SUBSTITUTE FOR

HOUSE BILL NO. 4113

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 201, 201a, 206, 207a, 207b, 207c, 209, 210, 210b, 217, 222, 225, 226, 229, 229a, and 230 (MCL 388.1801, 388.1801a, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1810, 388.1810b, 388.1817, 388.1822, 388.1825, 388.1826, 388.1829, 388.1829a, and 388.1830), section 201 as amended by 2015 PA 5, sections 201a, 206, 209, 210b, 217, 225, 229, 229a, and 230 as amended and sections 207a, 207b, and 207c as added by 2014 PA 196, section 210 as amended by 2013 PA 60, and sections 222 and 226 as amended by 2012 PA 201, and by adding sections 210c, 210d, and 230a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 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, ~~2015,~~ **2016,** from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is ~~$364,724,900.00.~~ **$387,825,600.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of $0.00, the adjusted gross appropriation is ~~$364,724,900.00.~~**$387,825,600.00.**

(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, ~~$364,724,900.00.~~**$256,714,800.00.**

(*v*) State general fund/general purpose money, ~~$0.00.~~**$131,110,800.00.**

(2) Subject to subsection (3), the amount appropriated for community college operations is ~~$307,191,300.00,~~ **$311,492,000.00,** allocated as follows:

(a) The appropriation for Alpena Community College is ~~$5,390,700.00, $5,236,500.00 for operations and $154,200.00 for performance funding.~~**$5,464,400.00, $5,390,700.00 FOR OPERATIONS AND $73,700.00 FOR PERFORMANCE FUNDING.**

(b) The appropriation for Bay de Noc Community College is ~~$5,419,500.00, $5,279,300.00 for operations and $140,200.00 for performance funding.~~**$5,490,200.00, $5,419,500.00 FOR OPERATIONS AND**

$70,700.00 FOR PERFORMANCE FUNDING.

(c) The appropriation for Delta College is ~~$14,498,900.00, $14,063,500.00 for operations and $435,400.00 for performance funding.~~**$14,704,000.00, $14,498,900.00 FOR OPERATIONS AND $205,100.00 FOR PERFORMANCE FUNDING.**

(d) The appropriation for Glen Oaks Community College is ~~$2,516,100.00, $2,441,500.00 for operations and $74,600.00 for performance funding.~~**$2,551,100.00, $2,516,100.00 FOR OPERATIONS AND $35,000.00 FOR PERFORMANCE FUNDING.**

(e) The appropriation for Gogebic Community College is ~~$4,451,400.00, $4,330,300.00 for operations and $121,100.00 for performance funding.~~**$4,509,900.00, $4,451,400.00 FOR OPERATIONS AND $58,500.00 FOR PERFORMANCE FUNDING.**

(f) The appropriation for Grand Rapids Community College is ~~$17,947,500.00, $17,454,900.00 for operations and $492,600.00 for performance funding.~~**$18,187,300.00, $17,947,500.00 FOR OPERATIONS AND $239,800.00 FOR PERFORMANCE FUNDING.**

(g) The appropriation for Henry Ford ~~Community~~ College is ~~$21,623,800.00, $21,060,000.00 for operations and $563,800.00 for performance funding.~~**$21,893,300.00, $21,623,800.00 FOR OPERATIONS AND $269,500.00 FOR PERFORMANCE FUNDING.**

(h) The appropriation for Jackson College is ~~$12,087,300.00, $11,758,200.00 for operations and $329,100.00 for performance funding.~~**$12,245,300.00, $12,087,300.00 FOR OPERATIONS AND $158,000.00 FOR PERFORMANCE FUNDING.**

(i) The appropriation for Kalamazoo Valley Community College is ~~$12,503,100.00, $12,122,500.00 for operations and $380,600.00~~

~~for performance funding.~~**$12,689,400.00, $12,503,100.00 FOR OPERATIONS AND $186,300.00 FOR PERFORMANCE FUNDING.**

(j) The appropriation for Kellogg Community College is ~~$9,813,500.00, $9,522,000.00 for operations and $291,500.00 for performance funding.~~**$9,950,100.00, $9,813,500.00 FOR OPERATIONS AND $136,600.00 FOR PERFORMANCE FUNDING.**

(k) The appropriation for Kirtland Community College is ~~$3,167,700.00, $3,055,700.00 for operations and $112,000.00 for performance funding.~~**$3,221,500.00, $3,167,700.00 FOR OPERATIONS AND $53,800.00 FOR PERFORMANCE FUNDING.**

(*l*) The appropriation for Lake Michigan College is ~~$5,342,900.00, $5,178,100.00 for operations and $164,800.00 for performance funding.~~**$5,417,700.00, $5,342,900.00 FOR OPERATIONS AND $74,800.00 FOR PERFORMANCE FUNDING.**

(m) The appropriation for Lansing Community College is ~~$30,877,600.00, $30,023,700.00 for operations and $853,900.00 for performance funding.~~**$31,288,200.00, $30,877,600.00 FOR OPERATIONS AND $410,600.00 FOR PERFORMANCE FUNDING.**

(n) The appropriation for Macomb Community College is ~~$32,816,600.00, $31,931,200.00 for operations and $885,400.00 for performance funding.~~**$33,239,500.00, $32,816,600.00 FOR OPERATIONS AND $422,900.00 FOR PERFORMANCE FUNDING.**

(o) The appropriation for Mid Michigan Community College is ~~$4,682,000.00, $4,517,900.00 for operations and $164,100.00 for performance funding.~~**$4,757,700.00, $4,682,000.00 FOR OPERATIONS AND $75,700.00 FOR PERFORMANCE FUNDING.**

(p) The appropriation for Monroe County Community College is

~~$4,492,900.00, $4,342,600.00 for operations and $150,300.00 for performance funding.~~**$4,565,600.00, $4,492,900.00 FOR OPERATIONS AND $72,700.00 FOR PERFORMANCE FUNDING.**

(q) The appropriation for Montcalm Community College is ~~$3,226,700.00, $3,121,200.00 for operations and $105,500.00 for performance funding.~~**$3,280,600.00, $3,226,700.00 FOR OPERATIONS AND $53,900.00 FOR PERFORMANCE FUNDING.**

(r) The appropriation for C.S. Mott Community College is ~~$15,686,100.00, $15,247,100.00 for operations and $439,000.00 for performance funding.~~**$15,901,700.00, $15,686,100.00 FOR OPERATIONS AND $215,600.00 FOR PERFORMANCE FUNDING.**

(s) The appropriation for Muskegon Community College is ~~$8,901,000.00, $8,653,500.00 for operations and $247,500.00 for performance funding.~~**$9,020,700.00, $8,901,000.00 FOR OPERATIONS AND $119,700.00 FOR PERFORMANCE FUNDING.**

(t) The appropriation for North Central Michigan College is ~~$3,172,400.00, $3,064,400.00 for operations and $108,000.00 for performance funding.~~**$3,224,800.00, $3,172,400.00 FOR OPERATIONS AND $52,400.00 FOR PERFORMANCE FUNDING.**

(u) The appropriation for Northwestern Michigan College is ~~$9,078,800.00, $8,825,300.00 for operations and $253,500.00 for performance funding.~~**$9,200,500.00, $9,078,800.00 FOR OPERATIONS AND $121,700.00 FOR PERFORMANCE FUNDING.**

(v) The appropriation for Oakland Community College is ~~$21,123,300.00, $20,483,100.00 for operations and $640,200.00 for performance funding.~~**$21,429,400.00, $21,123,300.00 FOR OPERATIONS AND $306,100.00 FOR PERFORMANCE FUNDING.**

(w) The appropriation for St. Clair County Community College is ~~$7,061,600.00, $6,860,100.00 for operations and $201,500.00 for performance funding.~~**$7,158,000.00, $7,061,600.00 FOR OPERATIONS AND $96,400.00 FOR PERFORMANCE FUNDING.**

(x) The appropriation for Schoolcraft College is ~~$12,513,700.00, $12,112,200.00 for operations and $401,500.00 for performance funding.~~**$12,706,400.00, $12,513,700.00 FOR OPERATIONS AND $192,700.00 FOR PERFORMANCE FUNDING.**

(y) The appropriation for Southwestern Michigan College is ~~$6,576,400.00, $6,404,300.00 for operations and $172,100.00 for performance funding.~~**$6,657,600.00, $6,576,400.00 FOR OPERATIONS AND $81,200.00 FOR PERFORMANCE FUNDING.**

(z) The appropriation for Washtenaw Community College is ~~$13,077,300.00, $12,610,800.00 for operations and $466,500.00 for performance funding.~~**$13,301,100.00, $13,077,300.00 FOR OPERATIONS AND $223,800.00 FOR PERFORMANCE FUNDING.**

(aa) The appropriation for Wayne County Community College is ~~$16,727,600.00, $16,194,300.00 for operations and $533,300.00 for performance funding.~~**$16,989,800.00, $16,727,600.00 FOR OPERATIONS AND $262,200.00 FOR PERFORMANCE FUNDING.**

(bb) The appropriation for West Shore Community College is ~~$2,414,900.00, $2,349,800.00 for operations and $65,100.00 for performance funding.~~**$2,446,200.00, $2,414,900.00 FOR OPERATIONS AND $31,300.00 FOR PERFORMANCE FUNDING.**

(3) The amount appropriated in subsection (2) for community college operations is ~~$307,191,300.00, appropriated from the state school aid fund.~~**APPROPRIATED FROM THE FOLLOWING:**

(A) STATE SCHOOL AID FUND, $236,181,200.00.

(B) STATE GENERAL FUND/GENERAL PURPOSE MONEY, $75,310,800.00.

(4) From the appropriations described in subsection (1), subject to section 207a, the amount appropriated for fiscal year ~~2014-2015~~ **2015-2016** to offset certain fiscal year ~~2014-2015~~ **2015-2016** retirement contributions is $1,733,600.00, appropriated from the state school aid fund.

(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 ~~$52,300,000.00,~~ **$69,500,000.00, $17,200,000.00** appropriated from the state school aid fund**, AND $52,300,000.00 APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY**.

(6) From the appropriations described in subsection (1), subject to section 207c, the amount appropriated for renaissance zone tax reimbursements is ~~$3,500,000.00,~~ **$5,100,000.00, $1,600,000.00** appropriated from the state school aid fund**, AND $3,500,000.00 APPROPRIATED FROM GENERAL FUND/GENERAL PURPOSE MONEY**.

Sec. 201a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, ~~2016~~ **2017** for the items listed in section 201. The fiscal year ~~2015-2016~~ **2016-2017** appropriations are anticipated to be the same as those for fiscal year ~~2014-2015,~~ **2015-2016,** except that the amounts will be adjusted for changes in retirement costs, caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January ~~2015~~ **2016** consensus revenue estimating conference.

Sec. 206. The funds appropriated in section 201 are appropriated for community colleges with fiscal years ending June 30, ~~2015~~ **2016** and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 11 monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, ~~2014.~~ **2015.** Each community college shall accrue its July and August ~~2015~~ **2016** payments to its institutional fiscal year ending June 30, ~~2015.~~ **2016.** However, if the state budget director determines that a community college failed to submit all verified Michigan community colleges activities classification structure data for school year ~~2013-2014~~ **2014-2015** to the workforce development agency by November 1, ~~2014,~~ **2015,** or failed to submit its longitudinal data system data set for school year ~~2013-2014~~ **2014-2015** to the center for educational performance and information under section 219, the state treasurer shall withhold the monthly installments from that community college until those data are submitted. The state budget director shall notify the chairs of the house and senate appropriations subcommittees on community colleges at least 10 days before withholding funds from any community college.

Sec. 207a. All of the following apply to the allocation of the **FISCAL YEAR 2015-2016** appropriations described in section 201(4):

(a) A community college that receives money under section 201(4) shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the college for ~~the~~ **THAT** fiscal year**.** ~~ending September 30, 2015.~~

(b) The amount allocated to each participating community

college under section 201(4) shall be based on each ~~participating~~ college's **PERCENTAGE OF THE** total **COVERED** payroll ~~covered by the retirement system-covered payroll~~ for all **COMMUNITY COLLEGES THAT ARE** participating colleges ~~for fiscal year 2013-2014.~~**IN THE IMMEDIATELY PRECEDING FISCAL YEAR.**

Sec. 207b. All of the following apply to the allocation of the **FISCAL YEAR 2015-2016** appropriations described in section 201(5) for payments to community colleges that are participating entities of the retirement system:

(a) The amount of a payment under section 201(5) shall be the difference between the unfunded actuarial accrued liability contribution rate as calculated under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

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

(c) Each participating college that receives funds under section 201(5) shall forward an amount equal to the amount allocated under subdivision (b) to the retirement system in a form and manner determined by the retirement system.

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

(a) The amount allocated to each community college under section 201(6) **FOR FISCAL YEAR 2015-2016** shall be based on that community college's proportion of total revenue lost by community colleges ~~in fiscal year 2013-2014~~ as a result of the exemption of property **TAXES LEVIED IN 2015** under the Michigan renaissance zone act**, 1996 PA 376, MCL 125.2681 TO 125.2696**.

(b) The appropriations described in section 201(6) shall be made to each eligible community college within 60 days after the department of treasury certifies to the state budget director that it has received all necessary information to properly determine the amounts ~~of tax revenue lost by~~ **PAYABLE TO** each eligible community college ~~in fiscal year 2013-2014~~ under section 12 of the Michigan renaissance zone act, **1996 PA 376,** MCL 125.2692.

Sec. 209. (1) Within 30 days after the board of a community college adopts its annual operating budget for the following ~~school~~ fiscal year, or after the board adopts a subsequent revision to that budget, the community college shall make all of the following available through a link on its website homepage:

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

(b) A link to the most recent "Activities Classification Structure Data Book and Companion".

(c) General fund revenue and expenditure projections for

fiscal year ~~2014-2015~~ **2015-2016** and fiscal year ~~2015-2016.~~**2016-2017.**

(d) A listing of all debt service obligations, detailed by project, anticipated fiscal year ~~2014-2015~~ **2015-2016** payment of each project, and total outstanding debt.

(e) The estimated cost to the community college resulting from the patient protection and affordable care act, Public Law 111-148, as amended by the health care and education reconciliation act of 2010, Public Law 111-152.

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

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

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

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

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

(2) For statewide consistency and public visibility, community colleges must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each community college's homepage.

The size of the icon may be reduced to 150 x 150 pixels.

(3) The state budget director shall determine whether a community college has complied with this section. The state budget director may withhold a community college's monthly installments described in section 206 until the community college complies with this section. The state budget director shall notify the chairs of the house and senate appropriations subcommittee on community colleges at least 10 days before withholding funds from any community college.

(4) Each community college shall report the following information to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget office by November 15 of each fiscal year and post that information on ~~the internet~~ **ITS** website **AS** required under subsection (1):

(a) Budgeted fiscal year ~~2014-2015~~ **2015-2016** general fund revenue from tuition and fees.

(b) Budgeted fiscal year ~~2014-2015~~ **2015-2016** general fund revenue from state appropriations.

(c) Budgeted fiscal year ~~2014-2015~~ **2015-2016** general fund revenue from property taxes.

(d) Budgeted fiscal year ~~2014-2015~~ **2015-2016** total general fund revenue.

(e) Budgeted fiscal year ~~2014-2015~~ **2015-2016** total general fund expenditures.

(5) By November 15 of each year, a community college shall report the following information to the center for educational

performance and information and post the information on its website under the budget transparency icon badge:

(a) Opportunities for earning college credit through the following programs:

(*i*) State approved career and technical education or a tech prep articulated program of study.

(*ii*) Direct college credit or concurrent enrollment.

(*iii*) Dual enrollment.

(*iv*) An early college/middle college program.

(b) For each program described in subdivision (a) that the community college offers, all of the following information:

(*i*) The number of high school students participating in the program.

(*ii*) The number of school districts that participate in the program with the community college.

(*iii*) Whether a college professor, qualified local school district employee, or other individual teaches the course or courses in the program.

(*iv*) The total cost to the community college to operate the program.

(*v*) The cost per credit hour for the course or courses in the program.

(*vi*) The location where the course or courses in the program are held.

(*vii*) Instructional resources offered to the program instructors.

(*viii*) Resources offered to the student in the program.

(*ix*) Transportation services provided to students in the program.

Sec. 210. (1) Recognizing the critical importance of education in strengthening Michigan's workforce, ~~the legislature encourages~~ each community college **IS ENCOURAGED** to explore ways of increasing collaboration and cooperation with 4-year universities, particularly in the areas related to training, instruction, and program articulation.

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

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

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

Sec. 210b. (1) It is the intent of the legislature that the Michigan ~~association of collegiate registrars and admissions officers~~ **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS** implement any agreement or agreements among the community colleges and universities concerning the transferability of college courses resulting from the recommendations of the committee created under former section 210a.

(2) It is the intent of the legislature that the Michigan

~~association of collegiate registrars and admissions officers,~~ **ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS,** the Michigan ~~community college association,~~ **COMMUNITY COLLEGE ASSOCIATION,** and the ~~presidents council, state universities~~ **PRESIDENTS COUNCIL, STATE UNIVERSITIES** of Michigan shall together submit an implementation update report to the senate and house appropriations subcommittees on community colleges and higher education, the senate and house fiscal agencies, and the state budget director by March 1, ~~2015.~~**2016.**

SEC. 210C. (1) A STUDY COMMITTEE SHALL BE CREATED TO DEVELOP A PROCESS TO IMPROVE THE TRANSFERABILITY AND APPLICABILITY OF ASSOCIATE OF ARTS AND ASSOCIATE OF SCIENCE DEGREES AS A BLOCK OF CREDITS BETWEEN COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES ON A STATEWIDE BASIS. BUILDING ON THE MICHIGAN TRANSFER NETWORK SPONSORED BY THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS AND, WHERE POSSIBLE, EXISTING LOCAL ARTICULATION AGREEMENTS BETWEEN INDIVIDUAL INSTITUTIONS, THE COMMITTEE SHALL WORK TO EXPLORE STANDARDS FOR PROGRAM ARTICULATION BETWEEN INSTITUTIONS SO THAT AN ASSOCIATE OF ARTS OR ASSOCIATE OF SCIENCE DEGREE EARNED AT A COMMUNITY COLLEGE IS CONSIDERED THE EQUIVALENT OF THE FIRST 60 CREDITS OF A BACCALAUREATE DEGREE, AND THOSE CREDITS CAN BE SEAMLESSLY TRANSFERRED AND APPLIED TO THE PROGRAM OF STUDY AT THE RECEIVING UNIVERSITY.

(2) IT IS THE INTENT OF THE LEGISLATURE THAT THE STUDY COMMITTEE CREATED UNDER SUBSECTION (1) EXPLORE ISSUES RELEVANT TO BLOCK TRANSFER AGREEMENTS, INCLUDING, BUT NOT LIMITED TO, THE SATISFACTION OF ALL LOWER DIVISION GENERAL EDUCATION REQUIREMENTS,

1 THE APPLICABILITY OF EQUIVALENT COURSES TO THE MAJOR PROGRAM OF
2 STUDY, JUNIOR-LEVEL STANDING AT THE UNIVERSITY FOR TRANSFER
3 STUDENTS, AND THE COMPLETION OF THE BACCALAUREATE DEGREE WITH A
4 LIMIT OF 60 POST-TRANSFER CREDIT HOURS. BECAUSE OF THE
5 LEGISLATURE'S INTEREST IN PROMOTING DEGREE COMPLETION, THE STUDY
6 COMMITTEE SHOULD ALSO CONSIDER INCENTIVES FOR STUDENTS TO COMPLETE
7 BOTH AN ASSOCIATE DEGREE AND A BACCALAUREATE DEGREE.
8 (3) THE STUDY COMMITTEE CREATED UNDER SUBSECTION (1) SHALL
9 CONSIST OF THE FOLLOWING MEMBERS:
10 (A) TEN REPRESENTATIVES FROM COMMUNITY COLLEGES SELECTED BY
11 THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION.
12 (B) TEN REPRESENTATIVES FROM PUBLIC UNIVERSITIES SELECTED BY
13 THE PRESIDENTS COUNCIL, STATE UNIVERSITIES OF MICHIGAN.
14 (C) FOUR MEMBERS OF THE MICHIGAN ASSOCIATION OF COLLEGIATE
15 REGISTRARS AND ADMISSIONS OFFICERS.
16 (D) ONE MEMBER OF THE MICHIGAN HOUSE OF REPRESENTATIVES
17 SELECTED BY THE SPEAKER OF THE HOUSE.
18 (E) ONE MEMBER OF THE MICHIGAN HOUSE OF REPRESENTATIVES
19 SELECTED BY THE MINORITY LEADER OF THE HOUSE.
20 (F) ONE MEMBER OF THE MICHIGAN SENATE SELECTED BY THE SENATE
21 MAJORITY LEADER.
22 (G) ONE MEMBER OF THE MICHIGAN SENATE SELECTED BY THE SENATE
23 MINORITY LEADER.
24 (4) THE STUDY COMMITTEE CREATED UNDER SUBSECTION (1) SHALL
25 SUBMIT A PROJECT STATUS REPORT AND INITIAL RECOMMENDATIONS TO THE
26 SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES
27 AND HIGHER EDUCATION, THE SENATE AND HOUSE FISCAL AGENCIES, AND THE

STATE BUDGET DIRECTOR BY MARCH 1, 2016.

SEC. 210D. COMMUNITY COLLEGES ARE ENCOURAGED TO WORK WITH PUBLIC UNIVERSITIES IN THE STATE TO IMPLEMENT STATEWIDE REVERSE TRANSFER AGREEMENTS TO INCREASE THE NUMBER OF STUDENTS THAT ARE AWARDED CREDENTIALS OF VALUE UPON COMPLETION OF THE NECESSARY CREDITS. THESE STATEWIDE AGREEMENTS SHALL ENABLE STUDENTS WHO HAVE EARNED A SIGNIFICANT NUMBER OF CREDITS AT A COMMUNITY COLLEGE AND TRANSFERRED TO A BACCALAUREATE-GRANTING INSTITUTION BEFORE COMPLETING A DEGREE TO TRANSFER THE CREDITS EARNED AT THE BACCALAUREATE INSTITUTION BACK TO THE COMMUNITY COLLEGE IN ORDER TO BE AWARDED A CREDENTIAL OF VALUE.

Sec. 217. (1) The workforce development agency shall do all of the following:

(a) Establish, maintain, and coordinate the state community college database commonly known as the "activities classification structure" or "ACS" database.

(b) Collect data concerning community colleges and community college programs in this state, including data required by law.

(c) Establish procedures to ensure the validity and reliability of the data and the collection process.

(d) Develop model data collection policies, including, but not limited to, policies that ensure the privacy of any individual student data. Privacy policies shall ensure that student social security numbers are not released to the public for any purpose.

(e) Provide data in a useful manner to allow state policymakers and community college officials to make informed policy decisions.

(f) Assist community colleges in complying with audits under this section or federal law.

(2) There is created within the workforce development agency the activities classification structure advisory committee. The committee shall provide advice to the director of the workforce development agency regarding the management of the state community college database, including, but not limited to:

(a) Determining what data are necessary to collect and maintain to enable state and community college officials to make informed policy decisions.

(b) Defining the roles of all stakeholders in the data collection system.

(c) Recommending timelines for the implementation and ongoing collection of data.

(d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data.

(e) Establishing and maintaining a process for ensuring the accuracy of the data.

(f) Establishing and maintaining policies related to data collection, including, but not limited to, privacy policies related to individual student data.

(g) Ensuring that the data are made available to state policymakers and citizens of this state in the most useful format possible.

(h) Addressing other matters as determined by the director of the workforce development agency or as required by law.

(3) The activities classification structure advisory committee created in subsection (2) shall consist of the following members:

(a) One representative from the house fiscal agency, appointed by the director of the house fiscal agency.

(b) One representative from the senate fiscal agency, appointed by the director of the senate fiscal agency.

(c) One representative from the workforce development agency, appointed by the director of the workforce development agency.

(d) One representative from the state budget office, appointed by the state budget director.

(e) One representative from the governor's policy office, appointed by that office.

(f) Four representatives of the Michigan ~~community colleges association,~~ **COMMUNITY COLLEGE ASSOCIATION,** appointed by the president of the association. From the groupings of community colleges given in table 17 of the activities classification structure ~~report~~ **DATABASE** described in subsection ~~(4),~~ **(1),** the association shall appoint 1 representative each from group 1, group 2, and group 3, and 1 representative from either group 3 or 4.

~~(4) The activities classification structure advisory committee shall review the existing activities classification structure report, data, definitions, processes, and other items as needed and publish an initial report on their findings and recommendations by July 30, 2015. This report shall be submitted to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the director of the workforce development agency, the state budget director, and the Michigan~~

~~community colleges association.~~

Sec. 222. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the workforce development agency, and the state budget director before November 15 of each year. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges". ~~It is the intent of the legislature that a~~ **A** community college shall make the information the community college is required to provide under this section available to the public on its ~~internet~~ website.

Sec. 225. Each community college shall report to the house and senate fiscal agencies, the state budget director, and the workforce development agency by August 31, ~~2014,~~ **2015,** the tuition and mandatory fees paid by a full-time in-district student and a full-time out-of-district student as established by the college governing board for the ~~2014-2015~~ **2015-2016** academic year. This report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall also report any revisions to the reported ~~2014-2015~~ **2015-2016**

academic year tuition and mandatory fees adopted by the college governing board to the house and senate fiscal agencies, the state budget director, and the workforce development agency within 15 days of being adopted.

Sec. 226. Each community college shall report to the workforce development agency the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15 of each year. **COMMUNITY COLLEGES SHALL WORK WITH THE WORKFORCE DEVELOPMENT AGENCY AND THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DEVELOP A SYSTEMATIC APPROACH FOR MEETING THIS REQUIREMENT.**

Sec. 229. (1) ~~It is the intent of the legislature that each~~ **EACH** community college that receives an appropriation in section 201 **IS EXPECTED TO** include in its admission application process a specific question as to whether an applicant for admission has ever served or is currently serving in the United States armed forces or is the spouse or dependent of an individual who has served or is currently serving in the United States armed forces, in order to more quickly identify potential educational assistance available to that applicant.

(2) It is ~~the intent of the legislature~~ **EXPECTED** that each public community college that receives an appropriation in section 201 shall work with the house and senate community college subcommittees, the Michigan ~~community college association,~~ **COMMUNITY COLLEGE ASSOCIATION,** and veterans groups to review the issue of in-district tuition for veterans of this state when determining tuition rates and fees.

(3) As used in this section, "veteran" means an honorably discharged veteran entitled to educational assistance under the provisions of section 5003 of the post-911 veterans educational assistance act of 2008, 38 USC 3301 to ~~3324.~~**3325.**

Sec. 229a. Included in the fiscal year ~~2014-2015~~ **2015-2016** appropriations for the department of technology, management, and budget are appropriations **TOTALING $29,479,600.00** 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, ~~$485,400.00.~~**$652,700.00.**

(b) Bay de Noc Community College, ~~$636,600.00.~~**$685,900.00.**

(c) Delta College, ~~$2,842,800.00.~~**$3,510,900.00.**

(d) Glen Oaks Community College, ~~$123,300.00.~~**$123,100.00.**

(e) Gogebic Community College, ~~$16,900.00.~~**$67,600.00.**

(f) Grand Rapids Community College, ~~$1,792,400.00.~~**$2,126,000.00.**

(g) Henry Ford Community College, ~~$1,030,800.00.~~**$1,028,500.00.**

(h) Jackson College, ~~$1,787,300.00.~~**$1,677,800.00.**

(i) Kalamazoo Valley Community College, ~~$1,471,000.00.~~**$1,557,700.00.**

(j) Kellogg Community College, ~~$521,400.00.~~**$520,200.00.**

(k) Kirtland Community College, ~~$364,000.00.~~**$363,200.00.**

(*l*) Lake Michigan College, ~~$340,900.00.~~**$340,200.00.**

(m) Lansing Community College, ~~$610,100.00.~~**$1,282,200.00.**

(n) Macomb Community College, ~~$1,316,600.00.~~**$1,377,400.00.**

(o) Mid Michigan Community College, ~~$1,117,300.00.~~**$1,712,600.00.**

(p) Monroe County Community College, ~~$1,266,500.00.~~**$1,263,600.00.**

(q) Montcalm Community College, ~~$973,700.00.~~**$971,500.00.**

(r) C.S. Mott Community College, ~~$1,808,000.00.~~**$1,803,900.00.**

(s) Muskegon Community College, ~~$198,500.00.~~**$267,800.00.**

(t) North Central Michigan College, ~~$117,600.00.~~**$469,400.00.**

(u) Northwestern Michigan College, ~~$1,308,600.00.~~**$1,305,600.00.**

(v) Oakland Community College, ~~$466,300.00.~~**$465,200.00.**

(w) St. Clair County Community College, ~~$357,000.00.~~**$356,200.00.**

(x) Schoolcraft College, ~~$1,550,300.00.~~**$1,546,700.00.**

(y) Southwestern Michigan College, ~~$231,100.00.~~**$286,900.00.**

(z) Washtenaw Community College, ~~$1,680,600.00.~~**$1,676,800.00.**

(aa) Wayne County Community College, ~~$1,466,000.00.~~**$1,462,700.00.**

(bb) West Shore Community College, ~~$578,600.00.~~**$577,300.00.**

Sec. 230. (1) Money included in the appropriations for community college operations under section 201(2) in fiscal year ~~2014-2015~~ **2015-2016** for performance funding is distributed based on the following formula:

(a) Allocated proportionate to fiscal year ~~2013-2014~~ **2014-2015** base appropriations, 50%.

(b) Based on contact hour equated students, 10%.

(c) Based on administrative costs, 7.5%.

(d) Based on a weighted degree formula as provided for in the 2006 recommendations of the performance indicators task force, 17.5%.

(e) Based on the local strategic value component, as developed in cooperation with the Michigan ~~community college association~~ **COMMUNITY COLLEGE ASSOCIATION** and described in subsection (2), 15%.

(2) Money included in the appropriations for community college operations under section 201(2) for local strategic value shall be allocated to each community college that certifies to the state budget director, through a board of trustees resolution on or before October 15, ~~2014,~~ **2015,** that the college has met 4 out of 5 best practices listed in each category described in subsection (3). The resolution shall provide specifics as to how the community college meets each best practice measure within each category. One-third of funding available under the strategic value component shall be allocated to each category described in subsection (3). Amounts distributed under local strategic value shall be on a proportionate basis to each college's fiscal year ~~2013-2014~~ **2014-2015** operations funding. Payments to community colleges that qualify for local strategic value funding shall be distributed with the November installment payment described in section 206.

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

(a) For Category A, economic development and business or

industry partnerships, the following:

(*i*) The community college has active partnerships with local employers including hospitals and health care providers.

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

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

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

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

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

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

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

(*iii*) The community college provides, supports, or participates in programming to promote successful transitions to college for traditional age students, including grant programs such as talent search, upward bound, or other activities to promote

college readiness in area high schools and community centers.

(*iv*) The community college provides, supports, or participates in programming to promote successful transitions to college for new or reentering adult students, such as adult basic education, general education development certificate preparation and testing, or recruiting, advising, or orientation activities specific to adults.

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

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

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

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

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

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

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

(4) PAYMENTS FOR PERFORMANCE FUNDING UNDER SECTION 201(2) SHALL BE MADE TO A COMMUNITY COLLEGE ONLY IF THAT COMMUNITY COLLEGE ACTIVELY PARTICIPATES IN THE MICHIGAN TRANSFER NETWORK SPONSORED BY THE MICHIGAN ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS AND SUBMITS TIMELY UPDATES, INCLUDING UPDATED COURSE EQUIVALENCIES AT LEAST EVERY 6 MONTHS, TO THE MICHIGAN TRANSFER NETWORK. THE STATE BUDGET DIRECTOR SHALL DETERMINE IF A COMMUNITY COLLEGE HAS NOT SATISFIED THIS REQUIREMENT. THE STATE BUDGET DIRECTOR MAY WITHHOLD PAYMENTS FOR PERFORMANCE FUNDING UNTIL A COMMUNITY COLLEGE IS IN COMPLIANCE WITH THIS SECTION.

SEC. 230A. (1) A TASK FORCE SHALL BE FORMED BY OCTOBER 15, 2015 TO REVIEW, EVALUATE, DISCUSS, AND MAKE RECOMMENDATIONS REGARDING PERFORMANCE INDICATORS ESTABLISHED UNDER THE AUTHORITY OF SECTION 242 OF 2005 PA 154. THE TASK FORCE SHALL REVIEW WHETHER THE CURRENT METRICS USED ARE THE MOST APPROPRIATE AND RELIABLE PERFORMANCE INDICATORS AVAILABLE AND DETERMINE THE MOST EFFICIENT METHODOLOGY FOR CONNECTING STATE FUNDING TO THOSE INDICATORS.

(2) THE TASK FORCE DESCRIBED IN SUBSECTION (1) SHALL CONSIST OF THE FOLLOWING MEMBERS:

(A) TWO MEMBERS OF THE MICHIGAN HOUSE OF REPRESENTATIVES. ONE MEMBER SHALL BE DESIGNATED BY THE SPEAKER OF THE HOUSE, AND 1 MEMBER SHALL BE DESIGNATED BY THE HOUSE MINORITY LEADER.

(B) TWO MEMBERS OF THE MICHIGAN SENATE. ONE MEMBER SHALL BE DESIGNATED BY THE SENATE MAJORITY LEADER, AND 1 MEMBER SHALL BE

DESIGNATED BY THE SENATE MINORITY LEADER.

(C) ONE REPRESENTATIVE FROM THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET, DESIGNATED BY THE STATE BUDGET DIRECTOR.

(D) FOUR REPRESENTATIVES OF MICHIGAN PUBLIC COMMUNITY COLLEGES. THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION SHALL DESIGNATE 1 REPRESENTATIVE FROM EACH OF THE 4 GROUPS DESCRIBED IN THE ACTIVITIES CLASSIFICATION STRUCTURE DATA BOOK PUBLISHED BY THE WORKFORCE DEVELOPMENT AGENCY.

(3) THE TASK FORCE DESCRIBED IN SUBSECTION (1) SHALL SUBMIT A REPORT CONTAINING ITS FINDINGS AND RECOMMENDATIONS TO THE HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR BY JANUARY 15, 2016.

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2015-2016 under article II of the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to 388.1830, as amended by this amendatory act, is estimated at $387,825,600.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2015-2016 is estimated at $387,825,600.00.

Enacting section 2. Section 213 of the state school aid act of 1979, 1979 PA 94, MCL 388.1813, is repealed effective October 1, 2015.

Enacting section 3. This amendatory act takes effect October 1, 2015.