  
23 fiscal quarter.

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

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

8 (2) As used in this section:

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

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

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

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

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

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

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

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

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

7           (v) Request information on filing a FAFSA.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 Sec. 311. To enable the legislature and the state budget  
23 director to evaluate the appropriation needs of higher education,  
24 each independent college and university shall make available to the

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

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

18

19 **UNIVERSITY OPERATIONS**

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

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

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

10 (2) The department of agriculture and Michigan State  
11 University, in consultation with agricultural commodity groups and  
12 other interested parties, shall develop project GREEN and the  
13 animal agricultural initiative and each of the programs'  
14 priorities.

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

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

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

3 (c) The dollar amount of each animal agricultural initiative  
4 project and a review of each project's performance and  
5 accomplishments.

6 (d) The dollar amount and description of all other individual  
7 programs and services provided by the cooperative state  
8 agricultural research and extension service and a review of each  
9 project's performance and accomplishments.

10 (e) The number of businesses created or that had increased  
11 employment and the number of patents generated as a result of work  
12 conducted by the cooperative state agricultural research and  
13 extension service.

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

18 Sec. 440. All universities shall submit the amount of tuition  
19 and fees actually charged to a full-time resident undergraduate  
20 student for academic year 2009-2010 as part of their higher  
21 education institutional data inventory (HEIDI) data by August 31,  
22 2009. A university shall report any revisions for any semester of  
23 the reported academic year 2009-2010 tuition and fee charges to  
24 HEIDI within 15 days of being adopted.

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

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

24           Sec. 469. By November 14, 2009, each university receiving an  
25 appropriation in part 1 shall report the number of undergraduate

1 students who graduated in academic year 2008-2009 and received a  
2 Pell grant at any time during their enrollment at that university  
3 to the members of the house and senate appropriations subcommittees  
4 on higher education, the house and senate fiscal agencies, and the  
5 state budget director.

6

7 **STATE AND REGIONAL PROGRAMS**

8       Sec. 501. The funds appropriated in part 1 for higher  
9 education database modernization and conversion shall be expended  
10 to maintain, coordinate, and improve the higher education  
11 institutional data inventory (HEIDI) established under section 1299  
12 of the management and budget act, 1984 PA 431, MCL 18.1299. The  
13 advisory committee established under that section shall meet  
14 regularly to review data definitions and requirements in order to  
15 advise the state budget director regarding changes to those  
16 definitions and requirements that would result in more useful and  
17 reliable data being provided to state policymakers and university  
18 officials.

19

20 **STUDENT PERFORMANCE REPORTING**

21       Sec. 601. (1) From the amount appropriated in part 1, the  
22 universities shall systematically inform Michigan high schools  
23 regarding the academic status of students from each high school in  
24 a manner prescribed by the presidents council, state universities

1 of Michigan in cooperation with the Michigan association of  
2 secondary school principals.

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

8 Sec. 602. From the amount appropriated in part 1 for state  
9 universities, the state universities shall inform Michigan  
10 community colleges regarding the academic status of community  
11 college transfer students in a manner prescribed by the presidents  
12 council, state universities of Michigan in cooperation with the  
13 Michigan community college association.

14 Sec. 603. State universities shall work with the state  
15 community colleges to encourage the transfer of students from the  
16 community colleges to the state universities and to facilitate the  
17 transfer of credits from the community colleges to the state  
18 universities.

19

20 **GENERAL REPORTS AND AUDITS**

21 Sec. 701. (1) The auditor general shall review higher  
22 education institutional data inventory (HEIDI) enrollment data  
23 submitted by all state universities and may perform audits of  
24 selected state universities if determined necessary. The review and  
25 audits shall be based upon the definitions, requirements, and

1 uniform reporting categories established by the state budget  
2 director in consultation with the HEIDI advisory committee. The  
3 auditor general shall submit a report of findings to the house and  
4 senate appropriations committees and the state budget director no  
5 later than July 1, 2010.

6 (2) Student credit hours reports shall not include the  
7 following:

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

12 (b) Student credit hours generated through distance learning  
13 instruction for students not eligible for the institution's in-  
14 state main campus resident tuition rate. However, in instances  
15 where a student is enrolled in distance education and non-distance  
16 education credit hours in a given term and the student's non-  
17 distance education enrollment is at a campus or site located within  
18 Michigan, student credit hours per the student's eligibility for  
19 in-state or out-of-state tuition rates may be reported.

20 (c) Student credit hours generated through credit by  
21 examination.

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

24 (e) Student credit hours generated in new degree programs  
25 after January 1, 1975, that have not been specifically authorized

1 for funding by the legislature, except spin-off programs converted  
2 from existing core programs that do all of the following:

3 (i) Represent new options, fields, or concentrations within  
4 existing programs.

5 (ii) Are consistent with the current institutional role and  
6 mission.

7 (iii) Are accommodated within the continuing funding base of the  
8 institution.

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

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

16 (3) The auditor general shall periodically audit higher  
17 education institutional data inventory (HEIDI) data as submitted by  
18 the state universities for compliance with the definitions for the  
19 HEIDI database established by the state budget director in  
20 consultation with the HEIDI advisory committee.

21 (4) "Distance learning instruction" as used in subsection (2)  
22 means instruction that occurs solely in other than a traditional  
23 classroom setting where the student and instructor are in the same  
24 physical location and for which a student receives course credits  
25 and is charged tuition and fees. Examples of distance learning

1 instruction are instruction delivered solely through the Internet,  
2 cable television, teleconference, or mail.

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

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

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

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

18       Sec. 708. The auditor general may conduct performance audits  
19 of state universities during the fiscal year ending September 30,  
20 2010 as the auditor general considers necessary.

21       Sec. 709. An institution of higher education receiving funds  
22 under this bill and also subject to the student right-to-know and  
23 campus security act, Public Law 101-522, 104 Stat. 2381, shall make  
24 a copy of all material prepared pursuant to the public information  
25 reporting requirements under the crime awareness and campus

1 security act of 1990, title II of the student right-to-know and  
2 campus security act, Public Law 101-542, 104 Stat. 2381, available  
3 in electronic Internet format on their websites.

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