

**SUBSTITUTE FOR
SENATE BILL NO. 168**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 201, 204, 206, 207a, 207b, 207c, 210, 210b,
210d, 216e, 217a, 217b, 217c, 222, 229a, and 230 (MCL 388.1801,
388.1804, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1810,
388.1810b, 388.1810d, 388.1816e, 388.1817a, 388.1817b, 388.1817c,
388.1822, 388.1829a, and 388.1830), sections 201, 206, 207a, 207b,
207c, 217b, 222, 229a, and 230 as amended and sections 216e and
217c as added by 2024 PA 120, section 204 as amended by 2012 PA
201, section 210 as amended and section 210d as added by 2015 PA
85, section 210b as amended by 2021 PA 86, and section 217a as
added by 2023 PA 103, and by adding sections 216c, 217d, 217e, and
217f; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, ~~2025,~~ **2026**, from the funds indicated in this section. The following is a summary of the appropriations in this section: ~~and section 201f:~~

(a) The gross appropriation is ~~\$462,220,800.00.~~ **\$506,504,600.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$462,220,800.00.~~ **\$506,504,600.00.**

(b) The sources of the adjusted gross appropriation described in subdivision (a) are as follows:

(i) Total federal revenues, \$0.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, ~~\$461,720,800.00.~~ **\$506,504,600.00.**

(v) State general fund/general purpose money, ~~\$500,000.00.~~ **\$0.00.**

(2) Subject to subsection (3), the amount appropriated for community college operations is ~~\$363,363,500.00,~~ **\$374,543,100.00**, allocated as follows:

(a) The appropriation for Alpena Community College is ~~\$6,425,100.00, \$6,300,600.00 for operations, \$102,700.00 for performance funding, and \$21,800.00 for costs incurred under the North American Indian tuition waiver.~~ **\$6,688,000.00, \$6,403,300.00 for operations, \$271,200.00 for performance funding, and \$13,500.00 for costs incurred under the North American Indian tuition waiver.**

(b) The appropriation for Bay de Noc Community College is

1 ~~\$6,398,000.00, \$6,185,300.00 for operations, \$112,700.00 for~~
2 ~~performance funding, and \$100,000.00 for costs incurred under the~~
3 ~~North American Indian tuition waiver.~~**\$6,568,200.00, \$6,298,000.00**
4 **for operations, \$178,200.00 for performance funding, and \$92,000.00**
5 **for costs incurred under the North American Indian tuition waiver.**

6 (c) The appropriation for Delta College is ~~\$16,907,200.00,~~
7 ~~\$16,642,300.00 for operations, \$240,100.00 for performance funding,~~
8 ~~and \$24,800.00 for costs incurred under the North American Indian~~
9 ~~tuition waiver.~~**\$17,427,500.00, \$16,882,400.00 for operations,**
10 **\$493,300.00 for performance funding, and \$51,800.00 for costs**
11 **incurred under the North American Indian tuition waiver.**

12 (d) The appropriation for Glen Oaks Community College is
13 ~~\$2,985,900.00, \$2,939,000.00 for operations, \$45,100.00 for~~
14 ~~performance funding, and \$1,800.00 for costs incurred under the~~
15 ~~North American Indian tuition waiver.~~**\$3,078,200.00, \$2,984,100.00**
16 **for operations, \$91,200.00 for performance funding, and \$2,900.00**
17 **for costs incurred under the North American Indian tuition waiver.**

18 (e) The appropriation for Gogebic Community College is
19 ~~\$5,447,400.00, \$5,329,700.00 for operations, \$69,300.00 for~~
20 ~~performance funding, and \$48,400.00 for costs incurred under the~~
21 ~~North American Indian tuition waiver.~~**\$5,578,600.00, \$5,399,000.00**
22 **for operations, \$139,500.00 for performance funding, and \$40,100.00**
23 **for costs incurred under the North American Indian tuition waiver.**

24 (f) The appropriation for Grand Rapids Community College is
25 ~~\$21,295,300.00, \$20,844,400.00 for operations, \$339,800.00 for~~
26 ~~performance funding, and \$111,100.00 for costs incurred under the~~
27 ~~North American Indian tuition waiver.~~**\$22,022,800.00, \$21,184,200.00**
28 **for operations, \$685,500.00 for performance funding, and**
29 **\$153,100.00 for costs incurred under the North American Indian**

1 **tuition waiver.**

2 (g) The appropriation for Henry Ford College is
3 ~~\$25,307,100.00, \$24,929,800.00 for operations, \$370,900.00 for~~
4 ~~performance funding, and \$6,400.00 for costs incurred under the~~
5 ~~North American Indian tuition waiver.~~**\$26,056,100.00, \$25,300,700.00**
6 **for operations, \$750,900.00 for performance funding, and \$4,500.00**
7 **for costs incurred under the North American Indian tuition waiver.**

8 (h) The appropriation for Jackson College is ~~\$14,074,900.00,~~
9 ~~\$13,854,100.00 for operations, \$178,500.00 for performance funding,~~
10 ~~and \$42,300.00 for costs incurred under the North American Indian~~
11 ~~tuition waiver.~~**\$14,424,500.00, \$14,032,600.00 for operations,**
12 **\$364,800.00 for performance funding, and \$27,100.00 for costs**
13 **incurred under the North American Indian tuition waiver.**

14 (i) The appropriation for Kalamazoo Valley Community College
15 is ~~\$14,741,600.00, \$14,481,900.00 for operations, \$222,500.00 for~~
16 ~~performance funding, and \$37,200.00 for costs incurred under the~~
17 ~~North American Indian tuition waiver.~~**\$15,185,000.00, \$14,704,400.00**
18 **for operations, \$433,700.00 for performance funding, and \$46,900.00**
19 **for costs incurred under the North American Indian tuition waiver.**

20 (j) The appropriation for Kellogg Community College is
21 ~~\$11,462,100.00, \$11,269,200.00 for operations, \$157,500.00 for~~
22 ~~performance funding, and \$35,400.00 for costs incurred under the~~
23 ~~North American Indian tuition waiver.~~**\$11,777,800.00, \$11,426,700.00**
24 **for operations, \$324,400.00 for performance funding, and \$26,700.00**
25 **for costs incurred under the North American Indian tuition waiver.**

26 (k) The appropriation for Kirtland Community College is
27 ~~\$3,860,900.00, \$3,773,100.00 for operations, \$62,000.00 for~~
28 ~~performance funding, and \$25,800.00 for costs incurred under the~~
29 ~~North American Indian tuition waiver.~~**\$4,027,800.00, \$3,835,100.00**

1 **for operations, \$146,400.00 for performance funding, and \$46,300.00**
2 **for costs incurred under the North American Indian tuition waiver.**

3 (l) The appropriation for Lake Michigan College is
4 ~~\$6,414,200.00, \$6,318,000.00 for operations, \$90,200.00 for~~
5 ~~performance funding, and \$6,000.00 for costs incurred under the~~
6 ~~North American Indian tuition waiver.~~**\$6,619,800.00, \$6,408,200.00**
7 **for operations, \$192,200.00 for performance funding, and \$19,400.00**
8 **for costs incurred under the North American Indian tuition waiver.**

9 (m) The appropriation for Lansing Community College is
10 ~~\$36,215,600.00, \$35,689,200.00 for operations, \$445,200.00 for~~
11 ~~performance funding, and \$81,200.00 for costs incurred under the~~
12 ~~North American Indian tuition waiver.~~**\$37,141,200.00, \$36,134,400.00**
13 **for operations, \$924,700.00 for performance funding, and \$82,100.00**
14 **for costs incurred under the North American Indian tuition waiver.**

15 (n) The appropriation for Macomb Community College is
16 ~~\$38,184,300.00, \$37,635,400.00 for operations, \$525,200.00 for~~
17 ~~performance funding, and \$23,700.00 for costs incurred under the~~
18 ~~North American Indian tuition waiver.~~**\$39,342,100.00, \$38,160,600.00**
19 **for operations, \$1,090,600.00 for performance funding, and**
20 **\$90,900.00 for costs incurred under the North American Indian**
21 **tuition waiver.**

22 (o) The appropriation for Mid Michigan Community College is
23 ~~\$5,912,500.00, \$5,742,900.00 for operations, \$94,100.00 for~~
24 ~~performance funding, and \$75,500.00 for costs incurred under the~~
25 ~~North American Indian tuition waiver.~~**\$6,113,400.00, \$5,837,000.00**
26 **for operations, \$193,900.00 for performance funding, and \$82,500.00**
27 **for costs incurred under the North American Indian tuition waiver.**

28 (p) The appropriation for Monroe County Community College is
29 ~~\$5,370,300.00, \$5,284,700.00 for operations, \$83,800.00 for~~

~~performance funding, and \$1,800.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$5,575,500.00, \$5,368,500.00**
for operations, \$206,600.00 for performance funding, and \$400.00
for costs incurred under the North American Indian tuition waiver.

(q) The appropriation for Montcalm Community College is
~~\$4,035,200.00, \$3,957,200.00 for operations, \$76,100.00 for~~
~~performance funding, and \$1,900.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$4,157,300.00, \$4,033,300.00**
for operations, \$122,300.00 for performance funding, and \$1,700.00
for costs incurred under the North American Indian tuition waiver.

(r) The appropriation for C.S. Mott Community College is
~~\$18,023,600.00, \$17,791,700.00 for operations, \$226,100.00 for~~
~~performance funding, and \$5,800.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$18,519,800.00, \$18,017,800.00**
for operations, \$491,700.00 for performance funding, and \$10,300.00
for costs incurred under the North American Indian tuition waiver.

(s) The appropriation for Muskegon Community College is
~~\$10,381,200.00, \$10,210,900.00 for operations, \$149,000.00 for~~
~~performance funding, and \$21,300.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$10,702,000.00, \$10,359,900.00**
for operations, \$298,600.00 for performance funding, and \$43,500.00
for costs incurred under the North American Indian tuition waiver.

(t) The appropriation for North Central Michigan College is
~~\$4,110,200.00, \$3,868,800.00 for operations, \$78,900.00 for~~
~~performance funding, and \$162,500.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$4,254,400.00, \$3,947,700.00**
for operations, \$144,300.00 for performance funding, and
\$162,400.00 for costs incurred under the North American Indian
tuition waiver.

1 (u) The appropriation for Northwestern Michigan College is
2 ~~\$10,816,600.00, \$10,473,300.00 for operations, \$146,500.00 for~~
3 ~~performance funding, and \$196,800.00 for costs incurred under the~~
4 ~~North American Indian tuition waiver.~~**\$11,163,900.00, \$10,619,800.00**
5 **for operations, \$289,400.00 for performance funding, and**
6 **\$254,700.00 for costs incurred under the North American Indian**
7 **tuition waiver.**

8 (v) The appropriation for Oakland Community College is
9 ~~\$25,163,800.00, \$24,733,600.00 for operations, \$396,400.00 for~~
10 ~~performance funding, and \$33,800.00 for costs incurred under the~~
11 ~~North American Indian tuition waiver.~~**\$25,984,900.00, \$25,130,000.00**
12 **for operations, \$816,500.00 for performance funding, and \$38,400.00**
13 **for costs incurred under the North American Indian tuition waiver.**

14 (w) The appropriation for Schoolcraft College is
15 ~~\$14,993,000.00, \$14,711,800.00 for operations, \$260,200.00 for~~
16 ~~performance funding, and \$21,000.00 for costs incurred under the~~
17 ~~North American Indian tuition waiver.~~**\$15,500,500.00, \$14,972,000.00**
18 **for operations, \$503,200.00 for performance funding, and \$25,300.00**
19 **for costs incurred under the North American Indian tuition waiver.**

20 (x) The appropriation for Southwestern Michigan College is
21 ~~\$7,816,100.00, \$7,682,800.00 for operations, \$103,800.00 for~~
22 ~~performance funding, and \$29,500.00 for costs incurred under the~~
23 ~~North American Indian tuition waiver.~~**\$8,016,100.00, \$7,786,600.00**
24 **for operations, \$210,400.00 for performance funding, and \$19,100.00**
25 **for costs incurred under the North American Indian tuition waiver.**

26 (y) The appropriation for St. Clair County Community College
27 is ~~\$8,366,100.00, \$8,210,400.00 for operations, \$131,600.00 for~~
28 ~~performance funding, and \$24,100.00 for costs incurred under the~~
29 ~~North American Indian tuition waiver.~~**\$8,613,500.00, \$8,342,000.00**

1 **for operations, \$258,200.00 for performance funding, and \$13,300.00**
 2 **for costs incurred under the North American Indian tuition waiver.**

3 (z) The appropriation for Washtenaw Community College is
 4 ~~\$16,281,900.00, \$15,925,500.00 for operations, \$331,800.00 for~~
 5 ~~performance funding, and \$24,600.00 for costs incurred under the~~
 6 ~~North American Indian tuition waiver.~~**\$16,941,200.00, \$16,257,300.00**
 7 **for operations, \$664,900.00 for performance funding, and \$19,000.00**
 8 **for costs incurred under the North American Indian tuition waiver.**

9 (aa) The appropriation for Wayne County Community College is
 10 ~~\$19,464,700.00, \$19,193,300.00 for operations, \$267,000.00 for~~
 11 ~~performance funding, and \$4,400.00 for costs incurred under the~~
 12 ~~North American Indian tuition waiver.~~**\$20,063,700.00, \$19,460,300.00**
 13 **for operations, \$600,900.00 for performance funding, and \$2,500.00**
 14 **for costs incurred under the North American Indian tuition waiver.**

15 (bb) The appropriation for West Shore Community College is
 16 ~~\$2,908,700.00, \$2,851,200.00 for operations, \$45,500.00 for~~
 17 ~~performance funding, and \$12,000.00 for costs incurred under the~~
 18 ~~North American Indian tuition waiver.~~**\$2,999,300.00, \$2,896,700.00**
 19 **for operations, \$85,000.00 for performance funding, and \$17,600.00**
 20 **for costs incurred under the North American Indian tuition waiver.**

21 (3) The amount appropriated in subsection (2) for community
 22 college operations is ~~\$363,363,500.00~~**\$374,543,100.00** and is
 23 appropriated from the state school aid fund.

24 (4) From the appropriations described in subsection (1), both
 25 of the following apply:

26 (a) Subject to section 207a, the amount appropriated for
 27 fiscal year ~~2024-2025~~**2025-2026** to offset certain fiscal year ~~2024-~~
 28 ~~2025~~**2025-2026** retirement contributions is \$7,189,000.00,
 29 appropriated from the state school aid fund.

(b) For fiscal year ~~2024-2025~~, **2025-2026**, there is allocated an amount not to exceed ~~\$21,800,000.00~~ **\$19,600,000.00** for payments to participating community colleges, appropriated from the state school aid fund. A community college that receives money under this subdivision shall use that money solely for the purpose of offsetting the normal cost contribution rate.

(5) From the appropriations described in subsection (1), subject to section 207b, the amount appropriated for payments to community colleges that are participating entities of the retirement system is ~~\$62,100,000.00~~, **\$89,500,000.00**, appropriated from the state school aid fund.

(6) From the appropriations described in subsection (1), subject to section 207c, the amount appropriated for renaissance zone tax reimbursements is \$2,200,000.00, appropriated from the state school aid fund. Each community college receiving funds in this subsection shall accrue these payments to its institutional fiscal year ending June 30, ~~2025~~. **2026**.

(7) ~~For~~ **Subject to section 216c, for** fiscal year ~~2024-2025~~ **2025-2026** only, from the appropriations described in subsection (1), the amount appropriated for ~~career and education navigators for adult learners~~ **infrastructure, technology, equipment, maintenance, housing, and safety** is ~~\$1,150,000.00~~, **\$10,972,500.00**, appropriated from the state school aid fund. ~~Community colleges, partnering with 1 or more county governments, where practicable, may apply for grant funding through the department of lifelong education, advancement, and potential to supplement or create navigation efforts of adult learners. The department shall issue a report including, but not limited to, the number of grants awarded, a list of community colleges awarded grants and the amounts, and~~

~~the amount of unexpended funds remaining at the end of the fiscal year. The report must be issued to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by September 30, 2025.~~

(8) For fiscal year ~~2024-2025~~ **2025-2026** only, from the appropriations described in subsection (1), ~~\$500,000.00~~ **\$2,000,000.00** is appropriated from ~~the state general fund/general purpose money to the Michigan Community Colleges Association~~ **school aid fund to St. Clair County Community College** to support a ~~program intended to encourage high school students and young adults to pursue public-service-focused careers, including those in public safety, education, and health care.~~ **the purchase of equipment for the Applied Technology Center.**

(9) For fiscal year ~~2024-2025~~ **2025-2026** only, from the appropriations described in subsection (1), ~~\$350,000.00~~ **\$500,000.00** is appropriated from the state school aid fund to Kalamazoo Valley Community College ~~for internet accessibility improvements to~~ **support the Circle Center.**

Sec. 204. Funds appropriated in section 201 ~~shall~~ **must** not be used for the purchase of foreign goods, ~~or~~ services, or both, ~~if~~ competitively priced and of comparable quality American goods, ~~or~~ services, or both, ~~are~~ available. Preference ~~should~~ **must** be given to goods, ~~or~~ services, or both, ~~manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses that are owned and operated by veterans, if they are competitively priced and of comparable quality.~~ **for which**

1 **either or both of the following apply:**

2 **(a) The goods, services, or both are manufactured or provided**
 3 **by Michigan businesses owned and operated by veterans if they are**
 4 **competitively priced and of comparable quality.**

5 **(b) The goods, services, or both are manufactured in a**
 6 **facility that employs union members.**

7 Sec. 206. (1) Except for the funds appropriated in section
 8 201(4)(b), the funds appropriated in section 201 are appropriated
 9 for community colleges with fiscal years ending June 30, ~~2025~~**2026**
 10 and must be paid out of the state treasury and distributed by the
 11 state treasurer to the respective community colleges in 11 monthly
 12 installments on the sixteenth of each month, or the next succeeding
 13 business day, beginning with October 16, ~~2024~~**2025**. Each community
 14 college shall accrue its July and August ~~2025~~**2026** payments to its
 15 institutional fiscal year ending June 30, ~~2025~~**2026**.

16 (2) The funds appropriated in section 201(4)(b) are
 17 appropriated for community colleges with fiscal years ending June
 18 30, ~~2025~~**2026** and must be distributed to the respective community
 19 colleges in quarterly installments on the sixteenth of each
 20 November, February, May, and August. Each community college shall
 21 accrue its August ~~2025~~**2026** payments to its institutional fiscal
 22 year ending June 30, ~~2025~~**2026**.

23 Sec. 207a. The following apply to the allocation of the ~~fiscal~~
 24 ~~year 2024-2025~~ appropriations described in section 201(4):

25 (a) A community college that receives money under section
 26 201(4) shall use that money solely for the purpose of offsetting a
 27 portion of the retirement contributions owed by the college for
 28 that fiscal year.

29 (b) The amount allocated to each participating community

1 college under section 201(4)(a) must be based on each college's
2 percentage of the total covered payroll for all community colleges
3 that are participating colleges in the immediately preceding fiscal
4 year.

5 (c) The amount allocated to each participating community
6 college under section 201(4)(b) must be based on each college's
7 reported quarterly payroll for members for the current fiscal year.

8 Sec. 207b. All of the following apply to the allocation of the
9 ~~fiscal year 2024-2025 appropriations~~ **appropriation** described in
10 section 201(5) for payments to community colleges that are
11 participating entities of the retirement system:

12 (a) The amount of a payment under section 201(5) must be the
13 difference between the unfunded actuarial accrued liability
14 contribution rate as calculated under section 41 of the public
15 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
16 as calculated without taking into account the maximum employer rate
17 of ~~20.96%~~ **15.21%** included in section 41 of the public school
18 employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the
19 maximum employer rate of ~~20.96%~~ **15.21%** under section 41 of the
20 public school employees retirement act of 1979, 1980 PA 300, MCL
21 38.1341.

22 (b) The amount allocated to each community college under
23 section 201(5) must be based on each community college's percentage
24 of the total covered payroll for all community colleges that are
25 participating colleges in the immediately preceding fiscal year. A
26 community college that receives funds under this subdivision shall
27 use the funds solely for the purpose of retirement contributions
28 under section 201(5).

29 (c) Each participating college that receives funds under

1 section 201(5) shall forward an amount equal to the amount
2 allocated under subdivision (b) to the retirement system in a form
3 and manner determined by the retirement system.

4 Sec. 207c. All of the following apply to the allocation of the
5 appropriations described in section 201(6) to community colleges
6 described in section 12(3) of the Michigan renaissance zone act,
7 1996 PA 376, MCL 125.2692:

8 (a) The amount allocated to each community college under
9 section 201(6) for fiscal year ~~2024-2025~~ **2025-2026** must be based on
10 that community college's proportion of total revenue lost by
11 community colleges as a result of the exemption of property taxes
12 levied in ~~2024-2025~~ under the Michigan renaissance zone act, 1996
13 PA 376, MCL 125.2681 to 125.2696.

14 (b) The appropriations described in section 201(6) must be
15 made to each eligible community college within 60 days after the
16 department of treasury certifies to the state budget director that
17 it has received all necessary information to properly determine the
18 amounts payable to each eligible community college under section 12
19 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

20 Sec. 210. (1) Recognizing the critical importance of education
21 in strengthening Michigan's workforce, each community college ~~is~~
22 ~~encouraged to~~ **shall** explore ways of increasing collaboration and
23 cooperation with 4-year universities, particularly in the areas
24 related to training, instruction, and program articulation.

25 (2) Recognizing the central role of community colleges in
26 responding to local employment needs and challenges, community
27 colleges shall develop and continue efforts to collaborate with
28 local employers and students to identify local employment needs and
29 strategies to meet them.

1 (3) Community colleges ~~are encouraged to~~ **shall** collaborate
2 with each other on innovations to identify and meet local
3 employment needs.

4 (4) Community colleges ~~are encouraged to~~ **shall** work with
5 universities to develop equivalency standards of core college
6 courses and identify equivalent courses offered by postsecondary
7 institutions.

8 Sec. 210b. By March 1 of each year, the Michigan Community
9 College Association and the Michigan Association of State
10 Universities shall submit a report to the senate and house
11 appropriations subcommittees on community colleges, the senate and
12 house fiscal agencies, **the department of lifelong education,**
13 **advancement, and potential,** and the state budget director on the
14 activities and programs focused on improving transfer student
15 outcomes since March 1 of the previous year, including all of the
16 following:

17 (a) The direct transferability of mathematics gateway courses
18 between and among community colleges and universities.

19 (b) The implementation of MiTransfer pathways.

20 (c) The progress on increasing participation in MiTransfer
21 pathways among community colleges and public universities.

22 (d) The implementation of the Michigan Transfer Network at
23 mitransfer.org.

24 (e) A progress report on the implementation of the Michigan
25 transfer agreement.

26 Sec. 210d. **(1)** Community colleges ~~are encouraged to~~ **shall** work
27 with public universities in ~~the~~ **this** state to implement statewide
28 reverse transfer agreements to increase the number of students that
29 are awarded credentials of value upon completion of the necessary

1 credits. These statewide agreements ~~shall~~**must** enable students who
2 have earned a significant number of credits at a community college
3 and transferred to a baccalaureate-granting institution before
4 completing a degree to transfer the credits earned at the
5 baccalaureate institution back to the community college in order to
6 be awarded a credential of value.

7 **(2) Each community college receiving an appropriation under**
8 **section 201 shall consult with the department of lifelong**
9 **education, advancement, and potential at least once an academic**
10 **year on the policies and services the institution implements**
11 **regarding transfer credits and transfer students.**

12 **Sec. 216c. (1) Funds appropriated in section 201(7) for**
13 **infrastructure, technology, equipment, maintenance, housing, and**
14 **safety are intended to be used for necessary improvements and**
15 **deferred maintenance of community college buildings, facilities,**
16 **and other physical infrastructure; necessary improvements and**
17 **deferred maintenance of information technology, other technology**
18 **infrastructure, and other equipment; and other purposes related to**
19 **infrastructure, technology, equipment, and maintenance. A community**
20 **college may also use these funds to construct, renovate, or**
21 **purchase student housing or to upgrade safety and security**
22 **infrastructure. These funds are not intended to be used for any**
23 **other purpose than what is specified in this section.**

24 **(2) Subject to subsection (3), the payment for each community**
25 **college under subsection (1) must be calculated as follows:**

26 **(a) One third of the appropriation in section 201(7) must be**
27 **allocated to each community college using the formula described in**
28 **section 230(1).**

29 **(b) Two thirds of the appropriation in section 201(7) must be**

1 allocated only to community colleges that certify that the
 2 community college did not receive a capital outlay planning or
 3 construction authorization under subsection (3). Funds described in
 4 this subdivision must be allocated as follows:

5 (i) 50% must be allocated equally to each community college
 6 receiving an allocation under this subdivision.

7 (ii) 50% must be allocated proportionally to each community
 8 college's respective share of the total amount of operations
 9 payments described in section 201(2), for all community colleges
 10 that receive an allocation under this subdivision.

11 (3) To receive an allocation under subsection (2)(b), a
 12 community college must certify by November 15, 2025 that it did not
 13 receive an appropriation for a planning or construction
 14 authorization for a capital outlay project between January 1, 2025
 15 and October 1, 2025. For the purpose of providing certification
 16 under this subsection, a capital outlay appropriation or
 17 authorization that adjusts only the authorized cost or scope of a
 18 previously-authorized capital outlay project does not count as a
 19 planning or construction authorization.

20 (4) Payments to community colleges under this section must be
 21 distributed in 1 lump sum to each institution with the December 16,
 22 2025 payment described in section 206.

23 Sec. 216e. (1) Payments under section 201 for performance
 24 funding and under section 201f ~~for 1-time performance funding~~
 25 ~~payments~~ **216c** must be made only to a community college that
 26 certifies to the state budget director by the last business day of
 27 August each year that it complies with the following:

28 ~~(a) The institutional best practice described in subdivision~~
 29 ~~(c).~~

~~(b) One or more of the institutional best practices described in subdivisions (d) to (g).~~

(a) ~~(e)~~—The community college accepts the Michigan Transfer Agreement, partners with the Michigan Transfer Network, and promotes clear transfer pathways for interested students by doing all of the following:

(i) Has a policy to help transfer or accept associate degrees from other accredited Michigan postsecondary education institutions.

(ii) Publishes the policy described in subparagraph (i) on the institution's website in an easily accessible way and in admissions materials.

(iii) Provides publicly available information on the Michigan Transfer Network, applicable transfer pathways, and financial aid available to transfer students, at no cost to the student.

(iv) Begins negotiations to increase the number of reverse transfer agreements or articulation agreements and reports on the progress toward completing the agreements to the state budget director by the last business day in February.

(b) ~~(d)~~—The community college requires all students to receive an academic degree or certificate map that outlines required course sequencing, program and institution requirements, declared minor program academic requirements, and a recommended timeline within which courses should be taken and in which specific semester or term in order to satisfy all program requirements to allow the student to graduate on time.

(c) ~~(e)~~—The community college provides non-credit-bearing developmental or remedial courses at a reduced cost to students.

(d) ~~(f)~~—The community college provides each degree- or

1 certificate-seeking student with a designated, trained academic
 2 advisor to support student retention, persistence, and completion.
 3 The community college shall require students to meet with their
 4 academic advisor at least once per semester or term.

5 **(e)** ~~(g)~~ The community college provides employees during
 6 business hours to assist prospective and current students in
 7 completing the Free Application for Federal Student Aid.

8 **(f) The community college has adopted a corequisite model of**
 9 **academic support for gateway English and mathematics courses in**
 10 **which a student concurrently enrolls in a developmental education**
 11 **course and a gateway-level course in a subject area where the**
 12 **student requires remediation. The community college shall ensure**
 13 **that not more than 10% of students assessed as being in need of**
 14 **developmental or remedial learning participate in a non-corequisite**
 15 **developmental or remedial course.**

16 **(g) The community college has a policy and process for**
 17 **assessing prior learning and knowledge that aligns with a student's**
 18 **academic program and other required coursework. The policy must**
 19 **include the opportunity for a student to earn credit toward a**
 20 **degree or certificate, must be available to all students at no cost**
 21 **to the student, and must be easily accessible on the community**
 22 **college's website and in admissions materials.**

23 **(2) The ~~state budget~~ director or designee of the director of**
 24 **the department of lifelong education, advancement, and potential**
 25 **shall implement uniform reporting requirements to ensure that a**
 26 **community college receiving a payment under section 201 for**
 27 **performance funding and under section 201f ~~for 1-time performance~~**
 28 **~~funding payments~~ 216c has satisfied the institutional best**
 29 **practices requirements of this section. The ~~state budget~~ director**

1 **or designee of the director of the department of lifelong**
 2 **education, advancement, and potential** has the sole authority to
 3 determine if a community college has met the requirements of this
 4 section. Information reported by a community college to the ~~state~~
 5 ~~budget~~ **director or designee of the director of the department of**
 6 **lifelong education, advancement, and potential** under this
 7 subsection must also be reported to the house and senate
 8 appropriations subcommittees on higher education and the house and
 9 senate fiscal agencies.

10 (3) If a community college fails to comply with the
 11 certification requirements of this section, the state treasurer may
 12 withhold the monthly installments under section 206 to the
 13 community college until the certification is completed. If a
 14 community college does not comply with the certification
 15 requirements described in this section by the end of the fiscal
 16 year, the community college forfeits the amount withheld. Forfeited
 17 funds must lapse to the state school aid fund. The ~~state budget~~
 18 **director or designee of the director of the department of lifelong**
 19 **education, advancement, and potential** shall notify the chairs of
 20 the house and senate appropriations subcommittees on higher
 21 education at least 10 days before withholding funds from any
 22 community college.

23 Sec. 217a. (1) Each community college that receives an
 24 appropriation in section 201 shall submit all of the following
 25 information in the form and manner specified by the center:

26 (a) The Michigan community colleges verified data inventory
 27 data for the preceding academic year to the center by the first
 28 business day of November of each year as specified in section 217.

29 (b) Tuition and mandatory fees information as specified in

1 section 217b.

2 (c) The longitudinal data set to the center as specified in
3 section 219.

4 (d) The number and type of associate degrees, baccalaureate
5 degrees, and other certificates awarded as specified in section
6 219.

7 (e) The annual independent audit as specified in section 222.

8 (2) If the state budget director determines that a community
9 college failed to submit any of the information described in
10 subsection (1) in the form and manner specified by the center, the
11 state treasurer may withhold the monthly **state operations**
12 installments described in section ~~206~~**201** from that community
13 college until those data are submitted. If a community college does
14 not submit any of the information described in subsection (1) by
15 the end of the fiscal year, the community college forfeits any
16 withheld amount. The state budget director shall notify the chairs
17 of the house and senate appropriations subcommittees on community
18 colleges at least 10 days before withholding funds from any
19 community college.

20 (3) It is intended that accountability reporting for community
21 colleges will be streamlined through the center. The state budget
22 director and the center shall work to combine the reporting
23 requirements outlined in this subsection with the existing Michigan
24 community colleges verified data inventory collection cycle. All of
25 the following must be reported to the house and senate fiscal
26 agencies and the state budget director:

27 (a) Each community college's certification of its compliance
28 with the requirements described in subsections (4) and (5).

29 (b) The reporting and certification requirements of

1 subsections (6) and (7) and section 217b.

2 (4) No later than the first business day of November of each
3 year, each community college that receives an appropriation in
4 section 201 shall make all of the information described in
5 subdivisions (a) to (g) available through a link on its website
6 homepage, subject to subdivision (h), as follows:

7 (a) The annual operating budget and subsequent budget
8 revisions.

9 (b) A link to the most recent "Michigan Community College Data
10 Inventory Report".

11 (c) General fund revenue and expenditure projections for the
12 current fiscal year and the next fiscal year.

13 (d) A listing of all debt service obligations, detailed by
14 project, anticipated payment of each project, and total outstanding
15 debt for the current fiscal year.

16 (e) Links to all of the following for the community college:

17 (i) The current collective bargaining agreement for each
18 bargaining unit.

19 (ii) Each health care benefits plan, including, but not limited
20 to, medical, dental, vision, disability, long-term care, or any
21 other type of benefits that would constitute health care services,
22 offered to any bargaining unit or employee of the community
23 college.

24 (iii) Audits and financial reports for the most recent fiscal
25 year for which they are available.

26 (iv) A copy of the board of trustees resolution regarding
27 compliance with best practices for the local strategic value
28 component described in section 230(2).

29 (f) A map that includes the boundaries of the community

1 college district.

2 (g) A prominent link to the financial aid website created
3 under section 260.

4 (h) For statewide consistency and public visibility, community
5 colleges shall use the icon badge provided by the department of
6 technology, management, and budget consistent with the icon badge
7 developed by the department of education for K-12 school districts.
8 It must appear on the front of each community college's homepage.
9 The size of the icon may be reduced to 150 x 150 pixels.

10 (5) No later than the first business day of November of each
11 year, each community college that receives an appropriation in
12 section 201 shall develop, maintain, and update a "campus safety
13 information and resources" link, prominently displayed on the
14 homepage of its website, that links to a section of the community
15 college's website containing, at a minimum, all of the following
16 information:

17 (a) Emergency contact numbers for police, fire, health, and
18 other services.

19 (b) Hours, locations, telephone numbers, and email contacts
20 for campus public safety offices and title IX offices.

21 (c) A list of safety and security services provided by the
22 community college, including transportation, escort services,
23 building surveillance, anonymous tip lines, and other available
24 security services.

25 (d) The community college's policies applicable to minors on
26 community college property.

27 (e) A directory of resources available at the community
28 college or in the surrounding community for students or employees
29 who are survivors of sexual assault or sexual abuse.

1 (f) An electronic copy of "A Resource Handbook for Campus
2 Sexual Assault Survivors, Friends and Family", published in 2018.

3 (g) Campus security policies and crime statistics pursuant to
4 the student right-to-know and campus security act, Public Law 101-
5 542, 104 Stat 2381. Information must include all material prepared
6 pursuant to the public information reporting requirements under the
7 crime awareness and campus security act of 1990, title II of the
8 student right-to-know and campus security act, Public Law 101-542,
9 104 Stat 2381.

10 (6) No later than the first business day of November of each
11 year, each community college that receives an appropriation in
12 section 201 shall report to the house and senate appropriations
13 subcommittees on community colleges, the house and senate fiscal
14 agencies, and the state budget director its annual title IX report,
15 also known as the student sexual misconduct report, issued by the
16 title IX coordinator, as required under the federal campus SaVE act
17 of 2013, Public Law 113-4, section 304, 127 Stat 54, 89-92 (2013).

18 (7) No later than the first business day of November of each
19 year, each community college that receives an appropriation in
20 section 201 shall certify that the community college complies with
21 federal regulations under title IX, as required by the United
22 States Department of Education, including, but not limited to, the
23 following:

24 (a) Use of medical experts that do not have an actual or
25 apparent conflict of interest.

26 (b) Issuance of title IX reports to complainants and
27 respondents that are not divergent.

28 (c) Notification of resources to each individual who reports
29 having experienced sexual assault by a member of the community

1 college.

2 Sec. 217b. (1) Each community college that receives an
3 appropriation in section 201 shall report to the center by the last
4 business day of August of each year the tuition and mandatory fees
5 paid by a full-time in-district student and a full-time out-of-
6 district student as established by the community college governing
7 board for the current academic year. This report should also
8 include the annual cost of tuition and fees based on a full-time
9 course load of 30 credits. This report must also specify the amount
10 that tuition and fees have increased for the community college from
11 the prior academic year. Each community college shall also report
12 any revisions to the reported current academic year tuition and
13 mandatory fees adopted by the community college governing board to
14 the center within 15 days of being adopted. The center shall
15 provide this information and any revisions to the house and senate
16 fiscal agencies and the state budget director.

17 (2) Each community college that receives an appropriation in
18 section 201 shall certify to the state budget director by the last
19 business day of August of each year that its board will not adopt
20 an increase in tuition and fee rates for in-district students for
21 the academic year that is greater than the tuition restraint
22 described in this subsection. For the academic year ~~2024-2025,~~
23 **2025-2026**, the tuition restraint level is equal to the greater of
24 4.5% or ~~\$217.00.~~ **\$227.00**. For the academic year ~~2025-2026,~~ **2026-**
25 **2027**, the tuition restraint level is equal to the greater of ~~4.5%~~
26 **3.5%** or ~~\$227.00.~~ **\$174.00**. It is intended that in the next fiscal
27 year, the tuition restraint rate will be adjusted only for the
28 subsequent academic year. As used in this subsection:

29 (a) "Fee" means any board-authorized fee that will be paid by

1 more than 1/2 of all in-district students at least once during
2 their enrollment at a community college. A community college
3 increasing a fee that applies to a specific subset of students or
4 courses shall provide sufficient information to prove that the
5 increase applied to that subset will not cause the increase in the
6 average amount of board-authorized total tuition and fees paid by
7 in-district students in the 2024-2025 academic year to exceed the
8 limit established in this section.

9 (b) "Tuition and fee rate" means the average of full-time
10 rates paid by a majority of students in each class, based on an
11 unweighted average of the rates authorized by the community college
12 board and actually charged to students, deducting any uniformly
13 rebated or refunded amounts, for the 2 semesters with the highest
14 levels of full-time equated in-district enrollment during the
15 academic year.

16 (3) Community colleges that exceed the tuition and fee rate
17 cap described in subsection (2) are not eligible to receive
18 payments under section 201 for performance funding or payments
19 under section 201f ~~for 1-time performance funding payments~~ **216c** for
20 fiscal year ~~2024-2025~~. **2025-2026. The state budget director shall**
21 **implement uniform reporting requirements to ensure that a community**
22 **college receiving a payment under section 201 for performance**
23 **funding has satisfied the tuition restraint requirements of this**
24 **section. The state budget director has the sole authority to**
25 **determine if a community college has met the requirements of this**
26 **section. Information reported by a community college to the state**
27 **budget director under this subsection must also be reported to the**
28 **house and senate appropriations subcommittees on community colleges**
29 **and the house and senate fiscal agencies.**

1 (4) Notwithstanding any other provision of this act, the
2 legislature may at any time adjust appropriations for a community
3 college that adopts an increase in tuition and fee rates for in-
4 district students that exceeds the rate cap established in
5 subsection (2).

6 Sec. 217c. (1) Not later than December 1 of each year, each
7 community college or federally recognized tribal college that, in
8 the current or previous academic year, serves or has served as an
9 authorizing body shall submit a report to the house and senate
10 appropriations subcommittees on higher education, the house and
11 senate fiscal agencies, the state budget director, and the
12 department of education containing, at a minimum, all of the
13 following information, as applicable:

14 (a) A list of all of the schools currently authorized, and the
15 following information for each school:

16 (i) The year in which the school was authorized.

17 (ii) The location of each school.

18 (iii) The owner of the property at which each school is located
19 and the physical buildings utilized by the school, as applicable.

20 (b) A list identifying any schools that were closed or lost
21 their authorization in the current or previous academic year.

22 (c) A description of any new contracts for the operation of a
23 public school academy that will operate as the successor to a
24 public school academy that is currently being operated under a
25 contract issued by another authorizing body that is currently
26 performing in the bottom 5% of schools.

27 (d) The academic performance of each school currently
28 authorized, including whether a school is identified by the
29 department of education as a partnership school. If a school is

1 identified as a partnership school under this subdivision, the
2 authorizing body ~~must~~**shall** include a description of corrective
3 actions in the school's partnership agreement, the duration of the
4 partnership agreement, and an assessment of progress toward
5 improvement.

6 (e) The total enrollment of each school at the time of
7 submission, the grades served, and student turnover rate compared
8 to the previous academic year, as applicable.

9 (f) Aggregated student enrollment data for students with an
10 individualized education program as well as the total amount of
11 special education cost reimbursements received by each school
12 during the school's most recently completed fiscal year.

13 (g) The total number of fees, reimbursements, contributions,
14 or charges permitted under section 502(6) of the revised school
15 code, 1976 PA 451, MCL 380.502, that are assigned to each school
16 currently authorized in a single academic year.

17 (h) The names of the members of the board of directors of each
18 school currently authorized, the date that each member of each
19 board was appointed, and a description of the methodology used by
20 the authorizing body to select members for the boards of directors
21 for each school currently authorized by the authorizing body.

22 (i) The name of the applicant who applied and received
23 approval to organize each currently authorized school.

24 (j) The list of contracts and length of their terms, with
25 education service providers associated with each school currently
26 authorized pursuant to section 502 of the revised school code, 1976
27 PA 451, MCL 380.502, as applicable. The contracts described in this
28 subdivision include, but are not limited to, those described in
29 section 502(2)(d) of the revised school code, 1 1976 PA 451, MCL

1 380.502.

2 (k) Activities undertaken by each authorizing body to ensure
3 that the board of directors of each school complies with the open
4 meetings act, 1976 PA 267, MCL 15.261 to 15.275, the freedom of
5 information act, 1976 PA 442, MCL 15.231 to 15.246, and laws
6 prohibiting conflicts of interest.

7 (l) A description of the activities undertaken by the
8 authorizing body to meet the functions of an authorizing body under
9 section 502 of the revised school code, 1976 PA 451, MCL 380.502,
10 as applicable.

11 (m) A financial report of the authorizing body's use of fees,
12 reimbursements, contributions, or charges collected or retained
13 under section 502(6) of the revised school code, 1976 PA 451, MCL
14 380.502. This report must include all of the following, at a
15 minimum:

16 (i) The total amount of fees collected or retained under
17 section 502(6) of the revised school code, 1976 PA 451, MCL
18 380.502, by the authorizing body for the authorizing body's most
19 recent fiscal year.

20 (ii) The amount of funds reported under subparagraph (i) that
21 were spent on compensation for faculty and staff employed primarily
22 to meet the functions of an authorizing body. For the purpose of
23 this subparagraph, an employee is presumed to be primarily employed
24 to meet the functions of an authorizing body if that employee
25 spends more than 50% of the employee's time on those activities.

26 (iii) The number of positions, organized by job title,
27 associated with expenditures reported under subparagraph (ii).

28 (iv) The amount of funds reported under subparagraph (i) that
29 were spent on contractual services to meet the functions of an

1 authorizing body.

2 (v) The amount of funds reported under subparagraph (i) that
3 were spent on other overhead costs to meet the functions of an
4 authorizing body.

5 (vi) The amount of funds reported under subparagraph (i) that
6 were transferred to another operating unit within the community
7 college or federally recognized tribal college.

8 (vii) The amount of funds reported under subparagraph (i) that
9 were spent on activities other than functioning as an authorizing
10 body, including a list of those activities and the amount
11 associated with each activity.

12 (n) An executive summary section that provides relevant
13 summary data for reporting requirements under subdivisions (a) to
14 (m).

15 (2) A report submitted under this section must be in a format
16 that meets accessibility standards for viewing on the internet
17 under the Americans with disabilities act of 1990, Public Law 101-
18 336.

19 (3) A report submitted under this section must be published
20 and updated through a link on the homepage of the institution's
21 website.

22 **(4) In addition to the reporting requirements under this**
23 **section, each authorizing body that receives an appropriation under**
24 **section 201 shall adopt a facilities policy ensuring that any**
25 **structures or other property vacated by a public school academy**
26 **that ceases operation not contribute to blight in the surrounding**
27 **neighborhood or community in which the school had previously**
28 **operated.**

29 (5) ~~(4)~~—As used in this section, "authorizing body" means that

1 term as defined in section 501 of the revised school code, 1976 PA
2 451, MCL 380.501.

3 Sec. 217d. (1) By December 31, 2025, each community college
4 that receives an appropriation under section 201 must produce a
5 report detailing any increases, decreases, or other substantive
6 changes to diversity, equity, and inclusion programs made after
7 January 1, 2025.

8 (2) If the report described in subsection (1) documents a
9 change that could reduce access to a diversity, equity, or
10 inclusion program for that university's students or employees, the
11 community college shall also report other efforts, programs, or
12 resources that the community college provides that would serve to
13 mitigate any negative consequences associated with the documented
14 program reduction.

15 Sec. 217e. Not later than December 1 of each year, each
16 community college that receives an appropriation in section 201
17 shall provide a report to the house and senate appropriations
18 subcommittees on higher education, the house and senate fiscal
19 agencies, and the state budget director providing an itemized cost
20 of attendance for full-time students attending that community
21 college for the current and previous 2 academic years.

22 Sec. 217f. (1) Subject to subsection (2), the state treasurer
23 shall reduce payments made under section 254 for any community
24 college that is an authorizing body by an amount equal to the
25 difference between the amount reported in section 217c(1)(m)(i)
26 during the previous fiscal year and 1% times the total state school
27 aid received by all public school academies authorized by the
28 authorizing body during that fiscal year. The state treasurer may
29 coordinate with the state budget office or any other state

1 department or agency to administer this section.

2 (2) If the calculation in subsection (1) would result in a net
3 payment under section 254 that is a negative number, the payment
4 under section 254 must be \$0.00.

5 (3) As used in this section:

6 (a) "Authorizing body" means that term as defined in section
7 501 of the revised school code, 1976 PA 451, MCL 380.501.

8 (b) "Total state school aid" means that term as used in
9 section 502 of the revised school code, 1976 PA 451, MCL 380.502.

10 Sec. 222. Each community college shall have an annual audit of
11 all income and expenditures performed by an independent auditor and
12 shall furnish the independent auditor's management letter and an
13 annual audited accounting of all general and current funds income
14 and expenditures including audits of college foundations to the
15 center before November 15 of each year. The center shall provide
16 this information to members of the senate and house appropriations
17 subcommittees on community colleges, the senate and house fiscal
18 agencies, the auditor general, the department of labor and economic
19 opportunity, the department of lifelong education, advancement, and
20 potential, and the state budget director. If a community college
21 fails to furnish the audit materials, the monthly state ~~aid~~
22 **operations** installments must be withheld from that college until
23 the information is submitted. All reporting must conform to the
24 requirements set forth in the "2001 Manual for Uniform Financial
25 Reporting, Michigan Public Community Colleges". A community college
26 shall make the information the community college is required to
27 provide under this section available to the public on its website.

28 Sec. 229a. Included in the fiscal year ~~2024-2025~~ **2025-2026**
29 appropriations for the department of technology, management, and

budget are appropriations totaling ~~\$33,481,600.00~~ **\$38,032,600.00** to provide funding for the state share of costs for previously constructed capital projects for community colleges. Those appropriations for state building authority rent represent additional state general fund support for community colleges, and the following is an estimate of the amount of that support to each community college:

- (a) Alpena Community College, ~~\$858,200.00~~ **\$855,000.00.**
- (b) Bay de Noc Community College, ~~\$516,900.00~~ **\$515,000.00.**
- (c) Delta College, ~~\$2,696,900.00~~ **\$2,881,100.00.**
- (d) Glen Oaks Community College, ~~\$381,400.00~~ **\$380,000.00.**
- (e) Gogebic Community College, ~~\$56,200.00~~ **\$56,000.00.**
- (f) Grand Rapids Community College,
~~\$1,090,000.00~~ **\$2,346,000.00.**
- (g) Henry Ford College, ~~\$1,570,600.00~~ **\$1,505,000.00.**
- (h) Jackson College, ~~\$2,051,500.00~~ **\$2,044,000.00.**
- (i) Kalamazoo Valley Community College,
~~\$1,949,100.00~~ **\$1,942,000.00.**
- (j) Kellogg Community College, ~~\$681,500.00~~ **\$679,000.00.**
- (k) Kirtland Community College, ~~\$225,800.00~~ **\$225,000.00.**
- (l) Lake Michigan College, ~~\$969,600.00~~ **\$966,000.00.**
- (m) Lansing Community College, ~~\$759,800.00~~ **\$757,000.00.**
- (n) Macomb Community College, ~~\$2,847,000.00~~ **\$4,682,200.00.**
- (o) Mid Michigan Community College,
~~\$1,620,900.00~~ **\$1,615,000.00.**
- (p) Monroe County Community College,
~~\$1,545,700.00~~ **\$1,540,000.00.**
- (q) Montcalm Community College, ~~\$447,600.00~~ **\$446,000.00.**
- (r) C.S. Mott Community College, ~~\$2,110,700.00~~ **\$3,103,000.00.**

1 (s) Muskegon Community College, ~~\$985,600.00.~~**\$982,000.00.**
 2 (t) North Central Michigan College, ~~\$648,400.00.~~**\$646,000.00.**
 3 (u) Northwestern Michigan College,
 4 ~~\$1,793,600.00.~~**\$1,787,000.00.**
 5 (v) Oakland Community College, \$0.00.
 6 (w) Schoolcraft College, ~~\$2,240,200.00.~~**\$2,232,000.00.**
 7 (x) Southwestern Michigan College, ~~\$825,500.00.~~**\$822,500.00.**
 8 (y) St. Clair County Community College,
 9 ~~\$720,600.00.~~**\$718,000.00.**
 10 (z) Washtenaw Community College, ~~\$1,682,300.00.~~**\$1,676,000.00.**
 11 (aa) Wayne County Community College,
 12 ~~\$1,467,500.00.~~**\$1,895,800.00.**
 13 (bb) West Shore Community College, ~~\$738,500.00.~~**\$736,000.00.**
 14 Sec. 230. (1) Subject to subsection (4), money included in the
 15 appropriations for community college operations under section
 16 201(2) for performance funding and **allocated** under section ~~201f~~~~for~~
 17 ~~1-time performance funding payments~~~~216(2) (a)~~ is distributed based
 18 on the following formula:
 19 (a) Allocated proportionate to fiscal year ~~2023-2024~~**2024-2025**
 20 base appropriations, 30%.
 21 (b) Based on a weighted student contact hour formula as
 22 provided for in the 2016 recommendations of the performance
 23 indicators task force, 30%.
 24 (c) Based on the performance improvement as provided for in
 25 the 2016 recommendations of the performance indicators task force
 26 and based on data provided by the center, 10%.
 27 (d) Based on the performance completion number as provided for
 28 in the 2016 recommendations of the performance indicators task
 29 force, 10%.

1 (e) Based on the performance completion rate as provided for
2 in the 2016 recommendations of the performance indicators task
3 force and based on data provided by the center, 10%.

4 (f) Based on administrative costs, 5%.

5 (g) Based on the local strategic value component, as developed
6 in cooperation with the Michigan Community College Association and
7 described in subsection (2), 5%.

8 (2) Money included in the appropriations for community college
9 operations under section 201(2) for local strategic value is
10 allocated only to each community college that certifies to the
11 state budget director, through a board of trustees resolution on or
12 before October 15, ~~2024~~, **2025**, that the college has met 4 out of 5
13 best practices listed in each category described in subsection (3).
14 The resolution must provide specifics as to how the community
15 college meets each best practice measure within each category. One-
16 third of funding available under the strategic value component is
17 allocated to each category described in subsection (3). Amounts
18 distributed under local strategic value must be on a proportionate
19 basis to each college's fiscal year ~~2023-2024~~ **2024-2025** operations
20 funding. Payments to community colleges that qualify for local
21 strategic value funding must be distributed with the November
22 installment payment described in section 206.

23 (3) For purposes of subsection (2), the following categories
24 of best practices reflect functional activities of community
25 colleges that have strategic value to the local communities and
26 regional economies:

27 (a) For Category A, economic development and business or
28 industry partnerships, the following:

29 (i) The community college has active partnerships with local

1 employers including hospitals and health care providers.

2 (ii) The community college provides customized on-site training
3 for area companies, employees, or both.

4 (iii) The community college supports entrepreneurship through a
5 small business assistance center or other training or consulting
6 activities targeted toward small businesses.

7 (iv) The community college supports technological advancement
8 through industry partnerships, incubation activities, or operation
9 of a Michigan technical education center or other advanced
10 technology center.

11 (v) The community college has active partnerships with local
12 or regional workforce and economic development agencies.

13 (b) For Category B, educational partnerships, the following:

14 (i) The community college has active partnerships with regional
15 high schools, intermediate school districts, and career-tech
16 centers to provide instruction through dual enrollment, concurrent
17 enrollment, direct credit, middle college, or academy programs.

18 (ii) The community college hosts, sponsors, or participates in
19 enrichment programs for area K-12 students, such as college days,
20 summer or after-school programming, or Science Olympiad.

21 (iii) The community college provides, supports, or participates
22 in programming to promote successful transitions to college for
23 traditional age students, including grant programs such as talent
24 search, upward bound, or other activities to promote college
25 readiness in area high schools and community centers.

26 (iv) The community college provides, supports, or participates
27 in programming to promote successful transitions to college for new
28 or reentering adult students, such as adult basic education, a high
29 school equivalency test preparation program and testing, or

1 recruiting, advising, or orientation activities specific to adults.
2 As used in this subparagraph, "high school equivalency test
3 preparation program" means that term as defined in section 4.

4 (v) The community college has active partnerships with
5 regional 4-year colleges and universities to promote successful
6 transfer, such as articulation, 2+2, or reverse transfer agreements
7 or operation of a university center.

8 (c) For Category C, community services, the following:

9 (i) The community college provides continuing education
10 programming for leisure, wellness, personal enrichment, or
11 professional development.

12 (ii) The community college operates or sponsors opportunities
13 for community members to engage in activities that promote leisure,
14 wellness, cultural or personal enrichment such as community sports
15 teams, theater or musical ensembles, or artist guilds.

16 (iii) The community college operates public facilities to
17 promote cultural, educational, or personal enrichment for community
18 members, such as libraries, computer labs, performing arts centers,
19 museums, art galleries, or television or radio stations.

20 (iv) The community college operates public facilities to
21 promote leisure or wellness activities for community members,
22 including gymnasiums, athletic fields, tennis courts, fitness
23 centers, hiking or biking trails, or natural areas.

24 (v) The community college promotes, sponsors, or hosts
25 community service activities for students, staff, or community
26 members.

27 (4) Payments for performance funding under section 201(2) and
28 ~~for 1-time performance funding payments under section 201f~~ **216c**
29 must be made to a community college only if that community college

1 actively participates in the Michigan Transfer Network sponsored by
2 the Michigan Association of Collegiate Registrars and Admissions
3 Officers and submits timely updates, including updated course
4 equivalencies at least every 6 months, to the Michigan Transfer
5 Network. The state budget director shall determine if a community
6 college has not satisfied this requirement. The state budget
7 director may withhold payments for performance funding and ~~1-time~~
8 ~~performance funding~~ **payments under section 216c** until a community
9 college is in compliance with this subsection.

10 Enacting section 1. In accordance with section 30 of article
11 IX of the state constitution of 1963, total state spending from
12 state sources for community colleges for fiscal year 2025-2026
13 under article II of the state school aid act of 1979, 1979 PA 94,
14 MCL 388.1801 to 388.1830, as amended by this amendatory act, is
15 estimated at \$506,504,600.00 and the amount of that state spending
16 from state sources to be paid to local units of government for
17 fiscal year 2025-2026 is estimated at \$506,504,600.00.

18 Enacting section 2. Sections 201f and 201h of the state school
19 aid act of 1979, 1979 PA 94, MCL 388.1801f and 388.1801h, are
20 repealed effective October 1, 2025.

21 Enacting section 3. This amendatory act takes effect October
22 1, 2025.